



37th **ANNUAL REPORT**
2010-2011

BOARD OF DIRECTORS

Mr. O. Swaminatha Reddy
Chairman

Mr. Mahendra Agarwal

Mr. R.S. Agarwala

Mr. S.M. Jalan

Dr. D.R. Agarwal

Mr. V.T. Pawar

MANAGER

Mr. Ramesh Sivaraman

COMPANY SECRETARY

Ms. Vibha Shinde

REGISTERED OFFICE

1-7-293, M.G. Road,
Secunderabad - 500 003

AUDITORS

M/s. SB. Billimoria & Co
Chartered Accountants

REGISTRAR & TRANSFER AGENTS

M/s Karvy Computer Share Pvt. Ltd.

Plot No. 17-24,

Vittalrao Nagar, Madhapur,
Hyderabad - 500 081.

E-mail : mohsin@karvy.com

Tel : 040-44655000, 44655152

Fax : 040-23420814

CONTENTS

	Pg. No.
1 Notice to Shareholders	1
2 Directors' Report	4
3 Auditors' Report	15
4 Balance Sheet	18
5 P & L Account	19
6 Cash Flow Statement	20
7 Notes on Accounts	28
8 Directors' Report (ITAG Business Solutions Ltd.)	34
9 Auditors' Report of (ITAG Business Solutions Ltd.)	40
10 Balance Sheet (ITAG Business Solutions Ltd.)	42
11 P & L Account (ITAG Business Solutions Ltd.)	43
12 Cash Flow Statement (ITAG Business Solutions Ltd.)	44
13 Notes on Accounts (ITAG Business Solutions Ltd.)	48
14 Statement U/s 212(e) of the Companies Act, 1956	51
15 Auditors' Report on Consolidated Financial Statements	53
16 Consolidated Balance Sheet	54
17 Consolidated P & L Account	55
18 Consolidated Cash Flow Statement	56
19 Consolidated Notes on Accounts	64

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of the Members of the Company will be held on Tuesday, 9th August, 2011 at Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M.G. Road, Secunderabad - 500 003 at 10:30 AM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March, 31st 2011, the Profit & Loss Account for the year ended on that date and the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahendra Agarwal, who retire by rotation as per Article 141 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr. D R Agarwal, who retire by rotation as per Article 141 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT subject to the approval of shareholders' and in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject to such consents and approvals as may be necessary, the company hereby approves the re-appointment of and terms and conditions and remuneration payable to Mr. Ramesh Sivaraman as Manager of the Company for the period 01.07.2011 to 30.06.2014, on terms set out in the explanatory statement with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of re-appointment and /or remuneration so as not to exceed overall ceiling as stipulated in section 198, 309 and 310 of the Companies Act, 1956 including any statutory modification or re-enactments thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Mr. Ramesh Sivaraman."

"RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Ramesh Sivaraman, Manager of the Company, by way of minimum remuneration the salary, perquisites and allowances as stated in the Annexure hereunder and not exceeding the ceiling limit specified under Section II of part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board
for TCI FINANCE LIMITED**

Vibha Shinde
Company Secretary

Secunderabad, May 30, 2011

NOTES:

- 1 (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.
(b) Proxy Form is enclosed which should be deposited at the Registered Office of the Company duly signed not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books will remain closed from 5th August, 2011 to 9th August, 2011 (both days inclusive).
3. The members are requested to intimate any change in their address immediately. They are also requested to bring their copy of Annual Report while coming to the meeting.
4. Members who hold shares in Dematerialised form are requested to bring their client Id and DP Id No. for easy identification of attendance at the meeting.
5. The shares of the Company are at present listed on the following Stock Exchanges viz., The Bombay Stock Exchange Limited, and National Stock Exchanges of India Limited The listing fee for the year 2011-12 has been paid to the Stock Exchanges.
6. The shares of the Company have been dematerialised with effect from 06.09.2000 (ISIN NO.INE911B01018).
7. Explanatory Statement pursuant to Section 173 (2) of The Companies Act, 1956 is annexed herewith.
8. Appointment/Reappointment of Directors

At the ensuing Annual General Meeting, Mr. Mahendra Agarwal and Dr. D R Agarwal, Directors of the Company, who retire by rotation and being eligible offer themselves for re-appointment. The information or details to be provided under Corporate Governance code for the aforesaid directors are as under:

Mr. Mahendra Agarwal is the Managing Director of Gati Limited. He holds an Engineering Degree from Bangalore University, and a Masters in Business Administration from Austin, USA. He has pioneered the concept of express cargo movement in the country. Apart from being on the Board of several Indian companies he is also a Co-Chairman of CII Andhra Pradesh CEO Forum, Managing Committee Member of Express Industry Council of India, member of CII-AP State Council, IMA's CEO Forum, CEO Clubs (India Chapter) and FICCI's Civil Aviation Committee. He is a Board member of Singapore Indian Chamber of Commerce & Industry (SICCI) and Charter Member of The Indus Entrepreneurs (TiE). The number of equity shares held by him in the company are 11,87,461.

Dr. D R Agarwal is a practicing Chartered Accountant and a senior partner in Agarwal Maheswari & Co. since 1982. He is a commerce graduate with Hons. from St. Xavier's' College, Kolkata and has completed his bachelor's in Law from Kolkata University. He has also done his PH.D in Economics from North Bengal University. He has presented several papers on contemporary issues on development economics concerning trade and investments at various forum in India and abroad. Presently he is director in the Board of several listed and other reputed companies including Barak Valley Cements Ltd, and ITAG Business Solutions Ltd. He is the founder trustee and director of Institute of International Trade and Swadeshi research Institute. His area of specialisation is consultancy in the field of Intellectual Property Laws and management, WTO related laws, International Taxation and Foreign Exchange management. The number of equity shares held by him in the company are NIL.

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

The present term of office of Mr.Ramesh Sivaraman as Manager of the Company will expire on 30.06.2011 subject to shareholders' approval, the Board of Directors, at their meeting held on 19.05.2011 have re-appointed Mr.Ramesh Sivaraman as Manager of the Company for a period of 3 years w.e.f 01.07.2011. on the following terms and condition as recommended by the Remuneration Committee.

I. Basic Salary:

Rs. 50000 per month in the pay scale of Rs. 50000-2500-70000 with authority to the Board to sanction more than one increment in the scale in any year

II. Allowances and Perquisites:

1. House Rent Allowance 50% of the Basic Salary per month.
2. Such Allowances and such Perquisites as may be decided by the Board keeping in line with Company's remuneration policy applicable at his level from time to time but not exceeding Rs.15 lacs during any particular year excluding Perquisites covered by Serial No. 3 to 8 below.
3. Leave with full pay and allowances and right to accumulate and encashment in accordance with the rules of the Company.
4. Use of Company's Car and telephone at residence as per the rules of the Company
5. Group Accident and Mediclaim Insurance Premiums as per the rules of the Company
6. Contribution to Provident Fund in accordance with the rules of the Company
7. Contribution to Superannuation in accordance with the rules of the Company
8. Gratuity payable in accordance with the Rules of the Company.

GENERAL:

- i) Sitting fees will not be paid for attending the meetings of the Board or Committee(s) thereof.
- ii) Subject to the superintendence, control and directions of the Board, the manager shall exercise the managerial powers in general and specific powers as may from time to time be lawfully entrusted to and conferred upon you by the Board.
- iii) The appointment is terminable by either party giving the other two month's notice in writing and without liability to pay any compensation.

**By Order of the Board
for TCI FINANCE LIMITED**

Vibha Shinde
Company Secretary

Secunderabad, May 30, 2011

DIRECTORS' REPORT

The Directors are presenting herewith the 37th Annual Report and the Audited Statement of Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS:**(₹ in Lakhs)**

	As on 31st March 2011	As on 31st March 2010
Income	1,175.00	926.55
Profit/(loss) before Interest, Depreciation & Taxation	1,072.53	841.57
Financial Charges	1,032.51	815.72
Depreciation	2.13	11.62
Profit before tax	37.89	14.23
Provision for tax:		
Current Tax	2.75	1.60
Deferred Tax	(0.57)	2.40
Income Tax relating to previous year	1.70	46.22
Profit/(Loss) after tax	34.01	(35.99)
Balance brought forward from previous year	660.55	696.55
Transferred to Reserve Fund	6.81	-
Balance Carried forward	687.75	660.55

DIVIDEND

Your Directors have not recommend payment of dividend for the financial year ended 31st March 2011.

REVIEW OF OPERATION

During the year under review, your Company achieved a turnover of Rs.1175.00 Lakhs as against Rs 926.55 Lakhs in the previous year. The profit before tax is Rs.37.89 Lakhs as against Rs.14.23 Lakhs in the previous year.

The turnover of the Subsidiary Company M/s. ITAG Business Solutions Ltd was Rs. 922.55 Lakhs as against Rs 402.97 Lakhs in the previous year. Profit before tax stood at Rs.97.14 Lakhs as against Rs.14.01 Lakhs in the previous year.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Mahendra Agarwal and Dr D R Agarwal, directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

INVESTMENT

Your Company has made a total investment of Rs 15 Crores as on date in M/s. Amritjal Ventures Limited which is engaged in generating power and investing in power generating companies.

FIXED DEPOSITS

The Company has not accepted any deposits during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors' confirm the following:

- that in the preparation of the Annual Accounts for the year ended March 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period.
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- that the directors have prepared the annual accounts on a 'going concern' basis.

AUDITORS:

The Auditor, M/s. S B Billimoria & Co, Chartered Accountants, hold office until the conclusion of this Annual General Meeting and are eligible for re-appointment.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

The Company has no activities relating to Conservation of Energy or Technology Absorption.

PERSONNEL

The particulars of employees required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not furnished as there is no employee in receipt of remuneration more than the prescribed limit.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance is given in Annexure I.

ACKNOWLEDGEMENT:

Your Directors would like to place on record their grateful appreciation for the wholehearted and sincere co-operation your Company has received from the customers, Banks, Government Authorities, shareholders and Financial Institutions. Your Directors also wish to place on record their deep sense of appreciation for the devoted service of the management team, employees and associates of the Company.

**By Order of the Board
TCI FINANCE LIMITED**

O. Swaminatha Reddy
Chairman

Secunderabad, May 30, 2011

ANNEXURE - I

REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the Report on the matters mentioned in the said Clause and the practices followed by the Company.

1. Company's Philosophy

Your Company's philosophy is to enhance customers' satisfaction and shareholders value by practicing the principles of good corporate governance.

2. Board of Directors

The Board of Directors comprises of 6 directors.

Composition and category of Directors:

<i>Name of the Director</i>	<i>Category</i>	<i>Designation</i>
Mr.O.Swaminatha Reddy	Independent and Non Executive Director	Chairman
Mr.Mahendra Agarwal	Promoter and Non-Executive Director	Director
Mr.R.S.Agarwala	Independent and Non Executive Director	Director
Dr.D.R.Agarwal	Non Executive Director	Director
Mr.S.M.Jalan	Independent and Non Executive Director	Director
Mr. V T Pawar	Independent and Non Executive Director	Director

Attendance during the financial year 2010-11 of each Director at the Board Meetings, last Annual General Meeting and Number of other Directorships and Chairmanship/Membership of Committee of each Director in various companies:

<i>Name of the Director</i>	<i>Attendance Particulars</i>		<i>* No. of other directorships and committee membership/chairmanship</i>			
	Board Meetings	Last AGM	Chairman of the Board	Other Directorship	Committee Membership	Committee Chairmanship
Mr.O. Swaminatha Reddy	6	Yes	2	5	--	5
Mr. Mahendra Agarwal	4	Yes	1	4	--	--
Mr. R.S.Agarwala	6	Yes	-	1	--	--
Mr. V.T.Pawar	6	Yes	-	2	--	--
Mr. S.M.Jalan	3	Yes	-	4	--	--
Dr. D.R.Agarwal	4	Yes	-	2	--	--

* excluding Private Limited Companies and Companies registered under Section 25 of the Companies Act, 1956.

Number of Board Meetings held and the dates on which held

During the financial year 2010-11, the Board of Directors met six times, on the following dates: 5th May, 2010, 4th August, 2010, 25th October, 2010, 11th November, 2010, 16th December, 2010 and 31st January, 2011. The maximum time gap between the meetings was not more than four months.

Code of Conduct

The Board of Directors of the Company has laid down a code of conduct for all Board Members and designated senior management of the Company. The code of conduct is available on the website of the Company (www.tcifl.in). All Board

members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Manager to this effect is enclosed at the end of this report.

3. Audit Committee

The Board of Directors has constituted Audit Committee to assist the Board in discharging their responsibilities effectively. The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act 1956 and SEBI Regulations/ Listing Agreements with the Stock Exchanges. The Committee consists of all independent directors.

Composition and other details

The Audit Committee of the Company has been constituted with three independent directors viz.,

- Mr. R.S. Agarwala, Chairman
- Mr. V.T.Pawar - Member
- Mr. S.M. Jalan - Member

Terms of Reference

The terms of reference to the Audit Committee are quite comprehensive to cover all the requirements of SEBI and the Companies Act and in particular: -

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major Accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee) submitted to the management.
- Management letter / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditors shall be subject to review by the Audit Committee.

Meetings and attendance during the year

During the financial year 2010-11, the Audit Committee met four times on the following dates: 5th May, 2010, 3rd August, 2010, 26th October, 2010 and 31st January, 2011. All the members of the Committee were present at all the meetings.

4. Remuneration Committee

The Company has constituted Remuneration Committee. The following are the members of the Remuneration Committee.

Mr.R.S.Agarwala - Chairman

Mr.Mahendra Agarwal - Member

Mr.V.T.Pawar - Member

Terms of Reference and Remuneration policy

The Board has constituted remuneration committee which devises the policy for benefits of Executive Directors/Managers.

Details of Remuneration paid to the Directors for the financial year ended 31st March 2011:

<i>Name of the Director</i>	<i>Remuneration (Rs.)</i>	<i>Sitting Fee (Rs.)</i>	<i>Total (Rs.)</i>
Mr.O.Swaminatha Reddy	----	12,000/-	12,000/-
Mr.R.S.Agarawala	----	26,000/-	26,000/-
Mr.V.T.Pawar	----	26,000/-	26,000/-
Mr.S.M.Jalan	----	12,000/-	12,000/-
Dr. D R Agarwal	----	8,000/-	8,000/-
Total :	---	84,000/-	84,000/-

5. Share Transfer Committee and Investors' Grievance Committee

Share Transfer Committee

Composition and terms of reference

The Committee comprises two non-executive directors as members viz.,

- Mr. Mahendra Kumar Agarwal, Chairman
- Mr.V.T.Pawar, Member

Investors' Grievance Committee

Composition and terms of reference

The committee comprises two non-executive directors as members viz.,

- Mr.V.T.Pawar, Chairman
- Mr.S.M.Jalan, Member

The Committee was constituted to look into the investors' complaints and to redress the same expeditiously.

Details of complaints for the year 2010-11

S.No.	Nature of Complaint	Received	Disposed	Pending
1	Non-Receipt of dividend warrants	5	5	NIL
2	Non-Receipt of Share Certificates sent for transfer	4	4	NIL
3	Non-Receipt of Share Certificates	9	9	NIL
	Total	18	18	NIL

As on 31st March 2011, no request for dematerialization was pending.

Compliance Officer

Name and designation of the Compliance Officer : Ms Vibha Shinde

6. General Body Meetings

Location and time for the General Body Meetings held in the last three Financial Years:

Year	Date	AGM/EGM	Venue	Time	No. of Special Resolution Passed
2007-08	September 18, 2008	AGM	Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad - 500 003	10.30 A.M	1
2008-09	July 29, 2009	AGM	Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad - 500 003	10.30 A.M	NIL
2009-10	August 4, 2010	AGM	Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad - 500 003	10.30 A.M	NIL

Details of any Postal Ballot conducted during the year: None

7 DISCLOSURES

7.1 Disclosures on materially significant related party transactions, i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potentially conflict with the interest of the Company at large.

Disclosures regarding related party transaction forms part of notes to accounts published elsewhere in this Annual Report.

7.2 Details of non-compliance by the Company, penalties, strictures imposed on the company by the Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

None

7.3 The Company affirms that no personnel has been denied access to the Audit Committee during the financial year ended 31st March, 2011.

7.4 The Company has complied to all the mandatory requirements of Clause 49 of the listing agreement.

8. Means of Communication

Results

The quarterly and half yearly un-audited and annual results were published in national level english newspaper i.e Financial Express and as well as regional language newspaper circulating in the state of Andhra Pradesh i.e., Andhra Prabha (Telugu). The results are also displayed on the Company's website (www.tcifl.in).

News releases and presentation to Institutional Investors : No

Management Discussion and Analysis:

Management Discussion and Analysis forms part of the Annual Report.

9. General Information for Shareholders

9.1 Annual General Meeting

Date, Time and Venue : 9th August, 2011 at 10:30 AM
Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M.G. Road, Secunderabad - 500 003

9.2 Financial Calendar for 2011- 2012 (Tentative) :

Annual General Meeting : August 2011
Results for the 1st quarter ended June 30th 2011 : First week of August, 2011
Results for the 2nd quarter ended September 30th 2011 : First week of November, 2011
Results for the 3rd quarter ended December 31st 2011 : First week of February, 2012
Results for the 4th quarter ended March 31st 2012 : Last week of May, 2012

9.3 Book Closure date : 05.08.2011 to 09.08.2011 (both days inclusive)

9.4 Dividend Payment date : Not Applicable

9.5 Listing on stock exchanges

The Company's shares are listed on :

- (1) The Bombay Stock Exchange Limited (BSE)
- (2) National Stock Exchange of India Limited (NSE)

The listing fee for the year 2011-2012 has been paid to BSE and NSE.

9.6 Stock Code:

- (a) Trading Script code for The Bombay Stock Exchange : 501242
Trading Script Symbol for National Stock Exchange : TCI FINANCE
- (b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares : INE 911B01018

9.7 Monthly high and low stock quotations at BSE & NSE:

(Amount in ₹)

<i>Months</i>	<i>BSE</i>		<i>NSE</i>	
	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
April 2010	28.60	25.15	29.85	24.75
May 2010	26.50	21.00	26.25	21.00
June 2010	24.25	20.00	25.25	20.25
July 2010	50.50	20.80	50.65	21.00
August 2010	53.00	35.00	53.20	35.05
September 2010	45.70	36.50	46.00	36.10
October 2010	45.40	37.50	45.60	36.50
November 2010	44.00	36.70	44.50	37.40
December 2010	51.45	38.30	51.60	38.00
January 2011	117.40	44.55	117.90	44.15
February 2011	129.40	54.55	129.80	54.70
March 2011	93.20	58.00	94.05	58.50

9.8 Share price performance in comparison to broad based indices - BSE Sensex

<i>PARTICULARS</i>	<i>TCI FINANCE SHARE PRICE V/S BSE</i>	
	<i>Share Price(Rs.)</i>	<i>BSE Sensex</i>
As on 1st April 2010	25.55	17,555.04
As on 31st March 2011	65.40	19,445.22
% Change	155.96	10.76

9.9 Registrar and Transfer Agents : Karvy Computershare Limited (Unit : TCI Finance Ltd)
(Share Transfers and Communication Plot No.17-24
regarding share certificates, Vittal Rao Nagar, Madhapur
dividends and change of address) Hyderabad – 500 081.

9.10 Share transfer system:

The Company has a Registrar and Share Transfer Agent. Share transfers, if documents are found in order, are registered and returned in the normal course within a period of two weeks from the date of receipt of the documents. Request for dematerialization of shares are processed and confirmation given to the respective depositories i.e National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) within fifteen days.

9.11 Distribution of Shareholding as on 31st March 2011:

No. of shares	No. of shareholders	% of shareholders	Nos. of Shares	% of Total Shares
Upto - 5000	5,849	97.88	2,368,778	18.40
5001- 10000	63	1.06	448,011	3.48
10001- 20000	35	0.59	511,169	3.97
20001- 30000	8	0.13	181,872	1.41
30001-40000	2	0.03	69,033	0.54
40001-50000	4	0.06	183,258	1.42
50001-100000	4	0.06	263,246	2.05
100001 - Above	11	0.19	8,847,126	68.73
TOTAL	5,976	100.00	12,872,493	100.00

Categories of shareholders as on 31st March 2011 :

Category	No. of shares held	% Shareholding
Promoter and Promoter Group	7,460,007	57.95
Non-Resident Indians	140,565	1.09
Bodies Corporate & HUF	1,077,503	8.37
Resident Individuals	4,172,629	32.42
Clearing Members	21,789	0.17
TOTAL	12,872,493	100.00

9.12 Dematerialization of shares :

Over 88.18% of the total shares have been dematerialized up to 31st March, 2011. Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. August 28th, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

9.13 Outstanding GDRs / ADRs /Warrants or any convertible instruments, conversion date and likely impact on equity

Not Applicable

9.14 Plant Locations: Not Applicable

9.15.1 Investors Correspondence

Karvy Computershare Pvt Ltd.
(Unit:TCI Finance Limited)
Plot No 17-24, Vitthal Rao Nagar
Madhapur, Hyderabad - 500 081
E Mail ID : mohsin@karvy.com
Tel : 040-44655000, 44655152
Fax : 040-23420814

9.15.2 Any Query on Annual Report:

TCI Finance Limited
Secretarial Department
1-7-293, M.G.Road,
Secunderabad - 500 003
E-mail: investors_ tcif@gati.com
Tel Nos. 040 - 27844284 / 27843788

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

TCI FINANCE LIMITED

1. I have examined the compliance of conditions of Corporate Governance by TCI Finance Limited, for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In my opinion and to the best of our information and according to the explanations given to me, and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
4. I 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 D C Agarwal & Co
Practising Company Secretary**

D C Agarwal
Certificate of Practice No-3345

Secunderabad, May 30, 2011

DECLARATION

As provided under clause 49 of the Listing Agreement with Stock Exchanges, the Board and Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended 31st March, 2011.

For TCI FINANCE LIMITED

Ramesh Sivaraman
Manager - Chief Executive

Secunderabad, May 30, 2011

MANAGEMENT DISCUSSION & ANALYSIS

Business Environment

Owing to improved asset quality, increasing net interest margins and higher operational efficiency, non-banking financial companies (NBFCs) are well poised to match banks' non-mortgage or unsecured retail lending portfolio in a couple of years.

According to a recent report from a rating agency CRISIL, the gross non-performing assets (NPA) of NBFCs, at 3.5 per cent as on March 31, 2010, are expected to decline by 125 basis points to 2.25 per cent by March 31, 2013. NPA coverage is 17 times for NBFCs, higher than the 10 times in the case of banks. Backed by decline in credit costs and improving operating efficiencies, the profitability margins of NBFCs is likely to touch 2.9 per cent during 2011-12, highest in the last five years.

The report from CRISIL however, mentioned that the improvement in asset quality would be driven by a structural shift in asset composition towards secured asset classes, stronger underwriting norms and monitoring mechanisms, and a favorable business environment.

Opportunities

The financial sector is undergoing several changes. There are various options waiting for NBFCs to change the tracks and explore new areas. They have to extend their product portfolio to include asset management companies, housing finance firms and to venture into newly opened insurance sector for private participation. In the medium term most NBFC's are looking at developing niche areas and concentrating on fee based income to offset the loss in fund based activities.

In the market of retail finance and financial loans, in order to beat the competition, NBFCs have to increase the quality of their service which is described as the convenience offered to the customer in terms of speed, accuracy and product features. Investors in future will also be looking for certain qualitative details like reputation of the management and the financial track record of the NBFC before they invest their monies. NBFCs stands a good chance to succeed as they have an advantage of being lower in operating cost as compared with other financial intermediaries because of their small size, efficient operation and fast decision making.

Threats

The key challenge for the sector would be adapting to the changing regulatory regime, which is expected to become more stringent.

Competition in this sector is likely to intensify and NBFCs will need to diversify their resource profiles, maintain competitive borrowing costs, and ensure availability of skilled human resources to maintain growth

Though the evolutionary process of the NBFCs has made them nimble and agile, their main handicap is the small size of their balance sheet, resources and their distribution reach, which is region specific. The limited cushion available to them in times of difficulties pose a great threat to their very survival and restrict their opportunities to grow.

The biggest challenge in front of NBFCs therefore is to increase their size. There is just not place enough for so many small micro NBFCs. The newer layers are likely to bring in tremendous financial muscle. Given such a situation, NBFCs must realize the plain fact that a certain amount of market share and size or a "critical mass" is vital for sheer survival.

Segment-wise or product-wise performance of the Company

The Company is a Non Banking Finance Company (NBFC). It is engaged in the business of financing which is the only segment in the Company. Hence, the results for the year under review pertain to only financing activity.

Future Strategies

The Company continues to concentrate on recoveries of outstanding and repayments of its liabilities. The Company has made investments in the field of Infrastructure, Power Projects and other allied activities.

During the year under review, ITAG Business Solutions Limited was converted to a wholly owned subsidiary of the Company.

Risks and concerns

Your Company is exposed to specific risks that are particular to its business and environment within which it operates. These include credit risks, market risks and interest risks. We have established policies and procedures to control and manage these risks.

Internal Control Systems and their adequacy

Your company has proper internal mechanism, which monitors the adequacy and effectiveness of the internal control. The Company has a well organised structure, authority level and internal policies and procedures for conducting business transaction. We have established policies and procedures to control and manage risks by the Internal Audit Department, which is reviewed by the Audit Committee.

Business Overview and Discussion on financial performance

The Company's total earnings during the year were Rs.1175.00 lakhs and profit before tax of Rs.37.89 lakhs.

M/s. ITAG Business Solutions Limited, a wholly owned subsidiary of your company made profit (profit after tax) of Rs 80.19 Lakhs during the year against the (previous year's profit of Rs.11.95 Lakhs).

Human Resource Development

Your Company sees its relationship with its employees as critical to the future and its employee relations agenda focuses on ensuring that employees feel valued, on managing change constructively, and on creating an environment and culture within which every employee can maximize his contribution. The Company's approach and efforts are directed towards creating a congenial work atmosphere for individual growth, creativity and dedicated participation in all endeavors for the development of the organisation.

The employee relations have continued to be harmonious through out the year. The Company has 7 number of permanent employees as on 31-03-2011.

AUDITORS' REPORT

The Members of TCI Finance Limited

1. We have audited the attached Balance Sheet of TCI FINANCE LIMITED as at March 31, 2011 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both 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 (CARO) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - 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 it appears from our examination of those books;
 - c. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e. 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:
 - i) in the case of the Balance Sheet, of the state of the affairs of the Company as at March 31, 2011
 - ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date and
 - iii) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.
5. On the basis of written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2011 from being appointed as directors in terms of Section 274(1)(g) of the Companies Act, 1956.

For S. B. Billimoria & Co.
Chartered Accountants
 (Registration No.101496W)

M. Ramachandran
 Partner
 (Membership No.16399)

Kochi, May 31, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report attached)

- (i) Having regard to the nature of the Company's business/activities/result, clauses 4 (ii), (viii), (xii), (xiii), (xv), (xviii) and (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) All the fixed assets other than leased assets were physically verified during the year by the management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification. Leased assets have not been physically verified by the management during the year.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) According to the information and explanations given to us, the Company has neither taken nor granted secured or unsecured loans from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an 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 the sale of services. During the course of our audit, we have not observed any major weakness in such control system.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income tax, Custom Duty, Excise Duty, Cess, and any other material statutory dues applicable to it in arrears, as at March 31, 2011 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2011 on account of dispute are given below:

Nature of statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Karnataka Sales Tax	Tax/Penalty	63,661	1996-97	Joint Commissioner of Commercial taxes (Appeals)

- (ix) The Company does not have accumulated losses as at end of the year. The Company has not incurred cash losses in the financial year; the company incurred cash losses in the immediately preceding financial year.
- (x) In our opinion and according to the information and explanations given to us, having regard to the fact that an amount of Rs.62,500,000 payable to a financial institution was rescheduled during the year and subsequently repaid, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xi) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (xii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that funds raised on short term basis have not been used for long-term investment.
- (xiv) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 35 debentures of Rs.10,000,000 each. The Company has created security in respect of debentures issued.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S. B. Billimoria & Co.
Chartered Accountants
 (Registration No.101496W)

M. Ramachandran
 Partner
 (Membership No.16399)

Kochi, May 31, 2011

TCI FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2011

(Amt. in ₹)

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	A	141,963,050	141,963,050
Reserves & Surplus	B	125,083,721	121,682,376
		267,046,771	263,645,426
LOAN FUNDS			
Secured Loans	C	705,000,000	597,500,000
TOTAL		972,046,771	861,145,426
APPLICATION OF FUNDS			
FIXED ASSETS			
	D		
Gross Block		64,315,879	68,969,446
Less: Depreciation		24,580,050	28,919,523
Less: Lease Adjustment		19,478,166	19,478,166
Net Block		20,257,663	20,571,757
INVESTMENTS			
	E	293,269,226	240,191,530
DEFERRED TAX ASSET (Net)			
	F	822,601	765,409
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	G	—	1,035
Cash and Bank Balances	H	3,098,659	2,145,595
Loans and Advances	I	674,319,647	615,026,212
		677,418,306	617,172,842
Less: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	J	5,486,066	4,797,238
Provisions	K	14,234,959	12,758,874
		19,721,025	17,556,112
NET CURRENT ASSETS			
TOTAL		657,697,281	599,616,730
		972,046,771	861,145,426
Significant Accounting Policies	P		
Notes forming part of Accounts	Q	—	

Schedules referred to above and cash flow statement form an integral part of Balance Sheet.

In terms of our report attached

For S.B. Billimoria & Co.
Chartered Accountants
For and on Behalf of the Board

M Ramachandran
Partner

Vibha Shinde
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

Kochi, May 31, 2011

Secunderabad, May 30, 2011

TCI FINANCE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Amt. in ₹)

	Schedule	For the Year Ended 31.03.2011	For the year Ended 31.03.2010
INCOME			
Interest on Deposits, Loans & Advances (Tax Deducted Rs. 5,062,426 Previous year Rs.69,258)		82,769,281	68,831,390
Upfront Fees (Tax Deducted Rs. 689,927 Previous year Rs.137,875)		6,255,000	1,250,000
Hire Rentals		679,890	2,658,635
Debts Written off earlier, realised		2,614,042	1,123,477
Dividends on Long term Investments		5,687,651	395,039
Other Income	L	19,494,786	18,396,840
		117,500,650	92,655,381
EXPENDITURE			
Personnel Expenses	M	5,661,609	5,397,044
Administrative Expenses	N	3,109,586	3,071,093
Financial Charges	O	103,251,301	81,572,916
Depreciation	D	213,791	1,162,138
Provision for Standard Assets		1,475,000	—
Investments Written off		—	29,155
		113,711,287	91,232,346
Profit before Tax		3,789,363	1,423,035
Provision for Tax			
Current		275,000	160,000
Deferred		(57,192)	240,411
Income tax relating to earlier years		170,210	4,622,297
Profit/(Loss) after Tax		3,401,345	(3,599,673)
Balance Brought Forward From Previous Year		66,055,605	69,655,278
Transferred to Reserve Fund		681,000	—
Balance Carried to Balance Sheet		68,775,950	66,055,605
Earning per Share (Basic/Diluted) (Refer Note-6 of Schedule - Q)		0.26	(0.28)
Significant Accounting Policies	P		
Notes forming part of Accounts	Q		
Schedules referred to above and cash flow statement form an integral part of Profit and Loss Account.			

In terms of our report attached

For S.B. Billimoria & Co.
Chartered Accountants

For and on Behalf of the Board

M Ramachandran
PartnerVibha Shinde
Company SecretaryO Swaminatha Reddy
ChairmanV T Pawar
Director

Kochi, May 31, 2011

Secunderabad, May 30, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Amt. in ₹)

	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	3,789,363	1,423,035
Adjustments for:		
Depreciation	213,791	1,162,138
Profit on sale of Motor Trucks	(333,462)	(699,727)
Profit/Loss on sale of Long term Investments	(2,501,324)	(171,113)
Dividend (Long term Investments)	(5,687,651)	(395,039)
Investments Written off	—	29,155
Provision for Standard Assets	1,475,000	—
Operating (loss)/profit before working capital changes	(3,044,283)	1,348,449
Adjustments for:		
Trade and other Receivables	(1,611,720)	1,490,825
Trade payables	689,913	357,207
Cash generated from operations	(3,966,090)	3,196,481
Tax Paid	(4,954,390)	(5,609,549)
Net Cash From Operations	(8,920,480)	(2,413,068)
Loans Disbursed (Net)	(60,500,000)	(266,100,000)
Net Cash used in operating Activities	(69,420,480)	(268,513,068)
B.CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	466,803	1,164,600
Purchase of Assets	(33,038)	—
Advance to Subsidiary	(3,446,500)	—
Purchase of Investments	(42,413,100)	—
Purchase of Investments in Subsidiary	(845,000)	—
Sale of Investments	3,456,728	18,291,374
Dividend received (Long term Investments)	5,687,651	395,039
Net cash used in investing activities	(37,126,456)	19,851,013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term Borrowings	580,000,000	250,000,000
Repayment of long Term Borrowings	(472,500,000)	(77,535)
Net cash from Financing Activities	107,500,000	249,922,465
Net Increase in cash and equivalents	953,064	1,260,410
Cash and Cash equivalents at the beginning of the year	2,145,595	885,185
Cash and Cash equivalents at the end of the year	3,098,659	2,145,595

- Notes:**
- 1). The cash flow statement is prepared under "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statements notified in section 211 (3C) of the Companies Act, 1956.
 - 2). Advance amounting to Rs. 10,775,000 given to subsidiary has been converted to 1,077,500 equity shares of Rs. 10/- each in the subsidiary.
 - 3). Previous Year figures have been regrouped / reclassified / rearranged wherever necessary.

In terms of our report attached

For S.B. Billimoria & Co.
Chartered Accountants

For and on Behalf of the Board

M Ramachandran
Partner

Vibha Shinde
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

Kochi, May 31, 2011

Secunderabad, May 30, 2011

SCHEDULES FORMING PART OF BALANCE SHEET

(Amt. in ₹)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE A		
SHARE CAPITAL		
AUTHORISED CAPITAL		
20,000,000 Equity Shares of Rs.10/- each	200,000,000	200,000,000
	200,000,000	200,000,000
ISSUED CAPITAL		
16,000,000 Equity Shares of Rs.10/- each	160,000,000	160,000,000
	160,000,000	160,000,000
SUBSCRIBED & PAID UP CAPITAL		
12,872,493 Equity shares of Rs 10/- each fully paid up (1,754,907 Equity shares of Rs.10/- each issued on Amalgamation without payment being received in cash)	128,724,930	128,724,930
Add: Forfeited Shares (Amount Originally paid up)	13,238,120	13,238,120
	141,963,050	141,963,050
SCHEDULE B		
RESERVES & SURPLUS		
Securities Premium	163,086	163,086
General Reserve	35,218,685	35,218,685
Reserve Fund (As per Section 45 -IC of Reserve Bank of India Act,1934)		
At the Commencement of the year	20,245,000	20,245,000
Add: Transferred during the year	681,000	—
	20,926,000	20,245,000
Profit and Loss Account	68,775,950	66,055,605
	125,083,721	121,682,376
SCHEDULE C		
SECURED LOANS		
Debentures		
13% Non convertible Redeemable Debentures	350,000,000	—
(Secured by Pledge of Investments and personal guarantee of a director and pledge of investments by third party)		
(Rs. 70,000,000 redeemable at par on 29 November 2011; Rs. 280,000,000 redeemable at par on 29 November 2012)		
Term Loans		
Others	355,000,000	597,500,000
(Secured by Pledge of Investments, personal guarantee of a director and Pledge of Investments and Property by third party)		
	705,000,000	597,500,000
Repayable within One year	195,000,000	472,500,000

SCHEDULES FORMING PART OF BALANCE SHEET
SCHEDULE D FIXED ASSETS

(Amt. in ₹)

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			LEASE ADJUSTMENT			NET BLOCK		
		AS AT 01.04.2010	ADDITIONS	DELETIONS	AS AT 31.03.2011	AS ON 01.04.2010	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2011	AS ON 01.04.2010	ADJUSTMENT	UPTO 31.03.2011	AS AT 31.03.2011
I	OWNED ASSETS												
1	LAND -FREEHOLD	3,522,514	-	-	3,522,514	-	-	-	-	-	-	3,522,514	3,522,514
2	BUILDINGS	4,040,826	-	-	4,040,826	714,993	65,866	-	780,859	-	-	3,259,967	3,325,833
3	FURNITURE & FIXTURES	1,100,000	-	-	1,100,000	736,740	69,630	-	806,370	-	-	293,630	363,260
4	PLANT & MACHINERY	6,802	-	-	6,802	3,618	1,102	-	4,720	-	-	2,082	3,184
5	MOTOR TRUCKS	13,764,644	-	4,686,605	9,078,039	13,554,873	76,430	4,553,264	9,078,039	-	-	-	209,771
6	COMPUTERS	-	33,038	-	33,038	-	763	-	763	-	-	32,275	-
	TOTAL	22,434,786	33,038	4,686,605	17,781,219	15,010,224	213,791	4,553,264	10,670,751	-	-	7,110,468	7,424,562
II	LEASED ASSETS												
1	PLANT & MACHINERY	40,318,442	-	-	40,318,442	11,005,989	-	-	11,005,989	18,248,160	-	18,248,160	11,064,293
2	MOTOR TRUCKS	506,218	-	-	506,218	288,439	-	-	288,439	217,779	-	217,779	-
3	COMPUTERS	5,710,000	-	-	5,710,000	2,614,871	-	-	2,614,871	1,012,227	-	1,012,227	2,082,902
	TOTAL	46,534,660	-	-	46,534,660	13,909,299	-	-	13,909,299	19,478,166	-	19,478,166	13,147,195
	GRAND TOTAL	68,969,446	33,038	4,686,605	64,315,879	28,919,523	213,791	4,553,264	24,580,050	19,478,166	-	20,257,663	20,571,757
	PREVIOUS YEAR	79,904,360	-	10,934,914	68,969,446	38,227,426	1,162,138	10,470,041	28,919,523	19,478,166	-	19,478,166	20,571,757

SCHEDULES FORMING PART OF BALANCE SHEET					
SCHEDULE -E INVESTMENTS					
(Amt. in ₹)					
NO OF SHARES		FACE VALUE	NAME OF THE COMPANY	As at 31.03.2011	As at 31.03.2010
31.03.2010	31.03.2011				
A EQUITY SHARES (QUOTED)					
13,324,350	13,324,350	2	GATI LIMITED #	122,414,147	122,414,147
30,236	30,236	10	TCI INDUSTRIES LIMITED	2,128,390	2,128,390
600	600	10	BHIVANI VANASPATHI LIMITED *	6,000	6,000
2,500	2,500	10	ELECTO FLAME LIMITED *	35,000	35,000
62	62	10	GARWARE NYLON LIMITED *	1,043	1,043
200	200	10	INDO MAXWELL LIMITED *	2,000	2,000
8,400	8,400	10	KARNATAKA INVESTMENT & TRADERS LTD *	42,053	42,053
500	500	10	KEDIYA VANASPATHI LIMITED *	5,000	5,000
1,100	1,100	10	THE PIONEER LIMITED *	11,000	11,000
500	500	10	UNILITE INDUSTRIES LTD *	5,000	5,000
12,150	4,860	10	KARNATAKA BANK LTD @	413,100	357,750
10,000	10,000	10	ATILTD	200,000	200,000
14,933	—	10	DHANLAXMI BANK LTD.	—	278,395
4,200	4,200	10	LLOYDS FINANCE LTD	2,310	2,310
1,300	1,300	10	ROADWAYS INDIA LTD *	16,668	16,668
1,000	1,000	2	DECCAN CHRONICLE HOLDINGS LTD	173,956	173,956
1,000	1,000	10	ELBEE SERVICES LTD *	5,780	5,780
4,000	—	2	NRB BEARINGS LTD ##	—	70,087
850	850	2	SATYAM COMPUTERS LTD	173,612	173,612
124	124	10	RELIANCE INDUSTRIES LTD	168,087	168,087
1,450	1,450	2	UNITECH LTD	482,411	482,411
750	—	2	ALEMBIC CHEMICALS LIMITED	—	52,737
200	200	10	RELIANCE COMMUNICATION LIMITED	103,496	103,496
200	200	10	ELECTROTHERM (I) LIMITED	111,273	111,273
200	200	10	SURYACHAKRA POWER CORPORATION LIMITED	9,222	9,222
1,500	1,500	10	POWER GRID CORPORATION LIMITED	173,186	173,186
500	—	10	GATEWAY DISTRI PARKS LIMITED	—	79,722
150	—	10	TATA MOTORS LIMITED	—	116,713
1,000	1,000	2	GMR INFRASTRUCTURE LIMITED	88,455	88,455
24	24	10	RELIANCE POWER LIMITED	6,750	6,750
				126,777,939	127,320,243

NO OF SHARES		FACE VALUE	NAME OF THE COMPANY	As at	As at
31.03.2010	31.03.2011			31.03.2011	31.03.2010
B DEBENTURES (PARTLY PAID UP)					
10,900	10,900	10	PITTIE CEMENTS LIMITED *	354,250	354,250
				354,250	354,250
C EQUITY SHARES (UNQUOTED)					
1,000	1,000	100	GATI INTELLECT SYSTEMS LIMITED	100,000	100,000
9,500	9,500	10	GATI SHIPPING P LTD	95,000	95,000
27,451	27,451	10	TCI HI-WAYS PVT LTD	274,510	274,510
42,000	42,000	100	GIRI ROADLINES AND COMMERCIAL TRADING PVT LTD	157,527	157,527
10,814,100	15,014,100	10	AMRIT JAL VENTRUES LTD	150,000,000	108,000,000
30,000	30,000	1	BANGALORE STOCK EXCHANGE LIMITED	30,000	30,000
5,000	5,000	10	ITAG INFRASTRUCTURE LIMITED	50,000	50,000
				150,707,037	108,707,037
D SUBSIDIARY					
88,000	1,250,000	10	ITAG BUSINESS SOLUTIONS LIMITED	12,500,000	880,000
				12,500,000	880,000
E. PREFERENCE SHARES					
350,000	350,000	10	CAPITAL FORTUNES LIMITED	3,500,000	3,500,000
			8% NON CUMULATIVE 15 YEAR REDEEMABLE		
				3,500,000	3,500,000
			Less: DIMUNITION IN VALUE OF INVESTMENTS	570,000	570,000
			TOTAL	293,269,226	240,191,530
			BOOK VALUE OF QUOTED INVESTMENTS	126,562,189	127,104,493
			MARKET VALUE OF QUOTED INVESTMENTS *	801,807,536	808,552,492

* Book value has been taken in the absence of Stock Exchange quotations.

Secured for the Term Loans.

Bonus shares allotted during the year

@ 12,150 shares sold during the year.

SCHEDULES FORMING PART OF BALANCE SHEET

(Amt. in ₹)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE F		
DEFERRED TAX ASSET/(LIABILITY) (NET)		
As per Last Balance sheet	765,409	1,005,820
(Add)/Less: Adjusted during the year (Refer Note 4, Schedule Q)	57,192	(240,411)
	822,601	765,409
SCHEDULE G		
SUNDRY DEBTORS		
Outstanding for more than six months	441,566	441,566
Others	—	1,035
	441,566	442,601
Less: Provision for non performing assets	441,566	441,566
	—	1,035
Unsecured		
Considered Good	—	1,035
Considered doubtful	441,566	441,566
	441,566	442,601
SCHEDULE H		
CASH & BANK BALANCES		
Cash on Hand	7,055	1,829
Cheques on Hand	—	1,447,401
With Scheduled Banks		
Current Accounts	3,032,855	637,616
Fixed Deposits	58,749	58,749
	3,098,659	2,145,595
SCHEDULE I		
LOANS & ADVANCES		
Unsecured - Considered Good		
Interest accrued on deposits and loans	10,366,510	9,025,654
Other receivables	294,000	—
Loans	570,500,000	510,000,000
Advance to Subsidiary	9,091,500	16,420,000
Advances recoverable in cash or in kind or for value to be received	76,414,006	76,436,107
Deposits	60,340	60,340
Advance Tax (Net of Provision ` 275,000 Previous year ` .160,000)	7,593,291	3,084,111
	674,319,647	615,026,212
SCHEDULE J		
LIABILITIES		
Sundry Creditors		
Due to other than Micro and small enterprises	1,231,701	213,464
Security Deposits	1,503,249	1,970,049
Other Liabilities	1,182,901	1,041,808
Interest accrued but not due on loans	1,568,215	1,571,917
	5,486,066	4,797,238
SCHEDULE K		
PROVISIONS		
Non performing assets	12,531,537	12,531,537
Contingent Provision Against Standard Assets	1,475,000	—
Compensated Absences	228,422	227,337
	14,234,959	12,758,874

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

(Amt. in ₹)

	For the year Ended 31.03.2011	For the year Ended 31.03.2010
SCHEDULE L		
OTHER INCOME		
Rent Received	8,760,000	8,760,000
(Tax Deducted Rs. 547,500 Previous year Rs.338,524)		
Consultancy Fees	5,650,000	4,566,000
(Tax Deducted Rs.623,195 Previous year Rs570,613)		
Profit on Sale of Long Term Investments	2,501,324	171,113
Profit on Sale of Motor Trucks	333,462	699,727
Others	2,250,000	4,200,000
(Tax Deducted Rs. 24,000 Previous year Rs.25,596)		
	19,494,786	18,396,840
SCHEDULE M		
PERSONNEL EXPENSES		
Salaries, Allowances & Bonus	5,155,494	4,923,483
Contribution to Provident Fund	211,708	203,629
Contribution to Superannuation Fund	78,600	73,200
Gratuity and Compensated Absences	130,192	95,050
Staff Welfare Expenses	85,615	101,682
	5,661,609	5,397,044
SCHEDULE N		
ADMINISTRATIVE EXPENSES		
Travelling Expenses	161,316	158,544
Conveyance	117,160	159,147
Office Maintenance	74,000	65,616
Telephone Expenses	23,211	30,613
Printing & Stationery	183,664	127,950
Postage	47,100	43,214
Rates & Taxes	2,500	545,727
Legal & Professional Expenses	1,705,386	1,169,476
Listing Fees	110,725	85,979
Miscellaneous Expenses	374,409	390,712
Directors Fees	84,000	68,000
Remuneration to Auditors:		
Audit Fees	100,000	100,000
Other Services	105,000	102,282
Service Tax	21,115	23,833
	3,109,586	3,071,093
SCHEDULE O		
Financial Charges		
Interest		
Debentures	16,253,420	—
Term loans	74,932,946	76,489,991
Others	12,064,935	5,082,925
	103,251,301	81,572,916

SCHEDULE - P: SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF ACCOUNTING**

"The Financial Statements are prepared under historical cost convention on the basis of going concern and as per Accounting Standards notified under Section 211(3C) of the Companies Act, 1956. The Company follows the Accrual System of Accounting and Prudential Norms prescribed by Reserve Bank of India consistently from year to year.

2. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

3. REVENUE RECOGNITION:**3.1 LEASE INCOME:**

- (i) The income from lease transactions is recognized on accrual basis after netting off the lease equalization charges as recommended by the Institute of Chartered Accountants of India in its guidance note "Accounting for Leases".
- (ii) The Lease Equalization charges (debit or credit as the case may be in any particular year) represent the difference between the Depreciation as per Schedule XIV and that which is chargeable so as to write off the asset over the primary lease period.

3.2 OTHER INCOMES:

Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.

Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established.

Income from Services is recognised on accrual basis.

4. INVESTMENTS:

Long-term investments are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary.

5. RESERVE BANK OF INDIA PRUDENTIAL NORMS:

The Company follows the guidelines issued by the Reserve Bank of India, in respect of income recognition, asset classification and valuation of investments.

6. FIXED ASSETS:

Assets are stated at cost less depreciation after adjustment of the Lease Terminal Adjustment Account.

7. DEPRECIATION:

Depreciation is provided on Straight line method at rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition/deductions is calculated prorata from/to the date of addition/deduction.

8. EMPLOYEE BENEFITS:

- (i) Provident fund is a defined contribution plan and the contributions as required by the statute to Government Provident Fund are charged to profit and loss account when due.
- (ii) Gratuity liability is defined benefit obligation and is wholly funded. The Company accounts for liability for future gratuity benefits based on actuarial valuation. Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.
- (iii) Compensated Absences- The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service.

9. PROVISION, CONTINGENT LIABILITIES & CONTINGENT ASSETS :

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

10. TAXATION :

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected. Fringe Benefit Tax is determine on the basis of the Income Tax Act,1961.

SCHEDULE Q NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for in respect of:
 - a. Disputed sales tax demand Rs.63,661 (previous year Rs.63,661).
 - b. Capital commitments not provided for Rs. Nil (Previous year Rs. Nil)
 - c. Uncalled liability on partly paid debentures Rs.1, 062,750 (previous year Rs.1, 062,750).
2. Inter-Company loans/deposits given by the Company are on the basis that one of the main objects of the company is to act as financiers. Accordingly the Company has been advised that Section 372 A of the Companies Act, 1956 is not applicable to the Company.
3. In terms of notification DNBS 222CGM(US)2011 dated January 17,2011 issued by Reserve Bank of India, provision of Rs 1,475,000 has been made during the year.
4. Major Components of deferred tax arising on account of timing difference is as follows:

Amt. in ₹

Deferred Tax Assets/(Liability)	As on 31.03.2010	Current Year	Total
Provision for non performing assets	4,008,689	—	4,008,689
Provision for Standard assets		455,775	455,775
Diminution in value of investments	176,130	(176,130)	—
Difference between book & tax depreciation	(3,408,862)	(233,001)	(3,641,863)
Due to transitional provision	(10,548)	10,548	—
TOTAL	765,409	57,192	822,601

5. The company is mainly engaged in financing activities which constitute a single business segment. There are no reportable geographical segments.

6. Earning per Share

Amt. in ₹

	31-03-2011	31-03-2010
Number of equity shares outstanding	12,872,493	12,872,493
Weighted Average Number of Equity Shares	12,872,493	12,872,493
Net profit after tax available to equity shareholders (Rs.)	3,401,345	(3,599,673)
Basic/Diluted Earnings per share (nominal value Rs.10 each)	0.26	(0.28)

7. Advances includes

Rs.76,260,000 (Previous Year Rs.76,260,000) towards purchase of land at Chennai due for registration pending disposal of legal case in the Honorable Supreme Court of India. During the year the Honorable Supreme Court of India has given a favorable order in favour of the company to execute the sale deed.

8. Related Party Disclosures

Information regarding Related Party Transactions as per Accounting Standards 18 notified in Section 211(3C) of the Companies Act, 1956 is given below:

8.1 List of Related parties

Name of the Related Party	Nature of Relation
Subsidiary:	
ITAG Business Solutions Limited	Subsidiary
Associates:	
Amrit Jal Ventures Ltd	Associate (Upto 31.05.2010)
Key Management Personnel:	
Ramesh Sivaraman	Manager

8.2. Transactions with related parties

(Amt in ₹)

Nature of Transaction	Subsidiary ITAG Business Solutions Ltd.		Associate Amrit Jal Ventures Ltd.		Key Management Personnel	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Investment in Equity	11,620,000	—	42,000,000	—	—	—
Consultancy Charges paid	6,066	7,758	—	—	—	—
Advance Given	3,446,500	2,800,000	—	—	—	—
Balance at the year end	9,091,500	16,420,000	—	—	—	—
Managerial remuneration	—	—	—	—	1,648,610	1,439,632

9. Employee Benefits

Consequent to the application of Accounting Standard (AS) 15 "Employee Benefits" all employee benefits have been determined in accordance with the Standard. The liability as per Actuarial Valuation has been deposited with the group gratuity Fund before March 31, 2011.

(Amt. in ₹)

	Gratuity (Funded) 31.03.2011	Leave Encashment (Unfunded) 31.03.2011	Gratuity (Funded) 31.03.2010	Leave Encashment (Unfunded) 31.03.2010
Present Value of Defined Benefit Obligations	923,009	228,422	887,929	227,337
Fair Value of Plan Assets	1,256,781	—	1,202,450	—
Funded Status [Surplus/(Deficit)]	333,772	—	314,521	—
Net Asset (Liability) recognized in the Balance Sheet	—	(228,422)	—	(227,337)
Present Value of DBO at the beginning of the year	887,929	227,337	697,360	166,041
Current Service Cost	58,226	—	65,141	—
Interest Cost	73,254	—	55,789	—
Actuarial Losses / (Gains)	(96,400)	—	69,639	—
Benefits paid	—	—	—	—
Present Value of DBO at the end of the year	923,009	228,422	887,929	227,337
Plan Assets at the beginning of the year	1,202,450	—	1,106,370	—
Expected Return on Plan Assets	94,244	—	88,510	—
Actuarial gain/(loss)	(39,913)	—	7,570	—
Benefits Paid	—	—	—	—
Plan Assets at the end of the year	1,256,781	—	1,202,450	—
Current Service Cost	58,226	—	65,141	—
Interest Cost	73,254	—	55,789	—
Expected Return on Plan Assets	(94,244)	—	(88,510)	—
(Gain) / Actuarial Loss/(gains)	(56,487)	—	62,069	—
Expense recognized in the Statement of Profit and Loss	—	130,192	—	95,050
Actual Benefit Payments	—	—	—	—
Assumptions				
Discount Rate %	8.25%	8.00%	8.00%	8.00%
Expected Return on Plan Assets %	8.00%	—	8.00%	—
Salary Escalation %	6.00%	6.00%	6.00%	6.00%
Mortality	LIC -94-96	—	LIC -94-96	—
Ultimate		Ultimate		
Attrition rate	2.00%	2.00%	2.00%	2.00%

As a matter of prudence, the balance of fund of Rs. 333,772 of planned assets over gratuity liability is not recognised.

10. Remuneration to Manager:

(Amt. in ₹)

	31.03.2011	31.03.2010
Salaries & Allowances	1,506,650	1,307,752
Contribution to Provident / Superannuation Funds	141,960	131,880
Total	1,648,610	1,439,632

The above does not include provision made for Gratuity and Leave Encashment as the same is provided on an overall basis.

11. Dues to Micro and Small Enterprises:

The company has not received any intimation from "Suppliers" regarding the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts not paid as at the end of the year together with the interest paid/payable as required on the said amount have not been given.

12. Particulars of Loans /advances by the company in its Subsidiary and Associates as required to be disclosed pursuant to clause 32 of the listing Agreement

(Amt. in ₹)

Name of the company	Relationship	Balance as on 31.03.2011	Max balance during the year
ITAG Business Solutions Ltd	Subsidiary	9,091,500	19,864,000
		(16,420,000)	(16,420,000)

13. Figures of the previous year have been regrouped/rearranged wherever necessary.

14. Schedule to the Balance Sheet of a Non-Banking Financial Company

(as required in terms of Paragraph 13 of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Amt. in ₹)

Liabilities side :		
1.	Loans and Advances Availed by the NBFCS inclusive of interest accrued thereon but not paid	
	Amount Outstanding	Amount Overdue
a.	Term Loans including Debentures	705,000,000
b.	Public Deposits	—
		—
Asset side :		
2.	Break-up of Loans and Advances including bills receivables(Other tab those included in (4) below:	
	Amount Outstanding	
a.	Secured	—
b.	Unsecured	589,958,010
3.	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i)	Lease assets including lease rentals under sundry debtors :	
(a)	Financial lease	13,588,761
(b)	Operating lease	—
(ii)	Stock on hire including hire charges under sundry debtors:	
(a)	Assets on hire	—
(b)	Repossessed Assets	—

	(iii) Other Loans Counting towards AFC activities			
	(a) Loans where assets have been repossessed			
	(b) Loans other than (a) above			
4.	Break-up of Investments :			
	Current Investments		NIL	
	Long Term investments :			
	1. Quoted :			
	(i) Equity Shares		126,562,189	
	(ii) Debentures and Bonds		—	
	2. Unquoted :			
	(i) (a) Equity Shares		163,207,037	
	(b) Preference		3,500,000	
5.	Borrower group-wise classification of assets financed as in (2) and (3)above :			
		Amount net of provisions		
	Category	Secured	Unsecured	Total
	1. Related Parties	—	9,091,500	9,091,500
	(a) Subsidiaries	—	—	—
	(b) Companies in the same Group	—	—	—
	(c) Other than Related parties	—	594,455,271	594,455,271
	TOTAL	—	603,546,771	603,546,771
6.	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
	1. Related parties			
	(a) Subsidiaries	12,500,000	12,500,000	
	(b) Companies in the same Group	—	—	
	(c) Other Related parties	—	—	
	2. Other than related parties	956,014,573	280,769,226	
	Total	968,514,573	293,269,226	
7.	Other information			
	Particulars		Amount	
	(i) Gross Non-Performing assets			
	(a) Related parties		—	
	(b) Other than related parties		13588761	
	(ii) Net Non-Performing assets			
	(a) Related parties		—	
	(b) Other than related parties (No provision required as security deposit is lying with the company		615658	
	(iii) Assets acquired in satisfaction of debt		—	

[BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV, SCHEDULE VI OF THE COMPANIES ACT, 1956]

I REGISTRATION DETAILS

Registration no	31293	State code	01
		Balance Sheet Date	31.03.2011

II CAPITAL RAISED DURING THE PERIOD (Amount in Rs.Thousands)

Public Issue	—	Rights Issue	—
Bonus Issue	—	Private placement	—

III Position of Mobilisation and Deployment of funds (Amount in Rs.Thousands)

Total Liabilities	972,047	Total Assets	972,047
Source of Funds			
Paid up Capital	141,963	Reserves & Surplus	125,084
Secured Loans	705,000	Deferred Tax Liability	—
UnSecured Loans	—		
Application of Funds			
Net Fixed Assets	20,258	Investments	293,269
Net Current Assets	657,697	Deffered Tax	823
Accumulated Losses	—		

IV. PERFORMANCE OF COMPANY (Amount in Rs.Thousands)

Turnover	117,501	Total Expenditure	113,711
+Profit/(Loss) Before Tax	3,789	+Profit/(Loss) After Tax	3,401
Earning per share in Rs.	0.26	Dividend (%)	—

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

ITEM CODE NO (ITC Code)	:	N.A.
PRODUCT DESCRIPTION	:	LEASING
ITEM CODE NO (ITC Code)	:	N.A.
PRODUCTION DESCRIPTION	:	INVESTMENTS
ITEM CODE NO (ITC Code)	:	N.A.
PRODUCTION DESCRIPTION	:	INTER CORPORATE LOANS

For and on Behalf of the Board

Vibha Shinde
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

Secunderabad, May 30, 2011

DIRECTORS' REPORT

Your Directors are presenting the 4th Annual Report and the Audited Statement of Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS:**(₹ in Lakhs)**

	As on 31st March 2011	As on 31 st March 2010
Income	922.55	402.97
Depreciation	4.27	3.01
Profit before tax	97.14	14.01
Provision for tax:		
Current Tax	17.12	2.20
Deferred Tax	(0.17)	(0.14,)
Profit after tax	80.19	11.95
Balance brought forward from previous year	(124.16)	(136.12)
Balance Carried forward	(43.97)	(124.16)

DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended 31st March 2011.

REVIEW OF OPERATIONS

During the period under review the turnover of the Company stood at Rs 922.55 lacs as against Rs.402.97 Lacs in the previous year. The Company earned a profit of Rs.80.19 Lacs as against Rs. 11.95 Lacs in the previous year. During the year, your Company has been converted to a wholly owned subsidiary of TCI Finance Limited.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company Mr. Peter H Jayakumar, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

FIXED DEPOSITS

The Company has not accepted any deposits during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors' confirm the following that:

- i. in the preparation of the Annual Accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the Directors have prepared the annual accounts on a going concern basis.

AUDITORS:

The Auditors M/s S B Billimoria & Co, Chartered Accountants hold office until the conclusion of this Annual General Meeting and being eligible offers themselves for re-appointment.

COMPLIANCE CERTIFICATE :

A Certificate from M/s. D C Agarwal & Co. Practising Company Secretary has been obtained pursuant to Section 383A of the Companies Act, 1956 and is part of the Directors' Report.

PERSONNEL

Particulars of employees required under Section 217 (2A) of the Companies Act, 1956 are not applicable to the Company.

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

The Company has no activities relating to Conservation of Energy or Technology Absorption. The Foreign Currency Earning / outgo are as follows :

	31.03.2011	<i>(Amount in ₹)</i> 31.03.2010
Earnings	726,227	608,632
Outgo	542,156	72,944

ACKNOWLEDGEMENT:

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by the stakeholders during the year.

For and on behalf of the Board

Kolkata, May 27, 2011

R S Agarwala
Director

Dr. D.R. Agarwal
Director

COMPLIANCE CERTIFICATE

(Pursuant to Section 383A of the Companies Act, 1956)

Registration No. (CIN No.) : U74140AP2007PLC053476
Nominal Capital : Rs.2,00,00,000/-

To
The Members,
ITAG BUSINESS SOLUTIONS LIMITED
1-7-293, M.G. Road
Secunderabad-500003.

I have examined the registers, records, books and papers of **M/s ITAG Business Solutions Limited**, Secunderabad as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31-03-2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company comments are not required.
4. The Board of Directors duly met 5 (five) times respectively on 05-05-2010, 05-08-2010, 12-11-2010, 13-11-2010 and 14-01-2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the Financial Year ended 31st March, 2010 was held on 04-08-2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra-ordinary General Meeting was held on 20.12.2010 during the financial year
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under the section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has/was :
 - i) Delivered all the certificates on allotment of securities and on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.

- ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - iii) not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - iv) not required to transfer any amounts to the Investors- Education and Protection Fund as there were no unclaimed dividends/ unclaimed deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to investor Education and Protection Fund (applicable when Rules were notified) as no dividend was declared, no deposits were accepted and no debentures were issued during the Financial Year.
 - v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
 15. The Company has not appointed any Managing Director/ Whole Time Director/ Manager during the financial year.
 16. The Company has not appointed any sole-selling agents during the financial year.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act during the Financial Year.
 18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has issued 1,077,500 equity shares during the financial year and complied with the provisions of the Act.
 20. The Company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registrations of transfer of shares.
 23. The Company has not invited/accepted any public deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
 24. The amounts borrowed by the Company from directors, members, public, financial institutions, banks, and others during the financial year ending 31st March, 2011 are within the borrowing limits of the Company and that necessary resolutions as per section 293 (1) (d) of the Act have been passed in duly convened extra ordinary general meeting .
 25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate, and consequently no entries have been made in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another state during the financial year under scrutiny.
 27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny and complied with provisions of the Act.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under scrutiny.
 29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the financial year under scrutiny and complied with provisions of the Act.
 30. The Company has altered its Articles of Association after obtaining approval of members in the general meeting held on 14.01.2011 and the amendments to the Articles of Association have been duly filed with the Registrar of Companies.

31. There was/were no prosecution(s) initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year under scrutiny for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Dulichand Agarwal
Practising Company Secretary
C.P. No. 3345

Secunderabad, May 27, 2011

ANNEXURE - A

Registers / Books as maintained by the Company

Statutory Registers :

1. Register of Members u/s 150
2. Register of Directors, Managing Directors , Manager and Secretary as per Section 303.
3. Register of Director's Share and Debenture Holdings as per Section 307
4. Register of Allotment of Shares.
5. Register of Directors' Attendance
6. Register of Shareholders' Attendance
7. Register of Fixed Assets
8. Minutes Books of Board Meetings
9. Minutes Books of Shareholders' Meetings

ANNEXURE - B

Forms and Returns as filed by ITAG Business Solutions Limited with the Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ending 31-03-2011.

S. No.	Form No. / Return	Filed u/s	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form 23 AC & Form 23 ACA - Balance Sheet & Profit & Loss A/c	220	For the Financial Year 2009-10	20-08-2010	Yes (SRN-P49879372)	No
2.	Form 20B - Annual Return	159	For the Financial Year 2009-10	23-08-2010	Yes (SRN-P50037274)	No
3.	Form 66 - Compliance Certificate	383 (A)	For the Financial Year 2009-10	10-08-2010	Yes (SRN-P49410574)	No
4.	Form 23	192	Registration of Resolutions	23-08-2010	Yes (SRN-A92087410)	No

S. No.	Form No. / Return	Filed u/s	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
5.	Form 32	303 (2)	Appointment of Director	21-10-2011	No (SRN-A96469408)	Yes
6.	Form 23	192	Registration of Resolutions	23-12-2010	Yes (SRN-B01396126)	No
7.	Form 5	94A (2)	Payment of Stamp Duty	23-12-2010	Yes (SRN-D01457126)	No
8.	Form 5	94A (2)	Increase in Authorised Capital	23-12-2010	Yes (SRN-B01400159)	No
9.	Form 2	75 (1)	Alloment of Shares	20-01-2011	Yes (SRN-B03451671)	No
10.	Form 22B	187C (4)	Form of return for disclosure of beneficial interest	14-01-2011	No (SRN-B03033370)	Yes
11.	Form 23	192	Registration of Resolutions	19-01-2011	Yes (SRN-B03368115)	No

Secunderabad, May 27, 2011

Dulichand Agarwal
Practising Company Secretary
C.P. No. 3345

AUDITORS' REPORT

THE MEMBERS OF

ITAG BUSINESS SOLUTIONS LIMITED

1. We have audited the attached Balance Sheet of ITAG BUSINESS SOLUTIONS LIMITED as at March 31, 2011 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both 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 (CARO) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - 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 it appears from our examination of those books;
 - c. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e. 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:
 - i) in the case of the Balance Sheet, of the state of the affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date and
 - iii) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.
5. On the basis of written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2011 from being appointed as directors in terms of Section 274(1g) of the Companies Act, 1956.

For S. B. Billimoria & Co.
Chartered Accountants
(Registration No.101496W)

M. Ramachandran
Partner
(Membership No.16399)

Kochi, May 28, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report attached)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (ii), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix), and (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) All the fixed assets were physically verified during the year by the management. According to the Information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) None of the asset is disposed off during the year.
- (iii) According to the information and explanations given to us, the Company has neither taken nor granted secured or unsecured loans from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly paragraph 4 (iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services and we have not observed any continuing failure to correct major weaknesses in such internal controls.
- (v) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a) The particulars of contracts or arrangements referred to in Section 301 that need to be entered into the register, maintained under the said section have been so entered.
 - b) In our opinion, the transactions exceeding the value of Rs.5 lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time where such prices are available.
- (vi) In respect of statutory dues:
 - (a) According to the information and explanations given to us, except delays in remittance of tax deducted at source, Employees' State Insurance, Professional Tax and Service Tax the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other material statutory dues applicable to it were in arrears, as at March 31, 2011 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no disputed sales tax, income tax, customs duty, excise duty, wealth tax and cess which have not been deposited as on March 31, 2011.
- (vii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that funds raised on short term basis have not been used for long-term investment.
- (viii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For S. B. Billimoria & Co.
Chartered Accountants
 (Registration No.101496W)

M. Ramachandran
 Partner
 (Membership No.16399)

Kochi, May 28, 2011

ITAG BUSINESS SOLUTIONS LIMITED
BALANCE SHEET AS AT 31st MARCH 2011

(Amt. in ₹)

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	12,500,000	1,725,000
		12,500,000	1,725,000
UNSECURED LOANS			
Advance From Holding company		9,091,500	16,420,000
DEFERRED TAX LIABILITY			
	B	228,796	246,458
TOTAL		21,820,296	18,391,458
APPLICATION OF FUNDS			
FIXED ASSETS			
	C		
Gross Block		3,352,114	2,783,660
Less: Depreciation		1,212,130	784,931
Net Block		2,139,984	1,998,729
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	D	17,973,695	7,012,724
Cash and Bank Balances	E	6,403,712	1,837,303
Loans and Advances	F	1,897,178	1,137,150
		26,274,585	9,987,177
Less: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	G	10,699,147	5,823,270
Provisions	H	292,233	187,709
		10,991,380	6,010,979
NET CURRENT ASSETS			
		15,283,205	3,976,198
Profit and Loss Account			
		4,397,107	12,416,531
TOTAL		21,820,296	18,391,458
Significant Accounting Policies	K		
Notes forming part of Accounts	L		
Schedules referred to above and the cash flow statement form an integral part of Balance Sheet .			

In terms of our report attached

For S.B. Billimoria & Co.
Chartered Accountants
For and on Behalf of the Board

M Ramachandran
Partner

R S Agarwala
Director

Dr. D.R. Agarwal
Director

Kochi, May 28, 2011

Kolkata, May 27, 2011

ITAG BUSINESS SOLUTIONS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

(Amt. in ₹)

	Schedule	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
INCOME			
Consultancy fees		92,020,988	39,457,088
(Tax Deducted at source Rs.2,126,350, Previous Year Rs.1,168,576/-)			
Delegate Fees		186,566	346,632
Sponsorship		—	433,747
Other Income		48,112	59,729
		92,255,666	40,297,196
EXPENDITURE			
Personnel Expenses	I	76,491,795	34,702,130
Administrative Expenses	J	5,621,932	3,892,244
Depreciation	C	427,199	301,292
		82,540,926	38,895,666
Profit before Tax		9,714,740	1,401,530
Provision for Tax			
Current Tax		1,712,978	220,000
Deferred Tax		(17,662)	(14,071)
Profit/(Loss) after Tax		8,019,424	1,195,601
Balance Brought forward from previous year		(12,416,531)	(13,612,132)
Balance Carried to Balance Sheet		(4,397,107)	(12,416,531)
Earning per share (basic/diluted) (Refer Note-2 of Schedule L)		20.06	6.93
Significant Accounting Policies	K		
Notes forming part of Accounts	L		
Schedules referred to above form an integral part of Profit & Loss Account.			

In terms of our report attached

For S.B. Billimoria & Co.
Chartered Accountants
M Ramachandran
Partner

Kochi, May 28, 2011

For and on Behalf of the Board
R S Agarwala
DirectorDr. D.R. Agarwal
Director

Kolkata, May 27, 2011

ITAG BUSINESS SOLUTIONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Amt. in ₹)

	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and extra ordinary items	9,714,740	1,401,530
Adjustments for:		
Depreciation	427,199	301,292
Operating Profit/(loss) before working capital changes	10,141,939	1,702,822
Adjustments for		
Trade and other Receivables	(11,304,988)	(6,647,121)
Trade payables	4,980,401	5,140,233
Cash generated from operations	3,817,352	195,934
Tax Paid	(2,133,516)	(1,179,555)
Net Cash used in operating Activities	1,683,836	(983,621)
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(568,454)	(278,518)
Net cash used in investing activities	(568,454)	(278,518)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Advance from holding company	3,446,500	2,800,000
Net cash from Financing Activities	3,446,500	2,800,000
Net Increase in cash and cash equivalents	4,561,882	1,537,861
Cash and Cash equivalents at the beginning of the year	1,837,303	299,116
Cash and Cash equivalents at the end of the year	6,403,712	1,837,303

Notes:

- 1) The cash flow statement is prepared under "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statements notified in section 211 (3C) of the Companies Act, 1956.
- 2) Advance amounting to Rs.10,775,000 from the Holding Company was converted to 10,77,500 equity shares of Rs.10 each.This being a non cash transaction has not been considered above.
- 3) Previous Year figures have been regrouped / reclassified wherever necessary.

In terms of our report attached

For S.B. Billimoria & Co.
Chartered Accountants

For and on Behalf of the Board

M Ramachandran
Partner

R S Agarwala
Director

Dr. D.R. Agarwal
Director

Kochi, May 28, 2011

Kolkata, May 27, 2011

ITAG BUSINESS SOLUTIONS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

(Amt. in ₹)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE A		
SHARE CAPITAL - AUTHORISED CAPITAL		
2,000,000 (Previous Year 1,000,000) Equity Shares of Rs.10/- each	20,000,000	10,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
1,250,000 Previous year 172,500 Equity shares of of Rs 10/- each fully paid up (Of the above the entire shares (Previous year 88,000 shares) are held by TCI Finance Ltd the Holding Company)	12,500,000	1,725,000
	12,500,000	1,725,000
SCHEDULE B		
DEFERRED TAX LIABILITY		
Difference between Book and Tax Depreciation (Refer Note 9 , Schedule L)	228,796	246,458
Total	228,796	246,458

SCHEDULE C FIXED ASSETS

(Amt. in ₹)

S.No	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS AT 01.04.2010	ADDITIONS	AS AT 31.03.2011	AS ON 01.04.2010	FOR THE YEAR	UPTO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
1	FURNITURE & FIXTURES	1,069,831	91,367	1,161,198	183,323	126,848	310,171	851,027	886,508
2	OFFICE EQUIPMENT	265,160	264,941	530,101	34,253	16,678	50,931	479,170	230,907
3	COMPUTERS	1,448,669	212,146	1,660,815	567,355	283,673	851,028	809,787	881,314
	TOTAL	2,783,660	568,454	3,352,114	784,931	427,199	1,212,130	2,139,984	1,998,729
	<i>Previous year</i>	<i>2,505,142</i>	<i>278,518</i>	<i>2,783,660</i>	<i>483,639</i>	<i>301,292</i>	<i>784,931</i>	<i>1,998,729</i>	<i>-</i>

SCHEDULE D**SUNDRY DEBTORS****Unsecured - Considered Good**

Outstanding for more than six months

905,125

108,923

Others

17,068,570

6,903,801

17,973,695

7,012,724

SCHEDULE E**CASH & BANK BALANCES**

Cash on Hand

18,859

207

With Scheduled Banks - Current Accounts

6,384,853

1,837,096

6,403,712

1,837,303

SCHEDULE F**LOANS & ADVANCES****Unsecured - Considered Good**Advance Tax including Tax Deducted at Source
(Net of provision for tax Rs. 1,932,000 Previous year Rs. 220,000)

1,530,977

1,110,439

Advances recoverable in cash or in kind or for value to be received

366,201

26,711

1,897,178

1,137,150

ITAG BUSINESS SOLUTIONS LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

(Amt. in ₹)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE G		
LIABILITIES		
Sundry Creditors		
- Due to other than Micro and small enterprises	7,615,346	4,339,652
Other Liabilities	3,083,801	1,483,618
	10,699,147	5,823,270
SCHEDULE H		
PROVISIONS		
Gratuity	229,300	129,836
Compensated Absences	62,933	57,873
	292,233	187,709
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT	For the year Ended	For the year Ended
SCHEDULE I	31.03.2011	31.03.2010
PERSONNEL EXPENSES		
Salaries and Allowances	69,988,157	31,461,504
Gratuity	99,464	45,258
Staff Welfare Expenses	632,117	284,348
Contribution to Provident and Other Funds	5,772,057	2,911,020
	76,491,795	34,702,130
SCHEDULE J		
ADMINISTRATIVE EXPENSES		
Rent	970,000	720,000
Travelling Expenses	266,024	267,048
Conveyance	274,941	108,967
Office maintenance	877,997	246,220
Communication Expenses	269,540	206,593
Printing & Stationery	165,966	270,948
Postage & Telegrams	44,513	14,411
Professional Fees	1,592,550	1,288,600
Rates & Taxes	80,723	47,706
Conferences & Seminars	125,276	328,452
Subscription & membership	543,582	62,729
Electricity charges	149,757	106,040
Miscellaneous Expenses	211,063	174,530
Audit Fees	50,000	50,000
	5,621,932	3,892,244

ITAG BUSINESS SOLUTIONS LIMITED
SCHEDULE - K
SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The Financial Statements are prepared under historical cost convention on the basis of going concern and as per Accounting Standards notified under Section 211(3C) of the Companies Act, 1956.

2. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

3. FIXED ASSETS:

Assets are stated at Cost less Depreciation

4. DEPRECIATION:

Depreciation is provided on Straight line method at rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition/deductions is calculated prorata from/to the date of addition/deduction.

5. REVENUE:

Consultancy Revenue is recognized on accrual basis.

6. EMPLOYEE BENEFITS:

- (i) Provident fund is a defined contribution plan and the contributions as required by the statute to Government Provident Fund are charged to profit and loss account when due.
- (ii) Gratuity liability is defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on actuarial valuation.
- (iii) Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.
- (iv) The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service.

7. FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date, are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognized in the Profit and Loss Account.

8. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

9. TAXATION:

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected. Fringe Benefit Tax is determined on the basis of the Income Tax Act, 1961

SCHEDULE L

NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for : Nil

2. **Earning per Share**

	31.03.2011	31.03.2010
Number of equity shares outstanding	1,250,000	172,500
Weighted Average Number of Equity Shares	399,808	172,500
Net profit after tax available to equity shareholders (Rs.)	8,019,424	1,195,601
Basic/Diluted Earnings per share (nominal value Rs.10 each)	20.06	6.93

3. **Related party disclosures :**

Information regarding Related Party Transactions as per Accounting Standard 18 notified in Section 211(3C) of the Companies Act, 1956 is given below:

3.1 **List of Related parties**

Name of the related Party	Nature of Relation
TCI Finance Ltd	Holding company
Dr. DR Agarwal	Key Management Personnel

3.2. **Transactions with related parties**

(Amt. in ₹)

Nature of transaction	Holding Company	Key Management Personnel
Consultancy Fees	6,066	—
	(7,758)	—
Investment in Equity	10,775,000	—
Advance taken	3,446,500	—
	(2,800,000)	—
Balance at year end:		
Advance taken	9,091,500	—
	(16,420,000)	—
Rent Paid	—	720,000
	—	(720,000)

Amounts indicated in the Bracket represents previous years balances.

4. **Lease details as per Accounting Standard - 19 - "Accounting for Leases"**

The company has lease of office premises at Kolkata on operating lease which is cancellable by either party giving two months' notice. Particulars of the operating lease are as given under: (Amt. in ₹)

Particulars	31.03.2011	31.03.2010
Lease Rent	970,000	720,000

5. **Earnings in Foreign Currency**

(Amt. in ₹)

Particulars	31.03.2011	31.03.2010
Consultancy Fees	726,227	455,567
Sponsorship	—	127,309
Delegate Fees	—	25,756

6. **Expenditure in foreign currency :**

(Amt. in ₹)

Particulars	31.03.2011	31.03.2010
Travel	—	32,900
Membership	506,285	26,993
Telephone	35,871	13,051

7. **Dues to Micro and Small Enterprises:**

The company has not received any intimation from "Suppliers" regarding the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts not paid as at the end of the year together with the interest paid/payable as required on the said amount have not been given.

8. **MAT Credit**

The company has not considered the Mat credit keeping in view the future profitability.

9. **Deferred tax**

In terms of Accounting Standard 22 (Accounting for Taxes on Income) issued by the Institute of Chartered Accountants of India, the Company has deferred tax assets amounting to Rs. 66,117 arising out of timing difference on account of provision for gratuity, provision for leave and preliminary expenses and as at the balance sheet date the Company has Accumulated losses to the tune of Rs 4,397,107 and as a measure of prudence and in the absence of virtual certainty having regard to the nature of Company's business, these deferred tax assets are not recognized.

10. **Employee Benefits**

Consequent to the application of Accounting Standard (AS) 15 "Employee Benefits" all employee benefits have been determined in accordance with the Standard. (Amt. in ₹)

	Gratuity (unfunded) 31.03.11	Compensated Absences (unfunded) 31.03.11	Gratuity (unfunded) 31.03.10	Compensated Absences (unfunded) 31.03.09
Present Value of Defined Benefit Obligations	229,300	62,933	129,836	57,873
Net Asset (Liability) recognized in the Balance Sheet	(229,300)	(62,933)	(129,836)	(57,873)
Present Value of DBO at the beginning of the year	129,836	57,873	59,322	41,001
Current Service Cost	105,722	—	71,979	—
Interest Cost	10,711	—	6,766	—
Actuarial Losses / (Gains)	(16,969)	5,060	(33,487)	16,873
Benefits paid	—	—	—	—
Present Value of DBO at the end of the year	229,300	62,933	129,836	57,873
Current Service Cost	105,722	—	71,979	—
Interest Cost	10,711	—	6,766	—
Expected Return on Plan Assets	—	—	—	—
(Gain) / Actuarial Loss	(16,969)	—	(33,487)	—
Expense recognized in the Statement of Profit and Loss	99,464	5,063	45,258	16,873
Actual Benefit Payments	—	—	—	—
Assumptions				
Discount Rate %	8.25%	8.25%	8%	8%
Expected Return on Plan Assets %	—	—	—	—
Salary Escalation %	6%	6%	6%	6%
Mortality	LIC -94-96 Ultimate	—	LIC -94-96 Ultimate	—
Attrition rate	2.00%	2.00%	2.00%	2.00%

11. **Segment Reporting:** The company has identified two primary business segments namely, Knowledge Process Outsourcing- Intellectual Property Services and HR Outsourcing Services which in the context of Accounting Standard-17 "Segment Reporting" constitute reportable segments.

Information about Business Segments:

(Amt. in ₹)

	31.03.2011	31.03.2010
Segment Revenue		
Knowledge Process outsourcing	8,870,047	4,089,087
HR Outsourcing	83,385,619	36,208,109
Total	92,255,666	40,297,196
Segment Result Before Tax and interest		
Knowledge Process outsourcing	(120,058)	(2,656,109)
HR Outsourcing	9,834,798	4,057,639
Total	9,714,740	1,401,530
Less Taxes Unallocable	1,695,316	205,929
Total Profit after taxes	8,019,424	1,195,601

	31.03.2011	31.03.2010
Other Information		
Segment assets		
Knowledge Process outsourcing	10,401,158	3,017,794
HR Outsourcing	17,479,441	7,746,096
Unallocable Assets	3,433,970	1,222,016
Total	31,314,569	11,985,906
Segment Liabilities		
Knowledge Process outsourcing	14,702,865	17,141,215
HR Outsourcing	8,280,015	5,289,764
Unallocable Liabilites	228,796	246,458
Total	23,211,676	22,677,437
Cost incurred to acquire tangible fixed assets		
Knowledge Process outsourcing	189,692	278,518
HR Outsourcing	378,762	—
Total	568,454	278,518
Segment Depreciation		
Knowledge Process outsourcing	407,292	301,292
HR Outsourcing	19,907	—
Total	427,199	301,292

- Notes: 1. The company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the business, differing risks and returns.
2. Segment Revenue, Segment Results, Segments Assets and Segment liabilities include the respective amounts identifiable to each of the segments .
12. Figures of the previous year have been regrouped wherever necessary.

* * * *

STATEMENT RELATING TO SUBSIDIARY COMPANY AS AT 31ST MARCH 2011											
SL NO	Name of the Subsidiary	Issued and Subscribed Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit /Loss Before Taxation	Provision for Taxation	Profit/loss after Taxation	Proposed Dividend
1	ITAG Business Solutions Limited	12,500,000	-	21,820,296	21,820,296	-	92,255,666	9714740	1,695,316	8,019,424	-

STATEMENT PURSUANT TO SECTION 212(e) OF THE COMPANIES ACT,1956, RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary	Financial year of Subsidiary ended on	Number of Equity Shares held by Tci Finance Ltd	Extent of Interest of TCI Finance Ltd in the Capital of the Subsidiary	Net Aggregate amount of profits or losses of the subsidiary so far as it concerns the members of Tci Finance Ltd dealt with or provided for in the accounts of TCI Finance Ltd	Net aggregate amount of profits or losses of the subsidiary so far as it concerns the members of TCI Finance Ltd and is not dealt with in the accounts of TCI Finance Ltd
ITAG Business Solutions Limited	March 31, 2011	1,250,000 shares of Rs 10 each	100%	Nil	Profit of Rs 8019424

[BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV, SCHEDULE VI OF THE COMPANIES ACT, 1956]

I REGISTRATION DETAILS

Registration no	U74140AP2007PLC053476	State code	01
		Balance Sheet Date	31.03.2011

II CAPITAL RAISED DURING THE PERIOD (Amount in Thousands)

Public Issue	—	Rights Issue	—
Bonus Issue	—	Private placement	10,775

III Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities	21,820	Total Assets	21,820
Source of Funds			
Paid up Capital	12,500	Reserves & Surplus	—
Secured Loans	—	Deferred Tax Liability	229
UnSecured Loans	9,091		
Application of Funds			
Net Fixed Assets	2,140	Investments	—
Net Current Assets	15,283	Deffered Tax	—
Accumulated Losses	4,397		

IV. PERFORMANCE OF COMPANY (Amount in Rs.Thousands)

Turnover	92,256	Total Expenditure	82,541
+Profit/(Loss) Before Tax	9,715	+Profit/(Loss) After Tax	8,019
Earning per share in Rs.	20.06	Dividend (%)	—

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

ITEM CODE NO (ITC Code)	:	N.A.
PRODUCT DESCRIPTION	:	KNOWLEDGE PROCESS OUTSOURCING
PRODUCTION DESCRIPTION	:	HR OUTSOURCING

For and on Behalf of the Board

R S Agarwala
Director

Dr. D R Agarwal
Director

Kolkata, May 27, 2011

AUDITORS' REPORT**To the Board of Directors of TCI Finance Limited**

1. We have audited the attached Consolidated Balance Sheet of **TCI FINANCE LIMITED** ("the Company"), and its subsidiary ("the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated 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 the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements),
4. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries, joint ventures and associates and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For S. B. Billimoria & Co.
Chartered Accountants
(Registration No.101496W)

M. Ramachandran
Partner
(Membership No.16399)

Kochi, May 31, 2011

TCI FINANCE LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Amt. in ₹)

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	A	141,963,050	141,963,050
Reserves & Surplus	B	120,686,614	83,054,187
TOTAL		262,649,664	225,017,237
LOAN FUNDS			
Secured Loans	C	705,000,000	597,500,000
TOTAL		967,649,664	822,517,237
APPLICATION OF FUNDS			
FIXED ASSETS			
	D		
Gross Block		67,667,993	71,753,106
Less: Depreciation		25,792,180	29,704,454
Less: Lease Adjustment		19,478,166	19,478,166
Net Block		22,397,647	22,570,486
INVESTMENTS	E	280,769,226	212,254,873
DEFERRED TAX ASSET	F	593,805	518,951
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	G	17,973,695	7,013,759
Cash and Bank Balances	H	9,502,371	3,982,898
Loans and Advances	I	667,125,325	599,743,362
Total		694,601,391	610,740,019
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	J	16,185,213	10,620,509
Provisions	K	14,527,192	12,946,583
Total		30,712,405	23,567,092
NET CURRENT ASSETS		663,888,986	587,172,927
TOTAL		967,649,664	822,517,237
Significant Accounting Policies	P		
Notes forming part of Accounts	Q		
Schedules referred to above and cash flow statement form an integral part of Balance Sheet .			

In terms of our report attached

For S.B. Billimoria & Co.
Chartered AccountantsM Ramachandran
PartnerVibha Shinde
Company Secretary

For and on Behalf of the Board

O Swaminatha Reddy
ChairmanV T Pawar
Director

Kochi, May 31, 2011

Secunderabad, May 30, 2011

TCI FINANCE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amt. in ₹)

	Schedule	For the year Ended 31.03.2011	For the year Ended 31.03.2010
INCOME			
Interest on Deposits, Loans & Advances (Tax Deducted Rs.5,062,426 , Previous Year Rs.69,258)		82,769,281	68,831,716
Upfront fees (Tax Deducted Rs. 689,927 , Previous year Rs.137,875)		6,255,000	1,250,000
Consultancy Fees (Tax Deducted at source Rs.2,126,350, Previous Year Rs.1,168,576/-)		92,020,988	39,457,088
Hire Rentals		679,890	2,658,635
Debts Written off realised		2,614,042	1,123,477
Dividends on long term Investments		5,687,651	395,039
Other Income	L	19,729,464	19,236,622
Total		209,756,316	132,952,577
EXPENDITURE			
Personnel Expenses	M	82,153,404	40,099,174
Administrative Expenses	N	8,731,517	6,963,337
Financial Charges	O	103,251,301	81,572,916
Depreciation	D	640,990	1,463,430
Provision for Standard assets		1,475,000	—
Investments Written off		—	29,155
		196,252,212	130,128,012
Profit before Tax & Exceptional Items		13,504,104	2,824,565
Exceptional Item - Profit on dilution of stake in Associate (Refer note 1 in Schedule -E)		27,056,657	—
Profit before Tax after Exceptional Items		40,560,761	2,824,565
Provision for Tax			
Current		1,987,000	380,000
Deferred		(74,854)	226,340
Income tax relating to earlier years		171,188	4,622,297
Profit/(Loss) after Tax before share of results of Associates and Minority Interest		38,477,427	(2,404,072)
Share of Net Profit/(loss)of Associates		—	(5,515,299)
Pre acquisition loss of subsidiary		(845,000)	—
Net Profit/(Loss)		37,632,427	(7,919,371)
Balance Brought Forward From Previous Year		31,518,050	39,437,421
Transferred to Reserve Fund		(681,000)	—
Balance Carried to Balance Sheet		68,469,477	31,518,050
Earnings per Share (Basic/Diluted)		2.92	(0.62)
Significant Accounting Policies	P		
Note forming part of Accounts	Q		
Schedules referred to above form an integral part of Profit & Loss Account.			

In terms of our report attached

For S.B. Billimoria & Co.
Chartered Accountants

M Ramachandran
Partner

Vibha Shinde
Company Secretary

For and on Behalf of the Board

O Swaminatha Reddy
Chairman

V T Pawar
Director

Kochi, May 31, 2011

Secunderabad, May 30, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Amt. in ₹)

	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	13,504,104	2,824,565
Adjustments for:		
Depreciation	640,990	1,463,430
Profit on sale of Motor Trucks	(333,462)	(699,727)
Profit on sale of Long term Investments	(2,501,324)	(171,113)
Dividend (Long term Investments)	(5,687,651)	(395,039)
Investments Written off	—	29,155
Provision for Standard Assets	1,475,000	—
Operating profit before working capital changes	7,097,657	3,051,271
Adjustments for:		
Trade and other Receivables	(12,912,181)	(2,355,970)
Trade payables	5,670,313	5,497,440
Cash generated from operations	(144,211)	6,192,741
Tax Paid	(7,087,906)	(6,789,104)
Net Cash From Operations	(7,232,117)	(596,363)
Loans Disbursed (Net)	(60,500,000)	(266,100,000)
Net Cash used in operating Activities	(67,732,117)	(266,696,363)
B.CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	466,803	1,164,600
Purchase of Assets	(601,492)	(278,518)
Purchase of Investments	(42,413,100)	—
Purchase of Minority Interest in Subsidiary	(845,000)	—
Sale of Investments	3,456,728	18,291,374
Dividend received (Long term Investments)	5,687,651	395,039
Net cash used in investing activities	(34,248,410)	19,572,495
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term Borrowings	580,000,000	250,000,000
Repayment of long Term Borrowings	(472,500,000)	(77,535)
Net cash from Financing Activities	107,500,000	249,922,465
Net Increase in cash and equivalents	5,519,473	2,798,597
Cash and Cash equivalents at the beginning of the year	3,982,898	1,184,301
Cash and Cash equivalents at the end of the year	9,502,371	3,982,898

In terms of our report attached

For S.B. Billimoria & Co.
Chartered AccountantsM Ramachandran
Partner
Kochi, May 31, 2011Vibha Shinde
Company Secretary

For and on Behalf of the Board

O Swaminatha Reddy
ChairmanV T Pawar
Director
Secunderabad, May 30, 2011

TCI FINANCE LIMITED
SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Amt. in ₹)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE A		
SHARE CAPITAL		
AUTHORISED CAPITAL	200,000,000	200,000,000
20,000,000 Equity Shares of Rs.10/- each		
ISSUED CAPITAL	160,000,000	160,000,000
16,000,000 Equity Shares of Rs.10/- each		
	160,000,000	160,000,000
SUBSCRIBED & PAIDUP CAPITAL		
12,872,493 Equity shares of Rs 10/- each fully paid up (1,754,907 Equity shares of Rs.10/- each issued on Amalgamation without payment being received in cash)	128,724,930	128,724,930
Add: Forfeited Shares (Amount Originally paid up)	13,238,120	13,238,120
	141,963,050	141,963,050
SCHEDULE B		
RESERVES & SURPLUS		
Share Premium		
As per Last Balance Sheet	163,088	163,088
General Reserve		
As per Last Balance Sheet	31,128,049	31,128,049
	31,128,049	31,128,049
Reserve Fund (As per Section 45 -IC of Reserve Bank of India Act,1934)		
As per Last Balance Sheet	20,245,000	20,245,000
Add: transferred during the year	681,000	—
	20,926,000	20,245,000
Profit and loss account	68,469,477	31,518,050
	120,686,614	83,054,187
SCHEDULE C		
SECURED LOANS		
Debentures		
13% Non convertible Redeemable Debentures	350,000,000	—
(Secured by Pledge of Investments and personal guarantee of a director and pledge of investments by third party)		
(Rs. 70,000,000 redeemable at par on 29 November 2011; Rs. 280,000,000 redeemable at par on 29 November 2012)		
Others		
(Secured by Pledge of Investments, personal guarantee of a director and Pledge of Investments and Property by third party)	355,000,000	597,500,000
	705,000,000	597,500,000
Repayable within One year	195,000,000	472,500,000

SCHEDULES FORMING PART OF THE BALANCE SHEET															
SCHEDULE D															
FIXED ASSETS															
(Amt. in ₹)															
S.No	PARTICULARS	GROSS BLOCK				DEPRECIATION				LEASE ADJUSTMENT				NET BLOCK	
		AS AT 01.04.2010	ADDITIONS	DELETIONS	AS AT 31.03.2011	UPTO LAST	FOR THE YEAR	ADJUSTIVE INT	AS AT 31.03.2011	UPTO LAST	FOR THE YEAR	ADJUSTIVE INT	AS AT 31.03.2011	AS AT 31.03.2010	
I	OWNED ASSETS														
1	LAND	3,522,514	-	-	3,522,514	-	-	-	-	-	-	-	-	3,522,514	
2	BUILDINGS	4,040,826	-	-	4,040,826	714,993	65,866	-	780,859	-	-	-	-	3,259,967	
3	FURNITURE & FIXTURES	2,169,831	91,367	-	2,261,198	920,063	194,478	-	1,116,541	-	-	-	-	1,144,657	
4	PLANT & MACHINERY	1,720,631	510,125	-	2,230,756	605,226	302,216	-	907,442	-	-	-	-	1,323,314	
5	MOTOR TRUCKS	13,764,644	-	4,686,605	9,078,039	13,554,873	76,430	4,553,264	9,078,039	-	-	-	-	209,771	
	SUB TOTAL	25,218,446	601,492	4,686,605	21,133,333	15,795,155	640,990	4,553,264	11,882,881	-	-	-	-	9,423,291	
II	LEASED ASSETS														
1	PLANT & MACHINERY	40,318,442	-	-	40,318,442	11,005,989	-	-	11,005,989	18,248,160	-	-	18,248,160	11,064,293	
2	MOTOR TRUCKS	506,218	-	-	506,218	288,439	-	-	288,439	217,779	-	-	217,779	-	
3	COMPUTERS	5,710,000	-	-	5,710,000	2,614,871	-	-	2,614,871	1,012,227	-	-	1,012,227	2,082,902	
	SUB TOTAL	46,534,660	-	-	46,534,660	13,909,299	-	-	13,909,299	19,478,166	-	-	19,478,166	13,147,195	
	GRAND TOTAL	71,753,106	601,492	4,686,605	67,667,993	29,704,454	640,990	4,553,264	25,792,180	19,478,166	-	-	19,478,166	22,570,486	
	PREVIOUS YEAR	82,409,502	278,518	10,934,914	71,753,106	38,711,065	1,463,430	10,470,041	29,704,454	19,478,166	-	-	19,478,166	-	

SCHEDULE E INVESTMENTS					
SCHEDULES FORMING PART OF BALANCE SHEET					
					(Amt. in ₹)
NO. OF SHARES		FACE VALUE	NAME OF THE COMPANY	As at	As at
31.03.2010	31.03.2011			31.03.2011	31.03.2010
LONG TERM INVESTMENTS (AT COST)					
A EQUITY SHARES (QUOTED)					
13,324,350	13,324,350	2	GATI LIMITED #	122,414,147	122,414,147
30,236	30,236	10	TCI INDUSTRIES LIMITED	2,128,390	2,128,390
600	600	10	BHIVANI VANASPATHI LIMITED *	6,000	6,000
2,500	2,500	10	ELECTO FLAME LIMITED *	35,000	35,000
62	62	10	GARWARE NYLON LIMITED *	1,043	1,043
200	200	10	INDO MAXWELL LIMITED *	2,000	2,000
8,400	8,400	10	KARNATAKA INVESTMENT & TRADERS LTD *	42,053	42,053
500	500	10	KEDIYA VANASPATHI LIMITED *	5,000	5,000
1,100	1,100	10	THE PIONEER LIMITED *	11,000	11,000
500	500	10	UNILITE INDUSTRIES LTD *	5,000	5,000
12,150	4,860	10	KARNATAKA BANK LTD	413,100	357,750
10,000	10,000	10	ATI LTD	200,000	200,000
14,933	—	10	DHANLAXMI BANK LTD.	—	278,395
4,200	4,200	10	LLOYDS FINANCE LTD	2,310	2,310
1,300	1,300	10	ROADWAYS INDIA LTD *	16,668	16,668
1,000	1,000	2	DECCAN CHRONICLE HOLDINGS LTD	173,956	173,956
1,000	1,000	10	ELBEE SERVICES LTD *	5,780	5,780
4,000	—	2	NRB BEARINGS LTD ##	—	70,087
850	850	2	SATYAM COMPUTERS LTD	173,612	173,612
124	124	10	RELIANCE INDUSTRIES LTD	168,087	168,087
1,450	1,450	2	UNITECH LTD	482,411	482,411
750	—	2	ALEMBIC CHEMICALS LIMITED	—	52,737
200	200	10	RELIANCE COMMUNICATION LIMITED	103,496	103,496
200	200	10	ELECTROTHERM (I) LIMITED	111,273	111,273
200	200	10	SURYACHAKRA POWER CORPORATION LIMITED	9,222	9,222
1,500	1,500	10	POWER GRID CORPORATION LIMITED	173,186	173,186
500	—	10	GATEWAY DISTRI PARKS LIMITED	—	79,722
150	—	10	TATA MOTORS LIMITED	—	116,713
1,000	1,000	2	GMR INFRASTRUCTURE LIMITED	88,455	88,455
24	24	10	RELIANCE POWER LIMITED	6,750	6,750
				126,777,939	127,320,243
B DEBENTURES (PARTLY PAID UP)					
10,900	10,900	10	PITTIE CEMENTS LIMITED *	354,250	354,250
				354,250	354,250
C EQUITY SHARES (UNQUOTED)					
1,000	1,000	100	GATI INTELLECT SYSTEMS LIMITED	100,000	100,000
9,500	9,500	10	GATI SHIPPING P LTD	95,000	95,000
27,451	27,451	10	TCI HI-WAYS PVT LTD	274,510	274,510
42,000	42,000	100	GIRI ROADLINES AND COMMERCIAL TRADING PVT LTD	157,527	157,527
10,814,100	15,014,100	10	AMRIT JAL VENTURES LTD - Note 1		

NO. OF SHARES		FACE VALUE	NAME OF THE COMPANY	As at	As at
31.03.2010	31.03.2011			31.03.2011	31.03.2010
			Cost of acquisition including Good will of Rs Nil (As on 31.03.2010 Rs 3927211)	150,000,000	108,000,000
			Less : Group share of Losses upto 31.03.2010	—	(27,056,657)
				150,000,000	80,943,343
30,000	30,000	1	BANGALORE STOCK EXCHANGE LIMITED	30,000	30,000
5,000	5,000	10	ITAG INFRASTRUCTURE LIMITED	50,000	50,000
			Total	150,707,037	81,650,380
D. PREFERENCE SHARES					
350,000	350,000	10	CAPITAL FORTUNES LIMITED	3,500,000	3,500,000
			8% NON CUMULATIVE 15 YEAR REDEEMABLE		
				3,500,000	3,500,000
			Less: DIMUNITION IN VALUE OF INVESTMENTS	570,000	570,000
			Total	280,769,226	212,254,873
			BOOK VALUE OF QUOTED INVESTMENTS	126,562,189	127,104,493
			MARKET VALUE OF QUOTED INVESTMENTS *	801,807,536	808,552,492

Note 1 :-

Amrit Jal Ventures Ltd was an Associate of the Company upto 31.05.2010. Consequent to this change, the investment as at 31st March 2011, has been accounted at cost in accordance with the Accounting Standard 13 "Accounting for Investment". The Group share of losses upto 31.3.2010 amounting to Rs.27,056,657 has been shown under "Exceptional Items" in the Profit and Loss Account.

* Book value has been taken in the absence of Stock Exchange quotations.

Secured for the Term Loans.

Bonus shares allotted during the year

@ 12150 shares sold during the year.

E INVESTMENTS

SCHEDULES FORMING PART OF BALANCE SHEET

(Amt. in ₹)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE F		
DEFERRED TAX ASSETS/(LIABILITY)		
As per Last Balance sheet	518,951	745,291
(Add)/Less: Adjusted during the year	(74,854)	226,340
	593,805	518,951
SCHEDULE G		
SUNDRY DEBTORS		
Outstanding for more than six months	1,346,613	550,489
Others	17,068,648	6,904,836
	18,415,261	7,455,325
Less: Provision for non performing assets	441,566	441,566
	17,973,695	7,013,759
Unsecured -Considered Good	17,973,695	7,013,759
-Considered doubtful	441,566	441,566
	18,415,261	7,455,325
SCHEDULE - H		
CASH & BANK BALANCES		
Cash on Hand	25,914	2,036
Cheques on Hand	—	1,447,401
With Scheduled Banks		
Current Accounts	9,417,708	2,474,712
Fixed deposits with Banks	58,749	58,749
	9,502,371	3,982,898
SCHEDULE - I		
LOANS & ADVANCES		
Unsecured - Considered Good		
Interest accrued on deposits and loans	10,371,363	9,025,980
Other receivables	294,000	—
Loans	570,500,000	510,000,000
Advances recoverable in cash or in kind or for value to be received	76,775,354	76,462,492
Deposits	60,340	60,340
Advance Tax	9,124,268	4,194,550
(Net of Provision Rs. 2,207,000 Previous Year Rs. 1,210,873)		
	667,125,325	599,743,362
SCHEDULE - J		
LIABILITIES		
Sundry Creditors		
- Due to other than Micro and small enterprises	8,856,285	4,553,116
Security Deposits	1,503,249	1,970,049
Other Liabilities	4,257,464	2,525,426
Interest accrued but not due on loans	1,568,215	1,571,918
	16,185,213	10,620,509
SCHEDULE - K		
PROVISIONS		
Non performing assets	12,531,537	12,531,537
Contingent provision against stadnard assets	1,475,000	—
Gratuity	229,300	129,836
Leave Encashment	291,355	285,210
	14,527,192	12,946,583

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Amt. in ₹)

	For the year Ended 31.03.2011	For the year Ended 31.03.2010
SCHEDULE L		
OTHER INCOME		
Rental Income	8,760,000	8,760,000
Consultancy Fees	5,650,000	4,566,000
Profit on Sale of Motor Trucks	333,462	699,727
Profit on Sale of Long Term Investments	2,501,324	230,516
Delegate Fees	186,566	346,632
Sponsorship	—	433,747
Others	2,298,112	4,200,000
	19,729,464	19,236,622
SCHEDULE - M		
PERSONNEL EXPENSES		
Salaries, Allowances & Bonus	75,273,843	36,480,037
Contribution to Provident and Other Funds	6,161,829	3,233,107
Staff Welfare Expenses	717,732	386,030
	82,153,404	40,099,174
SCHEDULE - N		
ADMINISTRATIVE EXPENSES		
Rent	970,000	720,000
Travelling Expenses	427,340	425,593
Conveyance	392,101	268,115
Office Maintenance	1,101,754	417,876
Telephone Expenses	292,751	237,206
Printing & Stationery	349,630	398,899
Postage	91,612	57,625
Rates & Taxes	83,223	593,432
Legal & Professional Expenses	3,299,086	2,462,686
Listing Fees	110,725	85,979
Miscellaneous Expenses	1,253,180	951,812
Directors Fees	84,000	68,000
Remuneration to Auditors:		
Audit Fees	150,000	150,000
Other Services	105,000	102,282
Service Tax	21,115	23,833
	8,731,517	6,963,337
SCHEDULE - O		
Financial Charges		
Interest		
Debentures	16,253,420	—
Term loans	74,932,946	76,489,991
Others	12,064,935	5,082,925
	103,251,301	81,572,916

SCHEDULE - P : SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF ACCOUNTING**

"The Financial Statements are prepared under historical cost convention on the basis of going concern and as per Accounting Standards notified under Section 211(3C) of the Companies Act, 1956. "The Company follows the Accrual System of Accounting and Prudential Norms prescribed by Reserve Bank of India consistently from year to year."

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

3.1 LEASE INCOME:

- (i) The income from lease transactions is recognized on accrual basis after netting off the lease equalization charges as recommended by the Institute of Chartered Accountants of India in its guidance note "Accounting for Leases".
- (ii) The Lease Equalization charges (debit or credit as the case may be in any particular year) represent the difference between the Depreciation as per Schedule XIV and that which is chargeable so as to write off the asset over the primary lease period.

3.2 OTHER INCOMES:

Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.

Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established.

Income from Services is recognised on accrual basis.

3.3 CONSULTANCY INCOME:

Consultancy Revenue is recognized on accrual basis.

4. INVESTMENTS:

Long-term investments are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary. Cost is arrived at on weighted average method for the purpose of valuation of investments.

5. RESERVE BANK OF INDIA PRUDENTIAL NORMS:

The Company follows the guidelines issued by the Reserve Bank of India, in respect of income recognition, asset classification and valuation of investments.

6. FIXED ASSETS:

Assets are stated at cost less depreciation after adjustment of the Lease Terminal Adjustment Account.

7. DEPRECIATION:

Depreciation is provided on Straight line method at rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition/deductions is calculated prorata from/to the date of addition/deduction.

8. EMPLOYEE BENEFITS:

- (i) Provident fund is a defined contribution plan and the contributions as required by the statute to Government Provident Fund are charged to profit and loss account when due.

TCI FINANCE LTD.

- (ii) Gratuity liability is defined benefit obligation and is wholly funded. The Company accounts for liability for future gratuity benefits based on actuarial valuation.
- (iii) Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.
- (iv) The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service.

9. FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date, are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognized in the Profit and Loss Account.

10. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

11. TAXATION:

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected. Fringe Benefit Tax is determine on the basis of the Income Tax Act,1961.

SCHEDULE Q - NOTES ON ACCOUNTS**1. PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements of TCI Finance Limited and its subsidiary have been prepared in accordance with the consolidation procedures laid down in Accounting Standard 21- "Consolidated Financial Statements" notified by the Companies (Accounting Standard) Rules, 2006

The consolidated Statements have been prepared on the following basis:

The financial statement of the parent and the subsidiary have been combined on a line –by-line basis by adding together the book values of like items of assets and liabilities ,income and expenses after eliminating intra-group balances/ transactions. Minority interest in the net income /loss for the reporting period is adjusted and disclosed separately. Minority interests in the net assets is shown separately.

TCI Finance Limited subsidiary details are as follows:

Name of the Entity	Country of Incorporation	% of holding 31.03.2011	% of holding 31.03.2010
ITAG Business Solutions Limited	India	100%	51%

- 2. Contingent Liabilities not provided for in respect of:
 - a) Disputed sales tax demand Rs.63,661 (previous year Rs.63,661).
 - b) Capital commitments not provided for Rs.Nil (Previous year Rs Nil)
 - c) Uncalled liability on partly paid debentures Rs.1,062,750 (previous year Rs.1,062,750)
- 3. Inter-Company loans/deposits given by the parent Company are on the basis that one of the main objects of the company is to act as financiers. Accordingly the parent Company has been advised that Section 372 A of the Companies Act, 1956 is not applicable to the parent Company.

4. In terms of notification DNBS 222CGM(US)2011 dated January 17,2011 issued by Reserve Bank of India, provision of Rs 1,474,860 has been made during the year.
5. Major Components of deferred tax arising on account of timing difference is as follows:

(Amt. ₹)

Deferred Tax Assets/(Liability)	As on 31.03.2010	Current Year	Total
Provision for non performing assets	4,008,689	—	4,008,689
Provision for Standard Assets	—	455,775	455,775
Diminution in value of investments	176,130	(176,130)	—
Difference between book & tax depreciation	(3,655,319)	(215,339)	(3,870,658)
Due to transitional provision	(10,548)	10,548	—
Total	518,951	74,854	593,805

6. Earnings Per Share

Earnings Per Share	31.03.2011	31.03.2010
Number of equity shares outstanding	12,872,493	12,872,493
Net Profit/(Loss) after tax available to equity shareholders (Rs.)	37,632,427	(7,919,371)
Basic Earnings per share (nominal value Rs.10 each)	2.92	(0.62)

7. **Advances includes**

Rs.76,260,000 (Previous Year Rs.76,260,000) towards purchase of land at Chennai due for registration pending disposal of legal case in the Honourable Supreme Court of India. During the year the Honourable Supreme Court of India has given a favorable order in favour of the company to execute the sale deed.

8. **Related Party Disclosures**

Name of Entity	Nature of Relation
Amrit Jal Ventures Ltd	Associate upto 31.05.2010
Ramesh Sivaraman	Key Management Personnel

(Amt. in ₹)

Nature of Transaction	Associate Amrit Jal Ventures Limited		Key Management Personnel	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Investment in Equity	42,000,000	—	—	—
Managerial remuneration	—	—	1,648,610	1,439,632

9. Remuneration to the Manager:

(Amt. in ₹)

	31.03.2011	31.03.2010
Salaries & Allowances	1,506,650	1,307,752
Contribution to Provident / Superannuation Funds	141,960	131,880
Total	1,648,610	1,439,632

The above does not include provision made for Gratuity and Leave Encashment as the same is provided on an overall basis.

10. **Segment Information:**

The company has identified three primary business segments namely, Non Banking Financial services, Knowledge Process Outsourcing- Intellectual Property Services and HR Outsourcing Services which in the context of Accounting Standard-17 "Segment Reporting" constitute reportable segments. Information about Business Segments:

	31-03-2011	31-03-2010
1. Segment Revenue		
a. Non Banking financial Services	117,500,650	92,655,381
b. Knowledge Process Outsourcing	8,870,047	4,089,087
c. HR Outsourcing	83,385,619	36,208,109
Total	209,756,316	132,952,577
2. Segment Results		
Profits before tax and interest		
a. Non Banking financial Services	107,040,665	82,995,951
b. Knowledge Process Outsourcing	(120,058)	(2,656,110)
c. HR Outsourcing	9,834,798	4,057,639
Total	116,755,405	84,397,480
Less Interest	103,251,301	81,572,916
Total Profit(loss) Before Taxes	13,504,104	2,824,565
3. Other Information		
Segment Assets		
a. Non Banking Financial Services	969,947,500	834,098,423
b. Knowledge Process Outsourcing	11,074,117	3,358,503
c. HR Outsourcing	17,340,452	8,627,403
Total Assets	998,362,069	846,084,329
Segment Liabilities		
a. Non Banking Financial Services	724,492,229	614,809,654
b. Knowledge Process Outsourcing	2,917,013	967,674
c. HR Outsourcing	8,303,163	5,289,764
Total Liabilities	735,712,405	621,067,092

Notes: 1. The company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the business, differing risks and returns.

2. Segment Revenue, Segment Results, Segments Assets and Segment liabilities include the respective amounts identifiable to each of the segments

11. Figures of the previous year have been regrouped/rearranged wherever necessary.

* * * *



TCI FINANCE LIMITED

Registered Office : 1-7-293, M.G. Road, Secunderabad - 500 003.

PROXY FORM

37th Annual General Meeting

Regd. Folio No. _____

DP ID No. _____

Client ID No. _____

I/We _____

_____ in the district of _____
_____ being a member / members of the above
name Company hereby appoint _____

_____ in the district of _____

_____ or failing him / her _____ or _____

_____ of in the district of _____ as my / our proxy to vote for me / us on my behalf at the 37th Annual General Meeting of the company to be held at Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M.G. Road, Secunderabad - 500 003 at 10.30 A.M. on Tuesday the 9th August, 2011 and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Affix
Revenue
Stamp

Signature _____

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



TCI FINANCE LIMITED

Registered Office : 1-7-293, M.G. Road, Secunderabad - 500 003.

ATTENDANCE SLIP


37th Annual General Meeting

Regd. Folio No. _____

DP ID No. _____

Client ID No. _____

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 37th Annual General Meeting of the company at Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M.G. Road, Secunderabad - 500 003 at 10.30 A.M. on Tuesday the 9th August, 2011.



Member's / Proxy Name
in BLOCK LETTERS

Member's / Proxy
Signature

Note : Please fill in this attendance slip and hand it over at the Entrance of the Hall.

**BOOK-POST
PRINTED MATTER**

If Undelivered, please return to :

M/s Karvy Computershare Private Limited

(Unit : TCI Finance Limited)

Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081.

Email : mohsin@karvy.com

Tel : 040-44655000, 44655152

Fax : 040-23420814