



Hon'ble Justice (Retd.) R. C. Chopra-Chairman of the Board

BOARD OF DIRECTORS

Smt. Archana Kapoor
Shri D. Chaturvedi
(Nominee – Ministry of Tourism)
Shri Sujit K. Mandal
Smt. Shashi Sharma
Dr. Raju Sharma (Ex-IAS)
Shri V. P. Singh
Shri R. P. Singh
Shri Javed Yunus

Shri Shivendra Tomar
Shri Sanjeev Kumar Jindal
(Nominee- Ministry of Finance)
Shri Satpal Arora
Shri Rakesh Kapoor
Shri Samir Kumar Ganguli
Shri R. R. Rai
Shri Vivek Nair

REGISTERED OFFICE

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

CHIEF FINANCIAL OFFICER

B.M. Gupta

SR. COMPANY SECRETARY

Rajiv Singh

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-100 020
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, 2011	As at March 31, 2010	
Resources			
Share Capital	8072	8072	
Reserves and Surplus	25937	22622	
Secured Loans	19735	11512	
Unsecured Loans	32431	27431	
Total	86175	69637	
Operations			
	Cumulative	2010-2011	2009-2010
Assistance sanctioned			
Rupee Loans	456456	67105	52127
Leasing	2491	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	47287	6711	4909
Guarantee	1483	—	—
Total	507717	73816	57036
Assistance disbursed			
Rupee Loan	245523	31164	24419
Leasing	1580	—	—
Subscription to Equity/Preference Share/ Mutua Fund/Debenture	40828	6711	4909
Guarantee	1443	—	—
Total	289374	37875	29328
Earnings			
Profit before tax	6879	4607	
Profit after tax	4441	3407	
Earning per share (Rs.)	5.50	4.22	



NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of Tourism Finance Corporation of India Ltd. will be held on Tuesday, the 13th day of September 2011 at 2.00 p.m. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares for the financial year 2010-11.
3. To appoint a director in place of Shri Sujit Kumar Mandal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri R. R. Rai, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri Vivek Nair, who retires by rotation and being eligible, offer himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this annual general meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT M/s. S. S. Kothari & Associates, Chartered Accountants (Registration No. 305147E) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.”

SPECIAL BUSINESS:

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

“RESOLVED THAT Shri Javed Yunus, Director of the company, who is retiring by rotation and did not offer himself for re-appointment, be not re-appointed as Director and the resultant vacancy be not filled up for the time being.”

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

“RESOLVED THAT in accordance with the provisions of

Sections 198, 269, 309, 310, read with the Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) consent of the members of the Company be and is hereby accorded for appointment of Shri Shivendra Tomar as Chief Executive Officer of the Company for a period of 3 years w.e.f. June 3, 2011 and his re-designation as Managing Director of the company w.e.f. July 1, 2011 on the terms and conditions of appointment as set out in the Explanatory Statement annexed hereto.

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

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

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

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

By order of the Board

Date : August 13, 2011

Place : New Delhi

(RAJIV SINGH)
Sr. Company Secretary



Notes:

1. *A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not to be member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.*
2. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, setting out material facts in respect of the business under item no. 7 & 8 is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Brief resume of Directors proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and memberships/chairmanship of Board Committees, shareholding and relationship between directors inter-se as stipulated under clause 49 of the listing agreement with the Sock Exchanges are annexed herewith.
5. Members seeking any information with regard to accounts or operations are requested to write to the Company at least 10 days in advance, to enable the Company to keep the information ready.
6. Members are requested to
 - (a) bring their attendance slip along with their copy of annual report to the meeting.
 - (b) note that all correspondence relating to share transfer should be addressed to Registrar & Share Transfer Agents of the Company, MCS Limited at F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020.
 - (c) Quote their DP ID No./Client ID No, or folio number in all correspondence.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. up to the date of the meeting.
8. (a) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 7, 2011 to Tuesday September 13, 2011 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956 for the purpose of Annual General Meeting and for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.

(b) The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched to those members whose names shall appear on the Company's Register of Member on September 7, 2011; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names shall be furnished by National Securities Depository Ltd.(NSDL) and Central Depository Services India Ltd.(CDSL) as beneficial owners as on that date.

9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in address immediately to the Company/ Registrar & Share Transfer Agent, M/s MCS Limited.
10. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed and unpaid for a period of 7 years from the date of payment is required to be transferred to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Members who have not yet encashed their dividend warrants are requested to make their claims to the Company immediately. Members may please note that no claims shall lie either against the Company or the Registrar and Transfer Agents in respect of dividend which remain unclaimed and unpaid for a period of 7 years from the date of payment and no payment shall be made in respect of such claims. The due date of transfer of unclaimed and unpaid dividend in IEPF is as follows:

Date of Declaration of Dividend	Due date of transfer in IEPF A/c
13.09.2004	13.10.2011
21.09.2007	21.10.2014
12.09.2008	12.10.2015
19.09.2009	18.10.2016
17.09.2010	17.10.2017

11. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agents, M/s MCS Limited.



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

ITEM NO: 7

The Board of Directors in its meeting held on August 13, 2011 decided not to recommend the re-appointment of Shri Javed Yunus as Director who is retiring by rotation in the ensuing Annual General Meeting as he did not offer himself for re-appointment. The Board also decided not to fill the vacancy caused by his retirement for the time being.

The Board of Directors recommends passing the resolution. None of the Directors except Shri Javed Yunus is interested in the proposed resolution.

ITEM NO: 8

The Board of Directors appointed Shri Shivendra Tomar as Chief Executive Officer of the Company w.e.f June 3, 2011 for a period of 3 years and re-designated him as Managing Director w.e.f. July 1, 2011 on the following terms and conditions;

1. Salary:

Rs.2,00,000/- p.m. with the annual increment of 12.5% on the salary.

2. Perquisites:

A. Housing: Rent Free furnished accommodation along with benefit of gas, fuel, water, electricity, telephone, internet and fax, as also upkeep and maintenance of the Company's furnished accommodation.

or

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

B. Medical Reimbursement: Reimbursement of medical expenses for self and family including dependent parents and children at actual in India.

C. Leave Travel Allowance: Leave Travel Allowance will be paid by the Company for self and family including dependent parents and children once in two years.

D. Club Fees: Reimbursement of club fees, subject to maximum two clubs.

E. Personal Accident Insurance Policy subject to annual premium upto Rs. 20,000/-.

F. Furniture/Fixture at residence upto Rs. 5.00 Lakh and payment of 5% as annual maintenance allowance on self certification basis with option to repurchase at book value after 5 years or on retirement whichever is earlier.

3. Other Benefits:

A Contribution to Provident Fund, in accordance with the rules of the Company. The superannuation fund will be 15% of salary.

B. Gratuity at the rate not exceeding one month salary for each completed year of services subject the maximum limit as prescribed under the Payment of Gratuity Act and rules of the company.

C. Car with the services of a Driver to be maintained by the company for official use. The permissible limit for personal use would be 1000 km per month with an annual ceiling of 12000 kms.

D. Telephone/fax/internet facility-at actual.

E. Leave/Leave salary as per the rules of the Company. Entitled to encash earned leave at the time of retirement, which may be lying to his credit.

F. The performance incentive would be decided by Remuneration Committee of the Board on a year to year basis based on the performance of the Company.

G. Commission on profit, if any decided by the Board on yearly basis subject to and within the ceiling as may be approved by the shareholders.

H. Any or all allowance, perquisites and benefit under the appropriate schemes and rules applicable generally to officers of the company provided however that the total remuneration shall be within the ceiling prescribed under Schedule XIII of the Companies Act, 1956.

4. The appointment may be subject to termination by 3 months notice in writing on either side.

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

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

By Order of the Board

Place: New Delhi

Date : August 13, 2011

(RAJIV SINGH)

Sr. Company Secretary

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

Shri Sujit Kumar Mandal

Shri Sujit K Mandal, age 60 years is a Mechanical Engineering graduate from National Institute of Technology, Durgapur and is post graduate in Business Management from Indian Institute of Management, Ahmedabad. He has rich experience of more than 37 years of Industrial/ Corporate Finance spanning nearly all aspects of management in the Industrial and Financial Sectors. He has vast experience in the areas of Project, Production, Operations Management and Corporate Planning in reputed Engineering Industries and developed expertise in Project Finance, Product



Development, Corporate Advisory, Project Development, NPA Management, Policy Formulations, Strategic Management and Corporate Planning and Turnaround Strategy etc. He is director on the Board of the company since September 12, 2008. Presently he is on the Board of following other Companies:

1. IFCI Limited,
2. IFCI Factors Ltd.
3. IFCI Financial Services Ltd.
4. IFCI Venture Capital Funds Ltd.

He is also on the Board of Management Development Institute (MDI), Gurgaon. He is member of audit committee of IFCI Ltd., IFCI Factors Ltd., IFCI Financial Ltd. IFCI Venture Capital Fund Ltd. and Chairman of IFCI Venture Capital Funds Ltd. He does not hold any shares in TFCI.

Shri R. R. Rai

Shri R. R. Rai, age 61 years is a science and law Graduate having vast experience in field of insurance, project financing, investments and other related areas. He had served as Executive Director of Life Insurance Corporation of India Ltd.(LIC). He is director of the Company since 28th May, 2007. He is director in Reliance Infrastructure Ltd. He is member of Audit Committee of TFCI and Reliance Infrastructure Ltd. He is Chairman of Investor Grievance & Share Transfer Committee of TFCI. He does not hold any shares in TFCI.

Shri Vivek Nair

Shri Vivek Nair, age 59 years is Vice Chairman & Managing Director of Hotel Leelaventure Limited. He did Hotel Management from Cornell University (USA). He is stalwart of hospitality sector and on the Board of Kerala State Industrial Development Corporation Ltd.(KSIDC) as Government Nominee. He is director on the Board of the company since August 25, 2006. He is on the Board of following other companies:

1. Hotel Leelaventure Limited
2. Kerala State Industrial Development Corporation Ltd
3. VIP Industries
4. Leela Capital & Finance Limited

5. Raheja Universal Ltd.
6. Leela Palaces & Resorts Ltd.
7. Mumbai International Convention & Exhibition Centre Ltd.
8. Leela Lace Software Solution (P) Ltd.
9. Standard Precious Alloy Industries (P) Ltd.
10. Leela Housing (P) Ltd.
11. Vibgyor Leasing (P) Ltd.
12. Rockfort Estate Developers (P) Ltd.
13. Leela Lace Holdings (P) Ltd.
14. Emmel Real Estate Developers (P) Ltd.
15. L. M. Realtors (P) Ltd.
16. Leela Lace Estate (P) Ltd.
17. Armcess Engineers (P) Ltd.
18. Elegant Eateries (P) Ltd.
19. Aushim Soft (P) Ltd.
20. Leela Soft (P) Ltd.
21. Buena Vista Travels (P) Ltd.
22. Zillion Hotels & Resorts (P) Ltd.

He is also member of Audit Committee of Hotel Leelaventure Ltd. & Leela Capital & Finance Limited. He does not hold any shares in TFCI.

Shri Shivendra Tomar

Shri Shivendra Tomar, age 44 years, has over 19 years of experience in project development, Finance, financial services, retail finance and NPA management, recovery management and resource raising. Shri Tomar holds a master degree in Management (Finance & Marketing). He is dynamic professional possessing exemplary leadership traits. He is director of the company since May 16, 2011. Before joining TFCI, he was Managing Director of IFCI Infrastructure Development Ltd. He is on the Board of the following companies:

1. IFCI Infrastructure Development Ltd.
2. GIC Housing Finance Ltd.
3. Blue Coast Hotels Ltd.
4. Jangipur Bengal Mega Food Park Ltd.
5. Ambitious Realtors Pvt. Ltd.

He is member of Audit Committee of TFCI and holds 100 equity shares of TFCI.

Important Communication to Members

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



DIRECTORS' REPORT

To the Members:

1. Presentation of the Annual Report:

Your Directors have pleasure in presenting the Twenty Second Annual Report on the business and operations of the Company and the audited accounts for the financial year 2010-11.

2. Financial Results:

(Rs. in Lakh)

	2010-11	2009-10
Total Income	10952.94	8149.62
Total Expenditure	5422.97	4142.47
Less: Excess provision written Back	(1350.00)	(600.00)
Profit before Tax	6879.97	4607.15
Provision for Tax	2438.93	1199.48
Profit After Tax	4441.04	3407.67
Less: Provision for doubtful debts u/s36(1)(viiia) of the Income Tax Act, 1961	269.49	-
Surplus Brought Forward	327.39	648.96
PROFIT AVAILABLE FOR APPROPRIATION	4498.94	4056.63
Special Reserve under Section 36(1) (viii) of the Income Tax Act, 1961	1229.09	914.49
Special Reserve u/s 45I of RBI Act	888.21	681.54
General Reserve	1000.00	1000.00
Proposed Dividend	968.60	968.60
Dividend Tax	157.13	164.61
Balance Carried to Balance Sheet	755.91	327.39
	4498.94	4056.63

3. Operations:

3.1 New Business in 2010-11:

The tourism industry in India is vibrant, and the country is fast becoming a major global destination. India's travel and tourism industry is one of the most profitable industries in the country, and also credited with contributing a substantial amount of foreign exchange. This is illustrated by the fact that during 2010, 5.58 million foreign tourists visited India as compared to the foreign tourist arrivals (FTAs) of 5.17 million during 2009, showing an impressive growth of 8.1% over the previous year.

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 development. Your Company with a view to diversify its business has also ventured into infrastructure financing business with a cautious approach. However, 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.

The total sanctions during 2010-11 were Rs.738.16 Crore comprising of project-related sanctions of Rs.671.05 Crore and average investment in liquid funds amounting to Rs.67.11 Crore (previous year Rs.570.36 Crore comprising of project-related sanctions of Rs.521.27 Crore and average investment in liquid funds amounting to Rs.49.09 Crore). The total disbursement during 2010-11 were Rs.378.75 Crore comprising of project-related disbursements of Rs.311.64 Crore and average investment in liquid funds amounting to Rs.67.11 Crore (previous year Rs.293.28 Crore comprising of project-related disbursements of Rs.244.19 Crore and average investment in liquid funds amounting to Rs.49.09 Crore). During the year your company sanctioned Rs.138.00 Crore in the infrastructure related projects which also led to catalyzing investment to the tune of Rs.4011.00 Crore in the infrastructure sector.

3.2 Overall Contribution to Tourism and Infrastructure Sector by TFCI:

The assistance provided by your company since its inception has enabled to add 41556 rooms and to provide direct employment to about 78225 persons in tourism industry. The assistance provided by your company has also led to catalysing investments to the tune of Rs. 20944 Crore in the tourism sector thereby contributing to the creation of need-based tourism infrastructure, which has direct bearing on the development of tourism in the country.

3.3 Non-Performing Assets:

During the year 2010-11, 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 Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SRFAESI Act) have been initiated. No new NPA has been generated during the year under review. TFCI has realized Rs.13.00 Crore by selling a property acquired under SARFAESI Act, 2002 which has resulted in extraordinary one time income. Further, during the year, the total amount of Rs.12.55 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. The Gross NPAs stand reduced to less than 0.4% of the total assets as on March 31, 2011 whereas the net NPAs are zero for the last 3 years.

4. Outlook for Tourism:

The hotel and tourism industry's contribution to the Indian economy by way of foreign direct investments (FDI) inflows were pegged at USD 2.35 billion from April 2000 to February 2011, according to the Department of Industrial Policy and Promotion (DIPP). Foreign tourist arrivals to India are forecasted to grow at a rate of 9% - 10% in the next few years.

Several reasons are cited for the growth and prosperity of India's travel and tourism industry. Economic growth has added millions annually to the ranks of India's middle class, a group that is driving domestic tourism growth. Disposable income in India has grown and much of that is being spent on travel. Domestic travel visits have registered compounded growth rate of 7% in the past 10 years. Domestic travelers now account for nearly 74% of the total demand (across all segments) and 53% of the luxury segment. Affordable flights with better connectivity, improved road network (a lot still needs to be done), increase in inventory of hotels in Tier I and II cities resulting in user-friendly rates, and better upkeep of monuments have contributed to the spurt in numbers along with the overpowering belief that India deserves not just a curious stare but a serious look.

The Tourism Ministry has also played an important role in the development of the industry, initiating advertising campaigns such as the 'Incredible India', which promoted India's culture and tourist attractions in a fresh and memorable way. The campaign helped create a colorful image of India in the minds of consumers all over the world, and has directly led to an increase in the interest among the tourists.

The tourism industry has helped growth in other sectors as diverse as horticulture, handicrafts, agriculture,

construction and even poultry. Both directly and indirectly, increased tourism in India has created jobs in a variety of related sectors. Travel and tourism is expected to generate 24.93 million jobs directly in 2011 (5 per cent of total employment). This includes employment by hotels, travel agents, airlines and other passenger transportation services. By 2021 industry will account for 30.44 million jobs directly, an increase of 5.51 million (22.1 per cent) over the next ten years.

India is currently ranked 12th in the Asia Pacific region and 68th overall in the list of the world's attractive destinations, according to the Travel and Tourism Competitiveness Report 2011 by the World Economic Forum (WEF).

According to the Tourism Satellite Accounting (TSA) research, released by World Travel and Tourism Council (WTTC), the direct contribution of travel and tourism to GDP is expected to grow by 8.1% per annum to USD 76.65 billion (2 % of GDP) for 2011-2021 period, while the total contribution is forecasted to rise by 8.8% p.a. for 2011-21, accounting for 4.9% of GDP.

India's hotel pipeline is the second largest in the Asia-Pacific region. The Indian hospitality industry is projected to grow at a rate of 8.8 per cent during 2007-16, making the country as the second-fastest growing tourism market in the world.

There is also an urgent need to understand tourism needs with far more understanding, importance, and sensitivity than it currently has, and the tourism authorities at both levels need to be given more power and authority for a healthy growth of this wholesome activity which is still not considered an industry. Granting more power will ensure systemic studies are carried out, statistics analyzed, research undertaken, and pragmatic measures adopted to ensure that tourist sites are not "overgrazed," a healthy balance is maintained between unrestricted growth and open spaces, and genuine concerns of tourists are addressed, all contributing to overall growth.

5. Resources:

During the year, your Company met its fund requirements for disbursement as well as repayment of loans/bonds through bond issue, credit/loan from banks and from internal accruals. During the year, your Company raised Rs.50.00 Crore by way of 8.90% unsecured bonds and borrowed Rs.75.00 Crore as term loans from banks. The Company also repaid term loan of Rs.15.00 Crore during the year.

6. RBI Guidelines:

Your Company has been classified as Non-Deposit Accepting Non-Banking Financial Company. RBI has



been issuing guidelines from time to time with regard to capital adequacy standards, income recognition, asset classification, provisioning and other related matters. The accounting policies of your Company conform to these guidelines. The capital adequacy for your Company stands at very comfortable figure of 50.74 % as on the 31st March, 2011 as against the norm of 15%.

7. Dividend:

Your Directors have recommended a dividend of Rs. 1.20 per Equity Share i.e. @ 12% on the paid-up equity Share Capital for the financial year ended March 31, 2011 amounting to Rs. 11.26 Crore inclusive of dividend tax of Rs. 1.57 Crore. The dividend will be paid to members whose names appear in the Register of Members as on September 7, 2011. In respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Ltd., as beneficial owners.

8. Directors:

As per Section 256 of the Companies Act, 1956 and the provision in the Articles of Association, Shri S. K. Mandal, Shri R. R. Rai, Shri Javed Yunus and Shri Vivek Nair would retire at the forthcoming Annual General Meeting. The Board recommends the reappointment of Shri S. K. Mandal, Shri R. R. Rai and Shri Vivek Nair in the forthcoming Annual General Meeting. The Board of Directors in its meeting held on August 13, 2011 decided not to recommend re-appointment of Shri Javed Yunus as Director and not to fill the vacancy caused by his retirement for the time being. During the year under review, the members of the Company in an Extra-ordinary General Meeting of the Company held on January 17, 2011 appointed Smt. Shashi Sharma, Shri Shivendra Tomar, Shri R. P. Singh, Shri V.P. Singh and Shri Samir Kumar Ganguli as Directors of the Company, liable to retire by rotation. In the same meeting, members also removed Shri O. N. Singh, from the directorship of the Company in terms of the provisions of Section 284 of the Companies Act, 1956. All these appointments and removal of directors became effective from May 16, 2011 as per the decision of the Hon'ble High Court of Delhi. During the year, the Board of Directors appointed five additional directors on March 22, 2011, namely Shri Arjun Sharma, Shri Sachit Kumar Sahijpal, Dr. P.S. Rana, Shri Sujit Banerjee and Shri S.K. Misra, whose appointments were set aside as per the decision of the Hon'ble High Court of Delhi dated May 16, 2011. Similarly, the members of the Company in other Extra-ordinary General Meeting of the Company held on May 18, 2011 also appointed Shri Satpal Arora, Shri Rakesh Kapoor & Dr. Raju Sharma as Directors liable to retire

by rotation and approved the proposal for removal of three Directors which was not given effect pursuant to order of Hon'ble High Court of Delhi dated May 16, 2011. Hon'ble High Court of Delhi appointed Hon'ble Justice (Retd.) Shri R.C. Chopra as Chairman of the Board.

9. Public Deposits:

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

10. Directors' Responsibility Statement:

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

- (i) That in the preparation of the annual accounts for the year ended March 31, 2011, the applicable accounting standards read with the requirements set out under Schedule VI to the Companies Act, 1956 have been followed and there are no material departures from the same;
- (ii) That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year ended on that date;
- (iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That they had prepared the annual accounts on a 'going-concern' basis.

11. Securities:

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

12. Auditors:

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



within the meaning of Section 226 of the said Act. Your Directors recommend their re-appointment.

13. Auditors' Report:

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

14. Listing

Your Company's equity shares are listed with Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Company has paid the Annual Listing Fees to said Stock Exchanges for the financial year 2010-11. The addresses of the said stock exchanges are stated elsewhere in the Annual Report.

15. Particulars of Employees

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

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

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

- i) Total foreign exchange outgo : Rs. 1,93,276
- ii) Total foreign exchange earnings : Nil

17. Transfer of amount to Investor Education and protection Fund

No amount of unpaid or unclaimed dividend is due/ outstanding to be credited to the Investor Education and Protection Fund in terms of the provisions of Section 205A(5) of the Companies Act, 1956.

18. Corporate Governance

Your Directors reaffirm their continued commitment to good corporate governance practices. The Report on the Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

19. Management's Discussion and Analysis Report

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

20. Declaration:

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

21. Acknowledgements:

The Board expresses and places on record their gratitude for valuable assistance, co-operation, guidance and support received by the Company from the Ministry of Finance and Ministry of Tourism, Government of India, Reserve Bank of India, Securities & Exchange Board of India, other All-India Financial Institutions particularly from promoter institutions viz. IFCI Limited and other Banks. The Board thanks to all our stakeholders, who have reposed faith in our Company and extended their constant support.

The Board also places on record their sincere appreciation of the concerted efforts and dedicated service of all employees which contributed to the continuous growth and performance of the Company.

For and on behalf of the Board of Directors

Date : August 13, 2011 (S.K. Mandal) (Shivendra Tomar)
Place : New Delhi. Director Managing Director



CORPORATE GOVERNANCE

1. Company’s Philosophy:

Corporate Governance refers to the blends of laws, regulations and voluntary practices. It is the application of best management practices, compliance of law and adherence to ethical standards to achieve the organization goal of enhancing stakeholder value. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship & disclosures serve as means of implementing the philosophy of corporate governance. The Compliance Report is prepared and given below in conformity with the mandatory requirements of the Listing Agreement with the Stock Exchanges for the year ended March 31, 2011.

2. Board of Directors:

For the year ended March 31, 2011, the Board of Directors comprised Chairman & Managing Director, 12 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 meets 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, 6 Board Meetings were held on May 28, 2010, July 26, 2010, November 1, 2010, November 25, 2010, December 14, 2010 and January 28, 2011.

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:-

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

Retired at the last Annual General Meeting

NED : Non-Executive Director NEID : Non-Executive Independent Director CMD : Chairman and Managing Director

*The Board of Directors on March 22, 2011 appointed five additional Directors namely Shri Arjun Sharma, Shri Sachit Kumar Sahjpal, Dr. P.S. Rana, Shri Sujit Banerjee and Shri S.K. Misra through circular resolution which was set aside by the Hon’ble High Court of Delhi vide its order dated May 16, 2011. Since, as between March 22, 2011 to March 31, 2011 no Board Meeting was held, no information regarding the attendance/other details were given in respect to these 5 Directors.

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.

The members of the Company in an Extra-ordinary General Meeting of the Company held on January 17, 2011 appointed 5 Directors namely Smt. Shashi Sharma, Shri Shivendra Tomar, Shri R. P. Singh, Shri Samir Kumar Ganguli and Shri V. P. Singh. In the same meeting members also removed Shri O. N. Singh from the directorship of the Company in terms of Section 284 of the Companies Act, 1956. The resolutions passed by the members in the EGM held on January 17, 2011 regarding the appointment and removal of Directors became effective from May 16, 2011 by the order of the Hon’ble High Court of Delhi. In the current financial year, the members of the Company in an Extra-ordinary General Meeting held on May 18, 2011 appointed Shri Satpal Arora, Shri Rakesh Kapoor and Dr. Raju Sharma (Ex-IAS) as Directors of the Company and approved the proposal for removal of three Directors which was not given effect pursuant to order of Hon’ble High Court of Delhi. The Board of Directors in its meeting held on June 3, 2011 appointed Shri Shivendra Tomar as Chief Executive Officer and re-designated him as Managing Director w.e.f. July 1, 2011.

Board Meeting, Board Committee Meetings and Procedures

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

3. Audit Committee:

3.1 Constitution and Composition:

The Audit Committee of the Board has been functional since 1997 and comprised 3 Non-Executive Independent Directors. The Chairman of the Committee was an independent director. The Chairman of the Committee attained the last AGM. The Committee met 4 times on May 28, 2010, July 24, 2010, November 1, 2010 and January 28, 2011 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	2
2. Shri O. N. Singh	Director	2
3. Shri R. R. Rai	Director	4
4. Shri Sanjeev Kumar Jindal@	Director	-
5. Shri Javed Yunus*	Director	1

Retired on 17.9.2010

@Appointed on 22.10.2010

*Appointed on 1.11.2010

The Audit Committee, reconstituted on June 13, 2011 comprises 5 Non-Executive Directors namely Shri S. K. Ganguli- Chairman, Shri Sanjeev Kumar Jindal, Shri R. R. Rai, Dr. Raju Sharma, Smt. Shashi Sharma and Shri Shivendra Tomar, Managing Director of the Company. Out of total 5 members, 4 members of the Committee are independent directors.



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

3.2 Term of Reference

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

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

4. Remuneration and Compensation Committee:

4.1 Composition:

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

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

The Remuneration Committee has been reconstituted on June 13, 2011 comprising 3 Non-Executive Directors viz. Shri Raju Sharma-Chairman, Shri V. P. Singh and Shri S. K. Mandal. Out of 3 Non-Executive Directors except Shri S. K. Mandal, all directors are independent directors.

4.2 Term of reference:

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

4.3 Remuneration Policy:

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

objective to motivate employees to excel in their performance and to recognize their contribution.

4.4. (i) Details of remuneration paid to Directors for the year 2010-2011:

- (i) Remuneration was paid only to the Chairman and Managing Director and no commission was paid. The salary paid to Smt. Archana Capoor, Chairman and Managing Director during the year 2010-2011 was Rs.47,70,748/-
- (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.)
Shri U. C. Pandey	Rs.28,000
Shri S. S. H. Rehman	Rs.24,000
Shri O. N. Singh	Rs.36,000
Shri Vivek Nair	Rs.44,000

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. No sitting fee is payable to the Nominee Directors.

5. Investor-Grievances Committee:

Composition: During the year under report, the Investor-Grievances Committee comprised one Non-Executive Independent Director Shri R. R. Rai as Chairman and Mrs. Archana Capoor, Chairman and Managing Director as its member. During the financial year 2010-2011, the Committee met twice.

5.1 Term of reference: The Committee looks into redressal of shareholders’/investors’ complaints related to transfer of shares, non-receipt of Annual Report, Non-receipt of dividend etc.

During the year, 148 letters/complaints were received from the shareholders and were replied/solved to the satisfaction of the shareholders. As on March 31, 2011, 2 requests involving transfer of 200 shares were pending to be processed. All the pending requests were less than fifteen days old and have since been resolved.

The Committee has been reconstituted on June 13, 2011 comprising 3 Non-Executive Director Shri R. R. Rai as Chairman, Shri S. K. Ganguli and Shri Satpal Arora. Out of 3 Non-Executive Directors except Shri Satpal Arora, all directors are independent directors.

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 after 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	23
2. Shri B. M. Gupta	Chief General Manager	23
3. Shri Anoop Bali	General Manager	22
4. Shri Sanjay Ahuja	Company Secretary	23

The Share Transfer Committee has been reconstituted on June 13, 2011 comprising 3 Non-Executive Director Shri R. R. Rai as Chairman, Shri S. K. Ganguli and Shri Satpal Arora. Out of 3 Non-Executive Directors except Shri Satpal Arora, all directors are independent directors. The Senior Company Secretary has been appointed as the Compliance Officer.

6.1 General Body Meeting:

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

Financial Year	Date	Time	Location
2009-10	September 17, 2010	2.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi
2008-09	September 18, 2009	2.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi
2007-08	September 12, 2008	2.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi

No special resolution for Equity Shareholders was put through Postal Ballot in the last year.

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.

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

AGM Date	Relevant provisions of the Companies Act, 1956	Particulars of Special Resolutions
17.09.2010	Section 224A	Appointment of Statutory Auditors
18.09.2009	Section 224A	Appointment of Statutory Auditors
	Section 163	Approval to maintain Register & Index of Members, Bondholders at the premises of Company's Registrar & Transfer Agent.
12.09.2008	Section 224A	Appointment of Statutory Auditors

7. Disclosures:

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

(B) Related Party Transactions

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

(C) Disclosure of Accounting Treatment

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

(D) Disclosure on Risk Management

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

(E) Means of Communication:

Quarterly results are published in leading English and Hindi newspapers viz. Business Standard/Economic Times/The Financial Express, and Veer Arjun/ Jansatta.

8. 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. The code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. All Board members and senior management personnel have affirmed their compliance with the code.

9. General Shareholders' Information company Registration Details

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

9.1 Annual General Meeting is proposed to be held on Tuesday, September 13, 2011 at Air Force Auditorium, Subroto Park, New Delhi at 2.00 p.m.

9.2 Financial calendar(tentative)

Financial Year: April 1, 2011 to March 31, 2012

Results for the quarter ending:

June 30, 2011 - August 2011

September 30, 2011 - October/November 2011

December 31, 2011 - January/February 2012

March 31, 2012 - April/May 2012

Annual General Meeting- September, 2012

9.3 Date of Book Closure

Wednesday, September 7, 2011 to Tuesday, September 13, 2011(both days inclusive)



9.4 Dividend Payment

Credit/dispached between October 7, October 13, 2011

9.5 Listing on Stock Exchanges

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

9.6 Stock-Market price data for the year 2010-2011:

TFCI Share Price (in Rupees)

Month & Year	BSE		NSE	
	High	Low	High	Low
April, 2010	33.2	27.85	33.15	27.80
May, 2010	32	26.5	31.20	26.60
June, 2010	30.65	27	30.45	27.05
July, 2010	35.4	29.3	35.20	29.20
August, 2010	34.9	31.55	35.20	31.55
September, 2010	41.4	31.8	41.80	31.95
October, 2010	40.3	35.35	41.70	35.40
November, 2010	43.3	33.5	43.25	33.50
December, 2010	41.95	33.8	42.40	33.40
January, 2011	37.35	29.55	37.15	29.55
February, 2011	30.55	25.4	30.65	25.50
March, 2011	27.9	25.5	28.30	25.05

Stock code: BSE: 526650, NSE: TFCILTD

Demat ISIN code: INE305A01015

9.7 Performance in comparison to broad-based indices:

TFCI's share-price performance relative to NSE Nifty and BSE sensx during the year 2010-11

	(% change) TFCI's share Price	(% change) Index	(% change) TFCI relative to index
BSE Sensx	-3.25%	+10.94%	-14.19%
NSE Nifty	-2.17%	+11.14%	-13.31%

9.8 Registrar and Share-Transfer Agent:

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

9.9 Share-Transfer System:

All the transfers are processed by the Registrar and Share Transfer Agents and are approved by the Share Transfer

Committee. Pursuant to Clause 47(c) of the Listing Agreement with the Stock exchanges, certificates on half year basis have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and participants) Regulations, 1996, certificates have also been received from a Company Secretary-in Practice for timely dematerialization of the shares of the Company and for conducting secretarial audit on a quarterly basis for re-conciliation of the share capital of the Company.

9.10 Distribution of Shareholding as on 31st March, 2011

No of Shares	No of Share Holders	Percentage of Shareholders	Shares Held	Percentage of Share Capital
1 - 500	58666	91.07	7704966	9.55
501 - 1000	2977	4.62	2598546	3.22
1001 - 2000	1299	2.02	2080978	2.58
2001 - 3000	470	0.73	1233300	1.53
3001 - 4000	202	0.31	740084	0.92
4001 - 5000	261	0.41	1261439	1.56
5001 - 10000	302	0.47	2345305	2.91
10001 - 50000	185	0.29	4049875	5.02
50001 - 100000	26	0.04	1899021	2.35
100001 and above	29	0.05	56803234	70.37
	64417	100.00	80716748	100.00

9.11 Categories of Shareholders as on 31st March, 2011:

Category	Shares	% of Shares
Financial Institution (IFCI Limited)	30558520	37.86
Nationalised Banks	11207620	13.89
Insurance Companies	8453181	10.47
Other Financial Institution And Banks	264065	0.33
Mutual Fund	3200	0.00
Overseas Bodies Corporate	195000	0.24
Non Resident	388169	0.48
Bodies Corporate	6980689	8.65
General Public	22666304	28.08
Total	80716748	100.00

9.12 Dematerialization of Shares

Sl. No.	Electronic/physical	Mode of holding %
1	NSDL	89.95
2	CDSL	6.54
3	Physical	3.51
	TOTAL	100.00



Trading in Equity Shares of the Company is permitted only in dematerialized form. As on 31st March, 2011, 96.49% of Company's total equity shares representing 77880606 Equity Shares were held in dematerialized form and the balance shares were in physical form.

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

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

9.15 Address for correspondence:

The Company's registered office is situated at:
4th Floor, Tower 1,
NBCC Plaza, Sector 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@tfciltd.com

Website : www.tfciltd.com

The Company's other office is situated at:
7th Floor, Earnest House, Nariman Point,
Mumbai - 400 021

Telefax No.: (022)66332038

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

Registrar and Share 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 Participant (DP).

10. Review of Directors' Responsibility Statement

The Board, in its Report, has confirmed that the annual accounts for the year ended March 31, 2011 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

11. Compliance Certificate of the Auditors

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

12. Management Discussion and Analysis

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

13. CEO/CFO Certification

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



MANAGEMENT'S DISCUSSION & ANALYSIS

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

1. Industry structure and developments:

The tourism industry in India is vibrant, and the country is fast becoming a major global destination. India's travel and tourism industry is one of the most profitable industries in the country, and also credited with contributing a substantial amount of foreign exchange. This is illustrated by the fact that during 2010, 5.58 million foreign tourists visited India as compared to the foreign tourist arrivals (FTAs) of 5.17 million during 2009, showing an impressive growth of 8.1% over the previous year.

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. Your Company with a view to diversify its business has also ventured into infrastructure financing business with a cautious approach. However, 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.

2. Opportunities and threats:

Opportunities:

- i) Tourism has been identified as major engine of economic growth by the Govt.
- 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, road 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 2010-11 were Rs.738.16 Crore comprising of project-related sanctions of Rs.671.05 Crore and average investment in liquid funds amounting to Rs.67.11 Crore (previous year Rs.570.36 Crore comprising

of project-related sanctions of Rs. 521.27 Crore and average investment in liquid funds amounting to Rs. 49.09 Crore). The total disbursement during 2010-11 were Rs. 378.75 Crore comprising of project-related disbursements of Rs. 311.64 Crore and average investment in liquid funds amounting to Rs. 67.11 Crore (previous year Rs. 293.28 Crore comprising of project-related disbursements of Rs. 244.19 Crore and average investment in liquid funds amounting to Rs. 49.09 Crore). During the year your company sanctioned Rs. 138.00 Crore in the infrastructure related projects which also led to catalyzing investment to the tune of Rs. 4011.00 Crore in the infrastructure sector.

4. Outlook:

The hotel and tourism industry's contribution to the Indian economy by way of foreign direct investments (FDI) inflows were pegged at USD 2.35 billion from April 2000 to February 2011, according to the Department of Industrial Policy and Promotion (DIPP). Foreign tourist arrivals to India are forecasted to grow at a rate of 9% - 10% in the next few years.

Several reasons are cited for the growth and prosperity of India's travel and tourism industry. Economic growth has added millions annually to the ranks of India's middle class, a group that is driving domestic tourism growth. Disposable income in India has grown and much of that is being spent on travel. Domestic travel visits have registered compounded growth rate of 7% in the past 10 years. Domestic travelers now account for nearly 74% of the total demand (across all segments) and 53% of the luxury segment. Affordable flights with better connectivity, improved road network (a lot still needs to be done), increase in inventory of hotels in Tier I and II cities resulting in user-friendly rates, and better upkeep of monuments have contributed to the spurt in numbers along with the overpowering belief that India deserves not just a curious stare but a serious look.

The Tourism Ministry has also played an important role in the development of the industry, initiating advertising campaigns such as the 'Incredible India', which promoted India's culture and tourist attractions in a fresh and memorable way. The campaign helped create a colorful image of India in the minds of consumers all over the world, and has directly led to an increase in the interest among the tourists.

The tourism industry has helped growth in other sectors as diverse as horticulture, handicrafts, agriculture, construction and even poultry. Both directly and indirectly, increased tourism in India has created jobs in a variety of related sectors. Travel and tourism is expected to generate 24.93 million jobs directly in 2011 (5 per cent of total employment). This includes employment by hotels, travel agents, airlines and



other passenger transportation services. By 2021 industry will account for 30.44 million jobs directly, an increase of 5.51 million (22.1 per cent) over the next ten years.

India is currently ranked 12th in the Asia Pacific region and 68th overall in the list of the world's attractive destinations, according to the Travel and Tourism Competitiveness Report 2011 by the World Economic Forum (WEF).

According to the Tourism Satellite Accounting (TSA) research, released by World Travel and Tourism Council (WTTC), the direct contribution of travel and tourism to GDP is expected to grow by 8.1% per annum to USD 76.65 billion (2 % of GDP) for 2011-2021 period, while the total contribution is forecasted to rise by 8.8% p.a. for 2011-21, accounting for 4.9% of GDP.

India's hotel pipeline is the second largest in the Asia-Pacific region. The Indian hospitality industry is projected to grow at a rate of 8.8 per cent during 2007-16, making the country as the second-fastest growing tourism market in the world.

There is also an urgent need to understand tourism needs with far more understanding, importance, and sensitivity than it currently has, and the tourism authorities at both levels need to be given more power and authority for a healthy growth of this wholesome activity which is still not considered an industry. Granting more power will ensure systemic studies are carried out, statistics analyzed, research undertaken, and pragmatic measures adopted to ensure that tourist sites are not "overgrazed," a healthy balance is maintained between unrestricted growth and open spaces, and genuine concerns of tourists are addressed, all contributing to overall growth.

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 are 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 2010-11 your Company had earned profit (before tax) of Rs. 68.80 Crore (previous year Rs. 46.07 Crore), recording growth of around 49%. TFCI had earned profit after tax of Rs.44.41 Crore (previous year Rs.34.08 Crore), an increase of 30% over the previous year. Income from operations had increased to Rs107.99 Crore (previous year Rs.80.07 Crore).

During the year, your Company met its fund requirements for disbursement as well as repayment of loans/bonds through bond issue, credit/loan from banks and from internal accruals. During the year, your Company raised Rs.50.00 Crore by way of 8.90% unsecured bonds and borrowed Rs.75.00 Crore as term loans from banks. The Company also repaid term loan of Rs.15.00 Crore during the year.

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

The Company had staff strength of 35 as on 31st March, 2011. 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.



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

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

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

New Delhi
June 27, 2011

(B.M. Gupta)
Chief Financial Officer

(Shivendra Tomar)
Chief Executive Officer

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, 2011, 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

Place: New Delhi
Date: July 01, 2011

Naveen Aggarwal
Partner
Membership No. 094380



TOURISM FINANCE CORPORATION OF INDIA LIMITED

APPENDIX TO DIRECTORS' REPORT

TYPE OF PROJECTWISE AND PURPOSE WISE CLASSIFICATION OF FINANCIAL ASSISTANCE SANCTIONED

(Rs. in Lakhs)

Purpose	New		Expansion		Ren./Eq. Finance		Exp/Reno/ Acq./Restr.		Total	
	No	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
5 STAR HOTEL	5	16600	1	3700	0	0	4	9150	10	29450
	72	122275	16	17876	15	6808	16	21277	119	168236
4 STAR HOTEL	3	4300	1	2500	1	900	0	0	5	7700
	39	41946	6	7457	5	1995	4	1590	54	52988
3 STAR HOTEL	5	6175	1	700	0	0	4	3770	10	10645
	242	122192	22	12587	11	3743	35	18277	310	156799
2 STAR HOTEL	0	0	0	0	1	10	0	0	1	10
	21	5398	1	388	1	90	2	323	25	6199
HERITAGE	0	0	0	0	0	0	0	0	0	0
	17	3764	3	1030	2	425	2	586	24	5805
UNCLASSIFIED	0	0	0	0	0	0	0	0	0	0
	2	1210	0	0	1	24	1	56	4	1290
Amusement Park/Shopping Complex-cum-ent. Centre/Water Park/ Multiplex/Activity Centre/ Integrated	1	4000	0	0	0	0	1	350	2	4350
	31	24643	3	190	0	0	3	1267	37	26100
RESTAURANT	0	0	0	0	0	0	0	0	0	0
	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
RTDC/PALACE ON WHEELS	0	0	0	0	0	0	1	500	1	500
	2	2150	0	0	1	1000	1	500	4	3650
OTHERS	1	650	0	0	0	0	0	0	1	650
	32	36585	3	3600	2	273	4	3829	41	44287
INFRASTRUCTURE PROJECTS	2	6300	1	3000	0	0	2	4500	5	13800
	2	6300	1	3000	0	0	2	4500	5	13800
Total	17	38025	4	9900	2	910	12	18270	35	67105
	478	372248	61	49289	43	15067	71	52510	653	489114

Normal - Current Year(2010-2011)

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, 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 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 2011;
 - (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**

Firm Regn. No. 305147E

Place: New Delhi
Date : 1st July, 2011

(Naveen Aggarwal)
Partner
M.No. 94380

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 2011)

- (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



TOURISM FINANCE CORPORATION OF INDIA LIMITED

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 2011 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 2011 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Assesment Year(s)	Rs./Lakhs	Forum where the dispute is pending
Income Tax	2007-08	60.51	CIT (Appeals)
Income Tax	2008-09	448.78	CIT (Appeals)

- (x) The company has no accumulated losses as at 31st March, 2011 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**

Firm Regn. No. 305147E

Place: New Delhi
Date : 1st July, 2011

(Naveen Aggarwal)
Partner
M.No. 94380

**BALANCE SHEET AS AT MARCH 31, 2011**

	SCHEDULE	AS AT 31.3.2011 Rs.	AS AT 31.3.2010 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	80,71,67,480	80,71,67,480
Reserves and Surplus	B	<u>2,59,37,99,677</u>	<u>2,26,22,68,404</u>
		3,40,09,67,157	3,06,94,35,884
LOAN FUNDS			
Secured Loans	C	1,97,35,27,015	1,15,12,51,027
Unsecured Loans	D	<u>3,24,31,00,000</u>	<u>2,74,31,00,000</u>
Total		<u><u>8,61,75,94,172</u></u>	<u><u>6,96,37,86,911</u></u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	40,29,90,385	39,58,59,549
Less: Depreciation		<u>11,08,11,455</u>	<u>9,23,26,933</u>
Net Block		29,21,78,930	30,35,32,616
INVESTMENTS			
Deferred Tax Assets	F	79,44,77,022	75,24,72,684
LOANS TO COMPANIES	G	4,44,48,768	4,74,65,727
CURRENT ASSETS AND		7,45,83,95,311	5,85,57,89,343
ADVANCES	H	29,43,83,880	32,65,80,046
Less: CURRENT LIABILITIES			
AND PROVISIONS	I	<u>26,62,89,739</u>	<u>32,20,53,505</u>
NET CURRENT ASSETS AND			
ADVANCES		2,80,94,141	45,26,541
Total		<u><u>8,61,75,94,172</u></u>	<u><u>6,96,37,86,911</u></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)
Firm Regn. No.305147E

(Naveen Aggarwal)
Partner
M.No.94380

Dated : July 01, 2011
Place : New Delhi

For and on behalf of the Board

(Rajiv Singh)
Sr. Company Secretary

(R.R. Rai)
Director

(S.K. Mandal)
Director

(B.M. Gupta)
Chief Financial Officer

(Shivendra Tomar)
Managing Director



TOURISM FINANCE CORPORATION OF INDIA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	SCHEDULE	YEAR ENDED 31ST MARCH, 2011 Rs.	YEAR ENDED 31ST MARCH, 2010 Rs.
INCOME			
Income from Operations	J	1,07,98,91,349	80,07,38,701
Profit/(Loss) on Sale of Investments		43,64,562	45,62,492
Miscellaneous Income		1,10,38,962	96,60,978
		<u>1,09,52,94,873</u>	<u>81,49,62,171</u>
EXPENDITURE			
Staff expenses	K	6,80,50,953	3,56,02,168
Administrative and other expenses	L	3,93,36,311	2,81,05,695
Interest on borrowings		41,63,85,365	33,13,13,297
Depreciation		1,84,96,892	1,91,26,074
Provision/write off for doubtful debts/ investments (excess provision written back)		(13,50,00,000)	(6,00,00,000)
Loss on Sale of Assets		27,969	99,941
		<u>40,72,97,490</u>	<u>35,42,47,175</u>
Profit Before Tax		68,79,97,383	46,07,14,996
Provision for - Current Tax		17,01,00,000	13,70,00,000
- Earlier Year		7,07,75,923	83,59,392
- Deferred Tax Liabilities/(Assets)		30,16,959	(2,54,11,000)
Profit After Tax		<u>44,41,04,501</u>	<u>34,07,66,604</u>
Less: Provision for doubtful debts u/s 36(1)(viiia) of Income Tax Act, 1961		2,69,49,000	-
Add: Surplus brought forward		3,27,38,442	6,48,96,310
PROFIT AVAILABLE FOR APPROPRIATION		<u>44,98,93,943</u>	<u>40,56,62,914</u>
APPROPRIATIONS			
Special reserve under section 36(1)(viii) of the Income Tax Act, 1961		12,29,09,000	9,14,49,000
Special reserve under sec 45 I of RBI Act		8,88,21,000	6,81,54,000
General Reserve		5,00,00,000	10,00,00,000
Proposed Dividend	9,68,60,098		9,68,60,098
Provision for Dividend Tax	1,57,13,130		1,64,61,374
		<u>11,25,73,228</u>	<u>11,33,21,472</u>
Balance carried to Balance Sheet		<u>7,55,90,715</u>	<u>3,27,38,442</u>
		<u>44,98,93,943</u>	<u>40,56,62,914</u>
Significant Accounting Policies	M		
Notes forming part of Accounts	N		
Basic/Diluted Earnings per share (Rs.) (Face value Rs.10 per share)		5.50	4.22
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)
Firm Regn. No.305147E

For and on behalf of the Board

(Naveen Aggarwal)
Partner
M.No.94380

(Rajiv Singh)
Sr. Company Secretary

(R.R. Rai)
Director

(S.K. Mandal)
Director

(B.M. Gupta)
Chief Financial Officer

(Shivendra Tomar)
Managing Director

Dated : July 01, 2011
Place : New Delhi



SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.3.2011	As at 31.3.2010
	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)		
Preference Shares of Rs.10 each	250,00,00,000	250,00,00,000
	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)	80,71,67,480	80,71,67,480
of Rs.10 each, fully paid up	80,71,67,480	80,71,67,480
	Balance as at	Balance as at
	31.3.2010	31.03.2011
	Rs.	Rs.
	Additions	Deductions
	during the year	during the year
	Rs.	Rs.
SCHEDULE - B		
RESERVES AND SURPLUS		
Capital Reserve	11,55,000	- 11,55,000
Share Premium Account	64,91,87,668	- 64,91,87,668
Special Reserve under		
- Section 36(1)(viii) of the		
Income-tax Act, 1961	71,18,24,000	12,29,09,000 - 83,47,33,000
- Section 45 I of RBI Act	6,81,54,000	8,88,21,000 - 15,69,75,000
Provision u/s 36(1)(viiia)		
of the Income-tax Act, 1961	-	2,69,49,000 - 2,69,49,000
General Reserve	79,92,09,294	5,00,00,000 - 84,92,09,294
Surplus in Profit and Loss Account	3,27,38,442	4,28,52,273 - 7,55,90,715
	2,26,22,68,404	33,15,31,273 - 2,59,37,99,677
	As at 31.3.2011	As at 31.3.2010
	Rs.	Rs.
SCHEDULE - C		
SECURED LOAN		
(Against Hypothecation of Book-Debts)		
TERM LOAN		
State Bank of India	50,00,00,000	-
United Bank of India	-	15,00,00,000
Union Bank of India	50,00,00,000	50,00,00,000
Central Bank of India	50,00,00,000	50,00,00,000
Dhanalakshmi Bank Ltd.	25,00,00,000	-
TOTAL:	1,75,00,00,000	1,15,00,00,000
WORKING CAPITAL LOAN		
Indian Overseas Bank (Overdraft)	22,35,27,015	12,51,027
GRAND TOTAL:	1,97,35,27,015	1,15,12,51,027

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



SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.3.2011 Rs.	As at 31.3.2010 Rs.
SCHEDULE - D		
UNSECURED LOANS		
12% (2012)Bonds (Series GB-I) (Interest and repayment of principal guaranteed by Government of India)	22,47,00,000	22,47,00,000
11.25% Bonds(2012)(Series MB XXIX)	18,40,00,000	18,40,00,000
10.50% Bonds(2013)(Series MB XXXII)	29,38,00,000	29,38,00,000
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
8.90% Bonds(2020)[Series MB XXXX]	50,00,00,000	-
TOTAL :	2,24,31,00,000	1,74,31,00,000
 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	25,00,00,000
GRAND TOTAL:	3,24,31,00,000	2,74,31,00,000

Note:

The amount payable during the next 12 months is Rs. 40,87,00,000/- (Previous Year NIL).



**SCHEDULE “E”
FIXED ASSETS SCHEDULE AS AT 31.03.2011**

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2010 Rs.	Addition Rs.	Deletions Rs.	As at 31.03.2011 Rs.	As at 01.04.2010 Rs.	Addition Rs.	Adjust- ments Rs.	As at 31.03.2011 Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 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	338,615,243	3,195,940	-	341,811,183	51,887,186	14,339,467	-	66,226,653	275,584,530	286,728,057
Furniture & Fixture	10,849,213	645,978	-	11,495,191	4,236,945	1,266,992	-	5,503,937	5,991,254	6,612,268
Office Equipment	5,116,462	59,878	43,339	5,133,001	2,613,569	350,111	12,370	2,951,310	2,181,691	2,502,893
Electricals	3,099,982	-	-	3,099,982	769,201	324,212	-	1,093,413	2,006,569	2,330,781
Computers	9,621,387	742,379	-	10,363,766	8,210,704	687,990	-	8,898,694	1,465,072	1,410,683
Vehicles	5,448,762	-	-	5,448,762	1,500,828	1,022,120	-	2,522,948	2,925,814	3,947,934
Intangible Assets										
Computer Software	-	2,530,000	-	2,530,000	-	506,000	-	506,000	2,024,000	-
Sub Total B	372,751,049	7,174,175	43,339	379,881,885	69,218,433	18,496,892	12,370	87,702,955	292,178,930	303,532,616
Grand Total	395,859,549	7,174,175	43,339	402,990,385	92,326,933	18,496,892	12,370	110,811,455	292,178,930	303,532,616
Previous Year Ended	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	

**SCHEDULE - F
INVESTMENTS**

	Face Value	As at 31.03.2011		Face Value	As at 31.03.2010	
		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	10	250000	2,462,500
Balaji Hotels Ltd.	10	170000	25,500,000	10	170000	25,500,000
Hotel Parag Ltd.	10	826258	8,262,580	10	826258	8,262,580
Swosti Premium Ltd. (Formerly Swosti Plaza Ltd.)		0	-	10	1365625	13,656,250
Guruvayur Hotels Pvt Ltd.		0	-	15000	269	4,035,000
Assets Care Enterprises Ltd.	10	2040000	20,400,000	10	2040000	20,400,000
North East Tourism Dev. Corpn. Pvt. Ltd.	10	2600	26,000	10	2600	26,000
Sherwood Hotels & Resorts Pvt. Ltd.	100	20000	2,000,000	100	10000	1,000,000
Shell Inn International Limited	10	14000000	140,000,000	10	5000000	50,000,000
b Preference Shares						
IFCI Ltd.	10	2000000	20,000,000	10	2000000	20,000,000
0.10% Redeemable Cumulative Preference Shares						
Royale Manore Hotel & Industries Ltd.	100000	184	18,330,000	100000	240	23,970,000
4% Optionally Convertible Preference Shares						
Appu Hotels Ltd	10	6000000	60,000,000	10	6000000	60,000,000
6% Redeemable Cumulative Preference Shares						
c Debentures & Bonds						
Majestic Hotels Ltd						
0% Secured Optionally Convertible Redeemable Debentures	100	332800	33,280,000	100	469800	46,980,000



	Face Value	As at 31.03.2011		Face Value	As at 31.03.2010	
		Nos	Amount (Rs)		Nos	Amount (Rs)
0% Optionally Convertible Secured Debentures	100	58000	5,800,000	100	58000	5,800,000
0% Optionally Convertible Secured Debentures	100	17000	1,700,000	100	34000	3,400,000
World Resorts Ltd		0	-	100	599000	59,900,000
0% Optionally Convertible Secured Debentures						
IHHR Hospitality Ltd		0	-	100	143680	14,368,000
0% Optionally Convertible Secured Debentures						
New Light Hotels and Resorts Ltd	1000	29352	25,220,998	1000	39391	32,571,000
0% Optionally Convertible Secured Debentures						
Swosti Premium Ltd.						
(Formerly Swosti Plaza Ltd.)	70812121	1	50,471,121	70812121	1	66,696,121
0% Optionally Convertible Secured Debentures						
Karani Hotels Pvt Ltd	1000	1647	1,647,000	1000	4941	4,941,000
0% Optionally Convertible Secured Debentures						
Guruvayur Hotels Pvt. Ltd.		0	-	100	142290	1
0% Optionally Convertible Secured Debentures						
Black Thunder Theme Park Pvt. Ltd.	100	875140	75,658,000	100	875140	70,758,000
0% Optionally Convertible Secured Debentures						
Hotel Mass Pvt. Ltd.	100	153300	1	100	153300	1
7% Optionally Convertible Secured Debentures						
Kays Inn Pvt. Ltd.		0	-	10000	118	1,180,000
12% Optionally Convertible Secured Debentures						
Rohini Hotels (Madras) Pvt. Ltd.	100000	500	1	100000	500	1
0% Optionally Convertible Secured Debentures						
Hotel Jagam Pvt. Ltd.	1000	20430	20,430,000	1000	21230	21,230,000
0% Optionally Convertible Secured Debentures						
Gayatri Projects Limited	1000000	50	49,917,275	0	0	-
11.50% Secured Redeemable Non Convertible Debenture						
Total Long Term Investments (A)			<u>561,105,476</u>			<u>557,136,454</u>
2. Current Investments						
(i) Quoted						
a Equity Shares						
Nicco Parks and Resorts Ltd.	1	1000000	1,500,000	10	100000	1,500,000
ITC Ltd.	10	423590	37,382,492	10	211795	37,382,492
IDFC Ltd	10	7350	249,900	10	7350	249,900
Union Bank of india	10	4586	504,460	10	4586	504,460
Viceroy Hotels Ltd.	10	200000	20,000,000	10	200000	20,000,000
Punjab Woolcombers Ltd.	10	2500	21,500	10	2500	21,500
Reliance Power Ltd.	10	12275	3,452,400	10	12275	3,452,400
b Units of Liquid Mutual Funds/F.M.P			238,500,000			216,217,835
(ii) Unquoted			-			-
Total Current Investments (B)			<u>301,610,752</u>			<u>279,328,587</u>
Total Investments (A + B)			<u>862,716,228</u>			<u>836,465,041</u>
Less: Provision for Diminution in Value of investments			68,239,206			83,992,357
Net Investments			<u>794,477,022</u>			<u>752,472,684</u>
* Total Quoted investments (Gross)			301,610,752			279,328,587
* Total Un Quoted investments (Gross)			561,105,476			557,136,454
* Market Value of Quoted Investments			337,583,627			298,096,403

**TOURISM FINANCE CORPORATION OF INDIA LIMITED**

	As At 31.3.2011 Rs.	As At 31.3.2010 Rs.
SCHEDULE - G		
LOANS TO COMPANIES		
(Secured by Tangible assets)		
Loans to Companies	7,61,97,66,331	6,00,41,61,432
Less: Provision for Doubtful Loans	<u>16,13,71,020</u>	<u>14,83,72,089</u>
	7,45,83,95,311	5,85,57,89,343
SCHEDULE - H		
CURRENT ASSETS AND ADVANCES		
A. CURRENT ASSETS		
Interest accrued on Investments	75,94,432	55,91,880
Interest/Commitment and other charges accrued on loans and deposits	5,36,77,392	5,17,16,029
Sundry Debtors (Unsecured - considered good)		
Debts outstanding for a period exceeding 6 months	49,64,543	47,81,642
Other debts	<u>1,14,824</u>	<u>92,240</u>
	50,79,367	48,73,882
Cash and Bank Balances		
Cash balance including stamps in hand	28,626	23,896
Balances with Scheduled Banks: - in Current Account	33,77,698	1,71,28,334
B. ADVANCES - Considered good		
Advances recoverable in cash or kind or for value to be received		
- Secured	3,83,95,843	2,61,72,840
- Unsecured	<u>13,59,102</u>	<u>25,91,465</u>
	3,97,54,945	2,87,64,305
Advance Income tax, Interest Tax and Tax deducted at source (Net of Provisions)	18,48,71,420	21,84,81,720
	<u>29,43,83,880</u>	<u>32,65,80,046</u>



	As At 31.3.2011 Rs.	As At 31.3.2010 Rs.
SCHEDULE-I		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors	29,36,563	27,25,652
Other Liabilities	3,59,12,711	9,83,32,295
Interest Accrued but not due	7,50,67,237	6,78,74,086
B. PROVISIONS		
Proposed Dividend	9,68,60,098	9,68,60,098
Provision for Dividend Tax and Surcharge	1,57,13,130	1,64,61,374
Provision against Standard Assets	3,98,00,000	3,98,00,000
	<u>26,62,89,739</u>	<u>32,20,53,505</u>
	Year ended 31.3.2011 Rs.	Year ended 31.3.2010 Rs.
SCHEDULE - J		
INCOME FROM OPERATIONS		
Interest and other charges on loans	96,27,81,720	72,14,24,648
Interest on Deposits	5,31,63,523	4,03,48,569
Other Fees and Charges	5,64,07,886	3,14,13,593
Dividend	75,38,220	75,51,891
	<u>1,07,98,91,349</u>	<u>80,07,38,701</u>
SCHEDULE - K		
STAFF EXPENSES		
Salaries	5,89,05,700	3,24,60,125
Contribution to Provident Fund and other Funds	22,32,512	17,50,976
Contribution to Gratuity	50,98,417	1,53,957
Staff Welfare expenses & Others	18,14,324	12,37,110
	<u>6,85,50,953</u>	<u>3,56,02,168</u>
SCHEDULE - L		
ADMINISTRATIVE & OTHER EXPENSES		
Rent, Rates and Taxes	11,73,993	18,07,030
Office Upkeep & Maintenance	1,15,42,567	75,53,375
Travelling and Conveyance	51,29,674	54,97,581
Printing and Stationery	5,65,454	6,46,648
Postage, Telephone and Telex	18,65,877	25,51,740
Sitting Fee (Directors)	1,32,000	1,60,000
Membership and Subscription	1,99,414	1,14,841
Audit Fee	2,75,752	2,01,684
Insurance Expenses	63,249	77,598
Listing Fee	4,43,718	3,53,239
Legal and Professional Charges	92,64,858	22,38,077
Miscellaneous Expenses	86,79,755	69,03,882
	<u>3,93,36,311</u>	<u>2,81,05,695</u>



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 on realisation. Dividend Income is recognized on actual receipt basis.

3. Fixed Assets and Depreciation:

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

4. Investments:

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

are valued at cost less permanent diminution in value, wherever applicable, for each individual investment.

5. Loans to Companies :

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

6. Retirement Benefits :

a) Gratuity:

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

b) Provident Fund:

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

c) Leave Encashment:

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

7. Taxation & Deferred Taxation:

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



SCHEDULE – N
NOTES FORMING PART OF THE ACCOUNTS

1. Contingent liabilities not provided for in respect of:	(Rs. in lacs)	
	As at	As at
	31.3.2011	31.3.2010
Income Tax	509.30	71.13
2. Remuneration to Auditors (Including Service Tax) :		(Amount in Rs.)
Particulars	Current year	Previous year
(i) Audit Fee	2,20,600	1,58,556
(ii) Out of pocket expenses	55,150	43,128
TOTAL	2,75,750	2,01,684
3. Expenditure in foreign currencies :		(Amount in Rs.)
Particulars	Current year	Previous year
(i) Subscription to Publications	37,185	Nil
(ii) Conference / Training expense (including Travelling cost)	1,56,091	5,27,151
TOTAL	1,93,276	5,27,151
4. Remuneration to Chairman & Managing Director :		(Amount in Rs.)
Particulars	Current year	Previous year
(i) Salary	26,39,323	27,21,000
(ii) Contribution to Provident Fund	1,90,800	1,76,400
(iii) Perquisites	19,40,625	3,99,962
TOTAL	47,70,748	32,97,362

5. Segment Reporting:

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

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**

IFCI Ltd. (Investing Company)

North-East Tourism Dev. Corporation Pvt. Ltd.

Shell Inn International Limited

Relation

- Associate

- Associate

Associate (w.e.f 15.03.2011)

2. Key Managerial Personnel

Mrs. Archana Capoor

Relation

- Chairman & Managing Director

B. Transactions with related parties & key managerial personnel:**1. Related****(a) IFCI Ltd.****Parties :-**

Dividend Paid -Rs. 328.04 lacs

(P.Y Rs. 254.22 lacs)

Dividend Received - Rs.0.20 lacs

(P.Y Rs.0.20 lacs)

Rent & Other Charges Paid - Rs.0.89 lacs

(P.Y Rs.0.89 lacs)

(b) Shell Inn International Limited

Interest on Loans - Rs.18.17 lacs

Outstanding Rupee Loan - Rs. 3000.00 lacs

2. Key Managerial Personnel :-

Mrs. Archana Capoor : - Remuneration Paid -

Rs. 47.71 lacs (P.Y Rs. 32.97 lacs)

Staff Loan Outstanding - Rs.12.29 lacs

(P.Y Rs. 16.04 lacs)

**7. Earning Per Equity Share:**

Particulars		2010-11 (Rs.)	2009-10 (Rs.)
(a)	Net Profit Attributable to Equity Shareholders	44,41,04,501	34,07,66,604
(b)	Weighted Average No. of Equity Shares (Nos.)	8,07,16,748	8,07,16,748
(c)	Basic Earning Per share of Face Value Rs. 10 each	5.50	4.22
(d)	Diluted Earning Per share of Face Value Rs. 10 each	5.50	4.22

8. Deferred Taxation:

Details of Deferred Tax Assets/(Liability) charged to profit & Loss account on account of timing differences as per Accounting Standard-22 for the current year are as under :-

(Amount in Rs.)

Particulars	As at 31 st March 2011	As at 31 st March 2010
Deferred Tax Assets due to :		
1. Provision for Doubtful Debts and Advances	42,17,503	1,93,50,714
2. Provision for Diminution in value of investment	-	1,43,34,806
3. Provision for Gratuity	16,54,181	-
Deferred Tax Liabilities due to :		
1. Depreciation	32,77,298	26,00,845
2. Provision for Diminution in value of Investment	51,11,110	-
3. Revaluation on Earlier Years Timing Difference	5,00,235	56,73,675
Net Deferred Tax Assets /(Liabilities) Charged to Profit & Loss	(30,16,959)	2,54,11,000

9. Capital Commitments: NIL (Previous Year Rs. 31.95 Lacs)

10. Interest on deposits in income from operations includes profit on sale of units of Debt based Mutual Funds of Rs.391.61 lacs (P. Y. Rs.342.38 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, 2011. 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, 2011 and recognized in the financial statements.**

(Amount in Rs.)

I	Recognised in the Profit & Loss A/c	31 st March 2011	31 st March 2010
1	Current Service Cost	1,42,096	1,60,615
2	Interest Cost	2,92,910	2,54,727
3	Expected Return on Plan Asset	(88,822)	(69,785)
4	Past Service Cost	-	-
5	Actuarial (gain)/loss recognized	48,92,243	62,043
6	Expense recognized in Statement of Profit & Loss / Reserves	52,38,427	4,07,500
II	Net Asset/(Liability) recognized in Balance Sheet		
1	Present Value of Obligation at the year end	89,88,619	36,61,370
2	Fair Value on Plan Assets	10,84,555	8,55,723
3	Fund Status (Surplus/Deficit)	(79,04,064)	(28,05,647)
4	Unrecognised Past Service Cost	-	-
5	Net Asset/(Liability) recognized in Balance Sheet	(79,04,064)	(28,05,647)



III		Change in Present value of Obligations during the year		
	1	Present Value of Obligation at the beginning of the year	36,61,370	31,84,085
	2	Current Service Cost	1,42,096	1,60,515
	3	Interest Cost	2,92,910	2,54,727
	4	Actuarial (gain)/loss on Obligations	48,92,243	62,043
	5	Benefits Paid	-	-
	6	Present Value of Obligation at the end of the year	89,88,619	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	8,55,723	6,25,423
	2	Expected Return on Plan Asset	88,822	69,785
	3	Actuarial gain/loss on Plan Asset	-	-
	4	Contributions	1,40,010	1,60,515
	5	Benefits Paid	-	-
	6	Fair Value of Plan Asset at the end of the year	10,84,555	8,55,723
V		Actuarial Assumptions		
	1	Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
	2	Discount Rate	8%	8%
	3	Salary Escalation	6%	6%

14. Unclaimed dividend from 2004 onwards amounting to Rs.74,58,371 (P.Y. Rs.66,48,616) is deposited with Scheduled Banks. No amount is due/outstanding to be paid/credited to Investor Education & Protection Fund as on 31st March 2011

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

15.1 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	331.82	Nil	281.10	Nil
b. Deferred Credits	Nil	Nil	Nil	Nil
c. Term Loans	175.00	Nil	115.00	Nil
d. Inter Corporate Deposits	Nil	Nil	Nil	Nil
e. Commercial Papers	Nil	Nil	Nil	Nil

15.2. Break-up of Loans and Advances including bills receivables (Net of Specific

Provision / Write Off), including interest accrued thereon:-

(Rs. In Crores)

Particulars	Current Year	Previous Year
	Amount Outstanding	Amount Outstanding
a. Secured	767.34	605.59
b. Unsecured	Nil	Nil

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



15.4 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	6.31
	(b) Preference	Nil	Nil
(ii)	Units of Mutual Funds	23.85	21.62
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	19.87	12.53
	(b) Preference	9.83	10.40
(ii)	Debentures and Bonds	26.41	32.78
Total Investments (Current + Long Term)		86.27	83.64

15.5. Borrower group-wise classification of assets financed as in (15.2) and (15.3) above :

(Rs. In Crores)

Particulars	Amount (Net of Specific Provision) Current Year			Amount (Net of Specific Provision) Previous Year		
	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	30.18	Nil	30.18	Nil	Nil	Nil
2. Other than related parties	737.16	Nil	737.16	605.59	Nil	605.59

15.6. 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	4.47	4.04	4.35	4.04
(c) Other related parties	14.00	14.00	Nil	Nil
2. Other than related parties	67.76	68.23	76.56	79.60
TOTAL	86.23	86.27	80.91	83.64

**TOURISM FINANCE CORPORATION OF INDIA LIMITED****15.7 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	3.26	15.81
(ii)	Net Non-Performing Assets		
	(a) Related parties	NIL	NIL
	(b) Other than related parties	NIL	NIL
	Assets acquired in satisfaction of debt	NIL	NIL

15.8 CRAR

	Items	Current Year	Previous Year
i)	CRAR (%)	50.74%	58.24%
ii)	CRAR - Tier I Capital (%)	38.67%	43.33%
ii)	CRAR - Tier II Capital (%)	12.07%	14.91%

15.9 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	160.00	-	175.00
Market Borrowings	-	-	-	-	40.87	133.44	-	150.00	324.31
Assets									
Advances	15.78	13.84	6.55	19.10	124.34	221.76	207.72	158.25	767.34
Investments	26.44	-	1.92	0.26	5.51	18.15	10.63	31.65	94.56

15.10 Exposure to Real Estate Sector : NIL

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

for S.S. Kothari & Associates

For and on behalf of the Board

(Chartered Accountants)
Firm Regn. No.305147E(Rajiv Singh)
Sr. Company Secretary(B.M. Gupta)
Chief Financial Officer(Naveen Aggarwal)
Partner
M.No.94380(R.R. Rai)
Director(S.K. Mandal)
Director(Shivendra Tomar)
Managing Director

Dated : July 01, 2011

Place : New Delhi



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE (AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956)

I. Registration Details

Registration No. : 34812

State Code : 55

Balance Sheet Date : 31st March, 2011

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

8 9 1 3 8 8 4

Total Assets

8 9 1 3 8 8 4

Sources of Funds

Paid-up capital

8 0 7 1 6 7

Application of Funds

Net Fixed Assets

2 9 2 1 7 9

Reserves & Surplus

2 5 9 3 8 0 0

Deferred Tax Assets

4 4 4 4 9

Secured Loans

1 9 7 3 5 2 7

Loans to Companies

7 4 5 8 3 9 5

Unsecured Loans

3 2 4 3 1 0 0

Investment

7 9 4 4 7 7

Net Current Assets

2 8 0 9 4

IV Performance of Company (Amount in Rs. Thousand)

Turnover

1 0 9 5 2 9 5

Total Expenditure

4 0 7 2 9 7

Profit before Tax

6 8 7 9 9 7

Profit after Tax

4 4 4 1 0 5

Earning per share

Rs.5.50

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



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

	For the year ended 31.03.2011	For the year ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	687,997,383	460,714,996
Adjustment for :		
Provision write off for Doubtful Debts/Investments	(135,000,000)	(60,000,000)
Depreciation	18,496,892	19,126,074
(Profit)/Loss On Sale of Assets	27,969	99,941
Operating Cash before working capital changes	571,522,244	419,941,011
Adjustment for :		
Repayments net of Disbursement	(1,489,849,118)	(1,211,076,312)
Sale/(Purchase) of Investment	(19,761,188)	336,674,874
Long Term Borrowing net of repayments	1,100,000,000	305,400,000
Short Term Borrowing net of repayments	222,275,988	(2,861,071)
(Increase)/Decrease in Current Assets	(15,160,040)	(5,219,083)
Increase/(Decrease) in Current Liabilities	(55,015,522)	37,325,895
Cash Generated from Operation	314,012,364	(119,814,686)
Direct Tax Paid	(207,265,623)	(148,122,759)
Net Cash Flow from Operating Activities	106,746,741	(267,937,445)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(7,174,175)	(9,510,197)
Sale of Fixed Assets	3,000	9,500
Net Cash used in Investing Activities	(7,171,175)	(9,500,697)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Share Capital and Reserves	-	(689,376)
Payment of Dividend and Dividend Distribution Tax	(113,321,472)	(94,434,560)
Net Cash used in Financing Activities	(113,321,472)	(95,123,936)
Net Increase/(Decrease) in cash and cash equivalent (A+B+C)	(13,745,906)	(372,562,078)
Opening cash and cash equivalent balance	17,152,230	389,714,308
Closing cash and cash equivalent balance	3,406,324	17,152,230

This is the cash flow statement referred to in our report of even date.

As per our report of even date
for S.S. Kothari & Associates
(Chartered Accountants)
Firm Regn. No.305147E

(Naveen Aggarwal)
Partner
M.No.94380

Dated : July 01, 2011
Place : New Delhi

For and on behalf of the Board

(Rajiv Singh)
Sr. Company Secretary

(R.R. Rai)
Director

(S.K. Mandal)
Director

(B.M. Gupta)
Chief Financial Officer

(Shivendra Tomar)
Managing Director



Tourism Finance Corporation of India Ltd.

Regd. Office : 4th Floor, Tower I, NBCC Plaza, Sector V,
Pushp Vihar, Saket, New Delhi - 110017.

Attendance Slip

DP Id*	
Client Id*	

Name

Address

Folio No.

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

I hereby record my presence at the Twenty Second Annual General Meeting of the Company, to be held on Tuesday, the 13th September, 2011 at 2.00 p.m at Air Force Auditorium, Subroto Park, New Delhi - 110 010.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

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

* Applicable for investors holding shares in electronic form.



Tourism Finance Corporation of India Ltd.

Regd. Office : 4th Floor, Tower I, NBCC Plaza, Sector V,
Pushp Vihar, Saket, New Delhi - 110017

DP Id*	
Client Id*	

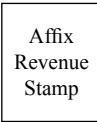
Proxy

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 Second Annual General Meeting of the Company, to be held Tuesday, the September 13, 2011 at 2.00 p.m. at
Air Force Auditorium, Subroto Park, New Delhi- 110 010 and at any adjournment thereof.

Signed this day of 2011

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 - 110017 at least 48 hours before the time fixed for the meeting.