



21st
ANNUAL REPORT
2009-10

Foraying into infrastructure funding...
... maintaining synergy in hospitality sector



Tourism Finance Corporation Of India Limited



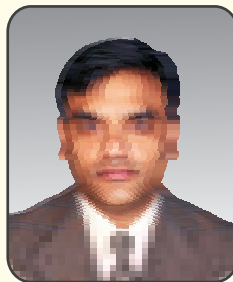
Board of Directors



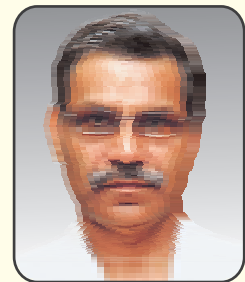
Mrs. Archana Kapoor
Chairman and Managing Director



D. Chaturvedi
*Nominee, Ministry of Tourism,
Govt. of India*



Sanjeev K. Jindal
*Nominee, Ministry of Finance,
Govt. of India*



R.R. Rai



S.K. Mandal



Javed Yunus



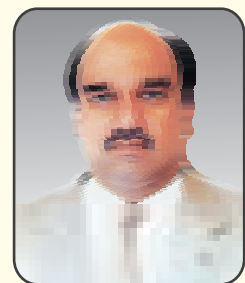
O.N. Singh



S.S.H. Rehman



Umesh C. Pandey



Vivek Nair



TOURISM FINANCE CORPORATION OF INDIA LIMITED

REGISTERED OFFICE

4th Floor, Tower 1
NBCC Plaza, Sector V
Pushp Vihar, Saket
New Delhi-110 017
Phone : +91-11- 46727272
Fax : +91-11- 46727200
E-mail : tpciho@nde.vsnl.net.in
Website: www.tfcilt.com

CHIEF GENERAL MANAGERS

B.M. Gupta
R. Sharma

COMPANY SECRETARY

Sanjay Ahuja

BANKERS

Indian Overseas Bank
HDFC Bank

STATUTORY AUDITORS

M/s. S.S. Kothari & Associates
Chartered Accountants
146-149, Tribhuvan Complex
Ishwar Nagar, Mathura Road
New Delhi-110 065.
Phone : +91-11-46708888
Fax : +91-11-66628889

REGISTRAR AND TRANSFER AGENT

MCS 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 : mcsdel@vsnl.com

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

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



HIGHLIGHTS

(Rupees in Lakhs)

	As at March 31, 2010	As at March 31, 2009
Resources		
Share Capital	8072	8072
Reserves and Surplus	22622	20383
Secured Loans	11500	5500
Unsecured Loans	27443	30418
Total	69637	64373

Operations

	Cumulative	2009-2010	2008-2009
Assistance sanctioned			
Rupee Loan	389351	52127	51065
Leasing	2491	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	40576	4909	6983
Guarantee	1483	—	—
Total	433901	57036	58048
Assistance disbursed			
Rupee Loan	214359	24419	20597
Leasing	1580	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	34117	4909	6983
Guarantee	1443	—	—
Total	251499	29328	27580

Earnings

Profit before tax	4607	3923
Profit after tax	3407	2897
Earning per share (Rs.)	4.22	3.59



NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Tourism Finance Corporation of India Ltd., will be held on Friday, the 17th September, 2010, at 2.00 p.m. at Air Force Auditorium, Subroto Park, New Delhi-110 010 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended 31st March, 2010 together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Javed Yunus who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Shri C.M.Vasudev in place of Shri S.S.H.Rehman who is retiring by rotation.
5. To appoint Shri Prem S. Khamesra in place of Shri U.C.Pandey who is retiring by rotation.
6. To appoint Auditors to hold office for the period from the conclusion of the Twenty First Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration and in terms of the provisions of Section 224 A of the Companies Act, 1956, to pass with or without modifications the following resolution as Special Resolution:

“Resolved that M/s S.S.Kothari & Associates, Chartered Accountants (Registration. No.305147E), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and the Chairman and Managing Director be and is hereby authorised to fix their remuneration.”

By order of the Board of Directors

Place: New Delhi
Date: July 27, 2010

(Sanjay Ahuja)
Company Secretary

NOTES:

- a) The information as required to be provided under the Listing Agreements entered into with various Stock Exchanges, regarding the directors who are proposed to be appointed/ re-appointed and the relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item No.6 set out above are annexed thereto.
- b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself

and the proxy need not be a member. Such proxies duly completed should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting. Proxy Form is enclosed.

- c) Notices has been received in writing from members under the provisions of section 257 of the Companies Act, 1956 proposing candidatures of S/Shri C.M. Vasudev and Prem S. Khamesra for the office of director(s) whose period of office shall be liable to retire by rotation. The Board of Directors recommend the appointment of S/Shri C.M.Vasudev and Prem S. Khamesra as Director(s) of your Company at the Annual General Meeting in place of S/Shri S.S.H. Rehman and U.C. Pandey who are retiring by rotation.
- d) The Register of Members and Share Transfer Books will remain closed from September 4, 2010 to September 17, 2010 (both days inclusive) in terms of provisions of Section 154 of the Companies Act, 1956.
- e) Members are requested to bring their copies of notice with them in the meeting.
- f) The members holding shares in physical form are requested to intimate the Registrar and Transfer Agent, MCS Ltd., F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi 110 020, change of address, mandate/bank details, if any, at the earliest quoting their registered folio number(s).
- g) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
- h) In view of the provisions of the Companies Act, 1956, the unpaid or unclaimed dividends due for transfer to the Investor Education and Protection Fund set up by the Central Government are as follows:

Date of Declaration of Dividend	Financial Year	Due Date for Transfer
12.09.03	2002-03	12.10.2010
13.09.04	2003-04	13.10.2011
21.09.07	2006-07	21.10.2014
12.09.08	2007-08	12.10.2015
18.09.09	2008-09	18.10.2016

Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended, dividend which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their dividend warrants pertaining to earlier years may approach the Registrar and Transfer Agent, MCS Ltd., F-65, 1st Floor, Okhla Industrial Area,



Phase I, New Delhi 110 020. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie in respect thereof.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the listing agreement, the particulars of Directors proposed to be appointed/ re-appointed are given below:

1. **Name:** Shri Javed Yunus
Age: 55 years
Qualification: B.Sc.(Hons.), DPR, M.A. (Industrial Relations), M.Phil., M.B.A
Expertise: Human Resources, Finance & Accounts, Audit, Risk Management and Compliances

Member of the other committee(s):

NIL

Director of the Company since: September 12, 2008

Other Directorships:

1. MPCON Limited
2. HARDICON Limited
3. HIMCON Limited
4. NITCON Limited
5. GIC Housing Finance Limited
6. IFCI Infrastructure Development Limited

2. **Name:** Shri C.M.Vasudev
Age: 67 years
Qualification: I.A.S.(Retd.), MSc (Economics), MSc (Physics)
Expertise: Shri C.M.Vasudev is a retired IAS officer. He held several key positions in India and overseas including Finance Secretary, Govt. of India, and Executive Director World Bank. He has been Government Nominee director on the Board of many companies including SBI, ICICI, IDBI, IDFC and NABARD. Presently, he is Non-Executive Chairman of HDFC Bank Ltd. and on the Board of other six public limited companies

Member of the other committee(s):

1. Chairman of Audit Committee of Noida Power Company Ltd.
2. Member of Audit Committee of HDFC Bank Ltd.
3. Chairman of Remuneration Committee of ICRA Management Consultant Services Ltd.

Other Directorships:

1. HDFC Bank Ltd.
2. ICRA Management Consultant Services Ltd.
3. Utrakhand Jal Vidyut Nigam Ltd.
4. Power Exchange Company Ltd.

5. Noida Power Company Ltd.
6. Star Paper Mills Ltd.
7. ASA International Micro Finance Ltd.

3. **Name:** Shri Prem S. Khamesra
Age: 54 years
Qualification: B.Com., F.C.A.
Expertise: Audit, Corporate Finance & Accounts, Taxation, Management etc.

Member of the other committee(s):

Nil

Other Directorships:

1. Specialities Aluminium Grills Private Ltd.
2. Arti Securities & Services Ltd.
3. Vaishno Infotech Pvt. Ltd.
4. Blast Muffle Systems Private Ltd.
5. Apex Fincorp Advisors Private Ltd.
6. Star Health Network Pvt. Ltd.

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

Item No.6

Section 224A of the Companies Act, 1956 provides for the appointment or reappointment at each Annual General Meeting of an auditor or auditors of a company by a special resolution, if the company is one in which not less than 25 per cent of its Subscribed Share Capital is held singly or in combination by (a) a Public Financial Institution or a Government Company, or Central or any State Government, or (b) any financial or other institution established by any Provincial or State Act in which a State Government holds not less than 51 per cent of the Subscribed Share Capital, or (c) a Nationalised Bank or an Insurance Company carrying on general insurance business. The aggregate holding of the public financial institutions and insurance companies in TFCI exceeds 25 per cent of the Subscribed Share Capital and hence the appointment of Auditors is required to be made by Special Resolution. As required under Section 224 of the Act, certificate has been received from M/s S.S.Kothari & Associates to the effect that the appointment, if made, will be in accordance with the limits specified in Section 224 (1B) of the Act.

The Board of Directors recommends passing of Special Resolution No.6. None of the Directors is interested in the Resolution.

By order of the Board of Directors

Place: New Delhi
Date: July 27, 2010

(Sanjay Ahuja)
Company Secretary



DIRECTORS' REPORT

To the Members

1. Presentation of the Annual Report:

Your Directors have pleasure in presenting to you the Twenty First Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2010.

2. Financial Results:

(Rs. in lakh)

	2009-10	2008-09
Total Income	8149.62	7095.93
Total Expenditure	4142.47	3672.99
Provision for doubtful debts/ investments (written back)	(600.00)	(500.00)
Profit Before Tax	4607.15	3922.94
Provision For Tax	1199.48	1025.75
Profit After Tax	3407.67	2897.19
Surplus Brought Forward	648.96	254.11
PROFIT AVAILABLE FOR APPROPRIATION	4056.63	3151.30
Special Reserve under Section 36(1) (viii) of the Income Tax Act, 1961	914.49	558.00
Special Reserve u/s 45I of RBI Act	681.54	
General Reserve	1000.00	1000.00
Proposed Dividend	968.60	807.16
Dividend Tax	164.61	137.18
Balance Carried to Balance Sheet	327.39	648.96
	4056.63	3151.30

3. Operations:

3.1 New Business in 2009-10:

Travel & tourism industry's contribution to Indian industry is immense. Tourism is the largest service industry in India, with a contribution of 6.23% to the national GDP and 8.78% of the total employment in India. According to the latest data released by the Ministry of Tourism, foreign tourist arrivals (FTAs) during 2009, were 5.11 million with a negative growth rate of 3% as compared to the FTAs 5.28 million, with a growth rate of 4% during 2008. Though the growth rate for 2009 was negative, it was still better than UNWTO's projected negative growth rate of 6% to 4% for the world. However, during January 2010 to June 2010, the FTAs were 26.32 lakh depicting a growth rate of 10.77% over the last year's arrivals of 23.76 lakh. The foreign exchange earnings

also showed a negative growth rate of 3% during 2009 with US\$11.39 billion as compared to US\$11.75 billion in 2008. With the growth in arrivals, the foreign exchange earnings are also expected to show a positive trend in the coming months with the earnings during the period January to June 2010 already showing an upward trend to US\$6.84 billion as compared to US\$5.07 billion during same period of 2009.

Your Company, during the last few years has been pursuing to expand its portfolio not only by extending facilities to existing hotel properties for renovation, upgradation and setting up of new projects, but also has been actively pursuing consultancy assignments for various state governments for drafting the tourism policy and other projects for tourism/ circuit development etc.

The development and growth in the hospitality business will pose new challenges for the industry. There will be an urgent need of human capital to cater to the new supply. Continued shortage of good talent could be a major bottleneck. Realizing this fact, your company is examining proposal for starting a "Centre of Excellence in Tourism and Hospitality" for filling the shortage of trained manpower for tourism sector. In order to cater to the increasing business and leisure tourist flows, your company is also examining the proposal for starting a travel and tourism intermediary.

Your Company has ventured into infrastructure project financing business viz., power, ports, airports, roads and bridges etc., which is expected to give a fillip to tourism and hospitality projects. In this regard, the Special Resolution as contained in the notice dated February 12, 2010 was passed by the members of the Company on March 31, 2010 through Postal Ballot relating to alteration of the Main Object Clause of the Memorandum of Association of the Company by inserting new sub-clauses 12 and 13 relating to infrastructure financing and related activities/services.

The total sanctions during 2009-10 were Rs.570.36 crore comprising of project-related sanctions Rs.521.27 crore and average investment in mutual funds Rs.49.09 crore (previous year project-related sanctions Rs.510.65 crore and average investment in mutual funds Rs.69.83 crore). The total disbursement during 2009-10 were Rs.293.28 crore comprising of project-related disbursements Rs.244.19 crore and average investment in mutual funds Rs.49.09 crore (previous year project-related disbursements Rs.205.97 crore and average investment in mutual funds Rs.69.83 crore).



3.2 Overall Contribution to Tourism Sector by TFCI:

The assistance provided by your company since its inception has enabled to add 39815 rooms and to provide direct employment to about 75570 persons in tourism industry. The assistance provided by your company has also led to catalysing investments to the tune of Rs.19250 crore in the tourism sector thereby contributing to the creation of need-based infrastructure, which has direct bearing on the development of tourism in the country.

3.3 Non-Performing Assets:

During the year 2009-10, your Company has taken proactive steps to reduce the non-performing assets by vigorously following up with defaulting concerns. As a part of NPA management and optimization of recovery, several measures such as restructuring of debts in viable projects and reaching negotiated settlement/pursuing recovery proceedings in DRT, invoking the provisions of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) have been initiated. Out of 3 hotels projects located at Mukundgarh, Bikaner & Jaisalmer which were taken over by your Company under the SARFAESI Act during 2008-09, 2 projects located at Mukundgarh & Bikaner were successfully auctioned for an amount of Rs.13.76 crore. During the year, the total amount of Rs.23.81 crore was recovered from NPA cases through auctions/settlements, which enabled your Company to reduce the gross NPAs substantially and improve profits for the year. Further, your Company maintained net NPAs at Zero.

4. Resources:

During the year, your Company met its fund requirements for disbursement as well as repayment of loans/bonds through internal accruals, bond issue and credit/loan from banks. During the year, your Company raised Rs.100 crore by way of term loans from Banks at cost of 9% (floating rate linked to PLR) for a tenure of five/six years. During the year, your Company allotted Tier II Subordinated Unsecured Bonds of Rs.25 crore bearing interest @ 9.50% p.a. payable half-yearly. Bonds aggregating Rs.54.46 crore carrying interest ranging from 9.75% p.a. to 12% p.a. were redeemed during the year (Rs.44.35 crore on redemption date and Rs.10.11 crore by way of prepayment).

5. RBI Guidelines:

Your Company has been classified as Non-Deposit Accepting Non-Banking Financial Company. RBI has been issuing guidelines from time to time with regard to capital adequacy standards, income recognition, asset

classification, provisioning and other related matters. The accounting policies of your Company conform to these guidelines. The capital adequacy for your Company was comfortable at 58.24 % as on the 31st March, 2010 as against the norm of 12%. Your Company has made 100% provision for all "Non-Performing Assets".

6. Dividend:

Your Directors are pleased to recommend, subject to the approval of the members, payment of dividend of Rs.1.20 per share i.e. @ 12% on the paid-up equity Share Capital for the year ended 31st March, 2010.

7. Outlook for Tourism:

The travel and tourism sector which accounted for 6.4 per cent of total employment in 2009 is expected to generate 40,037,000 jobs i.e. 7.2 per cent of total employment by 2019. The year 2009 was challenging for the entire industry because of recession, Mumbai terror attack and swine flu, but now things are turning for the better. Airlines are registering higher load factor from October 2009 onwards and hotels are witnessing better occupancies and ARR's. There is noticeable growth in all segments of travel, be it inbound, outbound or domestic. The campaign 'Visit India Year 2009' was launched at the International Tourism Exchange in Berlin, aimed to project India as an attractive destination for holidaymakers. The government joined hands with leading airlines, hoteliers, holiday resorts and tour operators, and offered them a wide range of incentives and bonuses during the period between April and December, 2009.

Report of Euromonitor International on Travel and Tourism in India states that the Government of India increased spend on advertising campaigns (including for the campaigns 'Incredible India' and 'Atithi Devo Bhava' – guest is like God) to reinforce the rich variety of tourism in India. The ministry promoted India as a safe tourist destination and undertook various measures, such as stepping up vigilance in key cities and at historically important tourist sites. It also deployed increased manpower and resources for improving security checks at key airports and railway stations.

Tourism is primarily the result of discretionary income and the increase in disposable income would encourage more and more people to travel, thereby giving a boost to the sector. There has been a marked change in the pattern of domestic tourism in the country. Earlier people used to undertake one long holiday, but now they are looking for two-to-three short holidays apart from a long holiday which they usually undertake during the summers or winters.



The Indian hospitality industry, over the last three years, has been witnessing a remarkable phase in performance and has continued the same in the early part of the year 2008/09. One of the key reasons for the increase in demand for hotel rooms in the country was the boom in the overall economy and substantial growth in sectors like information technology, telecom, banking and finance, insurance, construction, retail and real estate. However, the global economic downturn and the Mumbai attacks adversely affected the performance of the industry in the latter part of the year. This has been, to a large degree, mitigated by a steep increase in domestic travel and it is expected to be one of the major drivers of growth in the short to medium term.

With the economy of the country improving and a simultaneous effort by the government to upgrade and improve the existing roads, airports and other infrastructure, we can expect tourism in India to recover faster than most countries across the globe. We also expect India to become one of the most favoured investment destinations in the world and all these bode very well for our industry. The coming years are expected to see a large supply of hotels entering the Indian market. A substantial proportion of these hotels are expected to be branded and of international quality in product and service offerings. Indian hotel operators would need to prepare themselves for this coming competition by improving their operational efficiencies and also their products and service offerings. According to World Travel and Tourism Council, India will be a tourism hotspot during 2009-2018, having the highest 10-year growth potential. India has a growing medical tourism sector.

The Commonwealth Games 2010 in Delhi are expected to significantly boost tourism in India. Foreign tourists and domestic tourists are likely to arrive in Delhi on the eve of the Commonwealth Games. There is no doubt that the event will be a great hit for the Indian tourism industry. Along with that Indian hospitality, aviation and hotel industry will also be equally beneficial with the event. Commonwealth Games are likely to push India's foreign exchange earnings through tourism alone in 2010 to an estimated level of over 16.91 billion dollar according to officials from ASSOCHAM. According to the estimates, India epitomizes one of the most potential tourism markets in the world.

In the last few years, it has expanded rapidly and due to the unprecedented and unbound support from all levels of government, upgraded income level and inauguration of various international sports events (Cricket 20/20 and Commonwealth Games), the Indian tourism industry will surely be benefited and will continue to grow at high

level in the years to come. It is believed that in the next few years, Indian tourism industry will gain new heights and the percentage of India's share in the global tourism will grow to 1.5% by 2010.

8. Public Deposits:

Your Company has not accepted any deposit from public during the year.

9. Directors' Responsibility Statement:

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

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. That they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. That they had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That they had prepared the annual accounts on a going-concern basis.

10. Securities:

Your Company has entered into agreements with National Securities Depository Ltd. and Central Depository Services (India) Ltd. to facilitate holding and trading of shares in electronic form. The shares of your Company are tradable compulsorily in demat form.

Your Company's equity shares are listed with Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Company is regular in paying the listing fees. The addresses of the said stock exchanges are stated elsewhere in the Annual Report. The cash-flow statement in the prescribed format is annexed to this report in compliance of the listing agreements executed by the Company with the stock exchanges.

11. Organisation:

As on 31st March, 2010, your Company had a complement of 35 staff members. Your Company continues its efforts to strengthen its human-resource base by arranging requisite training and varied exposure to its



existing staff to enable to keep their skills updated. None of the employees is in receipt of remuneration for whole/part of the year exceeding the limit prescribed u/s 217 (2A) of the Companies Act, 1956.

12. Board of Directors:

As per the provision in the Articles of Association, S/Shri S.S.H.Rehman, U.C.Pandey and Javed Yunus would retire at the forthcoming Annual General Meeting. Shri Javed Yunus being eligible, have offered himself for reappointment. However, S/Shri S.S.H.Rehman, U.C.Pandey did not offer themselves for reappointment. Your Company has received notices u/s 257 of the Companies Act, 1956 from members proposing the candidatures of S/Shri C.M. Vasudev and Prem S. Khamesra as director(s). The Board recommended the appointments of S/Shri C.M.Vasudev and Prem S. Khamesra as director(s) in place of S/Shri S.S.H. Rehman, U.C. Pandey and also recommended the reappointment of Shri Javed Yunus in the forthcoming Annual General Meeting. The Board records its deep appreciation of the valuable contribution and guidance extended by S/Shri S.S.H. Rehman and U.C. Pandey as directors of your Company.

13. Auditors:

M/s S.S.Kothari & Associates, Chartered Accountants (Registration. No.305147E), the Company's Auditors will retire on conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

14. Declaration:

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

15. Acknowledgements:

The Board expresses and places on record its sincere gratitude for co-operation, guidance and advice received from Banking Division, Ministry of Finance and Ministry of Tourism, Government of India; Reserve Bank of India, other All-India Financial Institutions and Banks. The Board also thanks the shareholders and subscribers to the bonds issued by your Company for extending their valuable support.

The Board also places on record its appreciation for the dedication, commitment and team- work of staff at all levels.

For and on behalf of the Board of Directors

(Archana Capoor)
Chairman and Managing Director

Place: New Delhi
Date: July 27, 2010



CORPORATE GOVERNANCE

ANNEXURE A

1. Company's Philosophy:

Corporate Governance is set of policies, processes and practices governing the affairs of a Company in pursuit of its business goals. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Your Company firmly believes in and has consistently been practicing good standard of excellence in Corporate Governance. Your Company has well-defined system of functioning with professionalism and accountability leading to management reliability. The ultimate objective of the Corporate Governance of your company is to enhance shareholders' value in the long term. The Corporate Governance at your Company recognizes all stakeholders and decision-making process reflects this concern.

2. Board of Directors:

The Board of Directors comprises Chairman & Managing Director, 9 Non-Executive Directors including Two Nominee Directors, one each from Ministry of Finance and Ministry of Tourism, Govt. of India. The responsibilities of the Board include formation of policies, new initiatives, performance review, control and sanction of cases falling beyond the powers delegated to various functionaries of the Company. The Board has also constituted committees and delegated powers for different functional areas. The Board as well as its committees meet at periodical intervals.

All Board/Committee members are given notice of the meeting in advance. The meetings are governed by structured agenda. The agenda along with the explanatory notes are distributed in advance. All items in the agenda are supported by detailed background information to enable the members to take well-informed decisions.

During the year, 5 Board Meetings were held on May 25, 2009, July 27, 2009, October 27, 2009, January 28, 2010 and February 25, 2010.

The composition of the Board of Directors, attendance of the Directors at the Board Meetings during the year and at the last Annual General Meeting as also the number of other directorships are as follows: -

Name of Director	Category of Directorship	No. of Board Meeting Attended	Attendance at last AGM	No. of other Directorships/ Other Memberships		
				Directorship	Committee Member	Chairman
1. Mrs. Archana Capoor	CMD	5	YES	-	1	-
2. Shri D. Chaturvedi	NED	-	NO	-	-	-
3. Shri Sanjeev Kumar Jindal	NED	2	NO	3	2	-
4. Shri S.K.Mandal	NED	4	NO	4	3	1
5. Shri Javed Yunus	NED	2	NO	6	-	-
6. Shri R.R.Rai	NED	5	YES	-	1	-
7. Shri S.S.H.Rehman	NED	2	YES	2	1	-
8. Shri U.C. Pandey	NED	5	YES	0	1	2
9. Shri O.N. Singh	NED	5	NO	1	1	1
10. Shri Vivek Nair	NED	-	YES	8	2	-

NED: Non-Executive Independent Director

CMD: Chairman and Managing Director

Other directorship excludes directorship held in Private Companies, Foreign Companies, Companies formed under section 25 of the Companies Act, alternate directorship and non-corporate institutions.

3. Audit Committee:**3.1 Terms of Reference:**

The Audit Committee meets Statutory/Internal Auditors periodically to review reports of Statutory/Internal Auditors and discusses their findings, suggestions and other related matters and review major accounting policies followed by the Company. The Committee also reviews RBI inspection reports. The Committee, from time to time, meets the management and reviews the operations, new initiatives and the performance of the business units. The minutes of the Audit Committee meetings are discussed at the Board Meeting.

3.2 Composition:

The Audit Committee of the Board has been constituted since 1997 and presently comprises 3 Non-Executive Independent Directors. The Chairman of the Committee is an independent director who is Chartered Accountant. He also remained present in the last AGM. The Committee met 4 times during the year. The dates of the meetings held were May 23, 2009, July 27, 2009, October 27, 2009 and January 27, 2010 and the attendance of the members at the meetings was as follows:

Name of Member	Status	No. of Meetings attended
1. Shri U.C. Pandey	Chairman	4
2. Shri O.N. Singh	Director	4
3. Shri R.R. Rai	Director	4

4. Remuneration and Compensation Committee:**4.1 Terms of Reference:**

The Remuneration Committee presently comprises 3 Non-Executive Independent Directors. The Chairman of the Committee is an independent director. The Committee met once during the year. The names and the attendance of the members at the meeting were as follows:

Name of Member	Status	No. of Meetings attended
1. Shri O.N.Singh	Chairman	1
2. Shri U.C. Pandey	Director	1
3. Shri S.S.H. Rehman	Director	1

4.2 Remuneration Policy:

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



policies with the objective to motivate employees to excel in their performance and to recognise their contribution.

4.3 (i) Details of remuneration paid to Directors for the year 2009-2010:

- (I) Remuneration is payable only to the Chairman and Managing Director and no commission is payable. The salary paid to Mrs. Archana Capoor, Chairman and Managing Director during the year 2009-2010 was Rs.32,97,362.
- (II) Notice period for termination of appointment of Chairman and Managing Director is three months on either side or three months' pay in lieu thereof.
- (III) No severance pay is payable on termination of appointment.
- (IV) No Stock Appreciation Rights (SARs) have been granted.

(ii) 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.)
1. Shri U.C. Pandey	68,000
2. Shri S.S.H. Rehman	32,000
3. Shri O.N. Singh	60,000

The Company is paying sitting fees of Rs.8,000 and Rs.4,000 per meeting of the Board and Committees respectively to the Non-Executive Directors. The directors representing Institutions and Government Nominees were not paid any sitting fees.

5.1 Investor-Grievances Committee:

The Company formed an Investor-Grievances Committee comprising one Non-Executive Director Shri U.C. Pandey as Chairman and Mrs. Archana Capoor, Chairman and Managing Director as its member. During the financial year 2009-2010, the Committee met twice.

During the year, 178 letters/complaints were received from the shareholders and were replied/solved to the satisfaction of the shareholders. As on March 31, 2010, 3 requests involving transfer of 300 shares were pending to be processed. All the pending requests were less than fifteen days old and have since been resolved.

5.2 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, split/consolidation/renewal and also monitors the investors' grievances. During the year, the Committee had 24 meetings and attendance was as follows:

Name of Member	Status	No. of Meetings Attended
1. Mrs. Archana Capoor	CMD	22
2. Shri B.M. Gupta	Chief General Manager	23
3. Shri Anoop Bali	General Manager	23
4. Shri Sanjay Ahuja	Company Secretary	24

The Company Secretary has been appointed as the Compliance Officer.

6.1 General Meetings:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2008-09	Sept 18, 2009	2.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi
2007-08	Sept 12, 2008	2.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi
2006-07	Sept 21, 2007	2.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi

6.2 Postal Ballot

During the year, the Special Resolution as contained in the notice dated February 12, 2010 was passed by the members of the Company through Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 relating to alteration of the Main Object Clause of the Memorandum of Association of the Company by inserting new sub-clauses 12 and 13 relating to infrastructure financing and related activities/services. Shri A.N.Kukreja, Practising Company Secretary was appointed as Scrutinizer for conducting the postal ballot process. As per the report dated March 31, 2010, submitted by Shri A.N.Kukreja, Scrutinizer, the Special resolution was duly approved with requisite majority by the shareholders of the Company. The result of the postal ballot was as under:-

Description	Total No. of Postal Ballot Forms/Votes	For		Against		Invalid	
		No. of Postal Forms	No. of Votes	No. of Postal Forms	No. of Votes	No. of Postal Forms	No. of Votes
Alteration of Main Objects of Memorandum of Association	1658 41158447	1490 89.87%	41052934 99.74%	56 3.38%	44659 0.11%	112 6.75%	60854 0.15%

6.3 No special resolution on matters requiring postal ballot as recommended under Clause 49 of the Listing Agreement is placed for shareholders' approval at this meeting.

7. Disclosures:

- 1. None of the directors holds any shares in the Company.

2. Related Party Transactions

In terms of the requirements of the Accounting Standard 18 of the ICAI (AS-18), the transaction with related parties have been adequately disclosed in the notes to accounts forming part of the Balance Sheet as at March 31, 2010. There was no transaction of



material nature with the directors or the management or their subsidiaries or relatives during the year.

3. Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India and the guidelines issued by Reserve Bank of India from time to time to the extent applicable.

4. Disclosure on Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimisation procedure. The Company has framed the Risk Management Policy and risk minimization procedure, which is periodically reviewed by the Board.

8. Means of Communication:

Quarterly results are normally published in one of the prominent daily newspapers viz. Business Standard/Economic Times/The Financial Express, and Veer Arjun/ Jansatta.

9. Code of Conduct

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code.

10. General Shareholders' Information:

10.1 Annual General Meeting is proposed to be held on September 17, 2010 at Air Force Auditorium, Subroto Park, New Delhi - 110 001 at 2.00 p.m.

10.2 Financial calendar:

Annual results of previous year	May
Mailing of Annual Reports	August
First Quarter results	July/August
Annual General Meeting	September
Second Quarter results	October/November
Third Quarter results	January/February

10.3 Date of Book Closure: September 4, 2010 to September 17, 2010 (both days inclusive)

10.4 Dividend Payment Date: Dividend, if any, declared in the Annual General Meeting, will be paid within 30 days of the date of declaration to those Shareholders whose names appear on the Register of members on the date of book closure.

10.5 Listing of equity shares: Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

10.6 Stock-Market Price Data for the Year 2009-2010:

Month & Year	TFCI Share Price (in Rupees)			
	BSE		NSE	
	High	Low	High	Low
April, 2009	18.20	13.40	18.20	12.85
May, 2009	27.30	15.10	27.30	13.00
June, 2009	27.25	19.00	27.15	19.00
July, 2009	23.95	17.45	22.25	17.50
August, 2009	23.35	19.10	23.15	19.30
September, 2009	24.75	20.25	24.75	20.35
October, 2009	24.90	20.80	24.95	20.50
November, 2009	27.75	20.15	27.80	20.05
December, 2009	25.70	22.95	25.40	22.60
January, 2010	33.30	24.20	33.20	24.15
February, 2010	28.75	25.00	28.80	25.00
March, 2010	30.70	26.80	29.10	26.85

Stock code: BSE: 526650, NSE: TFCILTD

Demat ISIN code: INE305A01015

10.7 Performance in comparison to Broad-based Indices:

TFCI's share-price performance relative to NSE Nifty and BSE Sensex during the year 2009-10

	(% change) TFCI's share Price	(% change) Index	(% change) TFCI relative to Index
BSE Sensex	+104.42%	+80.54%	+23.88%
NSE Nifty	+105.95%	+73.81%	+32.14%

10.8 Registrar and Share-Transfer Agent:

MCS Ltd. is the share-transfer agent. MCS is registered with SEBI as a Share-Transfer Agent for processing the transfer of securities issued by the Company and is located at F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi 110 020. MCS acknowledges and executes transfer of securities, arranges for issue of dividend/interest warrants. MCS also accepts, deals with and resolves complaints of shareholders and bondholders.

10.9 Share-Transfer System:

The Company's shares are traded in the stock exchanges compulsorily in demat mode as per Stock Exchange Regulations. Physical shares, which are lodged for transfer, are processed at the MCS and returned to the shareholders within a period of 30 days from the date of receipt subject to documents being valid and complete in all respects.



10.10 Distribution of Shareholding as on 31st March, 2010

No. of Shares	No. of Shareholders	Percentage of Shareholders	Shares Held	Percentage of Share Capital
1 - 500	64028	89.90	8841218	10.95
501 - 1000	3861	5.42	3379681	4.19
1001 - 2000	1635	2.30	2651205	3.28
2001 - 3000	562	0.79	1470175	1.82
3001 - 4000	221	0.31	813525	1.01
4001 - 5000	312	0.44	1515000	1.88
5001 - 10000	329	0.46	2511647	3.11
10001 - 50000	228	0.32	4714016	5.84
50001 - 100000	22	0.03	1547691	1.92
100001 AND ABOVE	27	0.03	53272590	66.00
	71225	100.00	80716748	100.00

10.11 Categories of Shareholders as on 31st March, 2010:

Category	No. of Shares held	% of Shares
Financial Institutions	26670659	33.05
Nationalised Bank	11233320	13.92
Insurance Companies	8664275	10.73
Other Banks	944365	1.17
Mutual Fund	3300	0.00
Overseas Bodies Corporate	195000	0.24
Non Resident	428128	0.53
Bodies Corporate	6280776	7.78
General Public	26296925	32.58
Total	80716748	100.00

10.12 Dematerialisation of Shares

As on 31st March, 2010, 96.31% of Company's total equity shares representing 77736208 shares were held in dematerialised form and the balance shares were in physical form.

10.13 Outstanding GDR/ADR/Warrants or any Convertible Instruments: Nil

10.14 Plant Location: Not applicable. TFCI is a financial institution having its registered office at Delhi and office at Mumbai.

10.15 Address for correspondence:

The Company's registered office is situated at:
4th Floor, Tower 1, NBCC Plaza, Sector 5
Pushp Vihar, Saket,

New Delhi-110 017.

Phone No.: 46727272 Fax:46727200

Email: tfcih@nde.vsnl.net.in

Special Email for investors' queries:

complianceofficer@tfcilt.com

Website: www.tfcilt.com

The Company's other office is situated at:

8th Floor, Earnest House, Nariman Point,

Mumbai - 400 021

Telefax No.: (022)66332038

Shareholders' correspondence should be addressed to:

MCS Ltd.,

Registrar and Transfer Agent,

F-65, 1st Floor, Okhla Industrial Area Phase I,

New Delhi-110 020

Phone: 011-41406149/51/52

Fax:011-41709881

Email: admin@mcsdel.com

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

11. CEO/CFO Certification

A certificate from Chairman and Managing Director and Finance Head on the financial statements of the Company was placed before the Board.

12. Review of Directors' Responsibility Statement

The Board, in its Report, has confirmed that the annual accounts for the year ended 31st March 2010 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

13. There was no instance of non-compliance in any matter related to the capital markets during the last three years.

14. Management Discussion and Analysis

Management's Discussion & Analysis forms part of the annual reports which are posted to the shareholders of the Company.

NAME AND ADDRESSES OF THE STOCK EXCHANGES WHERE THE SHARES OF THE COMPANY ARE LISTED

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



MANAGEMENT'S DISCUSSION & ANALYSIS

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

1. Industry Structure and Developments:

Travel & tourism industry's contribution to Indian industry is immense. Tourism is the largest service industry in India, with a contribution of 6.23% to the national GDP and 8.78% of the total employment in India. According to the latest data released by the Ministry of Tourism, foreign tourist arrivals (FTAs) during 2009, were 5.11 million with a negative growth rate of 3% as compared to the FTAs 5.28 million, with a growth rate of 4 % during 2008. Though the growth rate for 2009 was negative, it was still better than UNWTO's projected negative growth rate of 6% to 4% for the world. However, during January 2010 to June 2010, the FTAs were 26.32 lakh depicting a growth rate of 10.77% over the last years arrivals of 23.76 lakh. The foreign exchange earnings also showed a negative growth rate of 3% during 2009 with US\$11.39 billion as compared to US\$11.75 billion in 2008. With the growth in arrivals the foreign exchange earnings are also expected to show a positive trend in the coming months with the earnings during the period January to June 2010 already showing an upward trend to US\$6.84 billion as compared to US\$5.07 billion during same period of 2009.

Your Company, during the last few years has been pursuing to expand its portfolio not only by extending facilities to existing hotel properties for renovation, upgradation and setting up of new projects, but also has been actively pursuing consultancy assignments for various state governments for drafting the tourism policy and other projects for tourism/circuit development etc.

The development and growth in the hospitality business will pose new challenges for the industry. There will be an urgent need of human capital to cater to the new supply. Continued shortage of good talent could be a major bottleneck. Realizing this fact, your company is examining proposal for starting a "Centre of Excellence in Tourism and Hospitality" for filling the shortage of trained manpower for tourism sector. In order to cater to the increasing business and leisure tourist flows, your company is also examining the proposal for starting a travel and tourism intermediary.

Your Company has ventured into infrastructure project financing business viz., power, ports, airports, roads and bridges etc., which is expected to give a fillip to tourism and hospitality projects. In this regard, the Special Resolution as contained in the notice dated February 12, 2010 was passed by the members of the Company on March 31, 2010 through Postal Ballot relating to alteration of the Main Object Clause of the Memorandum of Association of the Company by

inserting new sub-clauses 12 and 13 relating to infrastructure financing and related activities/services.

2. Opportunities and Threats:

Opportunities:

- i) Tourism has been identified as major engine of economic growth by the Government.
- ii) Potential for generating consultancy and other fee-based activities.
- iii) Potential for assisting leisure and entertainment sector, entertainment centres, restaurants, shopping mall with recreational facilities, emporia, funding of credit-card receivables, take-over financing and corporate/short-term loan for working capital.
- iv) Potential for financing Infrastructure sector viz., power, ports, airports, roads and bridges etc.

Threats:

- i) Banks with large amount of funds at lower cost might pose severe competition.
- ii) Tourism industry is prone to external threats like law and order, war, economic crisis.

3. Performance:

The total sanctions during 2009-2010 were Rs.570.36 crore comprising of project-related sanctions Rs.521.27 crore and average investment in mutual funds Rs.49.09 crore (previous year project-related sanctions Rs.510.65 crore and average investment in mutual funds Rs.69.83 crore). The total disbursement during 2009-2010 was Rs.293.28 crore comprising of project-related disbursement Rs.244.19 crore and average investment in mutual funds Rs.49.09 crore (previous year project-related disbursements Rs.205.97 crore and average investment in mutual funds Rs.69.83 crore).

4. Outlook:

The travel and tourism sector which accounted for 6.4 per cent of total employment in 2009 is expected to generate 40,037,000 jobs i.e. 7.2 per cent of total employment by 2019. The year 2009 was challenging for the entire industry because of recession, Mumbai terror attack and swine flu but now things are turning for the better. Airlines are registering higher load factor from October 2009 onwards and hotels are witnessing better occupancies and ARR's. There is noticeable growth in all segments of travel, be it inbound, outbound or domestic. The campaign 'Visit India Year 2009' was launched at the International Tourism Exchange in Berlin, aimed to project India as an attractive destination for holidaymakers.



The government joined hands with leading airlines, hoteliers, holiday resorts and tour operators, and offered them a wide range of incentives and bonuses during the period between April and December, 2009.

Report of Euromonitor International on Travel and Tourism in India report states that the Government of India increased spend on advertising campaigns (including for the campaigns 'Incredible India' and 'Atithi Devo Bhava' – guest is like God) to reinforce the rich variety of tourism in India. The ministry promoted India as a safe tourist destination and undertook various measures, such as stepping up vigilance in key cities and at historically important tourist sites. It also deployed increased manpower and resources for improving security checks at key airports and railway stations.

Tourism is primarily the result of discretionary income and the increase in disposable income would encourage more and more people to travel, thereby giving a boost to the sector. There has been a marked change in the pattern of domestic tourism in the country. Earlier people used to undertake one long holiday, but now they are looking for two-to-three short holidays apart from a long holiday which they usually undertake during the summers or winters.

The Indian hospitality industry, over the last three years, has been witnessing a remarkable phase in performance and has continued the same in the early part of the year 2008/09. One of the key reasons for the increase in demand for hotel rooms in the country was the boom in the overall economy and substantial growth in sectors like information technology, telecom, banking and finance, insurance, construction, retail and real estate. However, the global economic downturn and the Mumbai attacks adversely affected the performance of the industry in the latter part of the year. This has been, to a large degree, mitigated by a steep increase in domestic travel and it is expected to be one of the major drivers of growth in the short to medium term.

With the economy of the country improving and a simultaneous effort by the government to upgrade and improve the existing roads, airports and other infrastructure, we can expect tourism in India to recover faster than most countries across the globe. We also expect India to become one of the most favoured investment destinations in the world and all these bode very well for our industry. The coming years are expected to see a large supply of hotels entering the Indian market. A substantial proportion of these hotels are expected to be branded and of international quality in product and service offerings. Indian hotel operators would need to prepare themselves for this coming competition by improving their operational efficiencies and also their products and service offerings. According to World Travel and Tourism

Council, India will be a tourism hotspot during 2009-2018, having the highest 10-year growth potential. India has a growing medical tourism sector.

The Commonwealth Games 2010 in Delhi are expected to significantly boost tourism in India. Foreign tourists and domestic tourists are likely to arrive in Delhi on the eve of the Commonwealth Games. There is no doubt that the event will be great hit for the Indian tourism industry. Along with that Indian hospitality, aviation and hotel industry will also be equally beneficial with the event. Commonwealth Games are likely to push India's foreign exchange earnings through tourism alone in 2010 to an estimated level of over 16.91 billion dollar according to officials from ASSOCHAM. According to the estimates, India epitomizes one of the most potential tourism markets in the world.

In the last few years, it has expanded rapidly and due to the unprecedented and unbound support from all levels of government, upgraded income level and inauguration of various international sports events (Cricket 20/20 and Commonwealth Games), the Indian tourism industry will surely be benefited and will continue to grow at high level in the years to come. It is believed that in the next few years Indian tourism industry will gain new heights and the percentage of India's share in the global tourism will grow to 1.5% by 2010.

5. Risks and Concerns:

Credit Risk: Credit risk occurs when the borrower, as a counter party, fails to meet its contractual obligations. Credit risk applies not only to loans, but also to other on and off-balance sheet exposure such as guarantees, acceptances and investments in securities. Project lending involves certain inherent risks in a developing economy where long-term macro-economic adjustments towards stability are still in progress. Projects under implementation are prone to time and cost overruns, sometimes due to factors beyond the control of the borrower. These factors may include changes in industrial/economic policies affecting the viability of projects adversely and/or cost escalation owing to inflation. Project failure may also occur due to adverse market situations and/or mismanagement. The 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. The monitoring and supervision of the projects is done on a continuous basis and conscious efforts are made continuously to improve recovery, ensure greater control over projects and reduce credit risks.



Interest-rate Risk: Interest-rate risks arise out of mismatches between interest-rate-sensitive assets and liabilities. The Company manages such risks by fixing interest rates at a level, which is some percentage points higher than its marginal cost of funds and by constantly monitoring the maturity pattern of its assets and liabilities.

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

6. Internal Control Systems and their Adequacy:

The Company has a system of adequate internal controls implemented by the management towards achieving efficiency of operations, management of resources, accuracy and promptness of financial reporting and compliance with laws and regulations. The framework of the system comprises of a well-defined organizational structure, authority levels, documented policy/ guidelines/ procedures, management reviews etc. The internal audit reports and the adequacy of internal controls are reviewed by the Audit Committee of the Board of Directors. Asset- Liability Committee of the Company reviews regularly the liquidity/gap and interest-rate-sensitivity analysis.

7. Discussion on Financial Performance:

During the year 2009-10 your Company earned profit (before tax) of Rs. 46.07 crore (previous year Rs. 39.23 crore), TFCI

earned profit after tax of Rs. 34.07 crore (previous year Rs. 28.97 crore), an increase of 18% over the previous year. Income from operations had increased to Rs. 80.07 crore (previous year Rs. 67.27 crore).

During the year, your Company met its fund requirements for disbursement as well as repayment of loans/bonds through internal accruals, bond issue and credit/loan from banks. During the year, your Company raised Rs.100 crore by way of term loans from Banks at cost of 9% (floating rate linked to PLR) for a tenure of five/six years. During the year, your Company allotted Tier II Subordinated Unsecured Bonds of Rs.25 crore bearing interest @ 9.50% p.a. payable half-yearly. Bonds aggregating Rs.54.46 crore carrying interest ranging from 9.75% p.a. to 12% p.a. were redeemed during the year (Rs.44.35 crore on redemption date and Rs.10.11 crore by way of prepayment).

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

The Company had a staff strength of 35 as on 31st March, 2010. Your company continues to strengthen its human-resource base by arranging requisite training and diversified exposure to its existing staff. 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.



**INFORMATION REQUIRED UNDER THE COMPANIES
(DISCLOSURE OF PARTICULARS IN THE REPORT OF THE
BOARD OF DIRECTORS) RULES, 1988.**

A. CONSERVATION OF ENERGY:

The Company's operations involve no manufacturing or processing activities. The Company utilises energy for lighting, air-conditioning and other office equipments at its Offices. The Company's operations involve low energy consumption and wherever possible, energy conservation measures have already been implemented and there are no major areas where further conservation measures appear necessary. However, efforts to conserve and to optimise the use of energy through improved operational methods and other means will continue on an on-going basis. While examining proposals for sanction of assistance, the aspect of energy conservation is given due consideration.

**FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF
TECHNOLOGY, RESEARCH & DEVELOPMENT (R&D)**

FORM - B

B. RESEARCH & DEVELOPMENT:

- | | |
|--|-----|
| 1. Specific areas in which R&D carried out by the Company. | Nil |
| 2. Benefits derived as a result of the above R & D. | Nil |
| 3. Future Plan of Action. | Nil |
| 4. Expenditure on R & D. | Nil |

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

At the time of evaluating proposals for assistance, due regard is given to the aspect of technology upgradation.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | | |
|-------------------------------------|---|--------------|
| i) Total foreign exchange outgo | : | Rs. 5,27,151 |
| ii) Total foreign exchange earnings | : | Nil |



Chief Executive Officer (CEO)/ Chief Financial Officer (CFO) Certification

We, Archana Capoor, Chairman & Managing Director (CEO) and B. M. Gupta, Chief General Manager (CFO) of Tourism Finance Corporation of India Ltd., certify to the Board that:

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

(B.M. Gupta)
Chief General Manager

(Archana Capoor)
Chairman and Managing Director

New Delhi
May 18, 2010

Auditors' Certificate on Corporate Governance

To the Members of Tourism Finance Corporation of India Limited

We have examined the compliance of conditions of Corporate Governance by **Tourism Finance Corporation of India Limited** for the year ended 31st March, 2010, as stipulated in Clause 49 of Listing Agreements of the Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company

has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreements.

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

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

Naveen Aggarwal
Partner
Membership No. 094380

Place : New Delhi
Date : 28.05.2010



APPENDIX TO DIRECTORS' REPORT

TYPE OF PROJECTWISE AND PURPOSE WISE CLASSIFICATION OF FINANCIAL ASSISTANCE SANCTIONED

(Rs. in Lakhs)

Purpose	New		Expansion		Reno./Eq. Finance		Exp./Reno./Acq./Restr.		Total	
	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount
5 Star Hotel	8	23721	1	4000	0	0	1	1600	10	29321
	67	105675	15	14176	15	6808	12	12127	109	138786
4 STAR HOTEL	3	7000	0	0	1	500	0	0	4	7500
	36	37646	5	4957	4	1095	4	1590	49	45288
3 STAR HOTEL	11	14956	0	0	0	0	0	0	11	14956
	237	116017	21	11887	11	3743	31	14507	300	146154
2 STAR HOTEL	0	0	0	0	0	0	0	0	0	0
	21	5398	1	388	0	80	2	323	24	6189
HERITAGE	0	0	0	0	0	0	0	0	0	0
	17	3764	3	1030	2	425	2	586	24	5805
UNCLASSIFIED	0	0	0	0	0	0	0	0	0	0
	2	1210	0	0	1	24	1	56	4	1290
Amusement Park/Shopping Complex-cum-ent. Centre/Water Park Multiplex/Activity Centre	0	0	0	0	0	0	0	0	0	0
	30	20643	3	190	0	0	2	917	35	21750
Restaurant	1	350	0	0	0	0	0	0	1	350
	16	5544	3	1835	3	109	1	305	23	7793
TOURIST CARS/COACHES	0	0	0	0	0	0	0	0	0	0
	2	241	3	1326	2	600	0	0	7	2167
PALACE ON WHEELS	0	0	0	0	0	0	0	0	0	0
	2	2150	0	0	1	1000	0	0	3	3150
OTHERS	0	0	0	0	0	0	0	0	0	0
	31	35935	3	3600	2	273	4	3829	40	43637
Total	23	46027	1	4000	1	500	1	1600	26	52127
	461	334223	57	39389	41	14157	59	34240	618	422009

Normal - Current Year (2009-2010)

Highlighted - Cumulative



AUDITORS' REPORT

To the Members of

Tourism Finance Corporation of India Limited

1. We have audited the attached Balance Sheet of **Tourism Finance Corporation of India Limited**, as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 {hereinafter referred to as order} issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;

- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
- (v) On the basis of the written representation received from the Directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - (b) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

**FOR S.S. KOTHARI & ASSOCIATES
CHARTERED ACCOUNTANTS**

Place : New Delhi
Date : May 28, 2010

(K. S. Mehta)
Partner
M.No. 08883
Firm Regn. No. 305147E

Annexure to the Auditors' Report

(As referred in paragraph 3 of our report to the members of Tourism Finance Corporation of India Limited on the accounts for the year ended 31st March 2010)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the



year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification as compared to book records.

- (c) The company has not disposed off any substantial part of its fixed assets during the period under report.
- (ii) The company does not hold any inventory. Hence, the provisions of Clause 4(ii) (a), (b) & (c) of the Order are not applicable to the company.
- (iii) (a) The company has not granted any loan, secured or unsecured, to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause, 4(iii) (b, c & d) of the Order are not applicable to the Company.
- (b) The company has not taken any loan, secured or unsecured, from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause 4(iii) (e, f & g) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for sale of services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system of the company.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause 4(v) (b) of the Order are not applicable to the company.
- (vi) The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable to the Company.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business and activities.
- (viii) According to information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of business carried out by the Company. Therefore, provisions of

Clause 4(viii) of the Order are not applicable to the Company.

- (ix) (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrear as at 31st March 2010 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, income tax, excise duty and cess as at 31st March 2010 which have not been deposited on account of a dispute are as follows:

NAME OF THE STATUTE	Assessment Year (s)	Rs./Lakhs	FORUM WHERE THE DISPUTE IS PENDING
Income Tax	2007-08	71.14	CIT (Appeals)

- (x) The company has no accumulated losses as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) In our Opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or bond holders.
- (xii) In our opinion and according to information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, Clause 4(xiii) of the Order is not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) As per the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet



- of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) According to the information and explanation given to us, during the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) During the period covered by our audit report, the Company has issued unsecured bonds on which no security or charge is required to be created.
- (xx) The company has not raised any money by public issue during the year therefore clause 4(xx) of the Order is not applicable to the company.

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

**FOR S.S. KOTHARI & ASSOCIATES
CHARTERED ACCOUNTANTS**

Place : New Delhi
Date : May 28, 2010

(K. S. Mehta)
Partner
M.No. 08883
Firm Regn. No. 305147E



BALANCE SHEET

AS AT 31.03.2010

	SCHEDULE	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	80,71,67,480	80,71,67,480
Reserves and Surplus	B	<u>2,26,22,68,404</u>	<u>2,03,83,18,295</u>
		3,06,94,35,884	2,84,54,85,775
LOAN FUNDS			
Secured Loans	C	1,15,00,00,000	55,00,00,000
Unsecured Loans	D	2,74,43,51,027	3,04,18,12,098
Total		<u>6,96,37,86,911</u>	<u>6,43,72,97,873</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	39,58,59,549	38,64,97,702
Less: Depreciation		<u>9,23,26,933</u>	<u>7,32,39,768</u>
Net Block		30,35,32,616	31,32,57,934
INVESTMENTS			
Deferred Tax Assets	F	75,24,72,684	1,08,91,47,558
		4,74,65,727	2,20,54,727
LOANS TO COMPANIES			
	G	5,85,57,89,343	4,58,47,13,031
CURRENT ASSETS AND ADVANCES			
	H	32,65,80,046	69,11,59,674
Less: CURRENT LIABILITIES AND PROVISIONS			
	I	<u>32,20,53,505</u>	<u>26,30,35,051</u>
NET CURRENT ASSETS AND ADVANCES			
		45,26,541	42,81,24,623
Total		<u>6,96,37,86,911</u>	<u>6,43,72,97,873</u>
Significant Accounting Policies	M		
Notes forming part of Accounts	N		

Schedules A to N form an integral part of the Accounts

As per our report of even date
for S.S. Kothari & Associates
Chartered Accountants

For and on behalf of the Board

(K.S. Mehta)
Partner
M.No. 08883
Firm Regn. No. 305147E

(Sanjay Ahuja)
Company Secretary

(B.M. Gupta)
Chief General Manager

(Umesh C. Pandey)
Director

(Archana Capoor)
Chairman and Managing Director

Date : May 28, 2010
Place : New Delhi



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31.03.2010

	SCHEDULE	YEAR ENDED 31ST MARCH, 2010 Rs.	YEAR ENDED 31ST MARCH, 2009 Rs.
INCOME			
Income from Operations	J	80,07,38,701	67,27,20,566
Profit on Sale of Investments		45,62,492	-
Profit on Sale of Assets		-	2,70,97,979
Miscellaneous Income		96,60,978	97,74,954
		<u>81,49,62,171</u>	<u>70,95,93,499</u>
EXPENDITURE			
Staff expenses	K	3,56,02,168	3,26,59,400
Administrative and other expenses	L	2,81,05,695	3,47,64,753
Interest on borrowings		33,13,13,297	28,25,81,000
Depreciation		1,91,26,074	1,72,94,248
Provision/write off for doubtful debts/ investments (excess provision written back)		(6,00,00,000)	(5,00,00,000)
Loss on Sale of Assets		99,941	-
		<u>35,42,47,175</u>	<u>31,72,99,401</u>
Profit Before Tax		46,07,14,996	39,22,94,098
Provision for - Current Tax		13,70,00,000	10,90,00,000
- Earlier Year		83,59,392	-
- Deferred Tax Liabilities/(Assets)		(2,54,11,000)	(68,06,446)
- Fringe Benefit Tax		-	3,81,064
Profit After Tax		34,07,66,604	28,97,19,480
Surplus brought forward		6,48,96,310	2,54,11,390
PROFIT AVAILABLE FOR APPROPRIATION		<u>40,56,62,914</u>	<u>31,51,30,870</u>
APPROPRIATIONS			
Special Reserve under section 36(1) (viii) of the Income Tax Act, 1961		9,14,49,000	5,58,00,000
Special Reserve under section 45 I of RBI Act		6,81,54,000	-
General Reserve		10,00,00,000	10,00,00,000
Proposed Dividend	9,68,60,098		8,07,16,748
Provision for Dividend Tax	<u>1,64,61,374</u>		<u>1,37,17,812</u>
		11,33,21,472	9,44,34,560
Balance carried to Balance Sheet		<u>3,27,38,442</u>	<u>6,48,96,310</u>
		<u>40,56,62,914</u>	<u>31,51,30,870</u>
Significant Accounting Policies			
Notes forming part of Accounts			
Basic/Diluted Earnings per share (Rs.) (Face value Rs.10 per share)	N	4.22	3.59
No. of Equity Shares		8,07,16,748	8,07,16,748

Schedules A to N form an integral part of the Accounts

As per our report of even date
for S.S. Kothari & Associates
Chartered Accountants

For and on behalf of the Board

(K.S. Mehta)
Partner
M.No. 08883
Firm Regn. No. 305147E

(Sanjay Ahuja)
Company Secretary

(B.M. Gupta)
Chief General Manager

(Umesh C. Pandey)
Director

(Archana Capoor)
Chairman and Managing Director

Date : May 28, 2010
Place : New Delhi



SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.03.2010	As at 31.03.2009
	Rs.	Rs.
SCHEDULE – A		
SHARE CAPITAL		
AUTHORISED		
25,00,00,000 Equity Shares (previous year 25,00,00,000) of Rs.10 each	250,00,00,000	250,00,00,000
25,00,00,000 Cumulative Redeemable (previous year 25,00,00,000)	250,00,00,000	250,00,00,000
Preference Shares of Rs.10 each		
	500,00,00,000	500,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
8,07,16,748 Equity Shares (previous year 8,07,16,748) of Rs.10 each, fully paid up	80,71,67,480	80,71,67,480
	80,71,67,480	80,71,67,480

SCHEDULE – B
RESERVES AND SURPLUS

	Balance as at	Additions	Deductions	Balance as at
	31.03.2009	during the year	during the year	31.03.2010
	Rs.	Rs.	Rs.	Rs.
Capital Reserve	11,55,000	-	-	11,55,000
Share Premium Account	64,98,77,044	-	6,89,376	64,91,87,668
Special Reserve under				
- Section 36(1)(viii) of the				
Income-tax Act, 1961	62,03,75,000	9,14,49,000	-	71,18,24,000
- Section 45 I of RBI Act	-	6,81,54,000	-	6,81,54,000
General Reserve	70,20,14,941	10,00,00,000	28,05,647	79,92,09,294
Surplus in Profit and Loss Account	6,48,96,310	-	3,21,57,868	3,27,38,442
	2,03,83,18,295	25,96,03,000	3,56,52,891	2,26,22,68,404

	As at 31.03.2010	As at 31.03.2009
	Rs.	Rs.

SCHEDULE – C
SECURED LOANS

(Against Hypothecation of Book-Debts)

State Bank of India	-	15,00,00,000
State Bank of Indore	-	25,00,00,000
United Bank of India	15,00,00,000	15,00,00,000
Union Bank of India	50,00,00,000	-
Central Bank of India	50,00,00,000	-
	1,15,00,00,000	55,00,00,000

The amount payable during the next 12 months is Rs. 15,00,00,000/- (previous year Rs. 25,00,00,000/-)



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE – D		
UNSECURED LOANS		
12% Bonds (2012) (Series GB-I) (Interest and repayment of principal guaranteed by Government of India)	22,47,00,000	25,00,00,000
11.25% Bonds(2012)(Series MB XXXIX)	18,40,00,000	18,40,00,000
9.75% Bonds(2010)(Series MB XXX)	-	36,80,00,000
10.25% Bonds(2013)(Series MB XXXI) *	-	7,55,00,000
10.50% Bonds(2013)(Series MB XXXII)	29,38,00,000	29,38,00,000
10.25% Bonds(2013)(Series MB XXXIV)*	-	7,58,00,000
10.50% Bonds(2013)(Series MB XXXV)	1,98,00,000	1,98,00,000
8.75% Bonds(2013)[Series MB XXXV A]	35,00,00,000	35,00,00,000
8.50% Bonds(2013)[Series MB XXXVI]	58,01,00,000	58,01,00,000
8.50% Bonds(2013)[Series MB XXXVII]	9,07,00,000	9,07,00,000
Book overdraft	12,51,027	41,12,098
TOTAL :	<u>1,74,43,51,027</u>	<u>2,29,18,12,098</u>
SUBORDINATE DEBT		
9.50% Bonds(2019)[Series MB XXXVIII]	75,00,00,000	75,00,00,000
9.50% Bonds(2019)[Series MB XXXIX]	25,00,00,000	-
GRAND TOTAL :	<u>2,74,43,51,027</u>	<u>3,04,18,12,098</u>

Note:

1. The above (*)Bonds carried/carry put and call option exercisable at par.
2. The amount payable during the next 12 months is NIL (Previous Year Rs.36,80,00,000/-).



SCHEDULE – E
FIXED ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 1.04.09 Rs.	Addition Rs.	Deletions Rs.	As at 31.03.10 Rs.	As at 1.04.09 Rs.	Addition Rs.	Adjust- ments Rs.	As at 31.03.10 Rs.	As at 31.03.10 Rs.	As at 31.03.09 Rs.
Leased Assets										
Plant & Machinery	13,033,143	-	-	13,033,143	13,033,143	-	-	13,033,143	-	-
Furniture & Fixture	3,108,500	-	-	3,108,500	3,108,500	-	-	3,108,500	-	-
Vehicles	6,966,857	-	-	6,966,857	6,966,857	-	-	6,966,857	-	-
Computers	-	-	-	-	-	-	-	-	-	-
Sub Total A	23,108,500	-	-	23,108,500	23,108,500	-	-	23,108,500	-	-
Other Assets										
Land & Building	330,116,947	8,498,296	-	338,615,243	37,226,358	14,660,828	-	51,887,186	286,728,057	292,890,589
Furniture & Fixture	10,295,520	553,693	-	10,849,213	2,784,710	1,452,235	-	4,236,945	6,612,268	7,510,810
Office Equipment	5,022,802	242,010	148,350	5,116,462	2,264,075	388,403	38,909	2,613,569	2,502,893	2,758,727
Electricals	3,079,732	20,250	-	3,099,982	393,693	375,508	-	769,201	2,330,781	2,686,039
Computers	9,425,439	195,948	-	9,621,387	7,340,797	869,907	-	8,210,704	1,410,683	2,084,642
Vehicles	5,448,762	-	-	5,448,762	121,635	1,379,193	-	1,500,828	3,947,934	5,327,127
Sub Total B	363,389,202	9,510,197	148,350	372,751,049	50,131,268	19,126,074	38,909	69,218,433	303,532,616	313,257,934
Grand Total	386,497,702	9,510,197	148,350	395,859,549	73,239,768	19,126,074	38,909	92,326,933	303,532,616	313,257,934
Previous Year Ended	159,805,919	226,933,156	241,373	386,497,702	56,140,229	17,294,248	194,709	73,239,768	313,257,934	

SCHEDULE – F
INVESTMENTS

	As at 31.03.2010			As at 31.03.2009	
	Face value	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)
1 Long Term Investments					
(i) Quoted	-	-	-	-	-
(ii) Unquoted					
a Equity Shares					
Cross Country Hotels Ltd.	10	250000	2,462,500	250000	1
Balaji Hotels Ltd.	10	170000	25,500,000	0	-
Hotel Parag Ltd.	10	826258	8,262,580	0	-
Swosti Plaza Ltd.	10	1365625	13,656,250	1365625	13,656,250
Guruvayur Hotels Pvt Ltd.	15000	269	4,035,000	269	1
Assets Care Enterprises Ltd.	10	2040000	20,400,000	2040000	20,400,000
North East Tourism Dev. Co. Pvt. Ltd.	10	2600	26,000	2600	26,000
Sherwood Hotels & Resorts Pvt. Ltd.	100	10000	1,000,000	10000	1,000,000
Shell Inn International Limited	10	5000000	50,000,000	0	-
b Preference Shares					
IFCI Ltd.	10	2000000	20,000,000	2000000	20,000,000
0.10% Redeemable Cumulative Preference Shares					
Royale Manore Hotel & Industries Ltd.	100000	239.7	23,970,000	282	28,200,000
4% Optionally Convertible Preference Shares					
Appu Hotels Ltd.	10	6000000	60,000,000	6000000	60,000,000
6% Redeemable Cumulative Preference Shares					
c Debentures & Bonds					
Majestic Hotels Ltd.					
0% Secured Optionally Convertible Redeemable Debentures	100	469,800	46,980,000	469,800	46,980,000
0% Optionally Convertible Secured Debentures	100	58,000	5,800,000	58000	5,800,000
0% Optionally Convertible Secured Debentures	100	34,000	3,400,000	34000	3,400,000



SCHEDULE – F (Contd.)

	As at 31.03.2010			As at 31.03.2009	
	Face value	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)
World Resorts Ltd.	100	599000	59,900,000	599000	59,900,000
0% Optionally Convertible Secured Debentures					
IHHR Hospitality Ltd.	100	143680	14,368,000	143680	14,368,000
0% Optionally Convertible Secured Debentures					
New Light Hotels and Resorts Ltd.	1000	39391	32,571,000	49391	39,287,000
0% Optionally Convertible Secured Debentures					
Swosti Plaza Ltd.	70812121	1	66,696,121	1	62,497,121
0% Optionally Convertible Secured Debentures					
Karani Hotels Pvt Ltd.	1000	4941	4,941,000	4941	4,941,000
0% Optionally Convertible Secured Debentures					
Guruvayur Hotels Pvt. Ltd.	100	142290	1	142290	1
0% Optionally Convertible Secured Debentures					
Black Thunder Theme Park Pvt. Ltd.	100	875140	70,758,000	875140	65,319,000
0% Optionally Convertible Secured Debentures					
Hotel Mass Pvt. Ltd.	100	153300	1	153300	1
7% Optionally Convertible Secured Debentures					
Kays Inn Pvt. Ltd.	10000	118	1,180,000	177	1,770,000
12% Optionally Convertible Secured Debentures					
Rohini Hotels (Madras) Pvt. Ltd.	100000	500	1	500	1
0% Optionally Convertible Secured Debentures					
Hotel Jagam Pvt. Ltd.	1000	21230	21,230,000	21230	21,230,000
0% Optionally Convertible Secured Debentures					
Total Long Term Investments (A)			<u>557,136,454</u>		<u>468,774,376</u>
2 Current Investments					
(i) Quoted					
a Equity Shares					
Nicco Parks and Resorts Ltd.	10	100000	1,500,000	100000	1,500,000
ITC Ltd.	10	211795	37,382,492	276795	48,855,200
IDFC Ltd	10	7350	249,900	7350	249,900
Union Bank of india	10	4586	504,460	4586	504,460
Viceroy Hotels Ltd.	10	200000	20,000,000	200000	20,000,000
Punjab Woolcombers Ltd.	10	2500	21,500	2500	21,500
Reliance Power Ltd.	10	12275	3,452,400	12275	3,452,400
b Units of Liquid Mutual Funds/F.M.P			216,217,835		573,000,000
(ii) Unquoted					
a Preference Shares					
Shri Shakti Hotel and Resorts Ltd.	10	-	-	403772	1
15% Optionally Convertible Preference Shares					
Total Current Investments (B)			<u>279,328,587</u>		<u>647,583,461</u>
Total Investments (A + B)			<u>836,465,041</u>		<u>1,116,357,837</u>
Less: Provision for Diminution in Value of investments			<u>83,992,357</u>		<u>27,210,279</u>
Net Investments			<u>752,472,684</u>		<u>1,089,147,558</u>
* Total Quoted investments (Gross)			279,328,587		647,583,460
* Total Unquoted investments (Gross)			557,136,454		468,774,377
* Market Value of Quoted Investments			298,096,403		638,324,437



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE – G		
LOANS TO COMPANIES		
(Secured by Tangible assets)		
Loans to Companies	6,00,41,61,432	4,65,64,34,362
Less: Provision for Doubtful Loans	<u>14,83,72,089</u>	<u>7,17,21,331</u>
	5,85,57,89,343	4,58,47,13,031
 SCHEDULE – H		
CURRENT ASSETS AND ADVANCES		
A. CURRENT ASSETS		
Interest accrued on Investments	55,91,880	49,69,703
Interest/Commitment and other charges accrued on loans and deposits	5,17,16,029	5,59,03,106
Sundry Debtors (Unsecured - considered good)		
Debts outstanding for a period exceeding 6 months	47,81,642	47,42,890
Other debts	<u>92,240</u>	<u>67,700</u>
	48,73,882	48,10,590
Cash and Bank Balances		
Cash balance including stamps in hand	23,896	2,553
Balances with Scheduled Banks:		
- in Current Account	1,71,28,334	20,98,13,755
- in Short Term Deposits	-	9,00,00,000
Cheques lodged for collection/cheques in hand	-	8,98,98,000
B. ADVANCES - Considered good		
Advances recoverable in cash or kind or for value to be received		
- Secured	2,61,72,840	1,77,21,203
- Unsecured	<u>25,91,465</u>	<u>23,22,411</u>
	2,87,64,305	2,00,43,614
Advance Income tax, Interest Tax and Tax deducted at source (Net of Provisions)	<u>21,84,81,720</u>	<u>21,57,18,353</u>
	<u><u>32,65,80,046</u></u>	<u><u>69,11,59,674</u></u>



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE – I		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors	27,25,652	46,15,233
Other Liabilities	9,83,32,295	4,27,34,002
Interest Accrued but not due	6,78,74,086	8,14,51,256
B. PROVISIONS		
Proposed Dividend	9,68,60,098	8,07,16,748
Provision for Dividend Tax and Surcharge	1,64,61,374	1,37,17,812
Provision against Standard Assets	3,98,00,000	3,98,00,000
	32,20,53,505	26,30,35,051
	32,20,53,505	26,30,35,051
	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE - J		
INCOME FROM OPERATIONS		
Interest and other charges on loans	72,14,24,648	54,93,25,412
Interest on Deposits	4,03,48,569	7,72,42,929
Other Fees and Charges	3,14,13,593	4,36,80,000
Dividend	75,51,891	24,72,225
	80,07,38,701	67,27,20,566
	80,07,38,701	67,27,20,566
SCHEDULE - K		
STAFF EXPENSES		
Salaries	3,24,60,125	1,95,56,832
Contribution to Provident Fund and other Funds	17,50,976	15,03,752
Contribution to Gratuity	1,53,957	1,47,821
Staff Welfare expenses & Others	12,37,110	1,14,50,995
	3,56,02,168	3,26,59,400
	3,56,02,168	3,26,59,400
SCHEDULE - L		
ADMINISTRATIVE & OTHER EXPENSES		
Rent, Rates and Taxes	66,48,569	1,52,60,910
Office Upkeep & Maintenance	39,92,954	5,59,084
Travelling and Conveyance	54,97,581	50,07,160
Printing and Stationery	6,46,648	11,39,939
Postage, Telephone and Telex	25,51,740	20,63,419
Sitting Fee (Directors)	1,60,000	67,000
Membership and Subscription	1,14,841	2,81,252
Audit Fee	2,01,684	1,95,731
Insurance Expenses	77,598	1,84,559
Listing Fee	3,53,239	2,72,273
Miscellaneous Expenses	78,60,841	97,33,426
	2,81,05,695	3,47,64,753
	2,81,05,695	3,47,64,753



SCHEDULE – M

SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Accounting:**

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

2. **Revenue Recognition:**

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

3. **Fixed Assets and Depreciation:**

- a) Fixed Assets are shown at historical cost less accumulated depreciation.
- b) Depreciation on assets is provided on the Written Down Value Method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

4. **Investments:**

- a) The cost of acquisition of investments is arrived at after adjusting front-end fee/underwriting commission received on subscription/development.
- b) The investments are categorized into “Long Term Investments” and “Current Investments” as per Accounting Standard-13 on “Accounting for investments” referred to in Section 211(3C) of the Companies Act, 1956 for Investments.
- c) The investment under “Current Investments” are valued on the basis of market value/break up value or cost whichever is lower.
- d) The investment under “Long Term Investments” are valued at cost less permanent diminution in value, wherever applicable, for each individual investment.

5. **Loans to Companies :**

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

6. **Retirement Benefits :**

a) **Gratuity:**

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

b) **Provident Fund:**

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

c) **Leave Encashment:**

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

7. **Taxation & Deferred Taxation:**

The provision for taxation & deferred taxation is made as per the Income Tax Act, 1961 and Accounting Standard 22, as issued by ICAI, respectively.



SCHEDULE – N

NOTES FORMING PART OF THE ACCOUNTS

1. Contingent liabilities not provided for in respect of:

	As at 31.3.2010	(Rs. in lacs) As at 31.3.2009
Sales Tax	NIL	9.33
Income Tax matters pending in appeals against which no provision has been made amounts to Rs.71.13 lakhs (previous year-Rs.57 lakhs) in view of favourable decisions of I.T.A.T.		

2. Remuneration to Auditors (Including Service Tax) :

Particulars	Current year	(Amount in Rupees) Previous year
(i) Audit Fee	1,58,556	1,39,807
(ii) Out of pocket expenses	43,128	55,924
TOTAL	2,01,684	1,95,731

3. Expenditure in foreign currencies :

(i) Membership Fee to PATA/WTO	Nil	1,11,023
(ii) Conference / Training expense	5,27,151	3,52,318
TOTAL	5,27,151	4,63,341

4. Remuneration to Chairman & Managing Director :

(i) Salary	27,21,000	20,64,000
(ii) Contribution to Provident Fund	1,76,400	1,62,000
(iii) Perquisites	3,99,962	2,81,227
TOTAL	32,97,362	25,07,227

5. Segment Reporting:

The Company is engaged mainly in the business of financing tourism-related projects. Since all activities are related to the main activity, there are no reportable segments as per Accounting Standard on Segment Reporting (AS-17).

6. Related Party Disclosure

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

A. List of related parties & relationships, where control exists:

1. Related Parties	Relation
IFCI Ltd. (Investing Company)	- Associate
North-East Tourism Dev. Co. Pvt. Ltd.	- Associate
2. Key Managerial Personnel	Relation
Mrs. Archana Capoor	- Chairman & Managing Director

B. Transactions with related parties & key managerial personnel:

1. Related Parties :-	
IFCI Ltd.:-	Dividend Paid - Rs.254.22 lacs (P.Y Rs.226.39 lacs)
	Dividend Received – Rs.0.20 lacs (P.Y Rs.0.20 lacs)
	Rent & Other Charges Paid – Rs.0.89 lacs (P.Y Rs.65.65 lacs)
2. Key Managerial Personnel :-	
Mrs. Archana Capoor: -	Remuneration Paid - Rs.32.97 lacs (P.Y Rs.25.07 lacs)
	Staff Loan Outstanding - Rs. 16.04 lacs (P.Y Rs.15.09 lacs)

7. Earning Per Equity Share:

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
(a) Net Profit Attributable to Equity Shareholders	34,07,66,604	28,97,19,480
(b) Weighted Average No. of Equity Shares (No.s)	8,07,16,748	8,07,16,748
(c) Basic Earning Per share of Face Value Rs. 10 each	4.22	3.59
(d) Diluted Earning Per share of Face Value Rs. 10 each	4.22	3.59



8. Deferred Taxation:

The significant component and classification of deferred tax assets and liabilities on account of timing differences are:

Particulars	As at 31 st March 2010	As at 31 st March 2009
(Amount in Rs.)		
Deferred Tax Assets due to :		
Provision for Doubtful Debts and Advances	1,93,50,714	2,20,42,141
Provision for Diminution in value of investment	1,43,34,806	—
Deferred Tax Liabilities due to :		
Depreciation	26,00,845	50,41,483
Provision for Diminution in value of Investment	—	1,01,94,212
Revaluation on Earlier Years Timing Difference	56,73,675	—
Net Deferred Tax Assets /(Liabilities)	2,54,11,000	68,06,446

9. Capital Commitments:

Company has Incurred Capital expenditure of Rs. 84.98 lacs during F.Y. 2009-10 for upgradation of its office at Scope Minar, Laxmi Nagar, Delhi, which includes lift replacement, power back up etc. An amount of Rs. 31.95 lacs is estimated to be incurred during next year on the same.

10. Interest on deposits in income from operations includes profit on sale of units of Debt based Mutual Funds of Rs.342.38 lacs (P. Y. Rs.463.40 lacs)
11. Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with the current year's figures.
12. 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, 2010. 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.
13. **Gratuity – As per actuarial valuations as on March 31, 2010 and recognized in the financial statements.**

	(Amount in Rs.)
I Recognised in the Profit & Loss A/c	
1 Current Service Cost	1,60,515
2 Interest Cost *	2,54,727
3 Expected Return on Plan Asset	(69,785)
4 Past Service Cost	-
5 Actuarial (gain)/loss recognized	62,043
6 Expense recognized in Statement of Profit & Loss / Reserves	4,07,500
II Net Asset/(Liability) recognized in Balance Sheet as at March 31, 2010	
1 Present Value of Obligation at the year end	36,61,370
2 Fair Value on Plan Assets	8,55,723
3 Fund Status (Surplus/Deficit)	(28,05,647)*
4 Unrecognised Past Service Cost	-
5 Net Asset/(Liability) recognized in Balance Sheet	(28,05,647)
III Change in Present value of Obligations during the year	
1 Present Value of Obligation at the beginning of the year	31,84,085
2 Current Service Cost	1,60,515
3 Interest Cost	2,54,727
4 Actuarial (gain)/loss on Obligations	62,043
5 Benefits Paid	-
6 Present Value of Obligation at the end of the year	36,61,370
IV Change in Fair Value of Assets during the year	
1 Fair Value of Plan Asset at the beginning of the year	6,25,423
2 Expected Return on Plan Asset	69,785
3 Actuarial gain/loss on Plan Asset	-
4 Contributions	1,60,515



5	Benefits Paid	-
6	Fair Value of Plan Asset at the end of the year	8,55,723
V Actuarial Assumptions		
1	Mortality Table	LIC (1994-96) ultimate
2	Discount Rate	8%
3	Salary Escalation	6%

* Provided out of General Reserve being the transitional liability for previous years.

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

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

(Rs. In Crores)

Particulars	Current Year		Previous Year	
	Outstanding	Overdue	Outstanding	Overdue
a. Debentures (Bonds)				
- Secured	Nil	Nil	Nil	Nil
- Unsecured	281.10	Nil	311.93	Nil
b. Deferred Credits	Nil	Nil	Nil	Nil
c. Term Loans	115.00	Nil	55.00	Nil
d. Inter-Corporate Deposits	Nil	Nil	Nil	Nil
e. Commercial Papers	Nil	Nil	Nil	Nil

14.2. Break-up of Loans and Advances including bills receivables (Net of Specific Provision / Write-Off):-

(Rs. In Crores)

Particulars	Current Year	Previous Year
	Amount Outstanding	Amount Outstanding
a. Secured	605.59	471.23
b. Unsecured	Nil	Nil

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

14.4. Break-up of Investments (Net of Specific Provision / Write Off):

A. Current Investments :

(Rs. In Crores)

Particulars	Current Year	Previous Year
1. Quoted		
(i) Shares		
(a) Equity	6.31	7.46
(b) Preference	Nil	Nil
(ii) Units of Mutual Funds	21.62	57.30
2. Unquoted		
	Nil	Nil

B. Long Term Investments:

(Rs. In Crores)

Particulars	Current Year	Previous Year
1. Quoted		
	Nil	Nil
2. Unquoted		
(i) Shares		
(a) Equity	12.53	3.51
(b) Preference	10.40	10.82
(ii) Debentures and Bonds	32.78	32.55
Total Investments (Current + Long Term)	83.64	111.64



TOURISM FINANCE CORPORATION OF INDIA LIMITED

14.5. Borrower group-wise classification of assets financed as in (14.2) and (14.3) above :

(Rs. In Crores)

Particulars	Amount (Net of Specific Provision)			Amount (Net of Specific Provision)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related parties						
(a) Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2. Other than related parties	605.59	Nil	605.59	471.23	Nil	471.23

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

(Rs. In Crores)

	Current Year		Previous Year	
	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)
1. Related parties				
(a) Subsidiaries	Nil	Nil	Nil	Nil
(b) Companies in the same group	4.35	4.04	4.10	4.04
(c) Other related parties	Nil	Nil	Nil	Nil
2. Other than related parties	76.56	79.60	105.72	107.59
TOTAL	80.91	83.64	109.82	111.63

14.7 Other Information

(Rs. In Crores)

Particulars	Current year	Previous year
(i) Gross Non-Performing Assets		
(a) Related parties	NIL	NIL
(b) Other than related parties	15.81	33.41
(ii) Net Non-Performing Assets		
(a) Related parties	NIL	NIL
(b) Other than related parties	NIL	NIL
(iii) Assets acquired in satisfaction of debt	NIL	NIL

14.8 CRAR

Items	Current Year	Previous Year
i) CRAR (%)	58.24%	59.69%
ii) CRAR - Tier I capital (%)	43.33%	46.64%
iii) CRAR - Tier II Capital (%)	14.91%	13.05%

14.9 Asset Liability Management Maturity pattern of certain items of assets and liabilities

Rs. In crore

	1 day to 30/31 days one month	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	—	—	—	—	15.00	—	80.00	20.00	115.00
Market Borrowings	—	—	—	—	—	70.25	104.06	100.00	274.31
Assets									
Advances	23.00	15.00	10.00	35.00	60.00	170.00	150.00	142.59	605.59
Investments	22.94	—	4.78	0.08	7.08	14.89	17.34	16.53	83.64

14.10 Exposure to Real Estate Sector : NIL

Schedules 'A' to 'N' form an integral part of accounts and have been duly authenticated.



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

as per Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details

Registration No. : 34812

State Code : 55

Balance Sheet Date : 31st March, 2010

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue

Nil

Rights Issue

Nil

Bonus Issue

Nil

Private Placement/Preferential Allotment

Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities

7 2 8 5 8 4 0

Total Assets

7 2 8 5 8 4 0

Sources of Funds

Paid-up capital

8 0 7 1 6 7

Application of Funds

Net Fixed Assets

3 0 3 5 3 3

Reserves & Surplus

2 2 6 2 2 6 9

Deferred Tax Assets

4 7 4 6 6

Secured Loans

1 1 5 0 0 0 0

Loans to Companies

5 8 5 5 7 8 9

Unsecured Loans

2 7 4 4 3 5 1

Investment

7 5 2 4 7 3

Net Current Assets

4 5 2 6

IV. Performance of Company (Amount in Rs. Thousand)

Turnover

8 1 4 9 6 2

Total Expenditure

3 5 4 2 4 7

Profit before Tax

4 6 0 7 1 5

Profit after Tax

3 4 0 7 6 7

Earning per share

Rs.4.22

Dividend Rate

12%

V. Generic names of three principal Products/Services of Company (as per monetary terms)

Item Code No.(ITC Code)

NOT APPLICABLE

Product Description

PROJECT FINANCING

Item Code No. (ITC Code)

NOT APPLICABLE

Product Description

FINANCIAL SERVICES

Item Code No.(ITC Code)

NOT APPLICABLE

Product Description

INVESTMENTS

for S.S. Kothari & Associates
Chartered Accountants

For and on behalf of the Board

(K.S. Mehta)
Partner

(Sanjay Ahuja)
Company Secretary

(B.M. Gupta)
Chief General Manager

(Umesh C. Pandey)
Director

(Archana Capoor)
Chairman and Managing Director

M.No. 08883

Firm Regn. No. 305147E

Date : May 28, 2010

Place : New Delhi



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010

	FOR THE YEAR ENDED 31ST MARCH, 2010 Rs.	FOR THE YEAR ENDED 31ST MARCH, 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	460,714,996	392,294,098
Adjustment for :		
Provision write off for Doubtful Debts/Investments	(60,000,000)	(50,000,000)
Depreciation	19,126,074	17,294,248
(Profit)/Loss On Sale of Assets	99,941	31,264
Operating Cash before working capital changes	419,941,011	359,619,610
Adjustment for :		
Repayments net of Disbursement	(1,211,076,312)	(807,989,502)
Sale/(Purchase) of Investment	336,674,874	175,783,720
Long Term Borrowing net of repayments	305,400,000	688,500,000
Short Term Borrowing net of repayments	(2,861,071)	(56,551,793)
(Increase)/Decrease in Current Assets	(5,219,083)	89,319,944
Increase/(Decrease) in Current Liabilities	37,325,895	12,418,472
Cash Generated from Operation	(119,814,686)	461,100,451
Direct Tax Paid	(148,122,759)	(152,802,342)
Net Cash Flow from Operating Activities	(267,937,445)	308,298,109
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(9,510,197)	(26,754,881)
Sale of Fixed Assets	9,500	15,400
Net Cash used in Investing Activities	(9,500,697)	(26,739,481)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Share Capital and Reserves	(689,376)	(5,818,125)
Payment of Dividend and Dividend Distribution Tax	(94,434,560)	(94,434,560)
Net Cash used in Financing Activities	(95,123,936)	(100,252,685)
Net Increase/(Decrease) in cash and cash equivalent (A+B+C)	(372,562,078)	181,305,943
Opening cash and cash equivalent balance	389,714,308	208,408,365
Closing cash and cash equivalent balance	17,152,230	389,714,308

This is the cash flow statement referred to in our report of even date for S.S. Kothari & Associates Chartered Accountants

For and on behalf of the Board

(K.S. Mehta)
Partner
M.No. 08883

(Sanjay Ahuja)
Company Secretary

(B.M. Gupta)
Chief General Manager

(Umesh C. Pandey)
Director

(Archana Capoor)
Chairman and Managing Director

Firm Regn. No. 305147E

Date : May 28, 2010
Place : New Delhi



Tourism Finance Corporation of India Ltd.

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

Attendance Slip

Name
Address
Folio No.

DP Id*	
Client Id*	

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

I hereby record my presence at the Twenty First Annual General Meeting of the Company, to be held on Friday, the 17th September, 2010 at 2.00 p.m at Air Force Auditorium, Subroto Park, New Delhi - 110 010.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

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

* Applicable for investors holding shares in electronic form.



Tourism Finance Corporation of India Ltd.

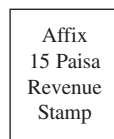
Regd. Office : 4th Floor, Tower 1, NBCC Plaza, Sector V,
Pushp Vihar, Saket, New Delhi - 110 017.

DP Id*	
Client Id*	

Proxy

I/We
of in the district of
being a Member/Members of
the above-named Company, hereby appoint
of in the district of (or failing him)
..... of
..... as my/our Proxy to attend and vote for me/us on my/our behalf
at the Twenty First Annual General Meeting of the Company, to be held on Friday, the 17th September, 2010 at 2.00 p.m. at Air
Force Auditorium, Subroto Park, New Delhi- 110 010 and at any adjournment thereof.

Signed this day of 2010
Reference Folio No.
No. of Shares Signature



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

**Strike out whichever is not desired.

*Applicable for investors holding shares in electronic form

Note : The Proxy form should reach the Registered Office of the Company i.e. Regd. Office : 4th Floor, Tower 1, NBCC Plaza, Sector V,
Pushp Vihar, Saket, New Delhi - 110 017. at least 48 hours before the time fixed for the meeting.



Tourism Finance Corporation Of India Limited

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

Tel.: +91-11-46727272 Fax : +91-11-46727200

Website : www.tfciltd.com, E-mail : tfciho@nde.vsnl.net.in