



**38<sup>th</sup>**  
**Annual Report**  
**2011 - 12**



**TCI FINANCE LTD.**

[www.tcifl.in](http://www.tcifl.in)

**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. Radhika Somani

**SUBSIDIARY**

ITAG Business  
Solutions Ltd.

**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,  
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**REGISTERED OFFICE**

1-7-293, M.G. Road,  
Secunderabad - 500 003.  
e-mail: investors\_tcif@gati.com  
www.tcifl.in

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 38th Annual General Meeting of the Members of the Company will be held on Tuesday, 18th September, 2012 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 Audited Balance Sheet as at March, 31st 2012, the Statement of Profit & Loss 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. O Swaminatha Reddy, 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 Mr. V T Pawar, 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.

M/s S B Billimoria & Co., Chartered Accountants, Hyderabad the retiring auditors expressed their inability to seek reappointment as Statutory Auditors of the Company for the next financial year. A notice has been received from a shareholder in terms of Section 225 of the Companies Act, 1956 proposing to appoint M/s M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad as Statutory Auditors for the current financial year.

This may be deemed as a special notice under Section 190 of the Companies Act, 1956.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad be and are hereby appointed as Statutory Auditors of the Company, in place of the retiring auditors M/s S B Billimoria & Co., Chartered Accountants, Hyderabad to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company."

### **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 provisions of Section 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956 and subject to the approval of the Central Government, the consent of the company be and is hereby accorded for the appointment and remuneration payable to Mr. Jagdish Prasad Khemka as an Executive Director of the Company from 9th August, 2011 to 15th May, 2012, on terms and conditions as recommended by the remuneration Committee as set out in the explanatory statement subject to the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as set out in explanatory statement subject to the provisions of Section II of Part II of Schedule XIII of 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**

**Place: Secunderabad**  
**Date: August 08, 2012**

**Radhika Somani**  
**Company Secretray**

**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 17th September to 18th September, 2012 (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 Exchange of India Limited. The listing fee for the year 2012-13 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. Green Initiative in Corporate Governance-

The Ministry of Corporate Affairs, Government of India (vide its Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively) has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports etc. to the shareholders through electronic medium. In light of the above, the company will be sending Notice / Documents / Annual Reports etc. to the shareholders through email, wherever the Email Id is available and through other modes of service provided in Section 53 of the Companies Act, 1956 where email address have not been registered. Accordingly Members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with the company's Registrar and Share Transfer Agents, M/s. Karvy Computershare Pvt. Ltd.

8. Explanatory Statement pursuant to Section 173 (2) of The Companies Act, 1956 is annexed herewith.
9. Appointment/Reappointment of Directors

During the year Mr. J P Khemka was appointed as an Executive Director of the Company with effect from 9th August, 2011. At the ensuing Annual General Meeting, Mr. O Swaminatha Reddy and Mr. V T Pawar, 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:

	<b>Re-appointment</b>		<b>Appointment</b>
	<b>Mr. O Swaminatha Reddy</b>	<b>Mr. V T Pawar</b>	<b>Mr. J P Khemka</b>
<b>Qualification</b>	B.com (Hons), FCA	FCA	B.com (Hons), FCA
<b>Experience in specific functional area</b>	Mr. O Swaminatha Reddy was former Chairman of Andhra Bank and also former Chairman and Managing Director of APSFC, he has a rich experience of almost four decades in managing Non-Banking financial Companies and Banks. He has been the Chairman of the Company since 1990.	Mr. V T Pawar has total experience of 38 years in various Industries such as C I Pipes & Foundries, Cement & Cement Products, Refractory, Mining, Engineering, Granite, Chemicals & Fertilizers, Express Distribution and SCM, Hydro Power Projects. He also looks after the Finance Function, expansion & diversification projects of all the Gati Group Companies.	Mr. J P Khemka has overall experience of 37 Years in all facets of Financial, Commercial, Marketing, Material Procurement, Secretarial, Administration and Works Management etc ,MIS and other Reports to Board of Directors in Various reputed Organizations namely Birla Organisation, Ispat Group, J K Group & Dalmia Group.

	Re-appointment		Appointment
	Mr. O Swaminatha Reddy	Mr. V T Pawar	Mr. J P Khemka
Shares held in the company as on 31.03.2012	Nil	Nil	Nil
List of Companies in which outside directorship held as on 31.03.2012	<p><b>Chairman:</b> 1.Sagar Cements Ltd., Hyderabad 2.Sagar Power Ltd., Hyderabad.</p> <p><b>Director:</b> 1. TCI Developers Ltd., New Delhi 2. K.C.P. Ltd., Chennai 3. Transport Corporation of India Ltd., New Delhi 4. Surana Ventures Ltd., Hyderabad 5. Bhagyanagar India Ltd., Hyderabad 6. K.M. Power Pvt. Ltd., Hyderabad 7. Thembu Power Pvt. Ltd., Pune 8. E.P.R Gene Technologies Pvt. Ltd., Hyderabad 9. E.P.R Pharmaceuticals Pvt. Ltd., Hyderabad 10. E.P.R Centre for Cancer Research and Biometrics Pvt. Ltd., Hyderabad</p>	<p><b>Whole Time Director:</b> 1. Gati Infrastructure Ltd.</p> <p><b>Director:</b> 1.Amrit Jal Ventures Ltd. 2. Gati Infrastructure Bhasmey Power Pvt. Ltd., 3. Gati Infrastructure Sada- Mangder Power Private Ltd.</p>	Nil
Chairman/Member of the Committee of other Companies on which he is a Director as on 31.3.2012	<p><b>Chairman of Audit Committee of the following Companies:</b> 1. Sagar Cements Ltd. 2. Transport Corporation of India Ltd. 3. Bhagyanagar India Ltd. 4. Surana Ventures Ltd. 5.K.C.P. Ltd.</p> <p><b>Chairman of Remuneration Committee of the following company :</b> 1. K.C.P. Ltd.</p> <p><b>Member of Committee:</b> 1. Sagar Cements Ltd.- Remuneration Committee 2. Transport Corporation of India Ltd.,- Remuneration Committee 3. Bhagyanagar India Ltd.- Remuneration Committee 4. Surana Ventures Ltd- Remuneration Committee 5. TCI Developers Ltd.- Audit Committee</p>	<p><b>Member of Committee:</b> 1. Gati Infrastructure Ltd.- Remuneration Committee 2. Amrit Jal Ventures Ltd.- Share / Debenture Allotment and Transfer Committee 3. Amrit Jal Ventures Ltd.- Audit Committee</p>	Nil
Category	Chairman,Independent and Non-Executive Director	Independent and Non-Executive Director	Executive Director
Relationship with other Directors	Not related to any of the Director	Not related to any of the Director	Not related to any of the Director

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****Item 4:**

M/s S B Billimoria & Co., Chartered Accountants, Hyderabad, the retiring auditors of the Company, have expressed their inability to seek reappointment as the statutory auditors of the Company. In view thereof the Board has appointed, subject to approval of the shareholders, M/s. Bhaskara Rao & Co., Chartered Accountants, Hyderabad, as the statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting.

No Director is in any way concerned with or interested in the above resolution.

**Item 5:**

The Board of Directors in its meeting held on 9th August, 2011, appointed Mr. J P Kemka as an Executive Director of the Company subject to the approval of shareholders and Central Government for a period of 2 years with effect from 9th August, 2011 on the following terms and conditions as recommended by the Remuneration committee:

**I. Remuneration:**

(₹ in Lakhs)

<b>Particulars</b>	<b>Per Month</b>	<b>Per Annum</b>
1. Basic pay	0.45	5.40
2. Allowance		
a. HRA	0.27	3.24
b. Other Allowance	0.78	9.36
<b>Total</b>	<b>1.5</b>	<b>18.00</b>

**II. Allowances and Perquisites:**

1. The company shall reimburse the perquisites on production of documentary evidence of payment, subject to the maximum limits as provided in the reimbursable perquisites, else this shall paid after tax deductions.

2. Covered under Company's Medical policy of Rs. 300,000 per annum and also covered under personal accident insurance as per the policy of the Company.

**III. General:**

1. Sitting fees will not be paid for attending meeting(s) of the Board or Committee(s) thereof.

2. The appointment is terminable by either party giving the other 30 days notice in writing and/or salary in lieu of notice period.

In view of the inadequate profits incurred by the Company and rescheduling of the repayment of dues to financial institutions for more than 30 days as on 31st March, 2011, approval of Central Government is required for appointment of Mr. Khemka as an Executive Director. The Company had filed an application with the Central Government for its approval for the appointment of Mr. J P Khemka, as an Executive Director of the Company in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956. The application is pending subject to the shareholders approval. However, in the mean time he tendered his resignation from the services of the Company as an Executive Director. The Board considered and accepted his resignation with effect from 15th May, 2012. In light of the above, the Company is required to obtain the approval of the Central Government for the appointment of Mr. Khemka and the remuneration paid to him of Rs. 11,61,290/- for the services rendered by him as an Executive Director of the Company from 09th August, 2011 to 15th May, 2012.

None of the Director of the Company is in any way, concerned or interested in the resolution.

The Board of Directors of your Company recommends this resolution for your approval.

**By Order of the Board  
for TCI Finance Limited**

**Radhika Somani  
Company Secretary**

**Place: Secunderabad  
Date: August 08, 2012**

## DIRECTORS' REPORT

To,  
The Members,

Your Director's present the 38th Annual Report together with the Audited Accounts of your Company for the year ended 31st March,2012.

### FINANCIAL RESULTS:

Particulars	(₹ in Lakhs)	
	STANDALONE	
	As on 31 <sup>st</sup> March 2012	As on 31 <sup>st</sup> March 2011
Income	1,122.34	1,175.00
Profit/(loss) before Interest, Depreciation & Taxation	1,030.09	1,072.53
Financial Charges	1078.44	1,032.51
Depreciation	1.41	2.13
Profit/Loss before exceptional item and tax	(49.76)	37.89
Exceptional Items	100.00	-
Profit before Tax	50.23	37.89
Provision for Tax:		
Current Tax	9.35	2.75
Deferred Tax	1.63	(0.57)
Income Tax relating to previous years	-	1.70
Profit after Tax	39.25	34.01
Balance brought forward from previous year	687.75	660.55
Transferred to Reserve Fund	7.85	6.81
Balance Carried forward	719.16	687.75

### OPERATIONS REVIEW

During the year under review, your Company earned income of Rs.1,122.34 Lakhs as against Rs 1,175.00 Lakhs in the previous year. The profit before tax is Rs. 50.23 Lakhs as against Rs.37.89 Lakhs in the previous year.

### CONSOLIDATED FINANCIAL STATEMENTS

The Ministry of Corporate Affairs (MCA) vide General Circular No.2/2011 dated February 8, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956 to companies from attaching the accounts of their subsidiaries in their annual reports subject to fulfillment of certain conditions prescribed. The Board of Directors of the Company at its meeting held on 8th August, 2012 has given consent for not attaching the Balance Sheet of ITAG Business Solutions Ltd., the wholly owned subsidiary Company. As per the said circular, the Company has presented in this Annual Report, the consolidated financial statements of the holding company and the subsidiary company duly audited by its statutory auditors. The consolidated financial statements are prepared in compliance with the applicable Accounting Standards and the Listing Agreement entered with the Stock Exchanges. A summary of key financials of the Company's subsidiary is also part of the Annual Report. Annual accounts of the subsidiary company are kept for inspection by any investor at the Registered Office of the Company.



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**SUBSIDIARY COMPANY**

The wholly owned subsidiary of the Company, ITAG Business Solutions Ltd. is into the core business of Knowledge Process Outsourcing (KPO) and also had HR outsourcing division. The Company wants to focus on the core business area of Knowledge Process Outsourcing. Therefore, HR Outsourcing Division was discontinued from the current financial year.

ITAG Business Solutions Ltd earned income of Rs.108.30 Lakhs as against Rs 88.70 Lakhs in the previous year. The Loss before tax stood after making provision for bad and doubtful advances of Rs. 33.03 Lakhs at Rs. 47.52 Lakhs as against Rs. 1.20 Lakhs in the previous year.

**DIVIDEND**

The Board of Directors has decided to retain and plough back the profits into the business of the Company. Thus, no dividend is being recommended for the year.

**DIRECTORS**

During the year, Mr. Jagdish Prasad Khemka was appointed as an Executive Director of the Company on 9th August, 2011 subject to the approval of the shareholders. The Company made an application to the Central Government for approval of its appointment which is pending subject to the approval of the shareholders. However, in the mean time, he resigned from the services of the Company with effect from 15th May, 2012.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. O. Swaminatha Reddy and Mr. V.T. Pawar, 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 Amritjal Ventures Limited which is engaged in generating power and investing in power generating companies.

**RBI GUIDELINES**

Your Company is registered as a non- deposit accepting NBFC with Reserve Bank of India (RBI) under section 45-IA of the RBI Act, 1934. The Directors hereby report that the Company did not accept any public 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, 2012, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit 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, Hyderabad the retiring auditors have expressed their inability to seek re-appointment as statutory auditors for the financial year 2012-2013. The Board of Directors recommend that M/s M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad be appointed as auditors for the financial year 2012-2013, subject to the approval of the shareholders in the forthcoming Annual General Meeting of the Company.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has no activities relating to Conservation of Energy, Technology Absorption, foreign exchange earnings and outgo.

## **PARTICULARS OF EMPLOYEES**

None of the employee of the Company received remuneration in excess of the limit specified u/s 217(2A) of the Companies Act, 1956.

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, with stock exchanges, a report on Corporate Governance is given in Annexure I. The requisite certificate from Mr. D.C. Agarwal, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed hereto as Annexure II and forms part of this annual report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management's Discussion and analysis report for the year under review is presented in a separate section of this Annual Report.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the support and sincere cooperation, which the Company continues to receive from its clients, Banks, Government Authorities, Financial Institutions and associates. The directors are also grateful to the shareholders for their plentiful support to the Company. We place on record our appreciation for the contributions made by the management team and employees of the Company at all levels.

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

**Place : Secunderabad  
Date : August 08, 2012**

**O. Swaminatha Reddy  
Chairman**

## ANNEXURE - I REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliances of laws, rules, regulations and adherence to standards to achieve the objects of the Company, enhance shareholder/investor value and discharge of social responsibility. The Company does not view Corporate Governance principles as set of binding obligations, but believes in using it as a framework to be followed in spirit.

In compliance with disclosure requirements of Clause 49 of the Listing Agreement executed with Stock Exchanges, the Company is pleased to furnish its Report on Corporate Governance and the practices followed thereon.

### 1. Company's Philosophy

Your Company follows a good Corporate Governance Policy, the one which results to maximize shareholders value over the long term, while preserving the interests of all its stakeholders. The policy makes management transparent, ethical, accountable and fair resulting in enhanced shareholder value.

### 2. Board of Directors

The Board of Directors at present comprises of 6 directors. The Chairman being non-executive Director, half of the strength of the Board comprises of the Independent 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
*Mr. J.P. Khemka	Executive Director	Director

\*Appointed as an Executive Director on 9th Aug, 2011 and resigned from the Board of the Company with effect from 15th May, 2012

#### Attendance during the financial year 2011-12 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	5	Yes	2	5	--	5
Mr. Mahendra Agarwal	4	Yes	1	3	1	1
Mr. R.S. Agarwala	3	Yes	-	1	--	--
Mr. V.T. Pawar	5	Yes	-	2	--	--
Mr. S.M. Jalan	4	Yes	-	4	--	--
Dr. D.R. Agarwal	3	Yes	-	2	--	--
**Mr. J.P. Khemka	2	N.A.	-	-	-	-

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

\*\* Appointed as an Executive Director on 9th Aug, 2011 and resigned from the Board with effect from 15th May, 2012.



**TCI FINANCE LTD.**

- 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.

**4. Remuneration Committee**

During the year Remuneration Committee was re-constituted. The committee met two times in the year on:

08th August, 2011      16th May, 2011

The following is the constitution and attendance of the Remuneration Committee.

<b>Name of Director</b>	<b>Composition as on 31st March,2012</b>	<b>No. of Meetings Attended</b>
Mr. R.S. Agarwala	Chairman	2
Mr. V.T.Pawar	Member	2
Mr. S.M. Jalan	Member	1
Mr. Mahendra Agarwal	Member	2

**Terms of Reference**

- ❖ To determine and recommend to the Board, compensation plans, policies and packages for executive directors and senior management.
- ❖ Any other matter as may be referred by the Board.

**Remuneration Policy:**

The remuneration committee ensures that remuneration arrangements support the strategic aims of a business and enable the recruitment, motivation and retention of senior executives while also complying with the requirements of regulation.

Mr. J.P.Khemka was inducted in the Board as Executive Director of the Company with effect from 9th August, 2011 on the remuneration package as approved by the remuneration committee. The details are as follows:

**Remuneration Package of Mr. J P Khemka, Executive Director**

Terms of Appointment		Per Month	Per Annum
	1. Basic pay	45,000	540,000
	2. Allowance		
	HRA	27,000	324,000
	Other Allowance	78,000	936,000
<b>Total</b>	<b>150,000</b>	<b>1,800,000</b>	
<b>Service contract</b>	period of two years with effect from 9th August,2011		
<b>Notice Period</b>	30 days in writing		
<b>Sitting Fees</b>	Not entitled for sitting fees for attending meetings of the Board of Directors or any of its Committees.		
<b>Absence or inadequacy of profits</b>	In the event of absence or inadequacy of profits in any financial year, he would be entitled for remuneration by way of salary, perquisites and allowances as above subject to the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956.		

**Details of Remuneration paid to the Directors for the financial year ended 31st March 2012:**

Name of the Director	Remuneration (Rs.)	Sitting Fee (Rs.)	Total (Rs.)
Mr.O.Swaminatha Reddy	----	10,000	10,000
Mr.R.S.Agarawala	----	20,000	20,000
Mr.V.T.Pawar	----	24,000	24,000
Mr.S.M.Jalan	----	16,000	16,000
Dr. D.R. Agarwal	----	6,000	6,000
**Mr. J.P. Khemka	#11,61,290	-----	-----
<b>Total :</b>	<b>11,61,290</b>	<b>76,000</b>	<b>76,000</b>

\*\* Appointed as an Executive Director on 9th Aug, 2011 and resigned from the Board with effect from 15th May, 2012.

# Remuneration is subject to the shareholder's approval at the ensuing Annual General Meeting.

- ❖ None of the Non-Executive directors has any material pecuniary relationship or transactions with the company.
- ❖ Mr. Mahendra Agrawal , Non-Executive Director of the Company holds 11,91,636 equity share (9.26% of the total equity Share Capital) of the Company as on 31st March,2012.
- ❖ No other Non-Executive directors hold any shares and convertible instruments of the Company.
- ❖ None of the Directors are related to each other.

## 5. Share Transfer Committee

### Composition

The Committee was re-constituted during the year. The committee comprises of four directors as members viz.,

Mr. Mahendra Agarwal	Chairman
Mr. V.T.Pawar	Member
Mr. S.M. Jalan	Member

\*\* Mr. J.P. Khemka                      Member

**Terms of reference**

The Committee specifically looks into redressing of shareholders and investors complaints/grievances pertaining to transfer /transmission shares.

**6. Credit/Investment Committee****Composition**

The Committee comprises of the following directors as members viz.,

Mr R.S. Agarwala	Chairman
Mr. V.T. Pawar	Member
Mr. S. M. Jalan	Member
**Mr. J.P. Khemka	Member

**Terms of reference**

The committee was constituted to look into the terms, conditions and other details of the loans rendered to the other companies.

**7. Investors' Grievance Committee****Composition**

The committee was re-constituted during the year. The committee comprises of three directors as members viz.,

Mr. V.T. Pawar	Chairman
Mr. S.M. Jalan	Member
**Mr. J.P. Khemka	Member

**Terms of Reference:**

- ❖ The Committee was constituted to look into the investors' requests, complaints and to redress the same expeditiously.
- ❖ The committee shall also look after the grievance redressal mechanism as per the Fair Practice Code applicable and adopted by the Company as per guidelines issued by RBI from time to time. The following shall be incorporated in the grievance redressal mechanism :
  - i. All grievances received in writing or otherwise by lending institutions' shall be recorded.
  - ii. To hear, resolve and dispose of at least at the next higher level any dispute arising out of the decisions of lending institutions' functionaries as per the Fair Practice Code adopted by the Company.
  - iii. To submit periodically review of the Compliance of the Fair Practice Code and functioning of grievance redressal mechanism to the Board.
  - iv. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

Based, on the report received from the Company's Registrar's , the following number of complaints was received during the year:

<b>S.No.</b>	<b>Nature of Complaint</b>	<b>Received</b>	<b>Disposed</b>	<b>Pending</b>
1	Non-Receipt of dividend warrants	4	4	Nil
2	Non-Receipt of Share Certificates sent for transfer	9	9	Nil
3	Non-Receipt of Share Certificates	4	4	Nil
	<b>Total</b>	<b>17</b>	<b>17</b>	

As on 31st March 2012, no request for dematerialization was pending.

**Compliance Officer**

Name and designation of the Compliance Officer : Ms. Radhika Somani, Company Secretary

(\*\*Appointed as an Executive Director on 9th Aug, 2011 and resigned from the Board with effect from 15th May, 2012.)

### 8. Status of Unclaimed Suspense Account opened with Karvy Stock Broking limited (R&T agent) as per amendment to Clause 5A of the listing agreement :

- (i) Aggregate number of shareholders and the outstanding shares at the beginning of the year- Nil
- (ii) Number of shareholders who approached the issuer for transfer of shares during the year- Nil
- (iii) Number of shareholders to whom shares were transferred during the year- Nil
- (iv) Aggregate number of shareholders and the outstanding shares lying at the end of the year- Nil

### 9. General Body Meetings

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

<i>Year</i>	<i>Date</i>	<i>AGM/EGM</i>	<i>Venue</i>	<i>Time</i>	<i>No. of Special Resolution Passed</i>
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
2010-11	August 9, 2011	AGM	Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad - 500 003	10.30 A.M	1

None of the resolutions was required to be passed through postal ballot.

### 10 Disclosures

- a During the financial year under review, there were no materially significant related party transactions made by 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 are disclosed in note no.24.2a and 24.2b of notes to accounts published elsewhere in this Annual Report.
- b There are no instances of non-compliance by the Company, penalties, and 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
- c The Company affirms that no personnel has been denied access to the Audit Committee during the financial year ended 31st March, 2012.
- d The Company has complied to all the mandatory requirements of Clause 49 of the listing agreement.

### 11. 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

### 12. Management Discussion and Analysis:

Management Discussion and Analysis forms part of the Annual Report.

### 13. General Information for Shareholders

**a. Annual General Meeting** : 18th September, 2012 at 10.30 A.M.  
**Date, Time and Venue** : Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M.G. Road , Secunderabad-500 003



**b. Financial Calendar for 2012- 2013 (Tentative)**

Annual General Meeting	:	August 2013
Results for the 1st Quarter ended June 30th, 2012	:	First week of August,2012
Results for the 2nd Quarter ended September 30th, 2012	:	First week of November,2012
Results for the 3rd Quarter ended December 31st, 2012	:	First week of February,2013
Results for the 4th Quarter ended March 31st, 2013	:	Last week of May,2013

**c. Book Closure date** : 17th September ,2012 to 18th September,2012  
(both days inclusive)

**d. Dividend Payment date** : Not Applicable

**e. 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 2012-2013 has been paid to BSE and NSE.

**f. Stock Code:**

a) Trading Script code for the Bombay Stock Exchange	:	501242
Trading Script Symbol for National Stock Exchange	:	TCIFINANCE
b) Demat ISIN numbers in NSDL & CDSL for Equity Shares	:	INE911B01018

**g. Monthly high and low stock quotations at BSE & NSE:**

(Amount in ₹)

Months	BSE		NSE	
	High	Low	High	Low
April 2011	84.00	57.00	84.80	56.80
May 2011	83.60	62.60	84.30	62.30
June 2011	71.40	52.00	70.40	51.85
July 2011	71.25	50.50	72.00	50.55
August 2011	65.50	35.30	66.60	35.80
September 2011	37.85	30.05	38.40	30.10
October 2011	32.40	24.80	32.95	24.90
November 2011	29.40	18.95	29.75	18.00
December 2011	23.85	18.55	23.50	18.55
January 2012	36.65	18.90	37.00	18.50
February 2012	53.90	37.90	54.40	38.00
March 2012	43.95	31.85	43.60	31.50

**h. Share price performance in comparison to broad based indices - BSE Sensex**

PARTICULARS	TCI FINANCE SHARE PRICE V/S BSE	
	Share Price(Rs.)	BSE Sensex
As on 1st April 2011	65.30	19,463.11
As on 31st March 2012	41.45	17,404.20
% Change	36.52%	10.58%

**i. 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.

**j. 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.

**k. Distribution of Shareholding as on 31st March 2012:**

No. of shares	No. of shareholders	% of shareholders	Nos. of Shares	% of Total Shares
Upto - 5000	4,726	81.48	898045	6.98
5001- 10000	517	8.91	429572	3.34
10001- 20000	265	4.57	405240	3.15
20001- 30000	63	1.09	154394	1.20
30001-40000	54	0.93	193155	1.50
40001-50000	43	0.74	203472	1.58
50001-100000	60	1.03	424537	3.30
100001 - Above	72	1.24	10164078	78.96
<b>TOTAL</b>	<b>5,800</b>	<b>100</b>	<b>12,872,493</b>	<b>100.00</b>

**Categories of shareholders as on 31st March 2012 :**

Category	No. of shares held	% Shareholding
Promoter and Promoter Group	7,464,182	57.99
Non-Resident Indians	175,146	1.36
Bodies Corporate & HUF	1,022,757	7.95
Resident Individuals	4,204,647	32.66
Clearing Members	5,761	0.04
<b>TOTAL</b>	<b>12,872,493</b>	<b>100.00</b>

**l. Dematerialization of shares :**

Over 88.36% of the total shares have been dematerialized up to 31st March, 2012. 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).

**m. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity : Not Applicable****n. Plant Locations: Not Applicable****o. 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

**ANNEXURE – II**

**CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of

**TCI FINANCE LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by TCI Finance Limited, for the year ended on March 31, 2012, 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. Our 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 our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Secunderabad, August 08, 2012**

**For D C Agarwal & Co  
Practising Company Secretary**

**Duli Chand Agarwal  
Certificate of Practice No-3345**

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**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, 2012.

**For TCI FINANCE LIMITED**

**Ramesh Sivaraman  
Manager - Chief Executive**

**Secunderabad, August 08, 2012**

## CHIEF EXECUTIVE OFFICER (CEO) / MD CERTIFICATION

I have reviewed the financial statements, read with the cash flow statement of TCI Finance Limited for the year ended March 31, 2012 and that to the best of my knowledge and belief, I state that:

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.  
  
(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) These are, to the best of my knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or in violation of the company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and audit committee that there are no deficiencies in the design or operation of internal control.
- d) I have indicated to the auditors and audit committee:
  - (i) There are no significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies made during the year and that the same haven disclosed suitably in the notes to the financial statements; and
  - (iii) There are no instances of fraud involving the management or an employee.

For **TCI Finance Limited**

**Place: Secunderabad**  
**Date : August 08, 2012**

**Ramesh Sivaraman**  
**Manager-Chief Executive**

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **Business Environment**

Non-banking Financial Company play a significant role in asset creation and reach out to borrowers that high-street bank can't deal with they should be given adequate time to raise capital and fulfill stricter provisioning standards. The NBFC industry accounts for 11.2% of assets of the total financial system in the country. The year 2011-2012 was a challenging year for the Indian economy. Though the first six months of the year was bad for NBFC's, but in the last six months of the fiscal year business picked up and the growth rate was positive. The performance of most of the NBFC's grew 15-20% during the last six months of the fiscal year.

Despite capital markets related business has lack luster in 2011, NBFC's has grown their businesses in multi fold in last couple of years. During the year RBI has come with certain rules and regulations for various types of NBFC's for having better adequacy, norms and control in the economy resulting into satisfaction of its customers, clients, lenders, borrowers, etc.

### **Opportunities**

The crisis of rising of non-performing asset, economic slow-down has forced NBFCs to improve their operations and strategies. Industry experts opine that they are much more mature today than they were during the last decade. Timely intervention of RBI helped reduce the negative effect of credit crunch on NBFCs.

There are opportunities for NBFC provided they have large resources and human talent with required infrastructure. Since the Company has very limited resources therefore unless fresh resources are tapped or introduced it is likely to continue to have same level of operation. The Company is exploring the possibilities of raising resources in the FY 2013.

### **Threats**

The biggest challenge before NBFCs are that they are facing stiff competition from banks and financial institutions, due to the ability of Banks & FII's to raise low cost funds which enables them to provide funds at much cheaper rate. More stringent capital adequacy norms have been stipulated by RBI for NBFCs which is making difficult for them to give cheaper finance.

### **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 policy responses by the RBI and the Government, added certain risks to the economy such as inflation, high interest rate, lower credit take off and higher input cost. However, your directors are optimistic about the future prospects of the Company and could keep its resources intact and thereby in planning to enhance its operations and profits.

The wholly owned subsidiary of the Company M/s ITAG Business Solution Limited will focus on the core business area of Knowledge process outsourcing in the forthcoming years.

### **Risks and concerns**

As a NBFC, your Company is exposed to credit risk, liquidity risk and interest rate risk. The Company has deployed its fund particularly in investment, therefore any default, could adversely affect its operations. The default in repayment leads to no business exposure which has a cascading effect on the business of the Company.

### **Internal Control Systems and their adequacy**

Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. The Management ensures adherence to all internal control policies and procedures as well as compliance with regulatory guidelines. The audit committee of the Board of Directors reviews the adequacy of internal controls. This has improved the management of the affairs of the Company and strengthened transparency and accountability.

### **Business Overview and Discussion on financial performance**

Your company is a small sized, public limited listed, Non Banking Financial Company (NBFC). 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 during the year discontinued its HR outsourcing Division and the therefore the results were regrouped wherever necessary. The total earnings of the Subsidiary were 108.30 as against Rs 88.70 Lakhs in the previous year. Profit/loss before tax stood at Rs. (47.52) as against Rs. (1.20) Lakhs in the previous year.

### **Human Resource Development**

It is well accepted across world that human resources is the most valuable asset and continuously evolves policies and process to attract and retain its substantial pool of managerial resources through friendly work environment that encourages initiatives by individuals and recognizes their performance.

The employee relations have continued to be harmonious throughout the year. The Company has 8 number of permanent employees as on 31-03-2012.

## AUDITORS' REPORT

### The Members of TCI Finance Limited

1. We have audited the attached Balance Sheet of TCI FINANCE LIMITED as at March 31, 2012, the Statement of Profit and Loss 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to note 24.5 forming part of the financial statements regarding managerial remuneration and in respect of which Central Government approval is awaited.
4. 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.
5. Further to our comments in paragraph 3 and in the Annexure referred to in paragraph 4 above, we report that;
  - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012
    - ii) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date and
    - iii) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.
6. On the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2012 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)

**V. Srikumar**  
**Partner**  
 (Membership No. 084494)

Place : Bengaluru  
 Date : 26<sup>th</sup>, May 2012

## **ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 4 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses 4 (ii), (viii), (xii), (xiii), (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 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, 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. 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 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 and any other material statutory dues applicable to it in arrears, as at March 31, 2012 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 which have not been deposited as on March 31, 2012 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 has no accumulated losses at the end of financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (x) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to financial institutions and debenture holders as stated below:

Amount of default (loan and Interest) (Rs.)	Period of delay (in days)
62,500,000	27
10,000,000	110
20,630,313	111
1,537,094	114
23,000,000	132
7,332,593	133
20,000,000	92
50,000,000	124
4,102,192	27

- (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 information and explanations given to us, the terms and conditions of the guarantee given by the company for loans taken by others are not prima facie prejudicial to the interest of the company.
- (xiii) 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.
- (xiv) 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.
- (xv) The Company has created security in respect of the debentures issued.
- (xvi) 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)

**V. Srikumar**  
**Partner**  
 (Membership No. 084494)

Place : Bengaluru  
 Date : 26<sup>th</sup>, May 2012

**TCI FINANCE LIMITED  
BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2012**

(Amt. in ₹)

	Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
<b>A.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1.</b>	<b>Share Holders' Funds</b>			
	(a) Share capital	3	141,963,050	141,963,050
	(b) Reserves and surplus	4	129,009,173	125,083,721
			<b>270,972,223</b>	<b>267,046,771</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	-	510,000,000
	(b) Long-term provisions	6	14,077,604	14,228,283
			<b>14,077,604</b>	<b>524,228,283</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Trade payables	7	781,224	1,231,701
	(b) Other current liabilities	8	562,332,362	199,254,365
	(c) Short term provisions	9	37,600	6,676
			<b>563,151,186</b>	<b>200,492,742</b>
	<b>TOTAL</b>		<b>848,201,013</b>	<b>991,767,796</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	10A	20,088,789	20,225,388
	(ii) Intangible assets	10B	26,920	32,275
	(b) Non-current investments	11	293,269,226	293,269,226
	(c) Deferred tax assets (net)	24.4	659,809	822,601
	(d) Long-term loans and advances	12	-	136,260,000
	(e) Other non-current assets	13	103,784	60,340
			<b>314,148,528</b>	<b>450,669,830</b>
<b>2</b>	<b>Current assets</b>			
	(a) Trade receivables	14	-	-
	(b) Cash and cash equivalents	15	215,753	3,098,659
	(c) Short-term loans and advances	16	512,059,102	527,184,791
	(d) Other current assets	17	21,777,630	10,814,516
			<b>534,052,485</b>	<b>541,097,966</b>
	<b>TOTAL</b>		<b>848,201,013</b>	<b>991,767,796</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For S.B. Billimoria & Co.  
Chartered Accountants**

**For and on Behalf of the Board of Directors**

**V. Srikumar  
Partner**

**Radhika Somani  
Company Secretary**

**O Swaminatha Reddy  
Chairman**

**V T Pawar  
Director**

Place : Bengaluru  
Date : 26<sup>th</sup>, May 2012

Place : Secunderabad  
Date : 26<sup>th</sup>, May 2012

## TCI FINANCE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2012

(Amt. in ₹)

	Particulars	Note No.	For the Year Ended 31 March, 2012	For the year Ended 31 March, 2011
1.	<b>Income</b>			
	Revenue from operations	18	98,733,298	100,507,188
2	Other income	19	13,500,724	16,993,462
3	<b>Total revenue (1+2)</b>		<b>112,234,022</b>	<b>117,500,650</b>
4	<b>Expenses</b>			
	(a) Employee benefits expense	20	6,334,696	5,661,609
	(b) Finance costs	21	107,844,110	103,251,301
	(c) Depreciation and amortisation expense	10	141,954	213,791
	(d) Other expenses	22	3,070,018	3,109,586
	(e) Provision for Standard Assets		(180,000)	1,475,000
	<b>Total expenses</b>		<b>117,210,778</b>	<b>113,711,287</b>
5	<b>(Loss) / Profit before exceptional item and tax (3 - 4)</b>		<b>(4,976,756)</b>	3,789,363
6	<b>Exceptional items</b>	23.1	10,000,000	-
7	<b>Profit before tax (5 + 6)</b>		<b>5,023,244</b>	3,789,363
8	<b>Tax expense:</b>			
	(a) Current tax expense for current year		935,000	275,000
	(b) Current tax expense relating to prior years		-	170,210
	(c) Net current tax expenses		935,000	445,210
	(d) Deferred tax		162,792	(57,192)
			<b>1,097,792</b>	<b>388,018</b>
9	<b>Profit for the year (7 - 8)</b>		<b>3,925,452</b>	<b>3,401,345</b>
10	<b>Earnings per Share (Basic/Diluted) of ₹ 10 each</b>	24.3	<b>0.30</b>	<b>0.26</b>

In terms of our report attached

For S.B. Billimoria & Co.  
Chartered Accountants

For and on Behalf of the Board of Directors

V. Srikumar  
PartnerRadhika Somani  
Company SecretaryO Swaminatha Reddy  
ChairmanV T Pawar  
DirectorPlace : Bengaluru  
Date : 26<sup>th</sup>, May 2012Place : Secunderabad  
Date : 26<sup>th</sup>, May 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2012

(Amt. in ₹)

Particulars	For the Year Ended 31 March, 2012	For the Year Ended 31 March, 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extra ordinary items	5,023,244	3,789,363
<b>Adjustments for:</b>		
Depreciation and Amortisation	141,954	213,791
Profit on sale of Motor Trucks	(202,500)	(333,462)
Profit on Relinquishment of Land Ownership	(10,000,000)	-
Profit/Loss on sale of Long term Investments	-	(2,501,324)
Dividend (Long term Investments)	(6,969,922)	(5,687,651)
	(12,007,224)	(4,519,283)
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Other current assets	(10,703,113)	(1,620,818)
Other non-current assets	(43,444)	9,098
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	(450,477)	1,018,237
Other current liabilities	(1,922,003)	(329,409)
Short-term provisions	30,924	6,676
Long-term provisions	(150,679)	1,469,409
Cash used in operations	(25,246,016)	(3,966,090)
Net Income Tax Paid	(9,459,312)	(4,954,390)
Net Cash From Operations	(34,705,328)	(8,920,480)
Loans Repaid / (Disbursed) (Net)	76,600,000	(60,500,000)
<b>Net Cash from/ (used in) operating Activities (A)</b>	<b>41,894,672</b>	<b>(69,420,480)</b>
<b>B. Cash Flow From Investing Activities</b>		
Proceeds from Relinquishment of Land ownership	86,000,000	-
Proceeds from Sale of Motor Trucks	202,500	466,803
Repayment from (Advance to ) Subsidiary	7,050,000	(3,446,500)
Purchase of Assets	-	(33,038)
Purchase of Investments	-	(42,413,100)
Purchase of Investments in Subsidiary	-	(845,000)
Sale of long term Investments	-	3,456,728
Dividend received (Long term Investments)	6,969,922	5,687,651
<b>Net cash from / (used in) investing activities (B)</b>	<b>100,222,422</b>	<b>(37,126,456)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from long term Borrowings	-	580,000,000
Repayment of long Term Borrowings	(145,000,000)	(472,500,000)
<b>Net cash from Financing Activities ( C)</b>	<b>(145,000,000)</b>	<b>107,500,000</b>
<b>Net Increase / Decrease in cash and cash equivalents (A+B+C)</b>	<b>(2,882,906)</b>	<b>953,064</b>
Cash and Cash equivalents at the beginning of the year	3,098,659	2,145,595
<b>Cash and Cash equivalents at the end of the year</b>	<b>215,753</b>	<b>3,098,659</b>
<b>Components of Cash and Cash equivalents comprises of :</b>		
Cash on hand	14,412	7,055
With Banks		
- in current accounts	201,341	3,032,855
- Deposit account	-	58,749
<b>Cash and Cash equivalents at the end of the year</b>	<b>215,753</b>	<b>3,098,659</b>
<b>Notes:</b> (1) During the previous year, Advance amounting to ₹ 10,775,000 given to subsidiary has been converted to 1,077,500 equity shares of ₹ 10 each in the subsidiary		

In terms of our report attached

For S.B. Billimoria & Co.  
Chartered AccountantsV. Srikumar  
PartnerPlace : Bengaluru  
Date : 26<sup>th</sup>, May 2012Radhika Somani  
Company Secretary

For and on Behalf of the Board of Directors

O Swaminatha Reddy  
ChairmanV T Pawar  
DirectorPlace : Secunderabad  
Date : 26<sup>th</sup>, May 2012

**TCI FINANCE LTD.**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

Note	Particulars
1	<p><b>Corporate information</b></p> <p>TCI Finance Limited (The Company) is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is a "Loan company" engaged in the business of Non Banking Financial Institution as defined in section 45I(a) of the Reserve Bank of India Act , 1934.</p>
2	<p><b>Significant accounting policies</b></p>
2.1	<p><b>Basis of accounting and preparation of financial statements</b></p>
	<p>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.</p>
2.2	<p><b>Use of estimates</b></p>
	<p>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.</p>
2.3	<p><b>Cash flow statement</b></p>
	<p>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. whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
2.4	<p><b>Revenue recognition</b></p>
2.4.1	<p><b>Lease Income</b></p>
	<p>(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".</p> <p>(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.</p>
2.4.2	<p><b>Interest Income</b></p>
	<p>Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.</p>
2.4.3	<p><b>Other Income</b></p>
	<p>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.</p>
2.5	<p><b>Fixed Assets:</b></p>
	<p><b>Tangible fixed assets</b></p>
	<p>Assets are stated at cost less accumulated depreciation after adjustment of the Lease Terminal Adjustment Account.</p>
	<p><b>Intangible assets</b></p>
	<p>Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.</p>

<b>2.6</b>	<p><b>Depreciation and amortisation</b>                  Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on addition/deductions is calculated on prorata from the date of addition/ deduction.</p>
<b>2.7</b>	<p><b>Investments</b>                  Long-term investments are carried individually at cost less provision for diminution in value, other than temporary in the value of such investments.</p>
<b>2.8</b>	<p><b>Employee benefits</b></p> <p>(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.</p> <p>(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.</p> <p>(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.</p>
<b>2.9</b>	<p><b>Segment reporting</b>                  The Company is mainly engaged in financing activities which constitute a single business segment. There are no separate geographical segments.</p>
<b>2.10</b>	<p><b>Reserve Bank of India Prudential Norms</b>                  The Company follows the guidelines issued by the Reserve Bank of India, in respect of income recognition, asset classification and valuation of investments. Provision for standard assets is made in terms of the notification DNBS 222CGM(US)2011 dated 17th January 2011 issued by Reserve bank of India.</p>
<b>2.11</b>	<p><b>Taxes on income</b>                  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.</p>
<b>2.12</b>	<p><b>Provision, Contingent liabilities &amp; Contingent Assets</b>                  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.</p>

**Note 3 Share Capital**

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
(a) <b>Authorised</b> Equity shares of ₹ 10 each	<b>20,000,000</b>	200,000,000	20,000,000	200,000,000
(b) <b>Issued</b> Equity shares of ₹ 10 each	<b>16,000,000</b>	160,000,000	16,000,000	160,000,000
(c) <b>Subscribed and fully paid up</b> Equity shares of ₹ 10 each	<b>12,872,493</b>	128,724,930	12,872,493	128,724,930
Add : Forfeited Shares (Amount Originally paid up)	-	13,238,120	-	13,238,120
<b>Total</b>		<b>141,963,050</b>		<b>141,963,050</b>

Refer Notes (i) to (iii) below

(i) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares	As at 31 March, 2012		As at 31 March, 2011	
	No.	₹	No.	₹
At the beginning of the year	12,872,493	141,963,050	12,872,493	141,963,050
Issued during the year	-	-	-	-
Outstanding at the end of the year	12,872,493	141,963,050	12,872,493	141,963,050

(ii) **Terms/rights attached to equity shares.**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

(iii) **Details of Shareholders Holding more than 5% shares in the Company**

Name of Shareholder	As at March 2012		As at March 2011	
	No of Shares	% Holding	No of Shares	% Holding
Gati Limited	1,600,300	12.43	1,600,300	12.43
Jubilee Commercial & Trading Pvt Limited	1,593,347	12.38	1,593,347	12.38
Mahendra Investment Advisors Pvt Limited	1,440,000	11.19	1,440,000	11.19
Mahendra Kumar Agarwal	1,191,636	9.26	1,187,461	9.22
Neera Agarwal	950,265	7.38	950,265	7.38

**Note 4 Reserves and Surplus**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Securities premium account	163,086	163,086
(b) General reserve	35,218,685	35,218,685
(c) Reserve Fund (As per Section 45 IC of Reserve Bank of India Act, 1934)		
At the Commencement of the year	20,926,000	20,245,000
Add: Transferred from surplus in Statement of Profit & loss	785,090	681,000
	21,711,090	20,926,000
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	68,775,950	66,055,605
Add: Profit for the year	3,925,452	3,401,345
Less : Amount transferred to Reserve Fund	785,090	681,000
Closing balance	71,916,312	68,775,950
<b>Total</b>	<b>129,009,173</b>	<b>125,083,721</b>

**Note 5 Long-term borrowings**

Particulars	Non-current portion		Current maturities	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	₹	₹	₹	₹
<b>Debentures</b>				
35 No's (31st March 2011: 35 No's) 13% Non-Convertible Redeemable Debentures of ₹ 100,000,000 each (secured) (Refer Note (ii) below)	-	280,000,000	330,000,000	70,000,000
<b>Term Loans</b>				
From financial institutions (Secured) (Refer Note (iii) below)	-	-	-	125,000,000
From Others (Secured) (Refer Note (iv) below)	-	230,000,000	230,000,000	-
<b>Total</b>	<b>-</b>	<b>510,000,000</b>	<b>560,000,000</b>	<b>195,000,000</b>



**TCI FINANCE LTD.**

- (i) Current maturities of Long- term borrowings have been disclosed under the head " Other Current Liabilities" (Refer Note 8)
- (ii) 13% Redeemable Non-Convertible debentures are redeemable at par in two installments within 2 years from date of allotment viz., 28th Nov, 2010, i.e., ₹ 70,000,000 on 29th Nov, 2011 and ₹ 280,000,000 on 29th Nov, 2012. There has been an increase in interest rate to 14% from 28th Nov, 2011. These Debentures are secured by pledge of investments , personal guarantee of a director and pledge of third party investments and property.
- (iii) Term loan from Financial Institution was taken during the financial year 2009-2010 and carried interest @ 15%p.a. The loan was repayable in 4 half yearly installment of ₹ 625,000,000 each starting from date of loan viz., 15th Oct', 2009. The loan was secured by pledge of investments, personal guarantee of a director and pledge of third party investment.
- (iv) Term loan from others carries interest rate which is Corporate Prime Lending Rate (CPLR) minus 125 basis points, currently 16.5% p.a and is repayable at the end of 2 year from date of loan viz.,15th Dec, 2010. The loan is secured by pledge of investments, personal guarantee of a director and pledge of third party investments and property.
- (v) The Company has defaulted in repayment of loan and interest in respect of the following :

Particulars	As at 31 March, 2012		As at 31st March 2011	
	Period of Default	₹	Period of Default	₹
Debentures				
Principal	124 Days	50,000,000	-	-

**Note 6 Long Term Provisions**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Provision for employee benefits:		
(i) Provision for compensated absences (Refer Note 24.1)	251,067	221,746
(b) Provision - Others:		
(i) Contingent Provision against standard Assets	1,295,000	1,475,000
(ii) Non performing assets	12,531,537	12,531,537
<b>Total</b>	<b>14,077,604</b>	<b>14,228,283</b>

**Note 7 Trade payables**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Trade payables ( Refer Note 23.3)	781,224	1,231,701
<b>Total</b>	<b>781,224</b>	<b>1,231,701</b>

**Note 8 Other current liabilities**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Current maturities of long-term debt (Refer Note (5))	560,000,000	195,000,000
(b) Interest accrued but not due on borrowings	400,476	1,568,215
(c) Other payables		
(i) Statutory remittances	631,137	1,182,901
(ii) Security deposits received	1,300,749	1,503,249
<b>Total</b>	<b>562,332,362</b>	<b>199,254,365</b>

**Note 9 Short-term provisions**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Provision for employee benefits:		
Provision for compensated absences (Refer Note 24.1a)	37,600	6,676
<b>Total</b>	<b>37,600</b>	<b>6,676</b>

Notes Forming Part of the financial statements  
Note 10 Fixed Assets

(Amt. in ₹)

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			LEASE ADJUSTMENT			NET BLOCK		
		AS AT 01.04.2011	ADDITIONS	DELETIONS	AS AT 31.03.2012	AS ON 01.04.2011	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2012	AS ON 01.04.2011	ADJUSTMENT	UPTO 31.03.2012	AS AT 31.03.2012
<b>A</b>	<b>TANGIBLE ASSETS</b>												
<b>I</b>	<b>OWNED ASSETS</b>												
1	Land-Freehold	3,522,514	-	-	3,522,514	-	-	-	-	-	-	3,522,514	3,522,514
2	Buildings	4,040,826	-	-	4,040,826	780,859	65,866	-	846,725	-	-	3,194,101	3,259,967
3	Furniture & Fixtures	1,100,000	-	-	1,100,000	806,370	69,630	-	876,000	-	-	224,000	293,630
4	Plant & Machinery	6,802	-	-	6,802	4,720	1,103	-	5,823	-	-	979	2,082
5	Motor Trucks	9,078,039	-	2,250,000	6,828,039	9,078,039	-	2,250,000	6,828,039	-	-	-	-
	<b>Total</b>	<b>17,748,181</b>	<b>-</b>	<b>2,250,000</b>	<b>15,498,181</b>	<b>10,669,988</b>	<b>136,599</b>	<b>2,250,000</b>	<b>8,556,587</b>	<b>-</b>	<b>-</b>	<b>6,941,594</b>	<b>7,078,193</b>
<b>II</b>	<b>LEASED ASSETS</b>												
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
	<b>Total</b>	<b>46,534,660</b>	<b>-</b>	<b>-</b>	<b>46,534,660</b>	<b>13,909,299</b>	<b>-</b>	<b>-</b>	<b>13,909,299</b>	<b>19,478,166</b>	<b>-</b>	<b>13,147,195</b>	<b>13,147,195</b>
	<b>Total Tangible Assets</b>	<b>64,282,841</b>	<b>-</b>	<b>2,250,000</b>	<b>62,032,841</b>	<b>24,579,287</b>	<b>136,599</b>	<b>2,250,000</b>	<b>22,465,886</b>	<b>19,478,166</b>	<b>-</b>	<b>20,088,789</b>	<b>20,225,388</b>
	<b>Previous Year</b>	<b>68,969,446</b>	<b>-</b>	<b>4,686,605</b>	<b>64,282,841</b>	<b>28,919,523</b>	<b>213,028</b>	<b>4,553,264</b>	<b>24,579,287</b>	<b>19,478,166</b>	<b>-</b>	<b>20,225,388</b>	<b>20,225,388</b>
<b>B</b>	<b>INTANGIBLE ASSETS</b>												
1	Computer Software	33,038	-	-	33,038	763	5,355	-	6,118	-	-	26,920	32,275
	<b>Total Intangible Assets</b>	<b>33,038</b>	<b>-</b>	<b>-</b>	<b>33,038</b>	<b>763</b>	<b>5,355</b>	<b>-</b>	<b>6,118</b>	<b>-</b>	<b>-</b>	<b>26,920</b>	<b>32,275</b>
	<b>Previous Year</b>	<b>-</b>	<b>33,038</b>	<b>-</b>	<b>33,038</b>	<b>-</b>	<b>763</b>	<b>-</b>	<b>763</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,275</b>

**Notes forming part of the financial statements**
**Note 11 Non Current Investments**
**NON TRADE INVESTMENTS (VALUED AT COST)**
*(Amt. in ₹)*

NO OF SHARES		FACE VALUE	NAME OF THE COMPANY	As at 31 March, 2012	As at 31 March, 2011
31.03.2011	31.03.2012				
<b>A EQUITY SHARES (QUOTED)</b>					
13,324,350	<b>13,324,350</b>	2	Gati Limited #	<b>122,414,147</b>	122,414,147
30,236	<b>30,236</b>	10	TCI Industries Limited	<b>2,128,390</b>	2,128,390
600	<b>600</b>	10	Bhivani Vanaspathi Limited *	<b>6,000</b>	6,000
			Less: Provision for decline, other than temporary, in the value of long term investments	<b>(6,000)</b>	(6,000)
			<b>Net</b>	<b>-</b>	-
2,500	<b>2,500</b>	10	Electro Flame Limited *	<b>35,000</b>	35,000
			Less: Provision for decline, other than temporary, in the value of long term investments	<b>(35,000)</b>	(35,000)
			<b>Net</b>	<b>-</b>	-
62	<b>62</b>	10	Garware Nylon Limited *	<b>1,043</b>	1,043
			Less: Provision for decline, other than temporary, in the value of long term investments	<b>(1,043)</b>	(1,043)
			<b>Net</b>	<b>-</b>	-
200	<b>200</b>	10	Indo Maxwell Limited *	<b>2,000</b>	2,000
			Less: Provision for decline, other than temporary, in the value of long term investments	<b>(2,000)</b>	(2,000)
			<b>Net</b>	<b>-</b>	-
8,400	<b>8,400</b>	10	Karnataka Investment & Traders Ltd *	<b>42,053</b>	42,053
			Less: Provision for decline, other than temporary, in the value of long term investments	<b>(42,053)</b>	(42,053)
			<b>Net</b>	<b>-</b>	-
500	<b>500</b>	10	Kediya Vanaspathi Limited *	<b>5,000</b>	5,000
			Less: Provision for decline, other than temporary, in the value of long term investments	<b>(5,000)</b>	(5,000)
			<b>Net</b>	<b>-</b>	-
1,100	<b>1,100</b>	10	The Pioneer Limited *	<b>11,000</b>	11,000
			Less: Provision for decline, other than temporary, in the value of long term investments	<b>(11,000)</b>	(11,000)
			<b>Net</b>	<b>-</b>	-
500	<b>500</b>	10	Unilite Industries Ltd *	<b>5,000</b>	5,000
			Less: Provision for decline, other than temporary, in the value of long term investments	<b>(5,000)</b>	(5,000)
			<b>Net</b>	<b>-</b>	-
4,860	<b>4,860</b>	10	Karnataka Bank Ltd	<b>413,100</b>	413,100
10,000	<b>10,000</b>	10	ATI Ltd	<b>200,000</b>	200,000
			Less: Provision for decline, other than temporary, in the value of long term investments	<b>(86,206)</b>	(86,206)
			<b>Net</b>	<b>113,794</b>	<b>113,794</b>
4,200	<b>4,200</b>	10	Lloyds Finance Ltd	<b>2,310</b>	2,310
1,300	<b>1,300</b>	10	Roadways India Ltd *	<b>16,668</b>	16,668

NO OF SHARES		FACE VALUE	NAME OF THE COMPANY	As at	As at
31.03.2011	31.03.2012			31 March, 2012	31 March, 2011
			Less: Provision for decline, other than temporary, in the value of long term investments	(16,668)	(16,668)
			<b>Net</b>	-	-
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
			Less: Provision for decline, other than temporary, in the value of long term investments	(5,780)	(5,780)
			<b>Net</b>	-	-
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
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
1,000	1,000	2	GMR Infrastructure Limited	88,455	88,455
24	24	10	Reliance Power Limited	6,750	6,750
			<b>Total</b>	<b>126,562,189</b>	<b>126,562,189</b>
<b>B DEBENTURES ( PARTLY PAID UP)</b>					
10,900	10,900	10	Pittie Cements Limited *	354,250	354,250
			Less: Provision for decline, other than temporary, in the value of long term investments	(354,250)	(354,250)
			<b>Total</b>	-	-
<b>C EQUITY SHARES (UNQUOTED)</b>					
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
15,014,100	15,014,100	10	Amrit Jal Ventrues Ltd	150,000,000	150,000,000
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
			<b>Total</b>	<b>150,707,037</b>	<b>150,707,037</b>
<b>D SUBSIDIARY</b>					
1,250,000	1,250,000	10	ITAG Business Solutions Limited	12,500,000	12,500,000
			<b>Total</b>	<b>12,500,000</b>	<b>12,500,000</b>
<b>E. PREFERENCE SHARES</b>					
350,000	350,000	10	Capital Fortunes Limited	3,500,000	3,500,000
			8% Non Cumulative 15 Year Redeemable		
			<b>Total</b>	<b>3,500,000</b>	<b>3,500,000</b>
			<b>Grand Total</b>	<b>293,269,226</b>	<b>293,269,226</b>
			<b>BOOK VALUE OF QUOTED INVESTMENTS</b>	<b>126,562,189</b>	<b>126,562,189</b>
			<b>MARKET VALUE OF QUOTED INVESTMENTS *</b>	<b>446,855,432</b>	<b>801,807,536</b>

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

# Secured for the Term Loans / Debentures

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Inter Corporate Loans - Unsecured, considered good	-	60,000,000
(b) Capital advance - Unsecured, considered good		76,260,000
<b>Total</b>	-	<b>136,260,000</b>

**Note 13 Other non-current assets**

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Interest accrued on deposits	3,784	-
(b) Fixed Deposit with original maturity more than 12 months	50,000	-
(c) Security Deposit - Unsecured, considered good	50,000	60,340
<b>Total</b>	<b>103,784</b>	<b>60,340</b>

**Note 14 Trade receivables - Unsecured**

Particulars	As at 31 March 2012	As at 31 March 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Doubtful	441,566	441,566
Less: Provision for doubtful trade receivables	441,566	441,566
<b>Total</b>	-	-

**Note 15 Cash and cash equivalents**

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Cash on hand	14,412	7,055
(b) Balances with banks		
(i) In current accounts	201,341	3,032,855
(ii) Deposit with maturity less than 12 months	-	58,749
<b>Total</b>	<b>215,753</b>	<b>3,098,659</b>

**Note 16 Short-term loans and advances**

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Loans and advances to Subsidiary (Refer Note 24.2)		
Unsecured, considered good	2,041,500	9,091,500
(b) Inter corporate Loans		
Unsecured, considered good	493,900,000	510,500,000
(c) Advance Tax ((Net of Provision ₹ 12,10,000 (As at 31st March, 2011 ₹ 275,000))	16,117,602	7,593,291
<b>Total</b>	<b>512,059,102</b>	<b>527,184,791</b>

<b>Note 17 Other current assets</b>		
(Amt. in ₹)		
<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
(a) Accruals		
(i) Interest accrued on Loans & Deposits	<b>21,624,650</b>	10,366,510
(d) Others		
(i) Contractually reimbursable Expenses	-	294,000
(ii) Other advances recoverable in cash or kind -Unsecured, considered good	<b>152,980</b>	154,006
<b>Total</b>	<b>21,777,630</b>	<b>10,814,516</b>
<b>Note 18 Revenue from operations</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2012</b>	<b>For the year ended 31 March, 2011</b>
(a) Interest Income (Refer Note (i) below)	<b>84,676,701</b>	82,769,281
(b) Other Operating Revenue (Refer Note (ii) below)	<b>14,056,597</b>	17,737,907
<b>Total</b>	<b>98,733,298</b>	<b>100,507,188</b>
Note : (i) Interest Income		
Interest on Loans & Advances	<b>84,676,701</b>	82,769,281
<b>Total - Interest Income</b>	<b>84,676,701</b>	<b>82,769,281</b>
Note : (ii) Other Operating Revenue		
(a) Hire Rental	<b>186,675</b>	679,890
(b) Upfront Fee	<b>6,900,000</b>	6,255,000
(c) Debts Written off earlier, realised	-	2,614,042
(d) Dividend income from long-term investments	<b>6,969,922</b>	5,687,651
(e) Net gain on sale of long-term investments	-	2,501,324
<b>Total - Other Financial services</b>	<b>14,056,597</b>	<b>17,737,907</b>
<b>Note 19 Other Income</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2012</b>	<b>For the year ended 31 March, 2011</b>
(a) Rental Income	<b>8,134,000</b>	8,760,000
(b) Other non-operating income (Refer Note (i) below)	<b>5,366,724</b>	8,233,462
<b>Total</b>	<b>13,500,724</b>	<b>16,993,462</b>
Note : (i) Other non-operating income comprises:		
Profit on sale of Motor Trucks	<b>202,500</b>	333,462
Consultancy Fee	<b>2,850,000</b>	5,650,000
Miscellaneous income	<b>2,314,224</b>	2,250,000
<b>Total - Other non-operating income</b>	<b>5,366,724</b>	<b>8,233,462</b>

## Note 20 Employee benefits expense

(Amt. in ₹)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Salaries and wages	5,974,867	5,285,686
Contributions to provident and other funds	286,978	290,308
Staff welfare expenses	72,851	85,615
<b>Total</b>	<b>6,334,696</b>	<b>5,661,609</b>

## Note 21 Finance costs

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(a) Interest expense on:		
(i) Debentures	50,764,247	16,253,420
(ii) Term Loans	48,181,312	74,932,946
(b) Other borrowing cost	8,898,551	12,064,935
<b>Total</b>	<b>107,844,110</b>	<b>103,251,301</b>

## Note 22 Other expenses

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Rates and taxes	12,267	2,500
Travelling and conveyance	298,331	278,476
Printing and stationery	191,528	183,664
Legal and professional	1,244,598	1,705,386
Payments to auditors (Refer Note (i) below)	209,570	226,115
Listing Fee	107,543	110,725
Demat charges	261,002	173,061
Miscellaneous expenses	745,179	429,659
<b>Total</b>	<b>3,070,018</b>	<b>3,109,586</b>

## NOTES: (i)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(i) Payments to the auditors comprises:		
As auditors - statutory audit	100,000	100,000
For other services	90,000	105,000
Service Tax	19,570	21,115
<b>Total</b>	<b>209,570</b>	<b>226,115</b>

## Note 23 Additional information to the financial statements

23.1	In the earlier years, the Company had given an advance of ₹ 76,000,000 towards purchase of land at Chennai and disclosed as advance pending registration. During the year the company's right in the land were relinquished and the resultant profit of ₹10,000,000 in the transaction has been disclosed as exceptional item in the Statement of Profit and Loss.
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		As at 31 March, 2012	As at 31 March, 2011
<b>23.2</b>	<b>Contingent liabilities and commitments (to the extent not provided for)</b>	₹	₹
	<b>Contingent liabilities</b>		
	(a) Disputed sale tax demand	<b>63,661</b>	63,661
	(b) Guarantees	<b>300,000,000</b>	-
	The company has provided Guarantee for redemption /buyback of the Optionally convertible Debentures subscribed by IFCI Venture Capital Funds Limited in Amrit Jal Ventures Limited		
	(c) Uncalled liability on partly paid debentures	<b>1,062,750</b>	1,062,750
<b>23.3</b>	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
	The company has not received 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.		
<b>23.4</b>	<b>Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges</b>		
	Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:		
	<b>Name of the party</b>	<b>Relationship</b>	<b>Amount outstanding as at 31 March, 2012</b>
			<b>Maximum balance outstanding during the year</b>
			₹
			₹
	ITAG Business solution Limited	Subsidiary	2,041,500 (9,091,500)
			9,091,500 (16,420,000)
	Note: Figures in bracket relate to the previous year.		
<b>23.5</b>	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 372A of the Companies Act, 1956 is not applicable to the Company.		
<b>Note 24 Disclosures under Accounting Standards</b>			
<b>24.1</b>	<b>Employee benefit plans</b>		
<b>24.1</b>	<b>Defined contribution plans</b>		
	The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 199,978 (Year ended 31 March, 2011 ₹ 211,708) for Provident Fund contributions and ₹ 87,000 (Year ended 31 March, 2011 ₹ 78,600) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.		
<b>24.1a</b>	<b>Defined benefit plans</b>		
	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, 2012.		

Particulars	31 March 2012		31 March 2011	
	Gratuity	Leave	Gratuity	Leave
Present Value of Defined Benefit Obligations	1,081,132	288,667	923,009	228,422
Fair Value of Plan Assets	1,236,535	-	1,256,781	-
Funded Status [Surplus/(Deficit)]	155,403	-	333,772	-
Net Asset (Liability) recognized in the Balance Sheet	-	(288,667)	-	(228,422)
Present Value of DBO at the beginning of the year	923,009	228,422	887,929	227,337
Current Service Cost	79,116	4,856	58,226	-
Interest Cost	78,456	19,416	73,254	-
Actuarial Losses / ( Gains)	109,751	88,710	(96,400)	-
Benefits paid	(109,200)	(52,737)	-	-
<b>Present Value of DBO at the end of the year</b>	<b>1,081,132</b>	<b>288,667</b>	<b>923,009</b>	<b>228,422</b>
Plan Assets at the beginning of the year	1,256,781	-	1,202,450	-
Expected Return on Plan Assets	100,542	-	94,244	-
Actuarial gain/(loss)	(11,588)	-	(39,913)	-
Benefits Paid	-	-	-	-
<b>Plan Assets at the end of the year</b>	<b>1,236,535</b>	<b>-</b>	<b>1,256,781</b>	<b>-</b>
Current Service Cost	79,116	-	58,226	-
Interest Cost	78,456	-	73,254	-
Expected Return on Plan Assets	(100,542)	-	(94,244)	-
(Gain) / Actuarial Loss/(gains)	121,339	-	(56,487)	-
Expense recognized in the Statement of Profit and Loss	-	288,667	-	130,192
Actual Benefit Payments	-	-	-	-
<b>Experience History</b>				
(1) Defined Benefit Obligation at end of the period	1,081,132	288,667	923,009	228,422
(2) Plan Assets at end of the period	1,236,535	0	1,256,781	-
(3) Surplus/Deficit	155,403	(288,667)	333,772	(228,422)
(4) Experience (Gain)/Loss adjustments on plan liabilities	137,427	97,849	67,868	-
(5) Experience (Gain)/Loss adjustments on plan assets	(11,588)	-	(39,913)	-
<b>Division of Defined Benefit Obligation (Current/Non Current)</b>				
(1) Current Defined Benefit Obligation at end of the period	55,965	37,600	22,376	6,676
(2) Non Current Defined Benefit Obligation at end of the period	1,025,167	251,067	900,633	221,746
(3) Total Defined Benefit Obligation at end of the period	1,081,132	288,667	923,009	228,422
<b>Best Estimate of Contribution During Next year</b>	<b>(48,425)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Assumptions</b>				
Discount Rate %	8.50%	8.50%	8.25%	8.25%
Expected Return on Plan Assets %	8.00%	-	8.00%	-
Salary Escalation %	6.00%	6.00%	6.00%	6.00%
Mortality	LIC -94-96 Ultimate	LIC -94-96 Ultimate	LIC -94-96 Ultimate	LIC -94-96 Ultimate
Attrition rate	2.00%	2.00%	2.00%	2.00%
The major categories of plan assets as a percentage of total plan - Funded with LIC	75.63%		68.19%	
As a matter of prudence, the balance of fund of ₹ 155,403 of planned assets over gratuity liability is not recognised.				

<b>Note 24 Disclosures under Accounting Standards (contd.)</b>				
<b>24.2a</b>	<b>Related party transactions</b>			
	<b>Details of related parties:</b>			
	<b>Description of relationship</b>	<b>Names of related parties</b>		
	Subsidiaries	ITAG Business Solution Limited		
	Associate (Upto 31.05.2010)	Amrit Jal Ventures Ltd		
	Key Management Personnel (KMP)			
	Executive Director (With effect from 9th August, 2011)	Mr. J P Khemka		
	Manager	Mr. Ramesh Sivaraman		
<b>23.2b</b>	Note: Related parties have been identified by the Management.			
	<b>Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:</b>			
				<i>(Amt in ₹)</i>
		<b>Subsidiaries</b>	<b>Associate</b>	<b>KMP</b>
		<b>Total</b>		
	Investment in Equity	-	-	-
		(11,620,000)	(42,000,000)	-
				(53,620,000)
	Consultancy charges paid	-	-	-
		(6,066)	-	-
				(6,066)
	Advance Given	-	-	-
		(3,446,500)	-	-
				(3,446,500)
	Advance Recovered	7,050,000	-	-
		-	-	-
				7,050,000
	Balance at the year end	2,041,500	-	-
		(9,091,500)	-	-
				2,041,500
				(9,091,500)
	Managerial remuneration			
	Executive Director	-	-	1,161,290
		-	-	-
				1,161,290
	Manager	-	-	1,855,876
		-	-	(1,648,610)
				1,855,876
				(1,648,610)
	Note: Figures in bracket relates to the previous year			
<b>24</b>	<b>Disclosures under Accounting Standards</b>			
	<b>Particulars</b>	<b>For the year ended 31 March, 2012</b>	<b>For the year ended 31 March, 2011</b>	
<b>24.3</b>	<b>Earnings per share</b>			
	Basic			
	Net profit for the year attributable to the equity shareholders(₹)	3,925,452	3,401,345	
	Weighted average number of equity shares	12,872,493	12,872,493	
	Par value per share(₹)	10	10	
	Earnings per share - Basic / Diluted (₹)	0.30	0.26	

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>24.4</b>	<b>Deferred tax (liability) / asset</b>	₹	₹
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets	<b>3,749,034</b>	3,641,863
	Tax effect of items constituting deferred tax liability	<b>3,749,034</b>	3,641,863
	Tax effect of items constituting deferred tax assets		
	Provision for Standard assets	<b>400,154</b>	455,775
	Provision for Non performing assets	<b>4,008,689</b>	4,008,689
	Tax effect of items constituting deferred tax assets	<b>4,408,843</b>	4,464,464
	<b>Net deferred tax - asset</b>	<b>659,809</b>	822,601
<b>24.5</b>	Managerial Remuneration amounting to ₹ 11,61,290 paid to an Executive Director appointed with effect from 9th August, 2011, is subject to approval by the members at the forthcoming Annual General Meeting. Further, due to inadequacy of profit, the aforesaid remuneration paid is subject to Central Government's approval for which application has been made.		
<b>25</b>	The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.		
<b>26</b>	<b>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 :</b> <i>(Amt in ₹)</i>		
	<b>Particulars</b>	<b>Amount outstanding</b>	<b>Amount Overdue</b>
<b>26.1</b>	<b>Liabilities Side:</b>		
	Loans and advances availed by the Non- Banking Financial Company inclusive of interest accrued thereon but not paid:		
	a. Debentures	<b>330,000,000</b>	<b>50,000,000</b>
	b. Term Loans	<b>230,000,000</b>	-
	c. Public Deposits	-	-
	<b>Total</b>	<b>560,000,000</b>	<b>50,000,000</b>
<b>26.2</b>	<b>Assets Side:</b>		
	<b>Break-up of Loans and Advances including bills receivables (Other than those included in (4) below:</b>		<b>Amount outstanding</b>
	a. Secured		-
	b. Unsecured		<b>517,569,934</b>
<b>26.3</b>	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:</b>		
	(i) Lease assets including lease rentals under sundry debtors:		
	a. Financial Lease		<b>13,588,761</b>
	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		-
<b>26.4</b>	<b>Break up of Investments:</b>		
	Current Investments		-
	Long Term Investments:		
	1. Quoted:		
	(i) Equity Shares		126,562,189
	(ii) Debentures and Bonds		-
	2. Un Quoted:		
	(i) Equity Shares		163,207,037
	(ii) Preference		3,500,000
<b>26.5</b>	<b>Borrower group-wise classification of assets financed as in (2) and (3)above:</b>		
	<b>Category</b>	<b>Amount net of provisions</b>	
		<b>Secured</b>	<b>Unsecured</b>
			<b>Total</b>
	1. Related Parties		
	(a) Subsidiaries	-	2,041,500
	(b) Companies in the same Group	-	-
	(c) Other than Related parties	-	529,117,195
	<b>Total</b>	-	531,158,695
<b>26.6</b>	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>		
	<b>Category</b>	<b>Market Value/Breakup or Fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>
	1. Related parties		
	(a) Subsidiaries	12,500,000	12,500,000
	(b) Companies in the same Group	-	-
	(c) Other than Related parties	-	-
	2. Other than related parties	601,062,469	280,769,226
	<b>Total</b>	<b>613,562,469</b>	<b>293,269,226</b>
<b>26.7</b>	<b>Other Information</b>		
	<b>Particulars</b>		<b>Amount</b>
	(i) Gross Non-Performing assets		
	(a) Related parties		-
	(b) Other than related parties		13,588,761
	(ii) Net Non-Performing assets		
	(a) Related parties		-
	(b) Other than related parties ( No provision required as security deposit is lying with the company)		615,658
	(ii) Assets acquired in satisfaction of debt		-

## **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, 2012, the Consolidated Statement of Profit and Loss 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. Attention is invited to note 24.5 forming part of the financial statements regarding managerial remuneration and in respect of which Central Government approval is awaited.
4. 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),
5. 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, 2012;
  - (ii) in the case of the Consolidated Statement of Profit and Loss, 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)

**V. Srikumar**  
**Partner**  
(Membership No. 084494)

Place : Bengaluru  
Date : 26<sup>th</sup>, May 2012

**TCI FINANCE LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012**

(Amt. in ₹)

	Particulars	As at Note No.	As at 31 March, 2012	As at 31 March, 2011
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	141,963,050	141,963,050
	(b) Reserves and surplus	4	121,013,042	120,686,614
			<b>262,976,092</b>	<b>262,649,664</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	-	510,000,000
	(b) Long-term provisions	6	14,318,712	14,517,584
			<b>14,318,712</b>	<b>524,517,584</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Trade payables	7	2,073,738	8,847,047
	(b) Other current liabilities	8	563,548,857	202,338,166
	(c) Short term provisions	9	49,933	9,608
			<b>565,672,528</b>	<b>211,194,821</b>
	<b>TOTAL</b>		<b>842,967,332</b>	<b>998,362,069</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	10A	21,724,803	22,365,372
	(ii) Intangible assets	10B	26,920	32,275
	(b) Non-current investments	11	280,769,226	280,769,226
	(c) Deferred tax assets (net)	24.4	463,565	593,805
	(d) Long-term loans and advances	12	-	136,260,000
	(e) Other non-current assets	13	103,784	60,340
			<b>303,088,298</b>	<b>440,081,018</b>
<b>2</b>	<b>Current assets</b>			
	(a) Trade receivables	14	3,490,370	17,973,695
	(b) Cash and cash equivalents	15	2,147,219	9,502,371
	(c) Short-term loans and advances	16	512,380,404	519,624,268
	(d) Other current assets	17	21,861,041	11,180,717
			<b>539,879,034</b>	<b>558,281,051</b>
	<b>TOTAL</b>		<b>842,967,332</b>	<b>998,362,069</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For S.B. Billimoria & Co.**  
**Chartered Accountants**
**V. Srikumar**  
**Partner**
**Radhika Somani**  
**Company Secretary**
**For and on Behalf of the Board of Directors**
**O Swaminatha Reddy**  
**Chairman**
**V T Pawar**  
**Director**

 Place : Bengaluru  
 Date : 26<sup>th</sup>, May 2012

 Place : Secunderabad  
 Date : 26<sup>th</sup>, May 2012



**TCI FINANCE LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012**

(Amt. in ₹)

Particulars		Note No.	For the year Ended 31 March, 2012	For the year Ended 31 March, 2011
<b>A</b>	<b>Continuing Operations :</b>			
<b>1</b>	<b>Income</b>			
	Revenue from operations	18	<b>109,519,371</b>	109,336,801
<b>2</b>	Other income	19	<b>13,544,318</b>	17,033,896
<b>3</b>	<b>Total revenue (1+2)</b>		<b>123,063,689</b>	<b>126,370,697</b>
<b>4</b>	<b>Expenses</b>			
	(a) Employee benefits expense	20	<b>9,605,381</b>	9,657,668
	(b) Finance costs	21	<b>107,844,110</b>	103,251,301
	(c) Depreciation and amortisation expense	10	<b>467,277</b>	621,083
	(d) Other expenses	22	<b>15,055,755</b>	7,696,340
	(e) Provision for Standard Assets		<b>(180,000)</b>	1,475,000
	<b>Total expenses</b>		<b>132,792,523</b>	<b>122,701,392</b>
<b>5</b>	<b>(Loss) / Profit before exceptional item and tax (3 - 4)</b>		<b>(9,728,834)</b>	3,669,305
<b>6</b>	<b>Exceptional items</b>	23	<b>10,000,000</b>	27,056,657
<b>7</b>	<b>Profit before tax (5 + 6)</b>		<b>271,166</b>	30,725,962
<b>8</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		<b>935,000</b>	275,978
	(b) Current tax expense relating to prior years		-	170,210
	(c) Net current tax expenses		<b>935,000</b>	446,188
	(d) Deferred tax		<b>153,388</b>	(98,002)
			<b>1,088,388</b>	<b>348,186</b>
<b>9</b>	<b>Profit / (Loss) from continuing operations (7 - 8)</b>		<b>(817,222)</b>	<b>30,377,776</b>
<b>B</b>	<b>Discontinuing Operations</b>	24.6		
<b>10.1</b>	Profit from discontinuing operations (before tax)		<b>1,120,502</b>	9,834,798
<b>10.2</b>	Add / (Less): Tax expense of discontinuing operations			
	Deferred Tax on ordinary activities attributable to the discontinuing operations		<b>(23,148)</b>	1,735,148
<b>11</b>	<b>Profit / (Loss) from discontinuing operations (10.1 + 10.2)</b>		<b>1,143,650</b>	<b>8,099,650</b>
<b>C</b>	<b>Total Operations</b>			
<b>12</b>	<b>Profit for the year after Tax ( 9 +11)</b>		<b>326,428</b>	<b>38,477,426</b>
<b>13</b>	<b>Pre acquisition loss of subsidiary</b>		-	<b>(845,000)</b>
<b>14</b>	<b>Net profit for the year after Taxes ( 12 +13)</b>		<b>326,428</b>	<b>37,632,426</b>
<b>15</b>	<b>Earnings per Share (Basic/Diluted) of ₹ 10 each</b>			
	(a) Basic and Diluted			
	(i) Continuing operations	24.3	<b>(0.06)</b>	<b>2.36</b>
	(ii) Total operations	24.3	<b>0.03</b>	<b>2.92</b>

In terms of our report attached

**For S.B. Billimoria & Co.  
Chartered Accountants**

**V. Srikumar  
Partner**

**Radhika Somani  
Company Secretary**

**For and on Behalf of the Board of Directors**

**O Swaminatha Reddy  
Chairman**

**V T Pawar  
Director**

Place : Bengaluru  
Date : 26<sup>th</sup>, May 2012

Place : Secunderabad  
Date : 26<sup>th</sup>, May 2012

## TCI FINANCE LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(Amt. in ₹)

	For the Year Ended 31 March, 2012	For the Year Ended 31 March, 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extra ordinary items	1,391,668	13,504,103
<b>Adjustments for:</b>		
Depreciation and Amortisation	492,286	640,990
Profit on sale of Motor Trucks	(202,500)	(333,462)
Profit on relinquishment of land ownership	(10,000,000)	-
Profit/Loss on sale of Long term Investments	-	(2,501,324)
Dividend (Long term Investments)	(6,969,922)	(5,687,651)
Liabilities / provisions no longer required written back	(43,505)	-
Interest Income	(97,818)	-
Sundry Debtors Written off	387,930	-
	(15,041,861)	5,622,656
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Trade receivables	14,095,395	(10,960,971)
Short-term loans and advances	323,370	(334,637)
Other current assets	(10,743,693)	(1,625,671)
Other non-current assets	(43,444)	9,098
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	(6,729,804)	4,293,931
Other current liabilities	(3,789,309)	1,270,774
Short-term provisions	40,325	9,608
Long-term provisions	(198,872)	1,571,001
Cash used in operations	(22,087,893)	(144,211)
Net Income Tax Paid	(10,291,137)	(7,087,906)
Net Cash From Operations	(32,379,030)	(7,232,117)
Loans (Disbursed) / Repaid (Net)	76,600,000	(60,500,000)
<b>Net Cash from/ (used in) operating Activities (A)</b>	<b>44,220,970</b>	<b>(67,732,117)</b>
<b>B. Cash Flow From Investing Activities</b>		
Proceeds from Relinquishment of Land ownership	86,000,000	-
Proceeds from Sale of Fixed Assets	536,346	466,803
Purchase of Assets	(180,208)	(601,492)
Purchase of Investments	-	(42,413,100)
Purchase of Investments in Subsidiary	-	(845,000)
Sale of long term Investments	-	3,456,728
Interest Received- Others	97,818	-
Dividend received (Long term Investments)	6,969,922	5,687,651
<b>Net cash from / (used in) investing activities (B)</b>	<b>93,423,878</b>	<b>(34,248,410)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from long term Borrowings	-	580,000,000
Repayment of long Term Borrowings	(145,000,000)	(472,500,000)
<b>Net cash (used in) / from Financing Activities (C)</b>	<b>(145,000,000)</b>	<b>107,500,000</b>
<b>Net Increase / Decrease in cash and cash equivalents (A+B+C)</b>	<b>(7,355,152)</b>	<b>5,519,473</b>
Cash and Cash equivalents at the beginning of the year	9,502,371	3,982,898
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,147,219</b>	<b>9,502,371</b>
<b>Components of Cash and Cash equivalents comprises of :</b>		
Cash on hand	20,575	25,914
With Banks		
- in current accounts	2,126,644	9,417,708
- Deposit account	-	58,749
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,147,219</b>	<b>9,502,371</b>

In terms of our report attached

For S.B. Billimoria & Co.  
Chartered AccountantsV. Srikumar  
PartnerRadhika Somani  
Company Secretary

For and on Behalf of the Board of Directors

O Swaminatha Reddy  
ChairmanV T Pawar  
DirectorPlace : Bengaluru  
Date : 26<sup>th</sup>, May 2012Place : Secunderabad  
Date : 26<sup>th</sup>, May 2012

**TCI FINANCE LIMITED**

**Notes forming part of the consolidated financial statements**

Note	Particulars									
	<p><b>Corporate information</b></p>									
1	<p><b>Principles of Consolidation</b></p> <p>The Consolidated Financial Statements of TCI Finance Limited ("Parent Company") 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</p> <p>The consolidated Statements have been prepared on the following basis:</p> <p>The financial statement of the Parent Company and the Subsidiary Company 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.</p> <p><b>TCI Finance Limited subsidiary details are as follows:</b></p> <table border="0"> <tr> <td>Name of the Entity</td> <td>:</td> <td>ITAG Business Solutions Limited</td> </tr> <tr> <td>Country of Incorporation</td> <td>:</td> <td>India</td> </tr> <tr> <td>Percentage of holding</td> <td>:</td> <td>100% (Previous year:100%)</td> </tr> </table>	Name of the Entity	:	ITAG Business Solutions Limited	Country of Incorporation	:	India	Percentage of holding	:	100% (Previous year:100%)
Name of the Entity	:	ITAG Business Solutions Limited								
Country of Incorporation	:	India								
Percentage of holding	:	100% (Previous year:100%)								
2	<p><b>Significant accounting policies</b></p>									
2.1	<p><b>Basis of accounting and preparation of financial statements</b></p> <p>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.</p>									
2.2	<p><b>Use of estimates</b></p> <p>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.</p>									
2.3	<p><b>Cash flow statement</b></p> <p>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. whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>									
2.4	<p><b>Revenue recognition</b></p>									
2.4.1	<p><b>Lease Income</b></p> <p>(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".</p> <p>(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.</p>									
2.4.2	<p><b>Interest Income</b></p>									
	<p>Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.</p>									
2.4.3	<p><b>Consultancy income</b></p>									
	<p>Consultancy Revenue is recognized on accrual basis.</p>									

2.4.4	<b>Sponsorship and Delegate Fee Income</b>
	Revenue from sponsorship and delegate fees is recognised on accrual basis.
2.4.5	<b>Other Income</b>
	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.
2.5	<b>Fixed Asset</b>
	<b>Tangible fixed assets</b>
	Assets are stated at cost less accumulated depreciation after adjustment of the Lease Terminal Adjustment Account.
	<b>Intangible assets</b>
	Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.
2.6	<b>Depreciation and amortisation</b>
	Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act,1956. Depreciation on addition/deductions is calculated on prorata from the date of addition/ deduction.
2.7	<b>Investments</b>
	Long-term investments are carried individually at cost less provision for diminution in value, other than temporary in the value of such investments.
2.8	<b>Employee benefits</b>
	(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.
2.9	<b>Reserve Bank of India Prudential Norms</b>
	The Company follows the guidelines issued by the Reserve Bank of India, in respect of income recognition, asset classification and valuation of investments. Provision for standard assets is made in terms of the notification DNBS 222CGM(US)2011 dated 17th January 2011 issued by Reserve bank of India.
2.10	<b>Foreign currency transactions</b>
	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.
2.11	<b>Taxes on income</b>
	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.
2.12	<b>Provision, Contingent liabilities &amp; Contingent Assets</b>
	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.

**Note 3 Share Capital**

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b> Equity shares of ₹ 10 each	20,000,000	200,000,000	20,000,000	200,000,000
<b>(b) Issued</b> Equity shares of ₹ 10 each	16,000,000	160,000,000	16,000,000	160,000,000
<b>(c) Subscribed and fully paid up</b> Equity shares of ₹ 10 each	12,872,493	128,724,930	12,872,493	128,724,930
Add : Forfeited Shares (Amount Originally paid up)	-	13,238,120	-	13,238,120
<b>Total</b>	<b>12,872,493</b>	<b>141,963,050</b>	<b>12,872,493</b>	<b>141,963,050</b>

Refer Notes (i) to (iii) below

**(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares	As at 31 March, 2012		As at 31 March, 2011	
	No.	₹	No.	₹
At the beginning of the year	12,872,493	141,963,050	12,872,493	141,963,050
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>12,872,493</b>	<b>141,963,050</b>	<b>12,872,493</b>	<b>141,963,050</b>

**ii) Terms/rights attached to equity shares.**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

**(iii) Details of Shareholders Holding more than 5% shares in the Company**

Name of Shareholder	As at March 2012		As at March 2011	
	No of Shares	% Holding	No of Shares	% Holding
Gati Limited	1,600,300	12.43	1,600,300	12.43
Jubilee Commercial & Trading Pvt Limited	1,593,347	12.38	1,593,347	12.38
Mahendra Investment Advisors Pvt Limited	1,440,000	11.19	1,440,000	11.19
Mahendra Kumar Agarwal	1,191,636	9.26	1,187,461	9.22
Neera Agarwal	950,265	7.38	950,265	7.38

**Note 4 Reserves and Surplus**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Securities premium account	163,088	163,088
(b) General reserve	31,128,049	31,128,049
(c) Reserve Fund (As per Section 45 IC of Reserve Bank of India Act, 1934)		
At the Commencement of the year	20,926,000	20,245,000
Add : Transferred from surplus in Statement of Profit & loss	785,090	681,000
	<b>21,711,090</b>	<b>20,926,000</b>
(d) Surplus in Statement of Profit and Loss		
Opening balance	68,469,477	31,518,050
Add: Profit for the year	326,428	37,632,427
Less : Amount transferred to Reserve Fund	785,090	681,000
Closing balance	<b>68,010,815</b>	<b>68,469,477</b>
<b>Total</b>	<b>121,013,042</b>	<b>120,686,614</b>

**Note 5 Long-term borrowings**

Particulars	Non-current portion ₹		Current maturities ₹	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
<b>Debentures</b>				
35 No's (31st March 2011: 35 No's) 13% Non-Convertible Redeemable Debentures of ₹ 100,000,000 each (secured) (Refer Note (i) below)	-	280,000,000	<b>330,000,000</b>	70,000,000
<b>Term Loans</b>				
From financial institutions (Secured) (Refer Note (iii) below)	-	-	-	125,000,000
From Others (Secured) (Refer Note (iv) below)	-	230,000,000	<b>230,000,000</b>	-
<b>Total</b>	-	<b>510,000,000</b>	<b>560,000,000</b>	<b>195,000,000</b>

- (i) Current maturities of Long- term borrowings have been disclosed under the head " Other Current Liabilities" (Refer Note 8)
- (ii) 13% Redeemable Non-Convertible debentures are redeemable at par in two installments within 2 years from date of allotment viz., 28th Nov, 2010 , i.e., ₹ 70,000,000 on 29th Nov, 2011 and ₹ 280,000,000 on 29th Nov, 2012. There has been an increase in interest rate to 14% from 28th Nov, 2011. These Debentures are secured by pledge of investments , personal guarantee of a director and pledge of third party investments and property.
- (iii) Term loan from Financial Institution was taken during the financial year 2009-2010 and carried interest @ 15%p.a. The loan was repayable in 4 half yearly installment of ₹ 625,000,000 each starting from date of loan viz., 15th October, 2009. The loan was secured by pledge of investments, personal guarantee of a director and pledge of third party investments.
- (iv) Term loan from others carries interest rate which is Corporate Prime Lending Rate (CPLR) minus 125 basis points, currently 16.5% p.a and is repayable at the end of 2 year from date of loan viz.,15th Dec, 2010. The loan is secured by pledge of investments, personal guarantee of a director and pledge of third party investments and property.
- (v) **The Company has defaulted in repayment of loan and interest in respect of the followings :**

Particulars	As at 31st March 2012		As at 31st March 2011	
	Period of Default	₹	Period of Default	₹
Debentures				
Principal	<b>124 Days</b>	<b>50,000,000</b>	-	-

**Note 6 Long-term provisions**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Provision for employee benefits:		
(i) Provision for compensated absences (Refer Note 24.7b)	<b>251,067</b>	282,517
(ii) Provision for gratuity	<b>241,108</b>	228,530
(b) Provision - Others:		
(i) Contingent Provision against standard Assets	<b>1,295,000</b>	1,475,000
(ii) Non performing assets	<b>12,531,537</b>	12,531,537
<b>Total</b>	<b>14,318,712</b>	<b>14,517,584</b>

**Note 7 Trade payables**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Trade payables	2,073,738	8,847,047
<b>Total</b>	<b>2,073,738</b>	<b>8,847,047</b>

**Note 8 Other current liabilities**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Current maturities of long-term debt (Refer Note (5))	560,000,000	195,000,000
(b) Interest accrued but not due on borrowings	400,476	1,568,215
(c) Other payables		
(i) Statutory remittances	1,422,632	4,266,702
(ii) Security deposits received	1,300,749	1,503,249
(iii) Other liabilities	425,000	-
<b>Total</b>	<b>563,548,857</b>	<b>202,338,166</b>

**Note 9 Short-term provisions**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Provision for employee benefits:		
(i) Provision for compensated absences (Refer Note 24.7b)	37,600	8,838
(ii) Provision for Gratuity (Refer Note 24.7b)	12,333	770
<b>Total</b>	<b>49,933</b>	<b>9,608</b>



TCL Finance Limited														
Notes forming part of the consolidated financial statements														
Note 10 Fixed assets														
(Amt. in ₹)														
S.No	PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				LEASE ADJUSTMENT			NET BLOCK	
		AS AT 01.04.2011	ADDITIONS	DELETIONS	AS AT 31.03.2012	AS ON 01.04.2011	FOR THE YEAR	ADJUST MENT	UPTO 31.03.2012	AS ON 01.04.2011	ADJUST MENT	UPTO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
<b>A</b>	<b>TANGIBLE ASSETS</b>													
<b>I</b>	<b>Owned Assets</b>													
1	Land -Freehold	3,522,514	-	-	3,522,514	-	-	-	-	-	-	3,522,514	3,522,514	
2	Buildings	4,040,826	-	-	4,040,826	65,866	-	-	846,725	-	-	3,194,101	3,259,967	
3	Furniture & Fixtures	2,261,198	13,200	81,962	2,192,436	1,116,541	5,916	1,247,783	-	-	-	944,653	1,144,657	
4	Plant & Machinery	2,197,718	167,008	296,800	2,067,926	906,679	39,000	1,151,586	-	-	-	916,340	1,291,039	
5	Motor Trucks	9,078,039	-	2,250,000	6,828,039	9,078,039	2,250,000	6,828,039	-	-	-	-	-	
	<b>Total</b>	<b>21,100,295</b>	<b>180,208</b>	<b>2,628,762</b>	<b>18,651,741</b>	<b>11,882,118</b>	<b>2,294,916</b>	<b>10,074,133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,577,608</b>	<b>9,218,177</b>	
<b>II</b>	<b>Leased Assets</b>													
1	Plant & Machinery	40,318,442	-	-	40,318,442	11,005,989	-	11,005,989	18,248,160	-	18,248,160	11,064,293	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	2,082,902	
	<b>Total</b>	<b>46,534,660</b>	<b>-</b>	<b>-</b>	<b>46,534,660</b>	<b>13,909,299</b>	<b>-</b>	<b>13,909,299</b>	<b>19,478,166</b>	<b>-</b>	<b>19,478,166</b>	<b>13,147,195</b>	<b>13,147,195</b>	
	<b>Total Tangible Assets</b>	<b>67,634,955</b>	<b>180,208</b>	<b>2,628,762</b>	<b>65,186,401</b>	<b>25,791,417</b>	<b>2,294,916</b>	<b>23,983,432</b>	<b>19,478,166</b>	<b>-</b>	<b>19,478,166</b>	<b>21,724,803</b>	<b>22,365,372</b>	
	<b>Previous Year</b>	<b>71,753,106</b>	<b>568,454</b>	<b>4,686,605</b>	<b>67,634,955</b>	<b>29,704,454</b>	<b>4,553,264</b>	<b>25,791,417</b>	<b>19,478,166</b>	<b>-</b>	<b>19,478,166</b>	<b>22,365,372</b>	<b>22,365,372</b>	
<b>B</b>	<b>INTANGIBLE ASSETS</b>													
1	Computer Software	33,038	-	-	33,038	763	5,355	6,118	-	-	-	26,920	32,275	
	<b>Total Intangible Assets</b>	<b>33,038</b>	<b>-</b>	<b>-</b>	<b>33,038</b>	<b>763</b>	<b>5,355</b>	<b>6,118</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,920</b>	<b>32,275</b>	
	<b>Previous Year</b>	<b>-</b>	<b>33,038</b>	<b>-</b>	<b>33,038</b>	<b>-</b>	<b>763</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,275</b>	

**Notes forming part of the consolidated financial statements**

**Note 11 Non Current Investments**

**NON TRADE INVESTMENTS (VALUED AT COST)**

(Amt. in ₹)

NO. OF SHARES		FACE VALUE	NAME OF THE COMPANY	As at	As at
31.03.2011	31.03.2012			31 March, 2012	31 March, 2011
<b>A EQUITY SHARES (QUOTED)</b>					
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
			Less: Provision for decline, other than temporary, in the value of long term investments	(6,000)	(6,000)
			<b>Net</b>	-	-
2,500	2,500	10	Electro Flame Limited *	35,000	35,000
			Less: Provision for decline, other than temporary, in the value of long term investments	(35,000)	(35,000)
			<b>Net</b>	-	-
62	62	10	Garware Nylon Limited *	1,043	1,043
			Less: Provision for decline, other than temporary, in the value of long term investments	(1,043)	(1,043)
			<b>Net</b>	-	-
200	200	10	Indo Maxwell Limited *	2,000	2,000
			Less: Provision for decline, other than temporary, in the value of long term investments	(2,000)	(2,000)
			<b>Net</b>	-	-
8,400	8,400	10	Karnataka Investment & Traders Ltd *	42,053	42,053
			Less: Provision for decline, other than temporary, in the value of long term investments	(42,053)	(42,053)
			<b>Net</b>	-	-
500	500	10	Kediya Vanaspathi Limited *	5,000	5,000
			Less: Provision for decline, other than temporary, in the value of long term investments	(5,000)	(5,000)
			<b>Net</b>	-	-
1,100	1,100	10	The Pioneer Limited *	11,000	11,000
			Less: Provision for decline, other than temporary, in the value of long term investments	(11,000)	(11,000)
			<b>Net</b>	-	-
500	500	10	Unilite Industries Ltd *	5,000	5,000
			Less: Provision for decline, other than temporary, in the value of long term investments	(5,000)	(5,000)
			<b>Net</b>	-	-
4,860	4,860	10	Karnataka Bank Ltd	413,100	413,100
10,000	10,000	10	ATI Ltd	200,000	200,000
			Less: Provision for decline, other than temporary, in the value of long term investments	(86,206)	(86,206)
			<b>Net</b>	113,794	113,794
4,200	4,200	10	Lloyds Finance Ltd	2,310	2,310

(Amt. in ₹)

NO. OF SHARES		FACE VALUE	NAME OF THE COMPANY	As at	As at
31.03.2011	31.03.2012			31 March, 2012	31 March, 2011
1,300	1,300	10	Roadways India Ltd *	16,668	16,668
			Less: Provision for decline, other than temporary, in the value of long term investments	(16,668)	(16,668)
			<b>Net</b>	-	-
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
			Less: Provision for decline, other than temporary, in the value of long term investments	(5,780)	(5,780)
			<b>Net</b>	-	-
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
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
1,000	1,000	2	GMR Infrastructure Limited	88,455	88,455
24	24	10	Reliance Power Limited	6,750	6,750
			<b>Total</b>	<b>126,562,189</b>	<b>126,562,189</b>
<b>B DEBENTURES (PARTLY PAID UP)</b>					
10,900	10,900	10	Pittie Cements Limited *	354,250	354,250
			Less: Provision for decline, other than temporary, in the value of long term investments	(354,250)	(354,250)
			<b>Total</b>	-	-
<b>C EQUITY SHARES (UNQUOTED)</b>					
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
15,014,100	15,014,100	10	Amrit Jal Ventrues Ltd	150,000,000	150,000,000
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
			<b>Total</b>	<b>150,707,037</b>	<b>150,707,037</b>
<b>D. PREFERENCE SHARES</b>					
350,000	350,000	10	Capital Fortunes Limited	3,500,000	3,500,000
			8% Non Cumulative 15 Year Redeemable		
			<b>Total</b>	<b>3,500,000</b>	<b>3,500,000</b>
			<b>Grand Total</b>	<b>280,769,226</b>	<b>280,769,226</b>
			<b>Book Value Of Quoted Investments</b>	<b>126,562,189</b>	<b>126,562,189</b>
			<b>Market Value Of Quoted Investments *</b>	<b>446,855,432</b>	<b>801,807,536</b>

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

# Secured for the Term Loans / Debentures

**Note 12 Long term Loans and Advances**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Unsecured, considered good		
(a) Inter Corporate Loans	-	60,000,000
(b) Capital advance	-	76,260,000
<b>Total</b>	<b>-</b>	<b>136,260,000</b>

**Note 13 Other non-current assets**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Interest accrued on deposits	3,784	-
(b) Fixed Deposit with original maturity more than 12 months	50,000	-
(c) Security Deposit - Unsecured, considered good	50,000	60,340
<b>Total</b>	<b>103,784</b>	<b>60,340</b>

**Note 14 Trade receivables**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered good	1,924,516	869,329
Doubtful	441,566	441,566
	<b>2,366,082</b>	1,310,895
Less: Provision for doubtful trade receivables	441,566	441,566
	<b>1,924,516</b>	<b>869,329</b>
Other Trade receivables		
Unsecured, Considered good	1,565,854	17,104,366
<b>Total</b>	<b>3,490,370</b>	<b>17,973,695</b>

**Note 15 Cash and cash equivalents**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Cash on hand	20,575	25,914
(b) Balances with banks		
(i) In current accounts	2,126,644	9,417,708
(ii) Deposit with maturity less than 12 months	-	58,749
<b>Total</b>	<b>2,147,219</b>	<b>9,502,371</b>

**Note 16 Short-term loans and advances**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Inter Corporate Loans - Unsecured, considered good	493,900,000	510,500,000
(b) Advance Tax (Net of Provision ₹ 3,142,000 (As at 31st March, 2011 ₹ 2,207,000))	18,480,404	9,124,268
<b>Total</b>	<b>512,380,404</b>	<b>519,624,268</b>

**Note 17 Other current assets**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
(a) Interest accrued on Loans & Deposits	21,670,082	10,371,363
(b) Others		
(i) Contractual reimbursable Expenses	-	294,000
(ii) Other Advances recoverable in cash or kind Unsecured, considered good	190,959	515,354
Unsecured (Refer Note 23.3)	3,302,693	-
Less: Provision for doubtful loans and advances	3,302,693	-
	-	-
<b>Total</b>	<b>21,861,041</b>	<b>11,180,717</b>

**Note 18 Revenue from operations**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(a) Interest Income (Refer Note (i) below)	84,676,701	82,769,281
(b) Consultancy Fees	5,878,541	8,643,047
(c) Other Operating Revenue (Refer Note (ii) below)	18,964,129	17,924,473
<b>Total</b>	<b>109,519,371</b>	<b>109,336,801</b>

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Note: (i) Interest Income		
Interest on Loans & Advances	84,676,701	82,769,281
<b>Total - Interest Income</b>	<b>84,676,701</b>	<b>82,769,281</b>
Note : (ii) Other Operating Revenue		
(a) Hire Rental	186,675	679,890
(b) Upfront Fee	6,900,000	6,255,000
(c) Debts Written off earlier, realised	-	2,614,042
(d) Dividend income from long-term investments	6,969,922	5,687,651
(e) Net gain on sale of long-term investments	-	2,501,324
(f) Delegate Fee	2,430,212	186,566
(g) Sponsorship	2,477,320	-
<b>Total - Other Operating Revenue</b>	<b>18,964,129</b>	<b>17,924,473</b>

**Note 19 Other income**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(a) Rental Income	8,134,000	8,760,000
(b) Other non-operating income (Refer Note (i) below)	5,410,318	8,273,896
<b>Total</b>	<b>13,544,318</b>	<b>17,033,896</b>

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Note: (i) Other non-operating income comprises:		
Profit on sale of Motor Trucks	202,500	333,462
Consultancy Fee	2,850,000	5,650,000
Miscellaneous income	2,357,818	2,290,434
<b>Total - Other non-operating income</b>	<b>5,410,318</b>	<b>8,273,896</b>

**Note 20 Employee benefits expense**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Salaries and wages	9,217,835	9,205,964
Contributions to provident and other funds	286,978	290,308
Staff welfare expenses	100,568	161,396
<b>Total</b>	<b>9,605,381</b>	<b>9,657,668</b>

**Note 21 Finance costs**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
(a) Interest expense on:		
(i) Debentures	50,764,247	16,253,420
(ii) Term Loans	48,181,312	74,932,946
(b) Other borrowing cost	8,898,551	12,064,935
<b>Total</b>	<b>107,844,110</b>	<b>103,251,301</b>

**Note 22 Other expenses**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Rent	870,000	970,000
Rates and taxes	1,081,499	83,223
Travelling and conveyance	811,278	668,410
Printing and stationery	255,286	306,303
Legal and professional	2,808,944	3,083,186
Conferences & Seminars	3,139,823	125,276
Payments to auditors (Refer Note (i) below)	259,570	276,115
Listing Fee	107,543	110,725
Demat charges	261,002	173,061
Bad trade receivables written off	387,930	-
Provision for bad and doubtful loans and advances	3,302,693	-
Miscellaneous expenses	1,770,187	1,900,041
<b>Total</b>	<b>15,055,755</b>	<b>7,696,340</b>
(i) Payments to the auditors comprises :		
As auditors - statutory audit	150,000	150,000
For other services	90,000	105,000
Service Tax	19,570	21,115
<b>Total</b>	<b>259,570</b>	<b>276,115</b>

**Note 23 Additional information to the financial statements****23 Exceptional Item:****23.1a 2011-2012**

In the earlier years, the Company had given an advance of ₹ 76,000,000 towards purchase of land at Chennai and disclosed as advance pending registration. During the year the company's right in the land were relinquished and the resultant profit of ₹ 10,000,000 in the transaction has been disclosed as exceptional item in the Statement of Profit and Loss.

**23.1b 2010-2011**

Amrit Jal Ventures Ltd was an Associate of the Parent Company upto 31.05.2010. Consequent to this change, the investment as at 31st March 2011, was accounted at cost in accordance with the Accounting Standard 13 "Accounting for Investment", The Group share of losses upto 31.03.2010 amounting to ₹ 27,056,657 is shown under "exceptional Items" in the Statement of Profit and Loss.

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>23.2 Contingent liabilities and commitments (to the extent not provided for)</b>		
Contingent liabilities		
(a) Disputed sale tax demand	63,661	63,661
(b) Guarantees	300,000,000	-
The company has provided Guarantee for redemption / buyback of the Optionally convertible Debentures subscribed by IFCI Venture Capital Funds Limited in Amrit Jal Ventures Limited		
(c) Uncalled liability on partly paid debentures	1,062,750	1,062,750

**23.3** During the year, a fraud, aggregating ₹ 3,302,693 (including ₹ 902,500 relating to the earlier year) in the nature of embezzlement of cash and fraudulent encashment of cheques by an employee was identified in the Knowledge Process Outsourcing (KPO) Division of the Company. The Company filed a First Information Report ( FIR) against the employee with the police authority and is in the process of initiating legal proceedings. The amount is included under "Other Current Assets" and has been fully provided for.

**23.4** Inter-Company loans/deposits given by the Company are on the basis that one of the main objects of the Parent Company is to act as financiers. Accordingly the Parent Company has been advised that Section 372A of the Companies Act, 1956 is not applicable to the Company.

**Note 24. Disclosures under Accounting Standards****24.1 Segment Reporting**

The Parent 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.

(Amount in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>1. Segment Revenue</b>		
a. Non Banking financial Services	112,234,022	117,500,650
b. Knowledge Process Outsourcing	10,829,667	8,870,047
c. HR Outsourcing	2,971,073	83,385,619
<b>Total</b>	<b>126,034,762</b>	<b>209,756,316</b>



Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>2. Segment Results</b>		
Profits before tax and interest		
a. Non Banking financial Services	<b>112,867,354</b>	107,040,665
b. Knowledge Process Outsourcing	<b>(4,752,078)</b>	(120,058)
c. HR Outsourcing	<b>1,120,502</b>	9,834,798
<b>Total</b>	<b>109,235,778</b>	<b>116,755,405</b>
Less Interest	<b>107,844,110</b>	103,251,301
Total Profit(loss) Before Taxes	<b>1,391,668</b>	<b>13,504,104</b>
<b>3. Other Information</b>		
<b>Segment Assets</b>		
a. Non Banking Financial Services	<b>833,463,270</b>	969,947,500
b. Knowledge Process Outsourcing	<b>7,221,012</b>	11,074,117
c. HR Outsourcing	<b>2,283,050</b>	17,340,452
<b>Total Assets</b>	<b>842,967,332</b>	<b>998,362,069</b>
<b>Segment Liabilities</b>		
a. Non Banking Financial Services	<b>577,032,546</b>	724,492,229
b. Knowledge Process Outsourcing	<b>2,306,583</b>	2,917,013
c. HR Outsourcing	<b>652,111</b>	8,303,163
<b>Total Liabilities</b>	<b>579,991,240</b>	<b>735,712,405</b>

**24.2 Related Party Disclosure**
**24.2a Related party transactions**
**Details of related parties:**

Description of relationship	Names of related parties
Associate (Upto 31.05.2010)	Amrit Jal Ventures Ltd
Key Management Personnel (KMP) Executive Director (With effect from 9th August, 2011)	Mr. J P Khemka
Manager	Mr. Ramesh Sivaraman

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:**

(Amt in ₹)

24.2b	Associates	KMP	Total
Investment in Equity	-	-	-
	(42,000,000)	(-)	(42,000,000)
Managerial remuneration *			
Executive Director	-	<b>1,161,290</b>	<b>1,161,290</b>
	(-)	(-)	(-)
Manager	-	<b>1,855,876</b>	<b>1,855,876</b>
	(-)	(1,648,610)	(1,648,610)

Note: Figures in bracket relates to the previous year

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

## Note 24 Disclosures under Accounting Standards

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
<b>24.3 Earnings per share</b>		
<b><u>Continuing Operations:</u></b>		
Basic		
Net profit/ (loss) for the year attributable to the equity shareholders(₹)	(817,222)	30,377,776
Weighted average number of equity shares	12,872,493	12,872,493
Par value per share (₹)	10	10
<b>Earnings per share - Basic / Diluted (₹)</b>	<b>(0.06)</b>	<b>2.36</b>
<b><u>Total operations</u></b>		
Net profit for the year attributable to the equity shareholders(₹)	326,428	37,632,426
Weighted average number of equity shares	12,872,493	12,872,493
Par value per share (₹)	10	10
<b>Earnings per share from total operations- Basic and diluted (₹)</b>	<b>0.03</b>	<b>2.92</b>

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>24.4 Deferred tax (liability) / asset</b>		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	3,945,278	3,870,659
Tax effect of items constituting deferred tax liability	3,945,278	3,870,659
Tax effect of items constituting deferred tax assets		
Provision for Standard assets	400,154	455,775
Provision for Non performing assets	4,008,689	4,008,689
Tax effect of items constituting deferred tax assets	4,408,843	4,464,464
<b>Net deferred tax - asset</b>	<b>463,565</b>	<b>593,805</b>

**24.5** Managerial Remuneration amounting to ₹ 11,61,290 paid to an Executive Director appointed with effect from 9th August, 2011, is subject to approval by the members at the forthcoming Annual General Meeting. Further, due to inadequacy of profit, the aforesaid remuneration paid is subject to Central Government's approval for which application has been made.

**24.6 Discontinuing operations**

Effective 31st March, 2011, the Subsidiary Company, pursuant to approval of Board of Directors, discontinued operations in HR Outsourcing division. Financial data relating to continuing and discontinued operation is as follows.

**TCI FINANCE LTD.**

(i) The revenue, expenses, pre-tax, profit and income tax expenses attributable to continuing and Discontinued operations during the year are given as under : (Amt in ₹)

Particulars	Continuing Operations		Discontinued Operations in respect of HR Division		Total	
	For the year ended 31.03.2012	For the year ended 31.03.2011	For the year ended 31.03.2012	For the year ended 31.03.2011	For the year ended 31.03.2012	For the year ended 31.03.2011
Total Income*	133,063,689	153,427,354	2,971,073	83,385,619	136,034,762	236,812,973
Less :Operating Expenses	24,948,413	19,450,091	1,850,571	73,550,821	26,798,984	93,000,912
Pre-tax profit from operating activities	108,115,276	133,977,263	1,120,502	9,834,798	109,235,778	143,812,061
Less : Interest expenses	107,844,110	103,251,301	-	-	107,844,110	103,251,301
Profit before Tax	271,166	30,725,962	1,120,502	9,834,798	1,391,668	40,560,760
Less : Taxation	1,088,388	348,186	(23,148)	1,735,148	1,065,240	2,083,334
Profit / (Loss) from operating activities	(817,222)	30,377,776	1,143,650	8,099,650	326,428	38,477,426

\*Total Income from Continuing Operations includes Exceptional item ₹ 10,000,000 during the year ended 31st March, 2012 and ₹ 27,056,657 during the year ended 31st March, 2011. (Refer Note 23)

(ii) Carrying amounts as at Balance Sheet date relating to discontinued operations in to be disposed off

(Amt in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
Carrying amount of assets as at the Balance Sheet date	4,215,050	19,272,452
Carrying amount of liabilities as at the Balance Sheet date	2,584,111	2,489,566

(iii) Net cash flow attributable to the discontinued business operations i.e. HR Outsourcing Division

(Amt in ₹)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	₹	₹
Cash flows from operating activities	3,421,063	6,926,500
Cash flows from / (used in) investing activities	333,846	(378,762)
Cash flows from used in financing activities	(8,550,000)	(2,400,000)

## 24.7 Employee benefit plans

### 24.7a Defined contribution plans

The Parent Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Parent Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 199,978 (Year ended 31 March, 2011 ₹ 211,708) for Provident Fund contributions and ₹ 87,000 (Year ended 31 March, 2011 ₹ 78,600) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Parent Company are at rates specified in the rules of the schemes.

**24.7b Defined benefit plans**

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, 2012.

(Amt. in ₹)

Particulars	Gratuity (funded) 31.03.2012	Compensated Absences (Un funded) 31.03.2012	Gratuity (funded) 31.03.2011	Compensated Absences (Un funded) 31.03.2011
Present Value of Defined Benefit Obligations	1,334,573	288,667	1,152,309	291,355
Fair Value of Plan Assets	1,236,535	-	1,256,781	-
Funded Status [Surplus/(Deficit)]	155,403	-	333,772	-
Net Asset (Liability) recognized in the Balance Sheet	(253,441)	(288,667)	(229,300)	(291,355)
Present Value of DBO at the beginning of the year	1,152,309	228,422	1,017,765	285,210
Current Service Cost	166,305	4,856	163,948	-
Interest Cost	97,947	19,416	83,965	-
Actuarial Losses / ( Gains)	27,212	88,710	(113,369)	-
Benefits paid	(109,200)	(52,737)	-	-
Present Value of DBO at the end of the year	1,334,573	288,667	1,152,309	228,422
Plan Assets at the beginning of the year	1,256,781	-	1,202,450	-
Expected Return on Plan Assets	100,542	-	94,244	-
Actuarial gain/(loss)	(11,588)	-	(39,913)	-
Benefits Paid	-	-	-	-
Plan Assets at the end of the year	1,236,535	-	1,256,781	-
Current Service Cost	79,116	-	58,226	-
Interest Cost	78,456	-	73,254	-
Expected Return on Plan Assets	(100,542)	-	(94,244)	-
(Gain) / Actuarial Loss/(gains)	121,339	-	(56,487)	-
Expense recognized in the Statement of Profit and Loss	24,141	288,667	99,464	135,255
Experience History				
(1) Defined Benefit Obligation at end of the period	1,334,573	288,667	1,152,309	228,422
(2) Plan Assets at end of the period	1,236,535	0	1,256,781	-
(3) Surplus/Deficit	(98,038)	(288,667)	104,472	(228,422)
(4) Experience (Gain)/Loss adjustments on plan liabilities	64,080	97,849	59,294	-
(5) Experience (Gain)/Loss adjustments on plan assets	(11,588)	-	(39,913)	-
Division of Defined Benefit Obligation (Current/Non Current)				
(1) Current Defined Benefit Obligation at end of the period	68,298	37,600	23,146	8,838
(2) Non Current Defined Benefit Obligation at end of the period	1,266,275	251,067	1,129,163	282,517
(3) Total Defined Benefit Obligation at end of the period	1,334,573	288,667	1,152,309	291,355
Best Estimate of Contribution During Next year	(48,425)	-	-	-
Assumptions				
Discount Rate %	8.50%	8.50%	8.25%	8.25%
Expected Return on Plan Assets %	8.00%	-	8.00%	-
Salary Escalation %	6.00%	6.00%	6.00%	6.00%
Mortality	LIC -94-96 Ultimate	LIC -94-96	LIC -94-96	LIC -94-96
Attrition rate	2.00%	2.00%	2.00%	2.00%
The major categories of plan assets as a percentage of total plan - Funded with LIC	75.63%		68.19%	

As a matter of prudence, the balance of fund of ₹ 155,403 of planned assets over gratuity liability is not recognised.

25 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**Statement of Financial Information of ITAG Business Solutions Ltd., a wholly owned subsidiary company as on 31-03-2012 as per General Circular No. 2/2011 dated 8th February ,2011 of the Ministry of Corporate Affairs**

<b>No.</b>	<b>Particulars</b>	<b>Amount (in ₹)</b>
1	Capital -	
a)	Authorised Capital	20,000,000
b)	Paid-up Capital	12,500,000
2	Reserves	(7,996,131)
3	Total Assets	9,504,063
4	Total Liabilities	9,504,063
5	Details of Investment (except in case of investment in the subsidiaries)	Nil
6	Turnover	10,786,073
7	Loss Before Taxation	(3,631,576)
8	Provision for Taxation (Deferred tax written back)	(32,552)
9	Loss After Taxation	(3,599,024)
10	Proposed Dividend	Nil

**INTENTIONALLY LEFT BLANK**

# TCI FINANCE LIMITED

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

## PROXY FORM

### 38<sup>th</sup> 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 38<sup>th</sup> 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 18th September, 2012 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

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

### 38<sup>th</sup> 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 38<sup>th</sup> 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 18th September, 2012.

\_\_\_\_\_  
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.

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(Unit : TCI Finance Limited)

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Madhapur, Hyderabad - 500 081.

Email : mohsin@karvy.com

Tel : 040-44655000, 44655152

Fax : 040-23420814