

**21st Annual Report
2011-2012**

TCFC FINANCE LIMITED

BOARD OF DIRECTORS

MR. ATUL DESAI CHAIRMAN
MR. V S SRINIVASAN DIRECTOR
MS. TANIA DEOL MANAGING DIRECTOR
MR. VENKATESH KAMATH DIRECTOR

ANNUAL GENERAL MEETING

On 06th August, 2012 at 3.00 p.m. at
M C Ghia Hall, 2nd Floor,
Bhogilal Hargovinddas Building,
8/20 K Dubhash Marg,
Mumbai 400 001.

COMPANY SECRETARY

MISS. RUPALI SAWANT

AUDITORS

MGB & CO.
CHARTERED ACCOUNTANTS

REGISTERED OFFICE

501-502, RAHEJA CHAMBERS,
FREE PRESS JOURNAL MARG,
NARIMAN POINT,
MUMBAI 400 021.
Tel.: 022-22844701

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NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of TCFC Finance Limited will be held on Monday 6th August, 2012 at 3.00 p.m. at M C Ghia Hall, 2nd Floor, Bhogilal Hargovinddas Building, 8/20 K Dubhash Marg, Mumbai-400001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. V. S. Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit pass, with or without modification (s) the following resolution as an ordinary resolution:
"RESOLVED THAT M/s. MGB & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of the 21st Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be agreed upon between the Board of Directors and the Auditors."

By order of the Board
For TCFC Finance Limited

Rupali Sawant
Company Secretary

Place: Mumbai

Date: May 28, 2012

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, 31st July, 2012 to Monday, 6th August, 2012 (both days inclusive).
3. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m and 1.00 p.m. upto the date of the Annual General Meeting.
4. Members are requested to intimate change in address, change in bank accounts etc. Members may avail Electronic Clearing Service (ECS) for receipt of dividend by intimating their bank account details to the Company if shares are in physical form or to their respective Depository Participant in case of shares in dematerialized form.
5. Any member seeking further information on the Accounts at the meeting is requested to send his/her queries in writing to the Company so as to reach at least one week in advance to enable the Management to keep the information ready. Replies will be provided only at the meeting.
6. Members/proxies should bring their Attendance slip duly filled in for attending the meeting.
7. Members are hereby informed that Dividend which remains unclaimed/un-encashed over a period of 7 years has to be transferred as per the provisions of Sec.205A of the Companies Act, 1956, by the Company to "The Investor Education & Protection Fund", constituted by the Central Government under Section 205C of the Companies Act, 1956.

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Hereunder are the details of Dividends paid by the Company and their respective due dates of transfer of unclaimed/un-encashed dividends to the designated fund of the Central Government.

Date of Declaration of Dividend	Dividend For the Year	Due date of Transfer to the Government
15 th July, 2005	2004-2005	August, 2012
17 th August, 2006	2005-2006	September, 2013
24 th August, 2007	2006-2007	September, 2014
9 th July,2008	2007-2008	August, 2015
6 th July 2010	2009-2010	August, 2017
10 th August, 2011	2010-2011	September, 2018

It may please be noted that once the unclaimed/un-encashed dividend is transferred to "The Investor Education & Protection Fund", as above, no claim shall lie in respect of such amount by the shareholder.

DIRECTORS' REPORT

To the Members,

TCFC FINANCE LIMITED

The Directors have pleasure in presenting the 21st Annual Report of the Company together with the Audited Annual Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

	Year ended March 31, 2012 (₹ in lacs)	Year ended March 31, 2011 (₹ in lacs)
Profit before Non-cash charges	161.03	997.83
Less: Depreciation	3.52	3.98
Profit before tax, provision	157.51	993.85
Add: Excess Provision written back	—	198.75
Profit Before Tax	157.51	1192.60
Less: Provision for Tax	52.63	191.50
Net Profit after tax	104.88	1001.10
Proposed dividend	—	157.23
Dividend tax	—	25.51
Carried to General Reserve	—	100.11
Carried to Statutory Reserve	20.98	200.22
Surplus balance carried to Profit and Loss Account	(1553.18)	(1637.08)

OPERATIONS

The Company has made a net profit of ₹ 104.88 lacs in the year under report as against profit of ₹ 1001.10 lacs in the previous year. Earning per share has decreased from ₹ 9.55 in the previous year to ₹ 1 in the current year. Due to the volatile conditions in the secondary market and also due to unimproved Global economic & financial situation, the performance for the year ending 31st March 2012 has been adversely affected.

DIVIDEND

In view of the inadequacy of profit, the Directors do not recommend any dividend for the period under review.

MANAGEMENT DISCUSSION AND ANALYSIS

The performance of the Indian economy has been adversely affected due to the impact of a variety of factors including recession in many developed countries, continuing high rates of inflation, higher commodity prices. This has resulted in lower

than expected performance of many corporates and has slowed down the growth of economy. Also the continuing high rate of food inflation and volatility in Global Commodity market has affected the commodity market significantly. These factors necessarily affect the performance of the secondary markets and hence the performance of the Company. The Company is therefore taking a cautious view and will formulate its investment policies accordingly.

CORPORATE GOVERNANCE

Corporate Governance Report is annexed to this report.

AUDITORS

M/s MGB & Co, Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting, and are eligible for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be in accordance with the provisions of section 224 (1B) of the Companies Act, 1956. The Directors recommend their re-appointment as the Auditors of the Company. Notes forming part of accounts which are specifically referred to by the Auditors in their report are self-explanatory and therefore, do not call for any further comments or explanations.

DEPOSITS

The Company has not accepted any deposits from public during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- (i) in preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- (ii) they have selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and for the profit or loss of the Company for that period;
- (iii) they have 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;

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(iv) they have prepared the Annual Accounts on a going concern basis.

DIRECTORS

During the year Mr. V. S. Srinivasan, Director retires by rotation and being eligible offers himself for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no activities relating to conservation of energy, technology absorption and foreign exchange earnings & out go.

PARTICULARS OF EMPLOYEES

The information on employees' remuneration as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended till date, forms part of this Report.

However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the Members excluding the statement containing the particulars of Employees to be provided under Section 217 (2A) of the Act. Any Member interested in obtaining such particulars may inspect the same at the Company's Registered Office between 11.00 am to 1.00 pm on all working days till the date of the 21st Annual General Meeting. Further, those seeking a copy of the said statement may write to the Company at the Registered Office.

ACKNOWLEDGMENT

The Board of Directors thanks Reserve Bank of India, all other Banks, Stock Exchange of Mumbai and Shareholders for their continued support besides employees at all levels.

By Order of the Board

For TCFC FINANCE LIMITED

Place: Mumbai

Date : May 28, 2012

Atul Desai

Chairman

CORPORATE GOVERNANCE REPORT

I. Company's philosophy

In compliance with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges and applicable provisions of the Companies Act, 1956, your Directors submit their report on the matters mentioned in the said Clause and practice followed by the Company.

II. Board of Directors

The composition of Board of Directors is in compliance with provisions of Listing Agreement with the Stock Exchange and the Companies Act, 1956. As on March 31, 2012, the Board comprises of a Non Executive Chairman and three other Directors. Out of these, two members are Independent Directors. None of the Directors is member of more than 10 committees and Chairman of more than 5 committees across all the companies in which he is a director. All the Directors have made necessary disclosures regarding committee positions occupied by them. The Independent Directors are professionals drawn from amongst persons with experience in business, finance and law. The composition of the Board during the Year ended March 31, 2012 is as under:

Name	Category	Attendance particulars		No of Directorship (s) of other Public Limited companies*	No of membership of Committees held in other public Limited Companies**	No of chairmanship of Committees held in other public Limited Companies**
		Board Meeting	Last AGM			
Atul Desai	Chairman Non Executive & Independent	5	Yes	5	4	2
Tania Deol	Managing Director Executive & Non-Independent	5	Yes	--	--	--
V S Srinivasan	Non-executive & Independent	5	Yes	--	--	--
Venkatesh Kamath	Non-executive & Non Independent	5	Yes	--	--	--

* Private Limited Companies, Foreign Companies and Companies under section 25 of the Companies Act, 1956 are excluded for this purpose.

** Only Audit Committee and Shareholders'/ Investors' Grievance Committee have been considered as per the requirements of the Listing Agreement.

Board Meetings and Procedures

During the financial year under review, 5 meetings of the Board were held. The intervening period between any two Board meetings was well within the maximum time gap of 4 months prescribed under Clause 49 of the Listing Agreement. The details of the Board Meetings held during the year are as under:

Sr.No.	Date of Board Meeting	Board's Strength	No. of Directors present
1	25 th May, 2011	4	4
2	23 rd June, 2011	4	4
3	5 th August, 2011	4	4
4	8 th November, 2011	4	4
5	14 th February, 2012	4	4

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Board's Processes

It has always been the Company's policy and practice that apart from matters requiring the Board's approval by statute, all major decisions including quarterly results of the Company are regularly placed before the Board. This is in addition to information with regard to actual operations, major litigation, feedback reports and minutes of all Committee Meetings.

BOARD COMMITTEES

The Board has constituted committees of Directors to take informed decisions in the best interest of the Company. These committees monitor the activities falling within their terms of reference. The Board Committee's are as follows:

A. Audit Committee

The Audit Committee of the Board comprises of three qualified Directors viz. Mr. V S Srinivasan, Mr. Atul Desai and Mr. Venkatesh Kamath, with majority being independent. Mr. V S Srinivasan is the Chairman. Two of the members are having finance and accounting knowledge. The Audit Committee of the Company, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

Role and Terms of Reference

The role and terms of reference of the Audit Committee briefly include review of internal Audit Reports and the Statutory Auditors' Report on the financial statements, general interaction with the statutory Auditors, selection and establishment of accounting policies, review of financial statements, both quarterly and annual before submission to the Board, review of Management discussion and analysis of financial condition and results of operations and review of performance of statutory and internal auditors and adequacy of internal control systems and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Audit Committee Meetings

The details of Audit Committee meetings held during the year 2011 – 2012 are as under:

Sr. no.	Date of Audit Committee	Committee Strength	No. of Members present
1	25 th May, 2011	3	3
2	5 th August, 2011	3	3
3	8 th November, 2011	3	3
4	14 th February, 2012	3	3

Audit Committee Attendance

Directors	No. of Meetings attended
Atul Desai	4
V.S. Srinivasan	4
Venkatesh Kamath	4

Statutory Auditors, executives responsible for finance and accounts functions are permanent invitees to the Audit committee.

B. Remuneration Committee

The Remuneration Committee of the Board comprises of three Non-Executive Directors viz. Mr. Atul Desai (Chairman of the Committee), Mr. V S Srinivasan, and Mr. Venkatesh Kamath.

The details of Remuneration Committee meetings held during the year 2011 – 2012 are as under:

Sr.no.	Date of Audit Committee	Committee Strength	No. of Members present
1	23 rd June, 2011	3	3

The Committee has powers similar to that stated in the listing agreements and Schedule XIII to the Companies Act, 1956. The Remuneration Committee, inter alia, approves the remuneration of the top tier management of the Company including the Managing Director. The remuneration of the employees largely consists of basic remuneration, perquisite and other incentives.

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There is only one company Managing Director in Company, having remuneration, while the remaining directors are non - executive directors who are paid only sitting fees. The remuneration which is paid to the Managing Director has been approved by the committee members, in their meeting held on 23rd June, 2011.

Details of Remuneration for 2011-12

(In ₹)

Name of Director	Sitting fees	Salaries and Perquisites	Commission
Tania Deol	20000	1452500	---
Atul Desai	100000	Nil	Nil
V S Srinivasan	100000	Nil	Nil
Venkatesh Kamath	100000	Nil	Nil

C Shareholders / Investors Grievance Committee

The Committee comprises of three members namely Mr. Venkatesh Kamath (Chairman of the Committee), Mr. Atul Desai and Mrs. Tania Deol. Company Secretary is the Compliance officer and is also the secretary to the committee.

During the year, the committee met 24 times to approve various matters including the share transfer/transmission requests, demat requests and also to look into redressal of investors' grievances.

The attendance of the members at the meetings of the committee is given below:

Directors	No. of Meetings attended
Atul Desai	16
Venkatesh Kamath	24
Tania Deol	23

Number and Nature of Complaints for the year 2012 are as under:

Nature of Complaints	No. of Complaints	No. of Complaints Redressed
Non-receipt of Share Certificate after transfer/Sub-division/Consolidation etc.	21	21
Non- receipt of Dividend	52	52
Non-Receipt of Annual Report	5	5
Demat	-	-
Complaints to BSE	-	-
Complaint to SEBI	1	1

All the correspondence/queries from the members were replied to the satisfaction of the members. No transfer/complaints are pending at the close of the financial year.

The Shareholders / Investors Grievance Committee looks after the transfer of shares, split of shares, issue of duplicate shares, transmission etc. In addition to above, the Committee is authorised to look into shareholders' complaints like delay in transfer, non receipt of securities, balance sheet, dividend etc. During the year no complaints were received from the Registrar of Companies.

III. Director who are seeking appointment / re-appointment at the ensuing Annual General Meeting.

Name of the Director	V. S. Srinivasan
Date of Birth	February 27, 1944
Date of Appointment / Re appointment as Director / MD / WTD	Not applicable being non executive director
Qualification	B.E. PGDBA
Experience and Expertise in Specific functional area	Management Consultant
Directorship in other companies	NIL

Non receipts Share Certificates after transfer / sub-divisions consolidation etc.

IV. Disclosures

1. Materially significant Related Party Transactions

The transactions between the Company and the Management, Directors or their relatives or Companies in which they have material interest are disclosed in Note No. 24 of the Annual Accounts in compliance with the Accounting Standard relating to "Related Party Disclosures". There is no materially significant Related Transaction that may have potential conflict with the interest of the Company at large.

2. Statutory Compliance, Penalties and Strictures

There were no cases of non compliance with Stock Exchange or SEBI regulations, nor any cases of penalties or strictures imposed by any Stock Exchange or SEBI or any other statutory authorities for any violation related to the Capital Market during the last three years.

3. Code of Conduct

The Company has adopted a Code of Conduct for the Board of Directors, Senior Management personnel and the Employees of the Company who have affirmed their adherence to the Code which has been posted on the Company's website (www.tcfcfinance.com). The Company's Directors' declaration to this effect forms part of this Report.

4. Listing Agreement Compliance

The Company complies with all the requirements of the Listing Agreement including the mandatory requirements of Clause 49 of the Listing Agreement.

5. Risk Management

The Company has laid down a risk assessment and mitigation procedure which is adhered to by the Company.

6. Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

As per the requirement of Clause 49 of the Listing Agreement, a Certificate duly signed by Managing Director and the Director who handles the finance function was placed at the Board Meeting of the Company held on 28th May, 2012.

V. Means of Communications

The quarterly results, notice of the meeting and book closure dates etc. are widely circulated in leading English (The Asian Age) and regional language newspapers (Mahanayak). Results are also given to Bombay Stock Exchange Limited and SEBI for publication. Management Discussion & Analysis forms part of the Director's Report.

VI. Details of last three Annual General Meetings

Year	Location	Date	Time
2010-2011	Rama Watumull Auditorium, K.C.College, Dinshaw Wachha Road, Churchgate, Mumbai- 400 020	August 10, 2011	3.00 p. m.
2009-2010	M C Ghia Hall, 2 nd Floor, Bhogilal Hargovinddas Building, 8/20 K Dubhash Marg, Mumbai-400001	July 6, 2010	3.30 p.m.
2008-2009	M C Ghia Hall, 2 nd Floor, Bhogilal Hargovinddas Building, 8/20 K Dubhash Marg, Mumbai-400001	July 14, 2009	3.30 p.m.

None of the special resolutions were put through vote by postal ballots during the last three AGMs.

VII. General Shareholder Information

a) Annual General Meeting

Date: 6th August, 2012

Time: 3.00 pm.

Venue: M C Ghia Hall, 2nd Floor,

Bhogilal Hargovinddas Building,

8/20 K Dubhash Marg,

Mumbai-400001

Book Closure Date: 31st July, 2012 to 6th August, 2012

b) Financial Calendar

Tentative calendar of events for the financial year 2012-2013 (April- March) is given below

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Adoption of Quarterly Results ended	In the month of
June 30, 2012	By August 14, 2012
September 30, 2012	By November 14, 2012
December 31, 2012	By February 14, 2013
March 31, 2013 (Audited Annual Accounts)	By May 30, 2013

- c) Inhouse Share Department
TCFC Finance Limited
Share Department
501-502, Raheja Chambers,
Nariman Point, Mumbai 400 021

- d) Listing on Stock Exchanges
Name of Stock Exchange in which the shares of the Company are listed for trading with stock code.

Stock Exchange	Code
Bombay Stock Exchange Limited	B-532284

The listing fee for the financial year has been paid

- e) Shareholding Pattern of the Company as on March 31, 2012

Category	No. of Shares held	% of shareholdings
A. Promoter's Holding		
a) NRI Promoters (Including OCBs)	–	–
b) Bodies Corporate	6246487	59.60
c) Indian Directors and their Relatives	26640	0.25
Sub Total	6273127	59.85
B. Non Promoting Holdings		
a) Mutual Funds and UTI	345	0.00
b) Banks and Financial institution	392103	3.74
c) FIs	1273	0.01
Sub Total	393721	3.75
Others:-		
a) Bodies Corporate	334459	3.19
b) Indian Public	2925124	27.90
c) Venkatesh Kamath as nominee of TCFC Finance Ltd.	533334	5.09
d) Non Resident Indians	22364	0.22
Sub Total	3815281	36.40
Grand Total	10,482,129	100.00

There are no shares/securities/warrants/instruments due for conversion.

- f) Distribution of Shareholding as on March 31, 2012

Range	Share Holders		Shares	
	Numbers	% to total holders	Numbers	% of Total Capital
No. of shares				
Up to - 250	27988	93.822	1268078	12.098
251- 500	1138	3.815	402784	3.843
501-1000	404	1.354	306741	2.926
1001-2000	165	0.553	240148	2.291
2001-3000	49	0.164	121580	1.160

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3001-4000	24	0.080	82990	0.792
4001- 5000	12	0.040	55282	0.527
5001- 10000	28	0.094	199413	1.902
10001 & above	23	0.077	7805113	74.461
Total	29831	100.00	10482129	100.00

g) **Share transfer system**

Share transfers are registered by the share department of the Company and returned to the respective transferees within a period ranging from fifteen days to one month, provided the documents lodged with the Registrars / Company are clear in all respects.

h) **Dematerialization of shares**

As per notifications issued by the Securities and Exchange Board of India (SEBI), the trading in Company's shares is permitted only in dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited and Central Depository Services (India) Limited.

ISIN for the Company's equity shares: INE389D01013

Share Dematerialisation record: The following data indicates the extent of Dematerialisation of Company's shares as on March 31, 2012

No of Shares Dematerialised	8902524	84.93%
No. of shareholders in Demat form	9471	31.75% of total No of Shareholders

i) **Compliance Officer's Details**

Ms. Rupali Sawant – Company Secretary
Tel: 022-22844701 Fax: 022-22819237
Email: companysecretary@tcfcfinance.com

j) **Address for Correspondence**

TCFC Finance Limited
501-502, Raheja Chambers, Nariman Point, Mumbai 400 021
Tel: 022-22844701 Fax: 022-22819237
Email: investorservices@tcfcfinance.com
Website: www.tcfcfinance.com

The Company has no other office.

k) **Market Price Data (₹)Bombay Stock Exchange Limited**

Month	Company price		BSE Sensex	
	High	Low	High	Low
April, 2011	42.55	20.10	19811.14	18976.19
May, 2011	39.30	27.10	19253.87	17786.13
June, 2011	28.60	24.00	18873.39	17314.38
July, 2011	28.00	24.15	19131.70	18131.86
August, 2011	26.20	19.45	18440.07	15765.53
September, 2011	23.00	16.65	17211.80	15801.01
October, 2011	23.25	19.00	17908.13	15745.43
November, 2011	23.00	16.60	17702.26	15478.69
December, 2011	20.00	15.85	17003.71	15135.86
January, 2012	19.80	15.75	17258.97	15358.02
February, 2012	21.90	18.25	18523.78	17061.55
March, 2012	21.25	16.80	18040.69	16920.61

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l) Depository services

For guidance on depository services, Shareholders may write to the Company or to the respective Depositories:

i) National Securities Depository Services limited
Trade World, 4th Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013
Tel. 0091-022-24972964-70
Email. : info@nsdl.co.in
Website: www.nsdl.co.in

ii) Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers, 16th Floor,
Dalal Street, Mumbai 400 023
Tel. 0091-022-22723333
Email: info@centraldepository.com
Website: www.centraldepository.com

m) Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

n) Unclaimed Securities Suspense Account (Account opened in February, 2012)

Sr. No.	Details	No. of Shares
i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year;	NIL
ii)	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year;	NIL
iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year;	NIL
iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	Shareholders - 1690 Shares - 83472

i. Non Mandatory Requirements

The Company has adopted the following non – mandatory requirements on Corporate Governance recommended under Clause 49 of the Listing Agreement.

1. Remuneration Committee of the Company is operational. Presently, the Committee comprises of three Non Executive Directors of the Company.
2. As the Company's quarterly and half-yearly results are published in English newspaper having circulation all over India and in Marathi newspaper having circulation in Mumbai, the same are not sent to the shareholders of the Company.
3. There are no Auditor's qualification on the accounts.
4. Presently the Company does not have training programme for its Board Members.
5. Presently the Company does not have mechanism for evaluating non-executive Board Members.
6. Presently the Company does not have a Whistle Blower Policy.

By Order of the Board
For TCFC FINANCE LIMITED

Place: Mumbai
Date: May 28, 2012

Atul Desai
Chairman

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
TCFC Finance Limited

We have examined the compliance of conditions of Corporate Governance by TCFC Finance Limited (the Company) for the year ended March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 Clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding thirty days against the company as per the records maintained by the Company.

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 and on behalf of
MGB & Co.
Chartered Accountants
Firm Registration No. 101169W

Hitendra Bhandari
Partner
M. No. 107832
Mumbai, 28 May, 2012

DECLARATION

It is hereby declared that all the Board members and Employees of the Company have affirmed adherence to and compliance with the 'Code of Conduct' laid down by the Company, as on March 31, 2012.

For TCFC Finance Limited

Tania Deol
Managing Director

Place: Mumbai
Date: May 28, 2012

TCFC FINANCE LIMITED

Auditors' Report

To
The Members of
TCFC Finance Limited

1. We have audited the attached Balance Sheet of TCFC Finance Limited as at 31 March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company 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 the 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 the 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 (Auditors' Report) Order, 2003 (hereinafter referred to as the "the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ("the Act") and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we annex hereto 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:
 - a) 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;
 - b) In our opinion, proper books of account, as required by law, have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Act;
 - e) On the basis of written representations received from the directors, as at 31 March, 2012 and taken on record by the Board, we report that none of the director is disqualified as at 31 March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together the notes, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2012;
 - ii) In the case of the Statement of Profit and Loss of the Profit of the Company for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

For MGB & Co
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 28 May, 2012

Annexure referred to in paragraph 3 of Auditors' Report to the members of TCFC Finance Limited on the accounts for the year ended 31 March, 2012

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- (c) During the year, there was no disposal of substantial part of the fixed assets.
- (ii) (a) The inventory has been verified by the management at reasonable intervals during the year on the basis of statements received from custodians and depositary participants.
- (b) In our opinion, the procedures of verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of records and in our opinion, the company has maintained proper records of inventory and no discrepancies were noticed on verification as compared to the book records.
- (iii) (a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory fixed assets and for sale of goods (shares and securities) and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control systems.
- (v) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements the particulars of which are required to be entered into the register in pursuance of Section 301 of the Act.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We are informed that the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Act in respect of the Company's activities.
- (ix) According to the records of the Company examined by us and information and explanations given to us:
- (a) The Company has been regular in depositing its Statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, Excise duty, cess and others as applicable. There are no undisputed amounts payable in respect of the aforesaid dues which have remained outstanding as at 31 March, 2012 for a period of more than six months from the date they became payable.
- (b) There are no amounts on account of disputed income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess, which have not been deposited.
- (x) The Company does not have accumulated losses exceeding fifty percent of its net worth as at the end of the financial year. The Company has not incurred cash losses during the current financial year or in the immediately preceding financial year.
- (xi) The Company has not taken any loan from any bank / financial institution or issued debentures during the year.
- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not chit fund or a nidhi / mutual benefit fund / society.

TCFC FINANCE LIMITED

- (xiv) The Company has maintained proper records of transactions and contracts in respect of trading in shares and other securities and timely entries have been made therein. All shares and other securities have been held by the company in its own name other than investments lying with third parties for which confirmations have been received.
- (xv) The Company has not given any guarantees for loan taken by others from bank or financial institution.
- (xvi) The Company has not raised any term loan during the year.
- (xvii) On the basis of overall examination of the Balance Sheet and related information as to utilization of funds, we report that short term funds have not been used for long term investments.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company had not issued any secured debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For MGB & Co
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 28 May, 2012

TCFC FINANCE LIMITED**BALANCE SHEET AS AT 31 MARCH, 2012**

(In ₹)

Particulars	Notes	2012	2011
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	104,821,290	104,821,290
Reserves and Surplus	4	668,956,600	658,468,824
		<u>773,777,890</u>	<u>763,290,114</u>
Non-Current Liabilities			
Long-Term Provisions	5	437,006	350,866
Current Liabilities			
Trade Payables	6	-	952,371
Other Current Liabilities	6	3,301,650	2,716,413
Short-Term Provisions	5	255,658	18,633,040
		<u>3,557,308</u>	<u>22,301,824</u>
	Total	<u>777,772,204</u>	<u>785,942,804</u>
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	7	2,671,592	2,990,596
Non-Current Investments	8	61,011,357	19,323,357
Long-Term Loans and Advances	9	420,023	1,641,646
		<u>64,102,972</u>	<u>23,955,599</u>
Current Assets			
Current Investments	10	131,829,021	-
Inventories	11	503,083,526	652,513,215
Trade Receivables	12	19,927,349	40,160,556
Cash and Bank Balances	13	4,636,047	7,065,061
Short-Term Loans and Advances	9	52,472,942	61,553,496
Other Current Assets	14	1,720,347	694,877
		<u>713,669,232</u>	<u>761,987,205</u>
	Total	<u>777,772,204</u>	<u>785,942,804</u>

Notes forming part of the financial statements 1-33

As per our attached report of even date

For **MGB & Co.**

Chartered Accountants

Hitendra Bhandari

Partner

Place : Mumbai,

Date : 28 May, 2012

For and on behalf of the Board**Atul Desai** Chairman**V S Srinivasan** Director**Tania Deol** Managing Director**Venkatesh Kamath** Director**Rupali Sawant** Company Secretary

TCFC FINANCE LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012**

(In ₹)

	Notes	2012	2011
Income			
Revenue from Operations	15	2,803,771,988	2,234,574,912
Other Income	16	12,912	1,411,124
	Total	<u>2,803,784,900</u>	<u>2,235,986,036</u>
Expenses			
Purchases of Stock-in-Trade	17	2,629,970,277	2,112,551,678
(Increase)/Decrease in Stock in-Trade	18	149,429,689	14,730,454
Loss in Derivative transactions (net)		1,235,681	2,789,829
Employee benefits expense	19	3,689,462	3,088,752
Other expenses	20	3,357,112	3,041,983
Depreciation	7	351,404	398,407
	Total	<u>2,788,033,625</u>	<u>2,136,601,103</u>
Profit before tax and Provision for Non-Performing Assets		15,751,275	99,384,932
Add: Reversal of Provision for Non-Performing Assets - Investments		-	19,999,400
Less: Contingent Provisions against Standard assets		-	125,000
Profit before tax		15,751,275	119,259,332
Tax expenses:			
Current tax -Current year		2,400,000	19,149,724
-Earlier years		2,863,499	-
Deferred tax (Refer Note 21(c))		-	-
Profit after tax		<u>10,487,776</u>	<u>100,109,608</u>
Earnings per equity share: (face value of Rs 10)			
Basic and Diluted		1.00	9.55
Notes forming part of the financial statements	1-33		

Notes forming part of the financial statements 1-33

As per our attached report of even date

For **MGB & Co.**

Chartered Accountants

Hitendra Bhandari

Partner

Place : Mumbai,

Date : 28 May, 2012

For and on behalf of the Board**Atul Desai**

Chairman

V S Srinivasan

Director

Tania Deol

Managing Director

Venkatesh Kamath

Director

Rupali Sawant

Company Secretary

TCFC FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

(₹)

Particulars	2012	2011
I Cash Flow for Operating Activities		
Profit before Tax	15,751,275	119,259,333
Add : Adjustments for		
Depreciation	351,404	398,407
Reversal of Provision for Non-Performing Assets - Investments	-	(19,999,400)
Contingent Provisions against standard assets	-	125,000
Profit on sale of Investments	-	(116,381,201)
Dividend on Long Term Investments	(803,001)	(1,069,668)
Interest income	(12,229,251)	(2,159,299)
Operating Profit before Working Capital changes	3,070,427	(19,826,828)
(Increase)/ Decrease in Inventories	149,429,688	14,730,454
(Increase)/ Decrease in trade and other receivables	20,863,569	(32,722,134)
Increase / (Decrease) in trade and other payables	(671,696)	(10,063,068)
Cash Generated from Operations	172,691,988	(47,881,576)
Direct Taxes Paid (net)	5,036,507	(19,069,218)
Net Cash Flow from Operating Activities	177,728,495	(66,950,794)
II Cash Flow from Investing Activities		
Purchase of fixed assets	(32,400)	(66,800)
Intercompany Deposits given	-	(50,000,000)
Purchase of non current investments	(41,688,000)	-
Purchase of current investments	(131,829,021)	-
Sale of Investments (Long Term)	-	137,130,601
Dividend on Long Term Investments	803,001	1,069,668
Interest received	10,575,591	748,675
Net Cash Flow from Investing Activities	(162,170,829)	88,882,144
III Cash Flow from Financing Activities		
Dividend paid on Equity Shares (including tax)	(17,986,680)	(23,737,908)
Net Cash Flow from Financing Activities	(17,986,680)	(23,737,908)
Net Cash Flow during the year	(2,429,014)	(1,806,559)
Cash and Cash Equivalents at the beginning of the year	7,065,061	8,871,620
Cash and Cash Equivalents at the end of the year	4,636,047	7,065,061

TCFC FINANCE LIMITED

Notes

- 1 Figures for the previous year have been regrouped, recast, wherever considered necessary.
- 2 Rs. 2,826,393 (2,539,184) lying in designated account with scheduled banks on account of unclaimed dividend, which are not available for use by the Company.
- 3 Cash and Cash Equivalents at the end of the year

Cash and cash equivalents

Balances with banks- in current accounts	1,802,535	977,607
Cheques in Hand	-	3,537,800
Cash on hand	7,119	10,470
	<u>1,809,654</u>	<u>4,525,877</u>
Other Bank balances		
Balances with banks- in unclaimed dividend	2,826,393	2,539,184
Total	<u>4,636,047</u>	<u>7,065,061</u>

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants

Hitendra Bhandari
Partner

Place : Mumbai,
Date : 28 May, 2012

For and on behalf of the Board

Atul Desai	Chairman
V S Srinivasan	Director
Tania Deol	Managing Director
Venkatesh Kamath	Director
Rupali Sawant	Company Secretary

TCFC FINANCE LIMITED

Notes forming part of the Financial Statements

1 Corporate Information

TCFC Finance Limited is a Non Banking Finance Company listed on the Bombay Stock Exchange. It is engaged in the business of investments and trading in equity shares, mutual funds, securities etc.

2 Significant Accounting Policies

1 Basis of Preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis and comply in all material aspects with the accounting standards notified under Section 211 (3C), Companies(Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

2 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as of the date of the financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from these estimates. Any revision to estimates is recognised prospectively in current and future periods.

3 Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost include all expenses incurred to bring the assets to its present location and condition.

4 Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956.

5 Investments and Stock-in-Trade

- (a) Investments intended to be held for more than one year, from the date of acquisition, are clasified as long term and are carried at cost. Provision for diminution in value of these investments is made to recognize a decline other than temporary.
- (b) Unquoted Investments are valued at cost and provision for diminution in value of these investments is made based on the guidelines prescribed by the Reserve Bank of India or based on the judgement of the management, whichever, provision is higher.
- (c) Current Investments are carried at cost or market value, whichever is lower.

6. Inventories

Shares and Securities acquired with intention of trading are considered as stock-in-trade and are valued at cost or market value, whichever is lower. Cost is determined on first in first out (FIFO) basis.

7. Revenue recognition

- (a) Sale is recognized when the risk and rewards of ownership are passed onto the customers.
- (b) Interest income is recognised on a time proportion basis taking into account outstanding and the applicable interest rate.
- (c) Dividend income is recognized when the Company's right to receive dividend is established.

8 Commodity Futures/Stock Futures

- (a) Commodity Futures/ Stock Futures are marked- to- market on a daily basis. Debit or credit balance disclosed under Other Current Assets or Other Current Liabilities, respectively in the "Mark to Market Margin- Commodity Futures/ Stock Futures Account" represents the net amount paid or received on the basis of the movement in the prices of Commodity Futures/ Stock Futures till the balance sheet date.
- (b) As at the balance sheet date, the Profit or Loss on open positions in Commodity Futures/ Stock Futures are accounted for as follows.

Notes forming part of the Financial Statements

- i) Credit balance in Mark- to Market Margin – Commodity Futures/ Stock Futures Account being anticipated profit is ignored Notes forming part of the Financial Statements
- ii) Debit balance in Mark- to Market Margin – Commodity Futures/ Stock Futures Account being anticipated loss is recognized in the statement of profit and loss.
- (c) On final settlement or squaring up of contracts for Commodity Futures / Stock Futures, the profit or loss is calculated as difference between settlement/ squaring up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared up contract in “Mark to Margin – Commodity Futures / Stock Futures Account” is recognised in the statement of profit and loss upon expiry or settlement of contracts.

9 Retirement and other employee benefits

- (a) Short-term employee benefits are expensed at the undiscounted amount in the Statement of profit and loss, in the year the employee renders the service.
- (b) Post employment and other long term employee benefits are recognised as an expense in the statement of profit and loss at the present value of the amount payable determined using actuarial valuation techniques in the year the employees renders the service. Actuarial gains and losses are charged to the Statement of profit and loss .

10 Accounting for taxes on income

- (a) Current Tax is determined as the amount of tax payable in respect of its taxable income as per the provisions of the Income Tax Act, 1961.
- (b) Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

11 Non – Performing Assets

The Company follows the directions of Reserve Bank of India on Prudential Norms for income recognition, provisioning for bad and doubtful debts, Accounting for investments etc. Accordingly, provision is made for Non-Performing assets in these financial statements.

12 Earnings Per Share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

13 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

14 Impairment of assets

At each Balance Sheet date, the Company reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

TCFC FINANCE LIMITED

Notes forming part of the Financial Statements

(In ₹)

		2012	2011
3	Share Capital		
	Authorised		
	25,000,000 (25,000,000) Equity Shares of Rs 10 each	250,000,000	250,000,000
	Issued, Subscribed and Paid up		
	10,482,129 (10,482,129) Equity Shares of Rs 10 each	104,821,290	104,821,290
	Total	104,821,290	104,821,290

Reconciliation of number of shares and Equity Share capital

	2012		2011	
	Number of Shares	₹	Number of Shares	₹
At the beginning of the year	10,482,129	104,821,290	10,482,129	104,821,290
Changes during the year	-	-	-	-
Outstanding at the end of the year	10,482,129	104,821,290	10,482,129	104,821,290

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of Shareholders holding more than 5 % of the aggregate shares in the Company

Name of Shareholder	2012		2011	
	Number of equity Shares held	Percentage (%) of Holding	Number of equity Shares held	Percentage (%) of Holding
Equity shares of Rs 10 each fully paid up				
Greenstone Investments Private Limited	4,148,738	39.58%	4,148,738	39.58%
20th Century Holdings Private Limited	1,694,913	16.17%	1,694,913	16.17%
Venkatesh Kamath (as nominee of TCFC Finance Limited)	533,334	5.09%	533,334	5.09%

(in ₹)

		2012	2011
4	Reserves and Surplus		
	Capital Reserve		
	As per last Balance Sheet	375	375
		375	375
	General Reserve		
	As per last Balance Sheet	624,237,668	614,226,707
	Add: Transferred from Statement of Profit and Loss	-	10,010,961
		624,237,668	624,237,668

TCFC FINANCE LIMITED

Notes forming part of the Financial Statements

(In ₹)

Statutory Reserve			
As per last Balance Sheet		197,939,197	177,917,275
Add: Transferred from Statement of Profit and Loss		2,097,555	20,021,922
		200,036,752	197,939,197
Surplus/(Deficit) in the Statement of Profit and Loss			
As per last Balance Sheet		(163,708,416)	(215,511,254)
Add: Profit for the year		10,487,776	100,109,610
Less: Appropriations			
Proposed Dividend		-	15,723,194
Tax on Dividend		-	2,550,695
General Reserve		-	10,010,961
Statutory Reserve		2,097,555	20,021,922
		(155,318,196)	(163,708,416)
Total		668,956,600	658,468,824

	Long-Term		Short-Term	
	2012	2011	2012	2011
5 Provisions				
Provision for employee benefits				
- Gratuity	217,457	163,910	3,886	2,852
- Leave benefits	219,549	186,956	4,005	3,233
Others				
Provision for mark to market losses on derivative contracts	-	-	122,767	228,066
Contingent provisions against standard assets	-	-	125,000	125,000
Proposed dividend	-	-	-	18,273,889
Total	437,006	350,866	255,658	18,633,040

	2012	2011
6 Current Liabilities		
Trade Payables	-	952,371
Other Current Liabilities		
Unclaimed Dividend*	2,826,393	2,539,184
Other payables	459,104	177,229
Statutory dues	16,153	-
Total	3,301,650	3,668,784

*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31 March, 2012.

TCFC FINANCE LIMITED

Notes forming part of the Financial Statements

7. Fixed Assets

(In ₹)

Description	Gross Block			Depreciation				Net Block		
	As at 1 April 2011	Additions	Deductions	As at 31 March 2012	Upto 31 March 2011	For the year	Deductions	Upto 31 March 2012	As at 31 March 2012	As at 31 March 2011
Tangible Assets										
Office Premises	1,384,206	-	-	1,384,206	189,297	22,563	-	211,860	1,172,346	1,194,909
Office Equipments	183,340	32,400	-	215,740	81,070	9,672	-	90,742	124,998	102,270
Furniture and fixtures	1,832,241	-	-	1,832,241	1,169,154	115,981	-	1,285,135	547,106	663,087
Computers	1,524,247	-	-	1,524,247	1,333,994	51,174	-	1,385,168	139,079	190,253
Vehicles	1,600,147	-	-	1,600,147	760,070	152,014	-	912,084	688,063	840,077
Total	6,524,181	32,400	-	6,556,581	3,533,585	351,404	-	3,884,989	2,671,592	2,990,596
Previous Year	6,457,381	66,800	-	6,524,181	3,135,178	398,407	-	3,533,585	2,990,596	

	2012	2011
8 Non-Current Investments (valued at cost unless otherwise stated)		
Other Investments-Quoted		
533,334 (533,334) Equity shares of TCFC Finance Limited of ₹ 10 each*	30,000,038	30,000,038
4,945 (Nil) 8.20% Tax Free Secured Redeemable Non- Convertible Bonds of National Highways Authority of India of ₹ 1,000 each	4,945,000	-
36,743 (Nil) 8.12% Tax Free Secured Redeemable Non-Convertible Bonds of Rural Electrification Corporation Limited of ₹ 1,000 each	36,743,000	-
Other Investments - Unquoted		
50,000 (50,000) Equity Shares of Dewas Soya Limited of ₹ 10 each	500,000	500,000
2,000 (2,000) Equity Shares of The Shamrao Vithal Co-operative Bank Limited of ₹ 25 each	50,000	50,000
200,000 (200,000) Equity Shares of Vasudev Textiles Limited of ₹ 10 each	16,265,963	16,265,963
	88,504,001	46,816,001
Less: Provision for diminution in value	27,492,644	27,492,644
Total	61,011,357	19,323,357
(All the above securities are fully paid up)		

Note: Diminution in value of quoted investments of ₹ 9,386,679 (6,293,341) is not provided for, considering the same to be temporary in nature.

* As per the Scheme of Arrangement with erstwhile 20th Century Finance Corporation Limited, the Company has received 533,334 Equity Shares of ₹ 10 each fully paid up of TCFC Finance Limited, which are held by a nominee of the Company with beneficial interest vesting with the Company.

	2012	2011
Aggregate amount of quoted investments	71,688,038	30,000,038
Market value of quoted investments	51,192,220	12,480,016
Aggregate amount of unquoted investments	16,815,963	16,815,963

TCFC FINANCE LIMITED

Notes forming part of the Financial Statements

(In ₹)

	Long-Term		Short-Term	
	2012	2011	2012	2011
9 Loans and Advances				
Deposits (unsecured, considered good)	60,000	60,000	-	-
Other Loans and Advances				
Intercompany Deposits	-	-	50,000,000	50,000,000
Advances (unsecured, considered good)	-	-	24,408	18,408
Prepaid expenses	2,160	-	151,628	161,959
Advance direct taxes (net of provisions)	357,863	1,581,646	2,296,906	11,373,129
Total	420,023	1,641,646	52,472,942	61,553,496

	2012	2011
10 Current Investments		
Commercial Paper-Unquoted		
IFMR Capital Finance Private Limited	39,927,092	-
Pass Through Certificates (PTCs) - Unquoted		
Aether IFMR Capital 2011	10,872,595	-
IFMR Capital Mosec X	31,029,334	-
GAIA IFMR Capital 2012	50,000,000	-
Total	131,829,021	-
(All the above securities are fully paid up)		

	2012	2011
Aggregate amount of unquoted investments	131,829,021	-

	2012	2011
11 Inventories (valued at lower of cost and market value)		
Stock in trade - Shares and securities (Refer Note 18)	503,083,526	652,513,215
Total	503,083,526	652,513,215

	2012	2011
12 Trade Receivables		
(Unsecured good unless otherwise stated)		
Over six months	-	-
Others	19,927,349	40,160,556
Total	19,927,349	40,160,556

TCFC FINANCE LIMITED

Notes forming part of the Financial Statements

(In ₹)

	2012	2011
13 Cash and Bank Balances		
Cash and cash equivalents		
Balances with banks- in current accounts	1,802,535	977,607
Cheques in Hand	-	3,537,800
Cash on hand	7,119	10,470
	1,809,654	4,525,877
Other Bank balances		
Balances with banks- in unclaimed dividend account	2,826,393	2,539,184
	2,826,393	2,539,184
Total	4,636,047	7,065,061
14 Other Current Assets		
Interest receivable	1,653,660	-
Commodity Futures/ Stock Futures Margin account	66,687	694,877
Total	1,720,347	694,877
15 Revenue from Operations		
Sales		
Shares and Securities	2,787,562,352	2,113,840,626
Interest Income	12,216,619	748,675
Profit on sale of Investments (net)	-	116,381,201
Other Operating Income		
Dividend Income - on Long Term Investments	803,001	1,069,668
Dividend Income - on Stock in Trade	3,186,049	2,518,172
Speculation Profit	3,967	16,570
Total	2,803,771,988	2,234,574,912

TCFC FINANCE LIMITED

Notes forming part of the Financial Statements

(In ₹)

		2012	2011
16 Other Income	Miscellaneous Income	280	500
	Interest on income tax refund	12,632	1,410,624
	Total	12,912	1,411,124

		2012	2011
17 Purchases of Stock in Trade	Shares	55,446,267	366,912,943
	Mutual Funds	2,558,792,383	1,673,500,962
	Commodities	15,731,627	72,137,773
	Total	2,629,970,277	2,112,551,678

		2012	2011
18 (Increase)/ Decrease in Stock in Trade	Stock in trade at the end of the year		
	Shares	161,399,846	244,125,456
	Mutual Funds	341,683,680	387,468,000
	Commodities	-	20,919,759
	(A)	<u>503,083,526</u>	<u>652,513,215</u>
	Stock in Trade at the beginning of the year		
	Shares	244,125,456	218,287,231
	Mutual Funds	387,468,000	448,956,438
	Commodities	20,919,759	-
	(B)	<u>652,513,215</u>	<u>667,243,669</u>
Total (B) - (A)	149,429,689	14,730,454	

		2012	2011
19 Employee benefits expense	Salaries, Allowances and Bonus	1,970,431	1,713,559
	Managerial Remuneration	1,452,500	1,141,869
	Contributon to Provident Fund	214,009	175,702
	Staff Welfare expenses	52,522	57,622
	Total	3,689,462	3,088,752

TCFC FINANCE LIMITED

Notes forming part of the Financial Statements

		(In ₹)	
		2012	2011
20	Other expenses		
	Rates and Taxes	118,320	50,910
	Insurance	21,797	14,565
	Electricity expenses	120,491	170,688
	Repairs and Maintenance - others	146,033	195,848
	Legal and Professional charges	449,219	413,216
	Travelling and Conveyance expenses	176,960	168,712
	Membership and Subscription	562,143	508,807
	Printing and Stationery	67,325	54,731
	Communication charges	627,529	688,499
	Depository charges	100,138	65,402
	Sitting Fees	320,000	300,000
	Miscellaneous expenses	212,770	102,352
	Business Promotion expenses	6,231	44,583
	Payment to Auditors (Refer Note 27)	426,639	262,176
	Bank charges	1,517	1,494
	Total	3,357,112	3,041,983

21 Taxation

- a) Provision for Current Tax has been computed on book profits as per the provisions of Section 115JB of the Income Tax Act, 1961.
- b) In view of uncertainty regarding sufficient future taxable income as per the normal provisions of the Act, credit for MAT entitlement has not been considered.
- c) In accordance with the requirements of AS – 22 on “Accounting for Taxes on Income” issued by the ICAI, deferred tax assets and liability should be recognized for all timing differences. However, considering the requirement of the accounting standard regarding virtual certainty, the same is not provided for. This will be reassessed at a subsequent Balance Sheet date and will be accounted for in the year of certainty, in accordance with the aforesaid accounting standard.

22 Contingent Liabilities

		(In ₹)	
		2012	2011
	Disputed Direct Taxes	-	1,581,225

23 Micro Small and Medium Enterprises

The Company has no amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2012.

Notes forming part of the Financial Statements

24 Related Party Transactions

- (a) Director/Key Management Personnel:- Ms. Tania Deol
- (b) Other Related party with whom transactions have taken place during the year:- Greenstone Investments Private Limited

Transactions with other related parties

	2012	2011
Sharing of Common expenses	52,855	92,960

* There are no balances outstanding from other related parties as at 31 March, 2012

* Details of remuneration to Key Management personnel is disclosed at Note 28

25 Segment Information

The Company has only one business i.e. Investments and trading, hence "Segment Reporting" as defined in Accounting Standard 17 is not applicable.

26 Details of Open Interests in Commodity futures as at the balance sheet date

Name of Commodity Future	Expiry Date	No of Units Involved
Jeeraunjha	20-Apr-12	60

27 Payment to Auditors

	2012	2011
Audit fees	112,360	110,300
Tax Audit fees	16,854	16,545
Taxation and other matters	295,936	133,478
Out of pocket expenses	1,489	1,853

28 Managerial Remuneration

Remuneration paid or provided in accordance with Section 198 of the Companies Act, 1956 to Managing Director, included in Employee benefits expense is as under

	2012	2011
Salary and Allowances	1,452,500	1,141,869
Contribution to Provident fund	108,000	83,244

Note: Salary and Allowances includes basic salary, house rent allowance, leave travel allowance but excluding leave encashment and gratuity provided on the basis of actuarial valuation

TCFC FINANCE LIMITED

Notes forming part of the Financial Statements

29 Employee Benefits

A Defined Benefit Plans

		(in ₹)	
		2012	2011
		Gratuity (Non Funded)	
I.	Expenses recognized during the year		
1	Current Service Cost	61,968	28,510
2	Interest Cost	13,841	22,314
3	Actuarial Losses / (Gains)	(21,228)	53,364
	Total Expenses	54,581	104,188
II.	Net Asset/(Liability) recognized in the Balance Sheet as at 31 March 2012		
	1. Present value of defined benefit obligation	221,343	166,762
	2. Net Asset / (Liability)	(221,343)	(166,762)
III.	Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet as at 31 March 2012		
1	Net Asset/(Liability) at the beginning of year	(166,762)	(495,266)
2	Expense as per I above	54,581	104,188
3	Employer contribution	-	432,692
4	Net Asset/(Liability) at the end of the year	(221,343)	(166,762)
IV.	Actuarial Assumptions:		
1	Discount rate	8.50%	8.00%
2	Expected rate of salary increase	5.00%	5.00%
3	Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult

Notes:

- (a) Amounts recognized as an expense and included in the Note 19 "Employee benefits expense" are gratuity ₹ 54,581 (104,188) and leave benefits ₹ 101,352 (162,417).
- (b) The estimates of future salary increases considered in the actuarial valuation taking into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B Defined contribution plan:

"Contribution to provident and other funds" is recognized as an expense in Note 19 of the Statement of Profit and Loss.

Disclosure of Closing stock under Section 372(10) of the Companies Act 1956				
Sr.	Name of the Script (Quoted Shares)	Face Value	Number of Shares	Amount (₹)
1	Aditya Birla Money Limited	1	43,655	619,901
2	Adani Ports and Special Economic Zone Limited	2	350	45,325
3	Alstom T & D India Limited	2	12,500	2,350,000
4	Anantraj Industries Limited	2	250	14,625
5	Aptech Limited	10	12,500	971,250
6	Aurobindo Pharma Limited	1	15,500	1,844,500

Notes forming part of the Financial Statements

7	Axis Bank Limited	10	15,000	17,193,000
8	Coromandel International Limited	1	2,000	567,300
9	Cummins India Limited	2	11,900	5,764,373
10	Deccan Chronicle Holdings Limited	2	21,500	740,675
11	Disman Pharmaceuticals and Chemicals Limited	2	15,000	686,250
12	Dish TV India Limited	1	5,000	319,500
13	Essar Oil Limited	10	34,800	1,867,020
14	Everonn Education Limited	1	2,435	635,535
15	Fortis Healthcare Limited	10	300,000	3,006,000
16	Gammon India Limited	2	8,500	368,900
17	Gujarat NRE Coke Limited	10	32,000	708,800
18	HCL Technologies Limited	2	1,000	466,410
19	HDFC Bank Limited	2	250	106,042
20	Hindalco Industries Limited	1	20,000	2,588,000
21	Hotel Leela Venture Limited	2	100,000	3,345,000
22	ICICI Bank Limited	10	13,000	11,538,339
23	IFCI Limited	10	80,000	3,352,000
24	India Bulls Real Estate Limited	10	1,000	63,850
25	Infosys Limited	5	3,700	10,547,942
26	ING Vysya Bank Limited	10	13,000	4,413,835
27	Jaiprakash Associates Limited	2	30,000	2,451,000
28	Jubliant Life Sciences Limited	1	15,000	2,995,500
29	Mahindra and Mahindra Limited	5	250	175,050
30	Muthoot Finance Limited	10	800	101,280
31	Piramal Healthcare Limited	2	22,303	10,513,634
32	Polaris Software Laboratories Limited	5	30,000	4,926,000
33	Power Finance Corporation Limited	10	1,000	184,550
34	Praj Industries Limited	2	13,000	1,042,600
35	Pratibha Industries Limited	2	23,500	1,116,250
36	PTC India Limited	10	45,000	2,763,000
37	Reliance Industries Limited	10	7,050	5,283,870
38	S Kumars Nationwide Limited	10	35,000	1,155,000
39	Sri Ganapathy Mills Limited	10	400	1,408
40	Sesa Goa Limited	1	15,000	2,920,500
41	Sintex Industries Limited	1	15,000	1,293,750
42	Schneider Electric Infrastructure Limited	10	12,500	828,824
43	Sterlite Industries Limited	1	30,000	3,331,500
44	Suzlon Energy Limited	2	132,860	3,354,715
45	Tata Motors Limited	2	17,000	2,280,189
46	Tata Steel Limited	10	50,000	23,587,500
47	The Indian Hotels Company Limited	1	175,000	11,147,500

TCFC FINANCE LIMITED

Notes forming part of the Financial Statements

48	Thermax Limited	2	6,300	2,926,350
49	United Phosphorus Limited	2	5,000	650,500
50	Voltas Limited	1	20,000	2,245,000
			Total	161,399,846

Note: Aggregate market value of quoted Shares is Rs 162,284,180

Sr.	Name of the Mutual Fund Scheme(Quoted)	Face Value	Number of Units	Amount (₹)
1	Canara Rebeco Super Institutional Plan- Growth	1000	40,334	52,569,016
2	ICICI Prudential Liquid Plan- Growth	10	57,012	14,562,065
3	IDBI Liquid Fund- Growth	1000	19,991	23,000,000
4	Kotak Liquid Regular- Growth	10	102,481	2,096,290
5	Reliance Liquid Fund TP- Growth	10	489,083	12,425,942
6	Templeton India Treasure Management Account Super Institutional Plan - Growth	1000	1,651	2,632,600
7	DSP Blackrock FMP 3M Series 33 - Growth	10	10,689,777	106,897,767
8	DSP Blackrock FMP 3M Series 40 - Growth	10	5,000,000	50,000,000
9	DSP Blackrock FMP 3M Series 42 - Growth	10	2,000,000	20,000,000
10	TATA FMP Series 39 Scheme D – Growth	10	1,000,000	10,000,000
11	TATA Liquidity Management Fund- Growth	1000	19,175	27,500,000
12	IDBI FMP Sr II 370 days Series II - Growth	10	2,000,000	20,000,000
			Total	341,683,680

Note: Aggregate market value of all units of Mutual Funds is Rs 343,773,798

31. Earnings per Share

		2012	2011
a.	Profit after Tax	10,487,776	100,109,608
b.	Weighted Average number of equity shares for Basic EPS (Number)	10,482,129	10,482,129
c.	Weighted Average number of equity shares for Diluted EPS (Number)	10,482,129	10,482,129
d.	Nominal value of equity shares (₹)	10	10
e.	Basic and Diluted Earnings Per Share	1.00	9.55

32. Prior Year Comparatives

Schedule VI to the Companies Act, 1956 is revised effective from 1 April 2011, which has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

TCFC FINANCE LIMITED

33	Schedule to the Balance Sheet for the year ended 31 March 2012 (as required in terms of Paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007)		
	Liabilities :		
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits	-	-
	(g) Other Loans	-	-
	Assets :		Amount outstanding
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]		
	(a) Secured		-
	(b) Unsecured - Inter-corporate deposits		50,000,000
3	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		
	(i) Lease assets including lease rentals under sundry debtors :		NA
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on hire including hire charges under sundry debtors:		-
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Hypothecation loans counting towards EL/HP activities		NA
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
4	Break-up of Investments :		
	Current Investments :		
	Quoted :		
	(i) Shares : (a) Equity		161,399,846
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		341,683,680
	(iv) Government Securities		-
	(v) Others - Commercial papers		-

TCFC FINANCE LIMITED

	Unquoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others - Commercial papers Long Term Investments : Quoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others Unquoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others		- - 91,901,929 - - 39,927,092 18,773,357 - 41,688,000 - - - 550,000 - - - -
	*Current Investments shown above are held as Stock in Trade		
5	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:		
	Category	Amount (₹)	
		Secured	Unsecured
	Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	Other than related parties	-	-
	Total	-	-

TCFC FINANCE LIMITED

6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
		Amount (₹)	
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	9,386,678	18,773,357
	(c) Other related parties	-	-
	Other than related parties	680,242,541	677,150,547
		689,629,219	695,923,904
7	Other Information		
			Amount (₹)
(i)	Gross Non-Performing Assets		
	(a) Related parties		-
	(b) Other than related parties		-
(ii)	Net Non-Performing Assets		
	(a) Related parties		-
	(b) Other than related parties		-
(iii)	Assets acquired in satisfaction of debt		-

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants

Hitendra Bhandari

Partner

Place : Mumbai,

Date : 28 May, 2012

For and on behalf of the Board

Atul Desai

Chairman

V S Srinivasan

Director

Tania Deol

Managing Director

Venkatesh Kamath

Director

Rupali Sawant

Company Secretary

TCFC FINANCE LIMITED

Registered Office : 501-502, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400 021

ATTENDANCE SLIP

21st Annual General Meeting

D.P. Id * : _____

Client Id * : _____

Reg. Folio No. : _____

* Applicable if shares are held in electronic form.

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER

Name of the attending member (in Block Letters) : _____

Name of Proxy (in Block Letters to be filled in by the proxy attending instead of the Member) _____

No. of Shares held : _____

I hereby record my presence at the 21st Annual General Meeting on August, 6, 2012, at 3.00 p.m.

Member's Signature

Proxy's Signature

Note : Shareholders/proxies are requested to bring the attendance slip with them, Duplicate slips will not be issued and handed over at the entrance of the Meeting Venue.

(Tear Here)

TCFC FINANCE LIMITED

Registered Office : 501-502, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400 021

PROXY FORM

I/We _____ of _____ being a Member/

Members of the abovementioned Company hereby appoint _____ of _____

or failing him _____ of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held on 06th August, 2012 at 3.00 p.m. at M C Ghia Hall, 2nd Floor, Bhogilal Hargovinddas Building, 8/20 K Dubhash Marg, Mumbai 400 001 and at any adjournment thereof.

Signed of this _____ day of _____ 2012.

D.P. Id * : _____

Client Id * : _____

Reg. Folio No. : _____

* Applicable if shares are held in electronic form.

Signature

Affix
1 Rupee
Revenue
Stamp

Note : The Proxy Form duly completed must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

BOOK-POST

If undelivered, please return to :

TCFC FINANCE LIMITED
501-502, Raheja Chambers
Free Press Journal Marg
Nariman Point
Mumbai 400 021