


FORM A

1.	Name of the Company:	TCI FINANCE LIMITED
2.	Annual standalone financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Emphasis of Matter: Without qualifying our opinion, we draw attention to Note no 20.2 to the financial statements regarding Managerial remuneration, the Company is in the process of obtaining approval from the Central Government.
4.	Frequency of observation	First time
5.	Signed by:	
	Hyderabad, April 29, 2015.	
	Ramesh Sivaraman (Manager and Chief Executive)	<i>Ramesh</i>
	S M Jalan (Chairman of Audit Committee ) DIN: 00324182	<i>S M Jalan</i>
	Statutory Auditors of the Company	Refer our Audit Report dated April 29, 2015 on the standalone financial statements of the Company
	M. Bhaskara Rao & Co.	For M. Bhaskara Rao & Co. Chartered Accountants (Firm Registration No. 000459 S)
	Hyderabad, April 29, 2015	 <i>M. V Ramana Murthy</i> M. V Ramana Murthy Partner Membership No. 206439

FORM A

1.	Name of the Company:	TCI FINANCE LIMITED
2.	Annual Consolidated financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Emphasis of Matter: Without qualifying our opinion, we draw attention to Note no 20.1 to the financial statements regarding Managerial remuneration, the Company is in the process of obtaining approval from the Central Government.
4.	Frequency of observation	First time
5.	Signed by: Hyderabad, April 29, 2015.	
	Ramesh Sivaraman (Manager and Chief Executive)	<i>Ramesh</i>
	S M Jalan (Chairman of Audit Committee ) DIN: 00324182	<i>S M Jalan</i>
	Statutory Auditors of the Company  M. Bhaskara Rao & Co.   Hyderabad, April 29, 2015	Refer our Audit Report dated April 29, 2015 on the Consolidated financial statements of the Company   For M. Bhaskara Rao & Co. Chartered Accountants Registration No. 000459 S)  <i>M. V Ramana Murthy</i> M. V Ramana Murthy Partner Membership No. 206439

# **41<sup>st</sup> ANNUAL REPORT**

**2014 - 15**



# **TCI FINANCE LTD.**

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



**BOARD OF DIRECTORS**

Mr. Hemant Kaul- Chairman  
Mr. Mahendra Agarwal  
Mr. R.S. Agarwala  
Mr. S.M. Jalan  
Dr. D.R. Agarwal  
Ms. Meera Madhusudan Singh

**MANAGER**

Mr. Ramesh Sivaraman

**COMPANY SECRETARY**

Ms. Lakshmi Sharma

**REGISTERED OFFICE**

Plot no-20, Survey no-12, 4th  
Floor, Kothaguda, Kondapur,  
Hyderabad-500081  
Tel: +91 40 71204284  
Fax: +91 40 23112318  
Email:investors\_tcif@gati.com  
CIN: L65910TG1973PLC031293

**AUDITORS**

M/s. M Bhaskara Rao & Co  
Chartered Accountants

**REGISTRAR &  
TRANSFER AGENTS**

M/s Karvy Computershare  
Pvt. Ltd.Karvy Selenium Tower  
B, Plot 31-32, Gachibowli,  
Financial District,  
Nanakramguda,  
Hyderabad – 500 032  
E-mail : mohsin.mohd@karvy.com  
Tel : +91 040 6716 2222  
Fax : 91 040 2300 1153

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**REGISTERED OFFICE**

Plot no-20, Survey no-12, 4th Floor,  
Kothaguda, Kondapur, Hyderabad-500081.  
Tel: +91 40 71204284. Fax: +91 40 23112318.  
Email:investors\_tcif@gati.com



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 41st Annual General Meeting (AGM) of the Members of TCI Finance Limited (the Company) will be held on Tuesday, the 28th day of July, 2015 at 11 am at Plot no.20, Survey no.12, Ground Floor, Kothaguda, Kondapur, Hyderabad-500081 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt
  - a) The audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
  - b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2015.
2. To appoint a Director in place of Mr. Mahendra Agarwal, (DIN: 00179779) who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 section 139 and other applicable provisions, if any of the Companies Act, 2013 and the rules framed there under, as amended from time to time, the company hereby ratifies the appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants (Firm Registration No.000459 S) as Auditors of the Company, to hold office from the conclusion of this AGM till the conclusion of the 45th AGM of the Company to be held in the year 2019, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS:

4. **To appoint Mr. Hemant Kaul (DIN: 00551588) as an Independent Director of the Company:**

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

**“RESOLVED THAT** Mr. Hemant Kaul (DIN:00551588), who was appointed as an Additional Director with effect from January 23, 2015 on the Board of the Company in terms of Section 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent director of the company, to hold office as such for a period of 5 (five) consecutive years with effect from the date of appointment of additional director and that he shall not be liable to retire by rotation.”
5. **To appoint Ms Meera Madhusudan Singh (DIN: 00415866) as a Director of the Company:**

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

**“RESOLVED THAT** Ms. Meera Madhusudan Singh(DIN: 00415866), who was appointed as an Additional Director with effect from March 26, 2015 on the Board of the Company in terms of Section 161 and all other applicable provisions, rules of the Companies Act, 2013 and who holds office up to the date of this AGM, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of a Director, be and is hereby appointed as a director of the company liable to retire by rotation.”
6. **To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:**

**“RESOLVED THAT** in supersession of Resolution passed at the Extraordinary General Meeting of the Company held on September 24, 1996 and pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time, on such terms and conditions and with or without security as the Board of

Directors may deem fit from banks, financial institutions or any other kind of lenders notwithstanding that the money or money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not so set aside for any specific purposes, provided however that the total amount so borrowed and remaining outstanding at any particular time shall not exceed Rs.150 Crores."

**"RESOLVED FURTHER THAT** any one of the Directors and Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

**7. To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of section 180(1)(a) and other provisions, if any, of the Companies Act 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage or charge all or any part of immovable or movable properties of the company, where so ever situated, both present and future, and whole or part of the undertakings of the Company of any nature and kind whatsoever and/ or creating a floating charge in all or any immovable properties of the company together with the powers to takeover the managements of the business and concern of the company, in certain events, to or in favour of banks, financial institutions any other lenders to secure the amount borrowed/to be borrowed by the Company from time to time for the due payment of the principal monies together with the interest and other charges payable by the company in respect of such borrowings, provided however that the total amount so borrowed and remaining outstanding at any particular time which will be secured by such charge/mortgage shall not exceed Rs. 150 Crores."

**"RESOLVED FURTHER THAT** any one of the Directors and Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

**8. To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution**

**"RESOLVED THAT** pursuant to provisions of Section 14 and all other applicable provisions of Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**"RESOLVED FURTHER THAT** any one of the Directors and Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

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

**CIN:** L65910TG1973PLC031293

**Website:** www.tcifl.in

**Email:** investors\_tcif@gati.com

**Lakshmi Sharma**  
Company Secretary  
(M.No: A32617)

Hyderabad  
April 29, 2015

**Registered Office:**  
Plot No.20, Survey No.12, 4th Floor,  
Kothaguda, Kondapur,  
Hyderabad-81,  
Tel: +91 040-7120 4284  
Fax: +91 040-2311 2318



**NOTES:**

1. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. A member entitled to attend and vote at the annual general meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
5. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on July 28, 2015 (Pursuant to Clause 49 of the Listing Agreement) forms part of the notice.
6. The Register of Members and Share Transfer Books will remain closed from July 21, 2015 to July 28, 2015 (both days inclusive).
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
8. a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to the Registrar & Share Transfer Agent.  
b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.  
Non-Resident Indian Members are requested to inform Karvy, immediately of:  
Change in their residential status on return to India for permanent settlement. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
10. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish a copy of their PAN card to the Company / RTAs for registration of such transfer of shares.
11. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken 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 view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s. Karvy Computershare Pvt. Ltd.
12. The shares of the Company are at present listed on the following Stock Exchanges viz., BSE Limited, and National Stock Exchanges of India. The listing fee for the year 2015-16 has been paid to the Stock Exchanges.

13. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide members' facility to exercise their right to vote at the 41st AGM by electronic means and the business shall be transacted through e-voting services provided by Karvy Computershare Private Limited ("Karvy").
15. The facility for voting through ballot / polling paper shall be made available at the Annual General Meeting (AGM), to all the members attending the AGM, who have not opted evoting facility. Further, the members who have opted evoting facility may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
16. The Board of Directors of the company has appointed M/s dvm gopal & associates, Practicing Company Secretaries, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
17. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
18. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. July 21, 2015.
19. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. July 21, 2015 only shall be entitled to avail the facility of e-voting / Poll.
20. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. July 21, 2015, may obtain the User ID and password in the manner as mentioned below:
  - a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399 Example for NSDL: MYEPWD <SPACE> IN12345612345678 Example for CDSL: MYEPWD <SPACE> 1402345612345678 Example for Physical : MYEPWD <SPACE> XXXX1234567890
  - b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - c) Member may call Karvy's toll free number 1-800-3454-001
  - d) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
- If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
21. The e-voting facility will be available during the following period:  
Commencement of e-voting : From 9.00 a.m. (IST) on July 23, , 2015  
End of e-voting : Up to 5.00 p.m. (IST) on July 27 , 2015
22. The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.
23. The Scrutinizer, after scrutinising the votes cast at the meeting (Poll) and through e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.tcifl.in](http://www.tcifl.in) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
24. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. July 28, , 2015.
25. **Instructions and other information relating to e-voting:**  
In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

- (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- (b) Enter the login credentials (i.e. User ID and password) which will be sent separately.

The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID.

However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1800-3454-001 for your existing password.

- (c) After entering these details appropriately, click on "LOGIN".

You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- (d) You need to login again with the new credentials.
- (e) On successful login, the system will prompt you to select the E-Voting Event Number for TCI Finance Limited.

On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

- (f) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

- (g) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (h) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- (i) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [investors\\_tcif@gati.com](mailto:investors_tcif@gati.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVENT NO."

- B. In case a member receives physical copy of the Notice by Post [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:

- a. User ID and initial password - These will be sent separately.
- b. Please follow all steps from Sr. No. (a) to (i) as mentioned in (A) above, to cast your vote.

- 26. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
- 27. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.
- 28. Details of the Directors proposed to be appointed at the AGM Scheduled to be held on July 28, 2015, (Pursuant to Clause 49 (VIII)(E) of the Listing Agreement is given below:

<b>Name of Director</b>	<b>Mr. Mahendra Agarwal</b>	<b>Mr. Hemant Kaul</b>
Qualification	FCA	B.Com(Hons) & FCA
Qualification	Engineering Degree from Bangalore University and a Masters in Business Administration from Austin, USA.	BSc (Hons) and Management degree from Poddar Institute of Management, Jaipur
Experience in specific functional area	Mr. Mahendra Agarwal is the Founder & CEO of Gati Ltd. He established Gati in 1989 with an aim to redefine the logistics industry. Mr. Agarwal is the driving force behind Gati's journey to leadership position. His foresight has been instrumental in the company's exponential growth by venturing into global markets and diversifying into varied domains. He combines his entrepreneurial skills with business acumen to enable a sustainable business model. Under his visionary leadership, Gati has evolved into a major ILSP (Integrated Logistics Service Provider). Apart from being on the Board of several Indian companies, Mr. Agarwal is also the founder member of SCLG India (in addition to being a member of the international board of advisors for SCLG Global), Managing Committee Member of Express Industry Council of India, elected member of CII Southern Region Council, member of CII Institute of Logistics Advisory Council & FICCI's Civil Aviation Committee.	Mr. Hemant Kaul was the Managing Director & CEO of Bajaj Allianz General Insurance Co Ltd from December 2009 till April 2012. Prior to joining Bajaj Allianz, Mr. Kaul was Executive Director, Retail Banking at Axis Bank. Prior to joining Axis Bank, Mr. Kaul was an officer with State Bank of Bikaner & Jaipur (1977-1994).
Date of appointment on the Board of the Company	22.11.1991	23.01.2015
Shares held in the Company as on 31.03.2015	11,96,619	NIL
List of other Indian Companies in which directorship held as on 31.03.2015	i. TCI Industries Ltd. ii. Gati Ltd. iii. Deccan Enterprises Ltd. iv. Gati Kausar India Ltd. v. Gati-Kintetsu Express Pvt. Ltd vi. Amrit Jal Ventures Pvt. Ltd. vii. Mahendra Investment Advisors Pvt. Ltd. viii. TCI Telenet Solutions Pvt. Ltd. ix. Express Industry Council of India	i. Cigna TTK Health Insurance Company Ltd. ii. Ashiana Housing Ltd. iii. Jaipur Advisory Group Pvt. Ltd.
Chairman/Member of the Committees of the other Companies on which he/she is a Director as on 31.03.2015	i. Member of Stakeholder Relationship Committee in Gati Limited. ii. Member of Nomination and Remuneration Committee and Share Transfer Committee of Amrit Jal Ventures Pvt. Ltd. iii. Member of remuneration committee of TCI Industries Ltd.	i. Chairman of Audit and member of Nomination and Remuneration Committee of Cigna TTK health Insurance Company Ltd. ii. Chairman of Audit and Nomination and Remuneration Committee of Ashiana Housing Ltd.
Category	Non Executive Director	Non Executive Independent Director
Relationship with other Directors	Not related to any of the Directors	Not related to any of the Directors

Name of Director	Ms. Meera Madhusudhan Singh
Qualification	PGDM from Oberoi School of Learning and Development, India.
Experience in specific functional area	Ms. Meera, is an industry professional and entrepreneur with over 25 years of experience in brand building, design, consumer experience, marketing and communications across a myriad of verticals with an extensive experience in the Indian and ASEAN industries. She is the only woman entrepreneur to have successfully contributed to commissioning the first hydro power project of 110 MW at Sikkim in North Eastern India.
Date of appointment on the Board of the Company	26.03.2015
Shares held in the company as on 31.03.2015	14,532
List of other Indian Companies in which directorship held as on 31.03.2015	Gati Infrastructure Pvt. Ltd.
Chairman/Member of the Committees of the other Companies on which he/she is a Director as on 31.03.2015	Member of Audit and Nomination & Remuneration Committee of Gati Infrastructure Pvt. Ltd.
Category	Non Executive Director
Relationship with other Directors	Not related to any of the Directors

## ANNEXURE TO THE NOTICE OF THE ANNUAL GENERAL MEETING, AS PER SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No's. 4:

Mr. Hemant Kaul was appointed as an Additional Director w.e.f. January 23, 2015 In accordance with the provisions of Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing AGM. In this regard the Company has received request in writing from a member of the company proposing Mr. Hemant Kaul candidature for appointment as Independent Director of the Company.

A brief profile and other details of Mr. Hemant Kaul is given in point no. 28 of the notes to this notice.

The Company has received a declaration of independence from Mr Hemant Kaul . In the opinion of the Board Mr. Hemant Kaul fulfills the conditions specified in the Companies Act, 2013 and Listing Agreement for appointment as Independent Director. Mr. Hemant Kaul was appointed Chairman of the Board of Directors of the Company.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company

The Board feels that presence of Mr. Hemant Kaul on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 4 for adoption.

None of the Directors or KMP or relatives of Directors and KMP, except Mr. Hemant Kaul, are in any way concerned with or interested, financially or otherwise, in the said resolution.

The Board recommends resolution under Item No. 4 to be passed as an ordinary resolution.



**Item No. 5**

Ms. Meera Madhusudan Singh was appointed as an Additional Director w.e.f. March 26, 2015 Pursuant to Section 161 of the Companies Act, 2013 she holds office up to the date of the ensuing AGM. In this regard the Company has received a request in writing from a member of the company proposing Ms. Meera Madhusudan Singh candidature for appointment as Director of the Company.

A brief profile and other details of Ms. Meera Madhusudan Singh is given in point no. 28 of the notes to this notice.

The Board feels that presence of Ms. Meera Madhusudan Singh on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 5 for adoption.

None of the Directors or KMP or relatives of Directors and KMP, except Ms. Meera Madhusudan Singh, are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolution under Item No. 5 to be passed as an ordinary resolution.

**Item No. 6 and 7**

The members of the Company at their Extraordinary General Meeting held on September 24, 1996 approved the resolutions under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.150 Crores (Rupees One Hundred and Fifty crores) and create charge / mortgage on the assets as per section 293(1)(a) of the Companies Act, 1956.

As per the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs, the Companies are required to pass the above resolutions under the new Act. In view of this, it is, necessary for the members to pass a Special Resolution under Section 180(1)(c) and 180(1) (a) and other applicable provisions of the Companies Act, 2013, as set out at Item No.6 and 7 of the Notice.

The Board accordingly recommends the Special Resolution as mentioned at item no. 6 and 7 of this Notice for your approval.

None of the Directors or KMP or their relatives of Directors and KMP concerned with or interested in the said Resolution.

**Item No. 8**

The Articles of Association ("AoA") of the Company presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

Substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model AoA for a company limited by shares. The proposed new AoA will be placed at the venue of the meeting for inspection of the members.

None of the directors or KMP or relatives of Directors or KMP are in any way interested or concerned financially or otherwise in the said resolution.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

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

**Lakshmi Sharma**  
**Company Secretray**  
**(M No: A32617)**

**Place: Hyderabad**  
**Date: April 29, 2015**

# DIRECTORS' REPORT

Dear Members,

Your directors take pleasure in presenting the 41st Annual Report of the Company along with the Audited Accounts for the year ended March 31, 2015.

## FINANCIAL HIGHLIGHTS

Particulars	(₹ in Lakhs)	
	STANDALONE	
	As at March 31, 2015	As at March 31, 2014
Income	1372.67	1605.09
Profit/(loss) before Interest, Depreciation & Taxation	1312.39	1492.37
Financial Charges	493.58	788.99
Depreciation	1.21	1.47
Profit/(Loss) before tax	817.59	701.91
Exceptional Items	-	-
Provision for tax:		
Current Tax	134.97	143.00
Deferred Tax	4.68	-
Income Tax relating to previous year	-	-
Profit/(Loss) after tax	677.93	558.91
Balance brought forward from previous year	1217.35	770.22
Transferred to Reserve Fund	135.58	111.78
Balance Carried forward	1759.40	1217.35

## DIVIDEND

Your Directors have not recommended payment of dividend for the financial year ended 31st March 2015 since it is proposed to retain the same in the business.

## FIXED DEPOSITS

The Company has not accepted any deposits during the year under review and it continues to be a Non-deposit taking Non Banking Financial Company in conformity the guidelines of the Reserve Bank of India and Companies (Acceptance of Deposits) Rules, 1975.

## REVIEW OF OPERATIONS

During the year under review, your Company achieved a turnover of Rs. 1372.67 lakhs as against Rs 1605.09 lakhs in the previous year. The profit before tax stands at Rs.817.59 lakhs as against Rs. 701.91 lakhs in the previous year.

## RESERVE FUND

As per section 45IC of RBI Act 1934, the Company has transferred Rs.135.58 Lakhs in reserve fund i.e aggregating of 20% of its net profit

## **SUBSIDIARY (ITAG BUSINESS SOLUTION)**

The wholly owned subsidiary of the Company M/s. ITAG Business Solutions Ltd. is into the core business of Knowledge Process Outsourcing (KPO) and the consolidated financials form part of this annual report.

The turnover of the Subsidiary Company M/s. ITAG Business Solutions Ltd is Rs. 128.26 lakhs as against Rs 464.15 lakhs in the previous year. Profit before tax stood at Rs.3.88 lakhs as against Rs. 9.98 lakhs in the previous year. A statement pursuant to Section 129 of the Companies Act, 2013 related to the accounts of the subsidiary forms part of this Annual Report.

Policy for determining material subsidiaries of the Company is available on the website of the Company <http://www.tcifl.in/pdf/Policyonmaterialsubsidiaries.pdf>.

## **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

## **DIRECTORS**

Mr. O Swaminatha Reddy Chairman had resigned from the Board on September 25, 2014. The Board places on record its profound appreciation for the contributions made by Mr. Reddy during his tenure as Chairman.

Mr. Hemant Kaul was appointed as Additional Director in the category of Independent Director and designated Chairman of the Company w.e.f. January 23, 2015. In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company he holds office till the ensuing AGM of the Company and being eligible offers himself for appointment as Independent Director.

Ms. Meera Madhusudan Singh was appointed Additional Director of the Company w.e.f. March 26, 2015 In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company she holds office till the ensuing AGM of the Company and being eligible offers herself for appointment as Director.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Mahendra Agarwal retires by rotation and being eligible, has offered himself for re-appointment.

Mr. V T Pawar, Director expired on May 26, 2014. The Board places on record its profound appreciation for the contribution made by him during his tenure.

The brief profiles of the directors who are to be appointed / re-appointed form part of the notes and explanatory statement to the notice of the ensuing Annual General Meeting.

## **KEY MANAGERIAL PERSONNEL**

Ms. T Deepthi (Membership no: A23382) resigned as Company Secretary on March 31, 2014.

Ms. Lakshmi Sharma (Membership no: A32617) was appointed as Company Secretary w.e.f April 1, 2014.

Mr. Ramesh Sivaraman is the Manager-Chief Executive of the Company. He was re-appointed by the shareholders as Manager-Chief Executive of the company for a period of three years effective from July 1, 2014.

## **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:**



Non-Executive Directors (Refer Note-1)	Ratio to median remuneration	% increase in remuneration in the financial year	Comparison of the Remuneration of the KMP against the performance of the Company
Mr. Hemant Kaul, Chairman	-	-	-
Mr. Mahendra Agarwal, Promoter & Director	-	-	-
Mr. R S Agarwala, Director	-	-	-
Mr. S M Jalan, Independent Director	-	-	-
Mr. D R Agarwal, Director	-	-	-
Ms. Meera Madhusudan Singh, Director	-	-	-
Mr. O S Reddy, Director	-	-	-

**Note 1:** The Company had paid only sitting fees to the Directors. Apart from sitting fees there is no other remuneration paid to the Non-Executive Directors. Therefore the ratio to median remuneration is negligible.

Executive Directors/ KMP			Profit before tax increased by 16.48% and Profit after tax increased by 21.29% in financial year 2014-15
Mr. Ramesh Sivaraman-Manager-Chief Executive	1.87:1	8.56	
Ms. Lakshmi Sharma, Company Secretary	0.34:1	NA*	

\*Since the Company Secretary was appointed w.e.f April 1, 2014 hence increase in remuneration is not applicable.

ii) The percentage increase in the median remuneration of employees in the financial year: 13.47%

iii) The number of permanent employees on the rolls of company: 4

iv) The explanation on the relationship between average increase in remuneration and company performance

The Profit before Tax for the financial year ended March 31, 2015 increased by 16.48% whereas the increase in median remuneration was 13.47%.

v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company

The total remuneration of Key Managerial Personnel increased by 20.68% from Rs. 25.66 Lakhs in 2013-14 to Rs.30.97Lakhs in 2014-15 whereas the Profit before Tax increased by 16.48% to Rs. 8.17 crore in 2014-15 (Rs. 7.02 Crore in 2013-14).

vi) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer

The Market Capitalisation of the Company as on 31st March, 2015 was Rs.4267.23 Lakhs as compared to Rs.2201.19 Lakhs as on 31st March, 2014. The price earnings ratio of the Company was 6.29 as at 31st March, 2015 and was 3.94 as at 31st March, 2014. The closing share price of the Company at NSE Limited on 31st March, 2015 being Rs. 33.15 per equity share of face value of Rs. 10/- each has grown 1.11 times since the public issue made in the year 1995 (Offer Price was Rs. 30/- per equity share of face value of Rs. 10/- each).

vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 8.09% whereas the increase in the managerial remuneration for the same financial year was 8.56%.

viii) The key parameters for the variable component of remuneration availed by the directors is as per the remuneration policy for directors, key managerial personnel and other employees, recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable;
- x) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

The particulars of employees required under section 197(12) of the Companies Act, 2013 read with Rules 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not furnished as there is no employee in receipt of remuneration more than the prescribed limit.

#### **DECLARATION FROM INDEPENDENT DIRECTORS**

The Company has received declaration from Mr. Hemant Kaul and Mr. S M Jalan Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed by the Companies Act, 2013 and the Listing Agreement.

#### **REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

The Remuneration Policy is stated in the Corporate Governance Report.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained hereunder.

The evaluations is based on questionnaire prepared which assessed the performance of the Board on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors was based on their participation, contribution and offering guidance to and understanding of the areas which are relevant to them in their capacity as members of the Board.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In terms of section 135 and Schedule VII of the Companies Act, 2013 read with rules made thereunder, the Board of Directors of your Company have constituted a CSR Committee. The Committee comprises of the following Directors.

<b>SI No</b>	<b>Name</b>	<b>Designation</b>
1	Mr. S M Jalan	Chairman
2	Mr. R S Agarwala	Member
3	Dr. D R Agarwal	Member

During the year company has undertaken a Special Project in the field of education. The details of activity undertaken by the Company is annexed as **Annexure - A**.

#### **RELATED PARTY TRANSACTION**

The main business of the Company is financing activities, loans granted to related party (if any) are in the ordinary course of business. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

Your Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website at: <http://www.tcifl.in/pdf/RelatedPartyTransactionPolicy.pdf>.

## **MEETINGS**

During the year eight Board Meetings were held. For further details, please refer report on Corporate Governance of this Annual Report.

## **VIGIL MECHANISM**

The company has adopted Vigil Mechanism policy with a view to provide a mechanism for directors and employees of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) and (10) of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreements with stock exchanges. The Policy has been uploaded on the website of the Company at: <http://www.tcifl.in/pdf/VigilMechanismPolicy.pdf>.

## **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Pursuant to Clause 49 of the Listing Agreement the Company shall familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

Accordingly, the Company has arranged a technical session on December 06, 2014 to familiarize the Independent Directors about their roles, responsibilities and duties as Independent Directors. The details of the familiarisation programme has been disclosed on the website of the Company at: <http://www.tcifl.in/pdf/FamiliarizationProgrammeofID.pdf>.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013 your Directors' confirm the following:

- that in the preparation of the Annual Accounts for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit 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.
- that the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- that the systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## **AUDITORS**

### **a) Statutory Auditors**

The Statutory Auditors of the Company M/s. Bhaskara Rao & Co, Chartered Accountants, Hyderabad were appointed as the statutory auditors of the company at the 40th AGM held on September 25, 2014 for a period of five (5) years, subject to ratification at every AGM. The Company has received letter to the effect that the appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

**b) Secretarial Audit**

In Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. dvm gopal & associates, a firm of Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed as **Annexure - B**.

The Secretarial Auditor in his report has observed that the minimum two Independent Director requirement under Section 177 of the Companies Act, 2013 have been complied effective from December 31, 2014. Consequent to the demise of Mr. V T Pawar, member of the Audit Committee your board had complied with the requirement of Section 177 effective from December 31, 2014.

**c) Internal Auditor**

The Company had appointed internal auditors w.e.f May 7, 2014 to carry out the internal audit functions. The Internal auditor submits a quarterly report to the audit committee.

**EXTRACT OF ANNUAL RETURN**

The details forming part of Annual Return in form MGT-9 is annexed as **Annexure-C**

**CORPORATE GOVERNANCE**

The Company has complied with the provisions pertaining to Corporate Governance as per the requirements of Listing Agreement with the Stock Exchanges and necessary disclosures have been made in this regard in the Report on Corporate Governance is annexed as **Annexure-D** along with a certificate from a Practicing Company Secretary confirming compliance of the same.

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

As the Company is not engaged in the manufacturing activity, the prescribed information regarding compliance of rules relating to conservation of Energy and Technology absorption pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with Rule – 8 (3) of the Companies (Accounts) Rules, 2014 is not provided.

The Company does not have any Foreign Exchange Earnings and outgo in the year under review.

**MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**

MDA is provided as a separate section in the annual report.

**INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future
5. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
6. No change in nature of business.

7. There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the Report (April 29, 2015).

## **ACKNOWLEDGEMENT**

Your Directors wish to express their sincere appreciation for the support and cooperation, which the Company continues to receive from its clients, Banks, Government Authorities, Financial Institutions and associates and are grateful to the shareholders for their continued support to the Company. Your Directors place on record their appreciation for the contributions made and the efforts put in by the management team and employees of the Company at all levels.

Hyderabad  
April 29, 2015

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

**Hemant Kaul**  
Chairman  
**DIN: 00551528**

**Annexure – A**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**  
**ACTIVITIES FOR THE FY 2014-15**

**CSR POLICY**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus CSR is not charity or mere donations. The main objective of this CSR Policy is to lay down guidelines and also make CSR as one of the key business drivers for sustainable development of the environment and the society in which TCIF operates in particular and the overall development of the global community at large. The CSR policy is mainly focused on education, health and other CSR activities.</p> <p>The CSR policy was approved by the Board in its meeting held on May 7, 2014 and subsequently was upload on the Company's website: <a href="http://www.tcifl.in/pdf/CSRPolicy.pdf">http://www.tcifl.in/pdf/CSRPolicy.pdf</a></p>
2. The Composition of the CSR Committee	<ol style="list-style-type: none"> <li>1. Mr S M Jalan Chairman (Independent Director)</li> <li>2. Mr. R S Agarwala</li> <li>3. Dr. D R Agarwal</li> </ol>
3. Average net profit loss of the Company for last three financial years.	₹ 2.80 Lakhs
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 2.85 Lakhs
5. Details of CSR spent during the financial year 2014-15:	
a. Total amount to be spent for the financial year 2014-15	₹ 2.85 Lakhs
b. Amount unspent, if any	Nil

**c. Manner in which the amount spent during the financial year is detailed below.**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Installation of water purifier	Educational	Hyderabad	₹ 2.80 Lakhs	₹ 2.85 Lakhs	₹ 2.85 Lakhs	Direct spend

**D R Agarwal**  
Director  
DIN:00322861

**S M Jalan**  
Chairman of Committee  
DIN:00324182

**Ramesh Sivaraman**  
Manager-Chief Executive/CFO

**Annexure – B****FORM MR-3**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**

(For the Financial Year ending 31st March 2015)

To  
**The Members of**  
 M/s. TCI Finance Limited  
 Hyderabad.

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and adherence to good corporate practices by **M/s. TCI Finance Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31st March 2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. 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.
- II. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March 2015 according to the provisions of:
  1. The Companies Act, 2013 (**the Act**) and the Rules made there under;
  2. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made there under;
  3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**‘SEBI Act’**) to the extent applicable to the Company :-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
    - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
    - h. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and the National Stock Exchange of India.



- i. The Memorandum and Articles of Association.
- j. The Secretarial Standards issued by The Institute of Company Secretaries of India.

**III. We further report that:**

1. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
2. The Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed there under by the Depositories with regard to dematerialization / re-materialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
3. The Company has, in our Opinion, complied with the provisions of the Companies Act, 1956, Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, except the minimum two Independent Directors requirement under Section 177 of the Companies Act 2013 have been complied effective from 31st December 2014.
4. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and National Stock Exchange of India.
5. The Company has complied with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

**IV. We further report that:**

1. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
2. The Company has not introduced ESOP/ESPS Schemes, therefore it does not require to comply with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
3. There are no FDI transactions in the Company. Therefore, the Company does not require complying with the relevant provisions of the FEMA, 1999 and the Rules and Regulations made under that Act, to the extent it is applicable.
4. The Company has not bought back equity shares of the company, during the period; therefore, the compliance of the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; does not arise.
5. The Company has not delisted any of its securities, during the period, therefore, the compliance of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; does not arise.
6. Since Secretarial Standards issued by Institute of Company Secretaries of India (ICSI) are yet to be notified by the Ministry of Corporate Affairs, we have not commented on the same.

**V. We further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to conduct the Meetings of Board and its committees. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting.
3. Majority decision is considered while the dissenting members' views are captured and recorded as part of the minutes.
4. The Company has obtained all necessary approvals under the various provisions of the Act; and
5. There were no prosecution initiated and no fines or penalties imposed during the year under review under the



Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

6. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- VI. With reference to the compliance of Industry Specific Acts of the company, the company being a NBFC Company, they need to ensure relevant provisions and process on periodical basis. In this regard, we have relied upon Management Representation issued to us and Compliance Certificates issued by the Company Secretary of the Company to the Board of Directors and also Compliance Certificates issued by the respective Department and also report of Statutory and Internal Auditors. Our report of compliance would be limited to their reporting and subject to the observations and comments made by them in their report, if any.
- VII. Based on the information received and the records maintained, there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- VIII. During the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as referred to above.

For **dvm gopal & associates**  
Company Secretaries

Place: **Hyderabad**  
Date: **29.04.2015**

**DVM Gopal**  
Proprietor  
**M No: F6280**  
**CP No: 6798**

## Annexure – C

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN****As on the financial year ended March 31, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

- i) CIN : L65910TG1973PLC031293
- ii) Registration Date : November 29, 1973
- iii) Name of the Company : TCI Finance Limited
- iv) Category / Sub-Category of the Company : Company having share capital,  
Indian Non Government Company
- v) Address of the Registered Office and Contact details : Plot no. 20, Sy. 12, 4th Floor, Kothaguda, Kondapur,  
Hyderabad - 500 081. Tel. No. 040-71204284,  
Fax:040- 23112318, Email: investors\_tcif@gati.com  
Web: www.tcifl.in
- vi) Whether listed Company : Yes,  
a) BSE Limited &  
b) National Stock Exchange of India Limited
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Karvy Computershare Private Limited  
Karvy Selenium Tower B Plot 31-32, Gachibowli  
Financial District, Nanakramguda, Hyderabad – 32.  
Tel No: 040 6716 2222,  
Email:mohsin.mohd@karvy.com

**II. PRINCIPLE BUSINESS ACTIVITY OF THE COMPANY**

S.No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1)	Non Banking Financial Activity	99711	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
1)	ITAG Business Solution Ltd. 1-7-293, MG Road, Secunderabad - 500003.	U74140TG2007PLC053476	Subsidiary	100%	2 (87)

**IV. SHARE HOLDING PATTERN (Equity share Capital breakup as percentage of Total Equity)**

## i) Category-wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year(March 31, 2014)				No. of shares held at the end of the year (March 31, 2015)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A Promoters</b>									
(1) Indian									
a) Individual / HUF	15,98,634	-	15,98,634	12.42	16,21,634	-	16,21,634	12.60	0.18
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	28,47,040	-	28,47,040	22.12	28,47,040	-	28,47,040	22.12	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Trusts)	-	-	-	-	2,58,123	-	2,58,123	2.01	2.01
<b>Sub-Total (A) (1)</b>	<b>44,45,674</b>	<b>-</b>	<b>44,45,674</b>	<b>34.54</b>	<b>47,26,797</b>	<b>-</b>	<b>47,26,797</b>	<b>36.72</b>	<b>2.18</b>
(2) Foreign									
a) NRI - Individual	-	-	-	-	-	-	-	-	-
b) Other - Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total shareholding of promoter (A) =(A)(1) + (A)(2)	44,45,674	-	44,45,674	34.54	47,26,797	-	47,26,797	36.72	2.18
<b>B Public Shareholding</b>									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

**IV. SHARE HOLDING PATTERN (Equity share Capital breakup as percentage of Total Equity)**

## i) Category-wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year(March 31, 2014)				No. of shares held at the end of the year (March 31, 2015)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<i>i) Others (Specify)</i>	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<i>(2) Non-Institutional</i>									
<i>a) Bodies Corporate</i>									
<i>i) Indian</i>	32,56,277	5,03,605	37,59,882	29.21	21,77,057	5,03,605	26,80,662	20.82	(8.39)
<i>ii) Overseas</i>	-	-	-	-	-	-	-	-	-
<i>b) Individuals</i>									
<i>i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh</i>	16,99,376	6,50,181	23,49,557	18.25	21,21,461	6,39,281	27,60,742	21.45	3.20
<i>ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh</i>	19,27,329	-	19,27,329	14.97	23,80,273	-	23,80,273	18.49	3.52
<i>c) Others (specify)</i>									
<i>Foreign Nationals</i>	-	-	-	-	-	-	-	-	-
<i>Foreign Bodies</i>	-	-	-	-	-	-	-	-	-
<i>Director and their relatives</i>	3,719	500	4,219	0.03	2,319	500	2,819	0.02	(0.01)
<i>Non Resident Indians</i>	3,46,688	-	3,46,688	2.69	2,86,731	-	2,86,731	2.23	(0.46)
<i>Clearing Members</i>	39,144	-	39,144	0.30	34,469	-	34,469	0.27	(0.03)
<i>Trusts</i>	-	-	-	-	-	-	-	-	-
<i>Qualified Foreign Investor</i>	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2)</b>	<b>72,72,533</b>	<b>11,54,286</b>	<b>84,26,819</b>	<b>65.46</b>	<b>70,02,310</b>	<b>11,43,386</b>	<b>81,45,696</b>	<b>63.28</b>	<b>(2.18)</b>
<b>Total Public shareholding</b>									
<b>(B) = (B)(1) + (B)(2)</b>	<b>72,72,533</b>	<b>11,54,286</b>	<b>84,26,819</b>	<b>65.46</b>	<b>70,02,310</b>	<b>11,43,386</b>	<b>81,45,696</b>	<b>63.28</b>	<b>(2.18)</b>
<i>C Shares held by Custodian for GDRs &amp; ADRs</i>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,28,72,493</b>	<b>11,54,286</b>	<b>1,17,18,207</b>	<b>100.00</b>	<b>1,17,29,107</b>	<b>11,43,386</b>	<b>1,28,72,493</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged / encumbered to the total shares	
Gati Limited	16,00,300	12.43	-	16,00,300	12.43	-	-
Mahendra Kumar Agarwal	11,96,619	9.30	-	11,96,619	9.30	-	-
Mahendra investment advisors pvt ltd	6,82,000	5.30	-	6,82,000	5.30	-	-
Bunny Investments & Finance Pvt. Ltd.	5,27,322	4.10	-	5,27,322	4.10	-	-
Dhruv agarwal	2,96,675	2.30	-	2,96,675	2.30	-	-
Dhruv Agarwal Benefit Trust	-	-	-	1,41,500	1.10	-	1.10
Mahendra Kumar Agarwal (HUF)	1,05,265	0.82	-	1,28,265	1.00	-	0.18
Manish Agarwal Benefit Trust	-	-	-	1,16,623	0.91	-	0.91
Giri Roadlines and Commercial Trading Pvt Ltd	19,171	0.15	-	19,171	0.15	-	-
Gati Intellect Systems Ltd.	14,900	0.12	-	14,900	0.12	-	-
Jubilee Commercial & Trading Pvt. Ltd.	3,347	0.03	-	3,347	0.03	-	-
Manish Agarwal	75	0.00	-	75	0.00	-	-
<b>TOTAL</b>	<b>44,45,674</b>	<b>34.54</b>	<b>-</b>	<b>47,26,797</b>	<b>36.72</b>	<b>-</b>	<b>2.18</b>

## iii) Change in Promoter's Shareholding (please specify if there is no change)

Shareholders Name	Shareholding at the beginning of the year		Date wise increase / (decrease) in promoter shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
<i>Gati Limited</i>	<i>16,00,300</i>	<i>12.43</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>16,00,300</i>	<i>12.43</i>
<i>Mahendra Kumar Agarwal</i>	<i>11,96,619</i>	<i>9.30</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>11,96,619</i>	<i>9.30</i>
<i>Mahendra investment advisors Pvt ltd</i>	<i>6,82,000</i>	<i>5.30</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>6,82,000</i>	<i>5.30</i>
<i>Bunny Investments &amp; Finance Pvt. Ltd.</i>	<i>5,27,322</i>	<i>4.10</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>5,27,322</i>	<i>4.10</i>
<i>Dhruv agarwal</i>	<i>2,96,675</i>	<i>2.30</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>2,96,675</i>	<i>2.30</i>
<i>Dhruv Agarwal Benefit Trust</i>	<i>Nil</i>	<i>Nil</i>	<i>25.08.2014</i>	<i>60,000</i>	<i>Transfer/Buy</i>	<i>60,000</i>	<i>0.50</i>
			<i>26.08.2014</i>	<i>17,500</i>	<i>Transfer/Buy</i>	<i>77,500</i>	<i>0.60</i>
			<i>15.09.2014</i>	<i>16,000</i>	<i>Transfer/Buy</i>	<i>93,500</i>	<i>0.73</i>
			<i>30.12.2014</i>	<i>3,000</i>	<i>Transfer/Buy</i>	<i>96,500</i>	<i>0.75</i>
			<i>31.12.2014</i>	<i>42,000</i>	<i>Transfer/Buy</i>	<i>1,38,500</i>	<i>1.08</i>
			<i>25.03.2015</i>	<i>3,000</i>	<i>Transfer/Buy</i>	<i>1,41,500</i>	<i>1.10</i>
<i>Mahendra Kumar Agarwal (HUF)</i>	<i>1,05,265</i>	<i>0.82</i>	<i>31.03.2015</i>	<i>23,000</i>	<i>Transfer/Buy</i>	<i>1,28,265</i>	<i>1.00</i>
<i>Manish Agarwal Benefit Trust</i>	<i>Nil</i>	<i>Nil</i>	<i>08.09.2014</i>	<i>11,819</i>	<i>Transfer/Buy</i>	<i>11,819</i>	<i>0.09</i>
			<i>11.09.2014</i>	<i>20,564</i>	<i>Transfer/Buy</i>	<i>32,383</i>	<i>0.25</i>
			<i>15.09.2014</i>	<i>16,523</i>	<i>Transfer/Buy</i>	<i>48,906</i>	<i>0.38</i>
			<i>29.12.2014</i>	<i>13,391</i>	<i>Transfer/Buy</i>	<i>62,297</i>	<i>0.48</i>
			<i>30.12.2014</i>	<i>38,826</i>	<i>Transfer/Buy</i>	<i>1,01,123</i>	<i>0.78</i>
			<i>31.12.2014</i>	<i>6,000</i>	<i>Transfer/Buy</i>	<i>1,07,123</i>	<i>0.83</i>
			<i>26.03.2015</i>	<i>9,500</i>	<i>Transfer/Buy</i>	<i>1,16,623</i>	<i>0.91</i>
<i>Giri Roadlines and Commercial Trading Pvt Ltd</i>	<i>19,171</i>	<i>0.15</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>19,171</i>	<i>0.15</i>
<i>Gati Intellect Systems Ltd.</i>	<i>14,900</i>	<i>0.12</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>14,900</i>	<i>0.12</i>
<i>Jubilee Commercial &amp; Trading Pvt. Ltd.</i>	<i>3,347</i>	<i>0.03</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>3,347</i>	<i>0.03</i>
<i>Manish Agarwal</i>	<i>75</i>	<i>0.00</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>75</i>	<i>0.00</i>

## iv) Shareholding Pattern of top ten shareholders(other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	Green India Venture Fund	29,21,296	22.69	11.04.2014	(21,373)	Transfer/Sale	28,99,923	22.53
				18.04.2014	(5,120)	Transfer/Sale	28,94,803	22.49
				25.04.2014	(27,256)	Transfer/Sale	28,67,547	22.28
				02.05.2014	(4,050)	Transfer/Sale	28,63,497	22.25
				09.05.2014	(200)	Transfer/Sale	28,63,297	22.24
				16.05.2014	(25,393)	Transfer/Sale	28,37,904	22.05
				23.05.2014	(1,13,914)	Transfer/Sale	27,23,990	21.16
				30.05.2014	(2,24,827)	Transfer/Sale	24,99,153	19.41
				06.06.2014	(2,93,446)	Transfer/Sale	22,05,707	17.14
				13.06.2014	(4,80,000)	Transfer/Sale	17,25,707	13.41
				28.11.2014	(12,751)	Transfer/Sale	17,12,956	13.31
				19.12.2014	(1,18,743)	Transfer/Sale	15,94,213	12.38
				31.12.2014	(21,059)	Transfer/Sale	15,73,154	12.22
				06.03.2015	(11,468)	Transfer/Sale	15,61,686	12.13
				13.03.2015	(38,250)	Transfer/Sale	15,23,436	11.83
2	Neera Agarwal	9,50,265	7.38	--	Nil	Nil	9,50,265	7.38
3	T Garg and Compaly Pvt. Ltd.	900	0.01	06.06.2014	22,500	Transfer/Buy	23,400	0.18
				13.06.2014	48,503	Transfer/Buy	71,903	0.56
				20.06.2014	17,000	Transfer/Buy	88,903	0.69
				27.03.2015	4,000	Transfer/Buy	92,903	0.72
4	Shobit Kumar Garg	88,677	0.69	Nil	Nil	Nil	88,677	0.69
5	Ashok Kumar Agarwal	79,338	0.62	Nil	Nil	Nil	79,338	0.62
6	Bhoruka Aluminum Limited	75,500	0.59	29.08.2014	(75,500)	Transfer/Sale	00	00
7	Rajiv Jivan Golani	72,000	0.56	30.06.2014	(21,000)	Transfer/Sale	51,000	0.40
				04.07.2014	15,240	Transfer/Buy	66,240	0.51
				11.07.2014	4,900	Transfer/Buy	71,140	0.55
				18.07.2014	860	Transfer/Buy	72,000	0.56
8	Pace Stock Broking Services Pvt. Ltd.	2,425	0.02	11.04.2014	500	Transfer/Buy	2,925	0.02
				13.06.2014	10,000	Transfer/Buy	12,925	0.10
				20.06.2014	200	Transfer/Buy	13,125	0.10
				30.06.2014	(200)	Transfer/Sale	12,925	0.10
				04.07.2014	(500)	Transfer/Sale	12,425	0.10
				19.09.2014	(6,833)	Transfer/Sale	(5,592)	0.04
				30.09.2014	(3,167)	Transfer/Sale	2,425	0.02
				31.10.2014	28,145	Transfer/Buy	30,570	0.24
				31.10.2014	(600)	Transfer/Sale	29,970	0.23
				07.11.2014	31,102	Transfer/Buy	61,072	0.47
				14.11.2014	81,816	Transfer/Buy	1,42,888	1.11

				21.11.2014	(75,434)	Transfer/Sale	67,454	0.52
				12.12.2014	(8)	Transfer/Sale	67,446	0.52
				19.12.2014	8	Transfer/Buy	67,454	0.52
				16.01.2015	1,000	Transfer/Buy	68,454	0.53
				27.02.2015	(850)	Transfer/Sale	67,604	0.53
				13.03.2015	(150)	Transfer/Sale	67,454	0.52
				20.03.2015	3,000	Transfer/Buy	70,454	0.55
				31.03.2015	775	Transfer/Buy	71,229	0.55
9	Stanly John	64,500	0.50	04.04.2014	500	Transfer/Buy	65,000	0.50
				12.12.2014	20	Transfer/Buy	65,020	0.51
				16.01.2014	20	Transfer/Buy	65,040	0.51
				20.02.2015	60	Transfer/Buy	65,100	0.51
10	Atul Dhawan	56,264	0.44	04.04.2014	231	Transfer/Buy	56,495	0.44
				11.04.2014	13,505	Transfer/Buy	70,000	0.54
				06.06.2014	4771	Transfer/Buy	74,771	0.58
				08.08.2014	10,229	Transfer/Buy	85,000	0.66
				19.09.2014	(8,372)	Transfer/Sale	76,628	0.60
				30.09.2014	(9,469)	Transfer/Sale	67,159	0.52
				21.11.2014	(22,159)	Transfer/Sale	45,000	0.35
				28.11.2014	(1,000)	Transfer/Sale	44,000	0.34
				31.12.2014	(8,582)	Transfer/Sale	35,418	0.28
				09.01.2015	(918)	Transfer/Sale	34,500	0.27

Note: The above information is based on the weekly beneficiary position received from depositories.

#### Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each the Directors and KMP	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	Mr. Hemant Kaul (Appointed w.e.f January 23, 2015)*	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Mr. Mahendra Kumar Agarwal	11,96,619	9.30	Nil	Nil	Nil	11,96,619	9.30
3	Mr. Radheshyam Agarwala	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Mr. Sanwar Mal Jalan	14,500	0.01	14.11.2014	(500)	Transfer/Sale	900	0.01
				20.11.2014	(400)	Transfer/Sale	500	0.00
				13.02.2015	(500)	Transfer/Sale	00	0.00
5	Dr. Dhanpat Ram agarwal	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Ms. Meera Madhusudan Singh (Appointed w.e.f March 26, 2015)*	Nil	Nil	31.03.2015	Nil	Nil	14,532	0.11
7	Mr. Ramesh Sivaraman	960	0.00	Nil	Nil	Nil	960	0.00
8	Ms. Lakshmi Sharma	Nil	Nil	Nil	Nil	Nil	Nil	Nil
9	Mr. O Swaminatha Reddy (Resigned w.e.f September 25, 2014)*	Nil	Nil	Nil	Nil	Nil	Nil	Nil

\* Increase / Decrease in shareholding during the year is given only after the date of appointment / upto the date of resignation.

**V. INDEBTEDNESS**
*Indebtedness of the Company including interest outstanding / accrued but not due for payment.*
**(₹ in Lakhs)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<i>Indebtedness at the beginning of the financial Year</i>				
i) Principal Amount	2,422.93	Nil	Nil	2,422.93
ii) Interest due but not paid	1.57	Nil	Nil	1.57
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>2,424.51</b>	<b>Nil</b>	<b>Nil</b>	<b>2,424.51</b>
<i>Change in Indebtedness during the financial year</i>				
Addition	3,000.00	Nil	Nil	3,000.00
Reduction	213.33	Nil	Nil	213.33
Net Change	2,786.67	Nil	Nil	2,786.67
<i>Indebtedness at the end of the financial Year</i>				
i) Principal Amount	5,211.18	Nil	Nil	5,211.18
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>5,211.18</b>	<b>Nil</b>	<b>Nil</b>	<b>5,211.18</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration of Managing Director, Whole-time Directors and Manager**
**(₹ in Lakhs)**

Sl. No	Particular of Remuneration	Mr. Ramesh Sivaraman Manager-Chief Executive
1	Gross Salary (Rs.)	26.23
2	Stock Option (no.)	-
3	Sweat Equity	-
4	Commission	-
5	Others, please specify	-
	<b>Total (A)</b>	26.23
	<i>Ceiling as per the Act</i>	<i>The Company has filled application with Central Government for payment of remuneration to manager in view of in adequate of profits and is awaiting the approval.</i>

**B. Remuneration to other Directors**
**(Amount in ₹)**

No	Particular of Remuneration	Other Directors						
		Hemant Kaul	Mahendra Agarwal	R S Agarwala	S M Jalan	D R Agarwal	Meera Madhusudan Singh	O S Reddy
<b>1</b>	<b>Independent Directors</b>							
	(a) Fee for attending board / committee meetings	--	--	--	20,000	--	--	6,000
	(b) Commission	--	--	--	--	--	--	--
	(c) Others, please specify	--	--	--	--	--	--	--
	<b>Total (1)</b>				20,000			6,000
<b>2</b>	<b>Other Non-Executive Directors</b>							
	(d) Fee for attending board / committee meetings	--	--	24,000	--	12,000	2,000	--
	(e) Commission	--	--	--	--	--	--	--
	(f) Others, please specify	--	--	--	--	--	--	--
	<b>Total (2)</b>	--	--	24,000	--	12,000	2,000	--
	<b>Total B = (1+2)</b>	--	--	24,000	20,000	12,000	2,000	6,000
<b>Over all ceiling as per Act</b>		<i>The Company had paid only sitting fees to the Directors. Apart from sitting fees there is no other remuneration paid to the Non-Executive Directors.</i>						



## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ in Lakhs)

Particular of Remuneration	Key Managerial Personnel	Total Amount
	Lakshmi Sharma Company Secretary	
<b>1 Gross Salary</b>		
(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	4.44	4.44
(b) Value of perquisites u/s 17 (2) Income tax Act, 1961	-	-
(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	-	-
<b>2 Stock Option (nos.)</b>	-	-
<b>3 Sweat Equity</b>	-	-
<b>4 Commission</b>	-	-
as % of profit	-	-
others, specify	-	-
<b>5 others, please specify</b>	-	-
<b>Total</b>	<b>4.44</b>	<b>4.44</b>

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment/ compounding fee imposed	Authority [RD /NCLT/ Court]	Appeal made, if any (give details)
<b>A. Company:</b>	<b>None</b>				
Penalty					
Punishment					
Compounding					
<b>B. Directors:</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other officers in Default:</b>					
Penalty					
Punishment					
Compounding					

## Annexure-D

### 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, enhancing shareholder/investor value and discharging 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.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

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.

#### Company's Philosophy

TCI Finance Limited (TCIF 'or 'the Company') believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value.

The Company's philosophy on Corporate Governance focuses on the attainment of the highest standards of transparency, accountability, ethics and equity with management flexibility, empowerment and responsiveness in the interest of shareholders, customers, employees, business associates and the society at large.

#### Board of Directors

The Board of Directors at present comprises of 6 directors out of 2 are Independent Directors. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

The Chairman being non-executive Director, one third of the strength of the Board comprises of the Independent Directors.

#### Composition and category of Directors:

Name of the Director	Category	Designation
Mr. Hemant Kaul*	Independent and Non Executive Director	Chairman
Mr. Mahendra Agarwal	Promoter and Non Executive Director	Director
Mr. R. S. Agarwala	Non Executive Director	Director
Dr. D. R. Agarwal	Non Executive Director	Director
Mr. S. M. Jalan	Independent and Non Executive Director	Director
Ms. Meera Madhusudhan Singh***	Non Executive Director	Director
Mr. O. Swaminatha Reddy**	Independent and Non Executive Director	Director

\* Appointed w.e.f January 23, 2015

\*\* Appointed w.e.f March 26, 2015

\*\*\* Resigned w.e.f September 25, 2014

#### Meetings of the Board

The Board of Directors must meet at least four times a year, with a maximum time gap of 120 days between two Board meetings. During the financial year 2014-15, the Board met Eight times: April 7, 2014, May 7, 2014, August 7, 2014, August 18, 2014, October 29, 2014, December 6, 2014, January 23, 2015 and March 26, 2015. The necessary quorum was present at all the meetings. Video/tele-conferencing facilities were also used to facilitate Directors travelling abroad or at other locations to participate in the meetings. The proceedings of the meetings held through Video Conferencing are duly recorded by the Company.

Each Director informs the Company on an annual basis about the Board and Board Committee positions he occupies in other companies including Chairmanships and notifies changes during the term of their directorship in the Company. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors. Other directorships do not include alternate directorships and companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

**Attendance during the financial year 2014-15 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:**

Name of the Director	Attendance Particulars		* No. of other directorships and committee membership/chairmanship			
	Board Meetings	Last AGM	Chairman of the Board	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Hemant Kaul*	2	No	1	3	-	2
Mr. Mahendra Agarwal	8	Yes	-	9	1	-
Mr. R.S. Agarwala	8	Yes	-	2	-	-
Mr. S.M. Jalan	6	No	-	8	-	-
Dr. D.R. Agarwal	6	No	-	6	-	-
Ms. Meera Madhusudhan Singh**	--	NA**	-	1	-	-
Mr. O. Swaminatha Reddy***	3	Yes	-	-	-	-

\* Appointed w.e.f January 23, 2015

\*\* Appointed w.e.f March 26, 2015

\*\*\* Resigned w.e.f September 25, 2014

**Information given to the Board:**

The Company provides the following information to the Board and the Board Committees. Such information is submitted either as part of the agenda papers in advance of the meetings or by way of presentations and discussion materials during the meetings.

- Inter corporate Loans & Deposits
- Quarterly, Half yearly and Annual results of the Company and its subsidiaries
- Detailed presentations on the business performance of the Company and its material subsidiaries
- Minutes of meetings of the Audit Committee and other Committees
- Statutory payment and related party transaction
- Internal Audit Report
- Subsidiary companies minutes, financial statements and significant investments

**Code of Conduct**

- The Board of Directors of the Company has laid down a code of conduct for all Board Members and designated senior management of the Company. The Code of Conduct has also incorporated the duties of Independent Directors as laid down in the Companies Act, 2013. The code of conduct is available on the website of the Company ([www.tcifl.in](http://www.tcifl.in)). All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Manager to this effect is enclosed at the end of this report.
- The Reserve Bank of India vide its circular dated September, 2008 issued guidelines for all NBFCs to adopt Fair Practice Code. Your Company adopted the same and is available on the website of the Company ([www.tcifl.in](http://www.tcifl.in)).

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Further, as per recent circular issued by RBI to incorporate suitable amendments in Fair Practice Code, the Board of Directors in their meeting adopted the amended Fair Practice Code and the same is available on the website of the Company.

**Separate meetings of the Independent Directors**

During the year under review, the Independent Directors met on December 6, 2014, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the Performance of the chairman of the company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**Risk management**

The details of Risk Management as practiced by the company are provided as part of Management Discussion and Analysis Report which forms part of this Annual Report.

**Committees of the Board**

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The Company has five Board-level Committees, namely:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Credit Investment Committee

**Audit Committee**

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI Regulations/ Listing Agreements with the Stock Exchanges.

**The primary responsibilities of the Audit Committee are to:**

1. Supervise the financial reporting process
2. Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements
3. Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function and remuneration of the Chief Internal Auditor
4. Discuss with management, the Company's major policies with respect to risk assessment and risk management.
5. Hold discussions with statutory auditors on the nature and scope of audits and any views that they have about the financial control and reporting processes
6. Ensure compliance with accounting standards and with listing requirements with respect to the financial statements

7. Recommend the appointment and removal of statutory auditors and their fees
8. Ensure that adequate safeguards have been taken for legal compliance for the Company
9. Review related party transactions.

The Audit Committee entirely comprises of Independent Directors. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, strategy and management.

The Chairman of the Audit Committee was present at Annual General Meeting to answer shareholder queries

The Company Secretary acts as the secretary to the committee.

During the financial year 2014-15, the Audit Committee met four times viz., on May 7, 2014, August 7, 2014, October 29, 2014 and January 23, 2015. The below table gives the composition and attendance record of the Audit Committee.

S.No	Name	Position	Number of meetings during the year 2014-15	
			Held	Attended
1	Mr. S M Jalan*	Chairman	4	4
2	Mr. R S Agarwala	Member	4	4
3	Mr. Hemant Kaul**	Member	4	1

\* Nominated chairman of Audit Committee w.e.f January 23, 2015

\*\* Nominated member of Audit Committee w.e.f January 23, 2015

#### **Nomination & Remuneration Committee:**

The Board has constituted Nomination & Remuneration Committee consisting of 2 Independent Directors and 2 Non-Executive Directors. The terms of reference of the Committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), KMP, framing of policies and looking after the issues relating to major HR policies.

During the financial year 2014-15, the Committee met twice times viz., on May 6, 2014, December 5, 2014. The below table gives the composition and attendance record of the Nomination & Remuneration Committee.

S.No	Name	Position	Number of meetings during the year 2014-15	
			Held	Attended
1	Mr. S M Jalan	Chairman	2	2
2	Mr. Mahendra Agarwal	Member	2	2
3	Mr. Hemant Kaul*	Member	2	1
4	Mr. R S Agarwala	Member	2	2

\* Nominated member w.e.f January 23, 2015

#### **Remuneration policy:**

The Nomination and Remuneration (N&R) Committee has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration.

##### **1. Criteria Of Selection Of Non-Executive Directors.**

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the criteria of independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - a) Qualification, expertise and experience of the Directors in their respective fields;
  - b) Personal, Professional or business standing;
  - c) Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

## **2. Remuneration**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **3. Criteria for selection/appointment of CEO & Managing Director**

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

## **4. Remuneration for the CEO & Managing Director**

- i. At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
  - a) the relationship of remuneration and performance benchmarks is clear;
  - b) balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - c) responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends;
  - d) the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

## **5. Remuneration Policy for the Senior Management Employees**

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:
  - i. the relationship of remuneration and performance benchmark is clear;

- ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

In accordance with HR recommendation N&R Committee will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

#### Non-Executive Directors:

The Sitting fee and commission payable to the Non-Executive Directors during the year under review is in conformity with the applicable provisions of the Companies Act, 2013, and duly considered and approved by the Board and the shareholders.

The details of sitting fee paid to the Non-Executive Directors during the financial year 2014-15 and equity shares are as follows:

Name	Sitting fee	Equity Shares
	(Rs.)	(Nos.)
Mr. Hemant Kaul*	Nil	Nil
Mr. Mahendra Agarwal	Nil	11,96,619
Mr. R.S. Agarwala	24,000	Nil
Mr. S.M. Jalan	20,000	Nil
Dr. D.R. Agarwal	12,000	Nil
Ms. Meera Madhusudhan Singh**	2000	14,532
Mr. O. Swaminatha Reddy***	6000	Nil
<b>TOTAL</b>	<b>64,000</b>	<b>12,11,151</b>

\* Appointed w.e.f 23.01.2015

\*\* Appointed w.e.f 26.03.2015

\*\*\* Resigned w.e.f 25.09.2014

#### Stakeholders Relationship Committee (Investors' Grievance Committee):

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. It primarily focuses on:

1. Review of investor complaints and their redressal
2. Review of queries received from investors
3. Review the performance of the share transfer agent
4. Review of corporate actions related to shareholder issues
5. Review of stakeholders' queries & grievances

The Committee consists of two Directors, headed by Mr. S M Jalan, Chairman of the Committee, who is an Independent Director and Dr. D.R. Agarwal. During the financial year 2014-15, the Stakeholders Relationship Committee met four times viz., on May 7, 2014, August 7, 2014, October 29, 2014 and January 23, 2015. and all the members were present for the meeting.



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Ms.Lakshmi Sharma, Company Secretary of the Company, officiates as secretary of the Committee and is also designated as Compliance Officer in terms of the Listing Agreement with the Stock Exchanges.

In order to expedite the process of share transfers, the Board has delegated the powers to officers of the Company. The delegated authority attends to share transfer formalities at least once a fortnight, as required.

An analysis of the investor complaints received and redressed during the financial year 2014-15 is given below:

S.No.	Nature of Complaint	Received	Disposed	Pending
1	Non receipt of dividend warrants	05	05	NIL
2	Non receipt of Annual Report	04	04	NIL
3	Non receipt of Share Certificate sent for transfer	01	01	NIL
	<b>Toatal</b>	<b>10</b>	<b>10</b>	<b>NIL</b>

As on 31st March 2015, no request for dematerialization was pending.

**Credit/Investment Committee****Composition**

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

Mr R S Agarwala              Chairman

Mr. S M Jalan              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.

**Name, designation and address of Compliance Officer:****Ms. Lakshmi Sharma**

Company Secretary ,

Investor Relations & Compliance Officer

Email: investor\_tcif@gati.com

**Regd. Office:**

Plot no.20, Survey no.12, 4th Floor,

Kothaguda, Kondapur,

Hyderabad – 500 081

Tel: +91 040 7120 4284

Fax: +91 040 2311 2318

**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



## General Body Meetings

### (a) Annual General Meeting:

Date of AGM	Time	Venue	No. of Special resolutions passed
September 18, 2012	10.30 A.M	Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad - 500 003.	–
September 24, 2013	10.30 A.M	Hotel Minerva Grand, Sarojini Devi Road, Secunderabad - 500 003.	–
September 25, 2014	11.00 A.M	Plot no-20, Survey no-12, Opp. Of CII building, Kothaguda, Kondapur, Hyderabad-500081	1

### (b) Extraordinary General Meeting:

During the year, no Extraordinary General Meeting of the Company was held.

### Postal Ballot:

During the year, the Company has not transacted any business through postal ballot.

### Disclosures

- i) 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. 25.2 of notes to accounts published elsewhere in this Annual Report.
- ii) 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
- iii) The Company affirms that no personnel has been denied access to the Audit Committee during the financial year ended 31st March, 2015.
- iv) The Company has complied with all the mandatory requirements of Clause 49 of the listing agreement.

### Covering letter of annual audit report to be filed with stock exchanges

In terms of Clause 31(a) of the Listing Agreement, the covering letter of the annual audit report to be filed with the stock exchanges (Form A) duly signed by the CEO, Executive Director & CFO, Auditors of the company and Chairman of the Audit Committee would be filed with the stock exchanges along with the copies of the Annual Reports.

### Vigil Mechanism

The company has put in place a mechanism of reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no person has been denied access to the audit committee in this respect.

The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

The Company affirms that no personnel have been denied access to the audit committee during the financial year 2014-15.

- (iv) The Company has complied with all mandatory requirements of Clause 49 of the listing agreement.

**TCI FINANCE LTD.**

- (v) The Company is preparing its financial statements in line with the accounting standards issued by the Institute of Chartered Accountants of India and the company has not raised any fresh funds from the public or through Right or Preferential Issue

**CEO and CFO Certification:**

The Chief Executive Officer and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board as required under Clause 49(IX) of the Listing Agreement.

**Means of Communication Results**

The quarterly and half yearly un-audited and annual results were published in a National level English newspaper(s) as well as regional language newspaper circulating in the state of Telangana. The results are also displayed on the Company's website (www.tcifl.in).

**News releases and presentation to Institutional Investors:** Nil

**NSE Electronic Application Processing System (NEAPS):**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

**E-voting**

Pursuant to the requirements of the Companies Act, 2013 and the Listing Agreement, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.

**Non-Mandatory Requirements****1. Audit qualifications**

The Company is in the regime of unqualified financial statements.

**2. Reporting of Internal Auditor**

The reporting structure of the Internal Auditor directly to the Audit Committee.

**Management Discussion and Analysis:**

Management Discussion and Analysis forms part of the Annual Report.

**General Shareholders' Information Annual General Meeting:**

Date: July 28, 2015

Time: 11.00 a.m

Venue: Plot no-20, Survey no-12, Ground Floor, Kothaguda, Kondapur, Hyderabad-500081

**Book Closure dates:** The dates for book closure are from July 21, 2015 to July 28, 2015 (both days inclusive).

**Listing on Stock Exchanges**

The Company's shares are listed on BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai. The listing fee for the year 2015-16 has been paid to all the above stock exchanges.

**Stock Code:**

a) Trading scrip code on Bombay Stock Exchange : 501242

b) Trading scrip code on National Stock Exchange : TCIF

**International Securities Identification Number (ISIN):**

ISIN is a unique identification number of traded scrip. The Company's' ISIN for equity shares is INE 911B01018.

### Monthly high / low stock quotations at BSE & NSE

(Amount in ₹)

<i>Months</i>	<i>BSE</i>		<i>NSE</i>	
	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
Apr-2014	21.30	17.25	20.60	16.50
May-2014	20.75	17.05	20.90	17.00
Jun-2014	30.30	18.50	30.45	18.70
Jul-2014	28.85	21.40	28.85	21.65
Aug-2014	26.75	20.65	26.95	20.00
Sep-2014	38.25	22.70	38.15	23.15
Oct-2014	36.75	25.20	37.20	26.05
Nov-2014	57.95	30.15	58.50	29.60
Dec-2014	52.75	30.65	52.70	31.00
Jan-2015	49.30	34.70	50.20	34.90
Feb-2015	50.95	34.00	50.50	33.15
Mar-2015	39.35	31.70	39.70	31.70

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

<i>PARTICULARS</i>	<i>TCI FINANCE SHARE PRICE V/S BSE</i>			
	Share Price(Rs.)	CNX NIFTY	Share Price (Rs.)	BSE Sensex
As on April 1, 2014	17.85	6730	17.95	22455
As on March 31, 2015	33.25	8491	33.15	27957

### Share Transfer System

All queries and requests relating to share/debenture transfers/transmissions may be addressed to our Registrar and Transfer Agent:

#### Karvy Computershare Private Limited

(Unit: TCI Finance Limited)

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel. No: 040 6716 2222

E-mail: mohsin.mohd@karvy.com

Share transfers, if documents are found to be in order, are registered and returned in the normal course within two weeks from the date of receipt of the documents.

**Dematerialization of Shares**

The Company's scrip forms part of the compulsory dematerialization segment for all investors with effect from August 28, 2000. To facilitate easy access of the dematerialized system to the investors, the Company has signed up with both the depositories namely the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and has established connectivity with the depositories through its Registrar and Transfer Agent, Karvy Computershare Private Limited.

91.73% of the total shares have been dematerialized upto March 31, 2015. Dematerialization of shares is done through Karvy Computershare Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

Particulars	Shares on March 31, 2015	%
Physical Shares	1143386	8.88
NSDL	10531395	81.81
CDSL	1197712	9.30
<b>Total</b>	<b>12872493</b>	<b>100</b>

**Secretarial Audit**

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

**Distribution Schedule as on March 31, 2015:**

No. of shares		No. of Shareholders	% of total Shareholders	No. of shares	% to Total Capital
Upto	5000	4797	79.61	913230	7.09
5001	10,000	576	9.56	489942	3.81
10,001	20,000	274	4.55	431660	3.35
20,001	30,000	93	1.54	241907	1.88
30,001	40,000	58	0.96	208504	1.62
40,001	50,000	55	0.91	259464	2.02
50,001	1,00,000	80	1.33	570265	4.43
1,00,001	And above	93	1.54	9757521	75.80
<b>TOTAL</b>		<b>6026</b>	<b>100.00</b>	<b>12872493</b>	<b>100.00</b>

**Distribution of Shareholding on the basis of ownership**

No.	Category	No. of shares held	% Shareholding
1	Promoter and Promoter Group	4726797	36.72
2	Non-Resident Indians	286731	2.23
3	Bodies Corporate & HUF	2741129	21.29
4	Resident Individuals	5080548	39.47
5	Clearing Members	34469	0.27
6	Directors and relatives	2819	0.02
	<b>TOTAL</b>	<b>12,872,493</b>	<b>100.00</b>

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

Not Applicable

**Investor Correspondence**

**For queries relating to shares:**

**Karvy Computershare Pvt. Ltd.**

(Unit TCI Finance Limited)

Karvy Selenium Tower B

Plot 31-32, Gachibowli

Financial District, Nanakramguda

Hyderabad – 500 032

Tel: +91 040 67162222

Fax: +91 040 23001153

E-mail: mohsin.mohd@karvy.com

**For queries relating to Financial Statements  
and other contents of Annual Report:**

**TCI Finance Limited**

Secretarial Department

Plot no.20, Survey no.12

Kothaguda, Kondapur

Hyderabad – 500 081.

Tel: +91 040 7120 4281

Fax: +91 040 2311 2318

Email: investor.services@gati.com

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## **CERTIFICATE ON CORPORATE GOVERNANCE**

To.

The Members of TCI Finance Limited,

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

**For dvmgopal & associates**  
Company Secretaries

Place: Hyderabad  
Date: April 29, 2015

**DVM Gopal**  
Proprietor  
CP no. 6798  
FCS no. 6280

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### **Declaration**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2015.

**for TCI FINANCE LIMITED**

Place: Hyderabad  
Date: April 29, 2015

**Ramesh Sivaraman**  
Manager-Chief Executive

## 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, 2015 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) There are no significant changes in accounting policies made during the year and

(iii) There are no instances of fraud involving the management or an employee.

For TCI Finance Limited

Place: Hyderabad  
Date : April 29, 2015

Ramesh Sivaraman  
Manager-Chief Executive



## MANAGEMENT DISCUSSION & ANALYSIS

### **Business Environment**

Global growth was 3.4% during calendar year (CY) 2014, similar to CY 2013. Growth in the United States improved to 2.4% in CY2014 compared to 2.2% in CY 2013. Growth in the Euro Area and Japan, however, continued to remain subdued. There was a slowdown in economic growth in emerging market economies. China's economy grew by 7.4% in CY 2014 compared to 7.8% in CY 2013. Monetary policies were divergent across economies during the year.

In India, the formation of a stable government with a strong electoral mandate in May 2014 led to an improvement in market sentiment. There was recovery in key economic parameters during the year. Economic growth improved, inflation moderated, the current account deficit and exchange rates remained stable and interest rates came down during the year. The corporate investment cycle continued to remain subdued; the focus remained on working towards cash flow generation from existing projects and addressing profitability and liquidity challenges in the corporate and SME sectors. The government has taken several steps to improve the operating environment and also announced several reforms. These measures are expected to positively influence economic conditions going forward.

### **Opportunities**

Reports from the World Bank indicate that Non Banking Financial Institutions act as critical pillars contributing to macroeconomic stability and sustained economic growth and prosperity, due to their ability to finance firms and individuals at a reasonable cost, reduce volatility by providing multiple sources to finance and park funds and enable creation of a competitive environment characterized by a diverse array of products. This has been proven time and again in developed markets.

Non-Banking Finance Companies (NBFCs) continue to play a critical role in making financial Services accessible to a wider set of India's population and are emerging as strong intermediaries in the retail finance space. Going forward, one should expect NBFCs to further Strengthen their presence in retail finance and grow at a reasonably healthy pace.

### **Threats**

The biggest challenge before NBFCs is that they are facing stiff competition from banks and financial institutions, due to their ability 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.

Ever-increasing competition from commercial counterparts whose capacity to absorb losses is higher, counter-party failures, recommendations being made to increase the purview of monitoring by regulatory authorities increase the threat of losing the essence of Non-banking Finance Companies which are specifically designed to reach out and finance certain target groups.

### **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**

NBFCs have proven their mettle in many other specialized financial services such as factoring, lease finance, venture capital finance, financing road transport and also in the business of securities-based lending such as Loan against Shares , Margin Funding, IPO Financing, Promoter Funding etc. They have also been providing a major boost to Micro, Small and Medium enterprises and other avenues where banks exercise cautious lending. All the above factors further emphasize the potential and opportunities in store for NBFCs and the regulations when designed to provide the right environment, provides impetus to the growth of the sector.

The Company hence wishes to diversify its lending activities in the coming period and shall embark on this path and move forward once the existing investments, which are at an incubating stage begin to bear fruits.

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

### **Risks and concerns**

The NBFC industry in general faces the risk of re-entry and new entry of players and existence of several unorganized regional players increasing the competition which mainly affects the asset quality. This is further characterized by captive NBFCs floated by other business houses. The ever existing systemic and delinquency risks and fluctuations in interest

rates and risk weight make the companies more vulnerable. Deployment of funds in sensitive and volatile sectors increases the risk exposure while concentration risk increases dependency.

### **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 financial performance**

Your company is a small sized, BSE and NSE listed, Non Banking Financial Company (NBFC).

The Company's total Revenue from Operations during the year were ₹1324 Lakhs and the net profit after tax is ₹ 678 Lakhs as against ₹1557 Lakhs and Rs.559 lakhs respectively in the previous year.

### **Human Resources**

The Company always considers its human resources as a valuable asset and is committed towards their development for continuous growth. Focus on training to enhance the skill-sets of employees in line with the business and market requirements continued throughout the year and it confers rewards and recognition based on merit.

The employee relations have continued to be harmonious throughout the year. The Company has four permanent employees as on 31st March 2015.

### **Cautionary Statement**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic and political conditions in which the Company operates, interest rate fluctuations, changes in Government / RBI regulations, Tax laws, Other statutes and incidental factors.

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## INDEPENDENT AUDITORS' REPORT

To  
**The Members of  
TCI Finance Limited**

### **Report on the standalone Financial Statements**

We have audited the accompanying standalone financial statements of TCI Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year the ended and summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matter:**

We draw attention to Note No 20.2 to the financial statements regarding Managerial remuneration relating to current year. The Company is awaiting approval from the Central Government in this regard.

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) In our opinion and according to information and explanations given to us, there are no financial transactions or matters which have any adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No 23.1 to the financial statements;
    - ii. The Company did not have any material foreseeable losses relating to long term contracts including derivative contracts.
    - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

**for M. Bhaskara Rao & Co.,**  
 Chartered Accountants  
 Firm Registration No. 000459S  
**M V Ramana Murthy**  
 Partner  
 Membership No.206439

Hyderabad, April 29, 2015

**Annexure to the Independent Auditors' Report**

(Referred to in paragraph '1' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i.
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, all the fixed assets have been physically verified by the management during the year in accordance with programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. Having regard to the nature of the Company's business, paragraph 4(ii) of the Order relating to inventory is not applicable.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly clause (b) paragraph 4(iii) of the Order is not applicable.

- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems 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 internal control system .
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Accordingly, the provisions of paragraph 4(v) of the Order is not applicable.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for the activities of the Company.
- vii. (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Sales-tax, Service Tax, Customs duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Service Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are as below:

Nature of statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Karnataka Sales Tax	Tax/Penalty	63,661	1996-1997	Joint Commissioner of Commercial Taxes (Appeals)

- (d) According to the information and explanations given to us, no amount is required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions for the Companies Act, 1956 and the rules made there under.
- viii. The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions except in respect of following delays in repayment of installments of term loans to financial institutions and interest dues:

Particulars	Amount (₹)	Number of Days
Dues to financial institutions		
- term loans	14,483,749	30
- Interest on Term Loans	428,073	30

- x. According to the 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 interests of the Company.
- xi. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which they were obtained.
- xii. During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instance of fraud on or by the Company was noticed or reported during the year.

**for M. Bhaskara Rao & Co.**  
Chartered Accountants  
Firm Registration No. 000459S

**M. V. Ramana Murthy**  
Partner  
Membership No.206439

Hyderabad, April 29, 2015

**TCI FINANCE LIMITED**  
**Balance Sheet as at March 31, 2015**

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>		<b>₹</b>	<b>₹</b>
<b>Shareholders' Funds</b>			
(a) Share Capital	3	141,963,050	141,963,050
(b) Reserves and Surplus	4	259,046,476	191,283,196
		401,009,526	333,246,246
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	215,712,410	221,117,940
(b) Long Term Provisions	6	1,202,123	3,930,020
		<b>216,914,533</b>	<b>225,047,960</b>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	7	300,000,000	-
(b) Trade Payables	8	311,300	381,627
(c) Other Current Liabilities	9	6,699,462	23,531,541
(d) Short Term Provisions	10	2,990,942	6,790
		<b>310,001,704</b>	<b>23,919,958</b>
<b>TOTAL</b>		<b>927,925,763</b>	<b>582,214,164</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11A	7,863,859	6,696,921
(ii) Intangible Assets	11B	1,644	16,210
(b) Non-Current Investments	12	495,304,321	493,668,901
(c) Deferred Tax Assets (Net)	24.2	104,291	558,994
(d) Long Term Loans and Advances	13	-	10,369,002
(e) Other Non-Current Assets	14	120,265	113,600
		<b>503,394,380</b>	<b>511,423,628</b>
<b>Current Assets</b>			
(a) Cash and Bank Balances	15	43,319,122	2,263,965
(b) Short Term Loans and Advances	16	356,625,000	38,901,430
(c) Other Current Assets	17	24,587,261	29,625,141
		<b>424,531,383</b>	<b>70,790,536</b>
<b>TOTAL</b>		<b>927,925,763</b>	<b>582,214,164</b>
Corporate Information and Significant Accounting Policies	1 & 2		

**Accompanying notes form an integral part of the Financial Statements**

As per our report of even date attached.

For M.Bhaskara Rao & Co.  
Chartered Accountants

For and on behalf of the Board

**M.V.Ramana Murthy**  
Partner

**Hemant Kaul**  
Chairman  
DIN No : 00551588

**S M Jalan**  
Director  
DIN No : 00324182

**Lakshmi Sharma**  
Company Secretary  
M.No: A32617

**Ramesh Sivaraman**  
Manager - Chief Executive

Hyderabad, April 29, 2015



**Statement of Profit and Loss for the year ended March 31, 2015**

Particulars	Note No.	2014- 15	2013-14
		₹	₹
<b>Income</b>			
Revenue from Operations	18	132,360,010	155,721,695
Other Income	19	4,907,007	4,788,033
<b>Total Revenue</b>		<b>137,267,017</b>	<b>160,509,728</b>
<b>Expenses</b>			
(a) Employee Benefits Expense	20	6,281,773	5,996,204
(b) Finance Costs	21	49,357,892	78,898,728
(c) Depreciation and Amortisation	11D	121,051	147,335
(d) Other Expenses	22	2,556,597	2,819,105
(e) Provision for Standard Assets / Non-Performing Assets	23.4	(2,810,000)	2,457,000
<b>Total Expenses</b>		<b>55,507,313</b>	<b>90,318,372</b>
<b>Profit Before Tax</b>		<b>81,759,704</b>	<b>70,191,356</b>
<b>Tax Expense:</b>			
(a) Current Tax		13,497,415	14,300,000
(b) Deferred Tax		468,391	-
		<b>13,965,806</b>	<b>14,300,000</b>
<b>Profit After Tax</b>		<b>67,793,898</b>	<b>55,891,356</b>
<b>Earnings per Equity Share of ₹ 10/- each</b>			
Basic and Diluted	24.1	<b>5.27</b>	<b>4.34</b>
Corporate Information and Significant Accounting Policies	1 & 2		

**Accompanying notes form an integral part of the Financial Statements**

As per our report of even date attached.

**For M.Bhaskara Rao & Co.**  
Chartered Accountants

For and on behalf of the Board

**M.V.Ramana Murthy**  
Partner

**Hemant Kaul**  
Chairman  
DIN No : 00551588

**S M Jalan**  
Director  
DIN No : 00324182

**Lakshmi Sharma**  
Company Secretary  
M.No: A32617

**Ramesh Sivaraman**  
Manager - Chief Executive

Hyderabad, April 29, 2015



## TCI FINANCE LTD.

## Cash Flow Statement for the year ended March 31, 2015

Particulars	2014-15	2013-14
	₹	₹
<b>A. Cash Flow From Operating Activities</b>		
Net profit before tax and extra ordinary items	81,759,704	70,191,356
<b>Adjustments for:</b>		
Depreciation and Amortisation	121,051	147,335
Profit on sale of Investments	(25,108,654)	(110,625,560)
Profit on sale of assets	(595,300)	-
Leased assets written off	-	59,418
Dividend received (Long Term Investments)	(11,826,784)	(7,078,203)
	44,350,017	(47,305,654)
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Short Term Loans and Advances	(625,000)	152,326
Other Current Assets	(2,118,590)	1,522,644
Other Non-Current Assets	(6,665)	(5,170)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade Payables	(70,327)	(444,809)
Other Current Liabilities	(1,062,316)	(2,976,387)
Short Term Provisions	1,403	(903)
Long Term Provisions	(2,727,897)	2,412,523
Cash used in Operations	37,740,624	(46,645,430)
Net Income Tax Refunded	(145,664)	(7,392,435)
Net Cash used in Operations	37,594,960	(54,037,865)
Loans Repaid / (Disbursed) (Net)	(318,000,000)	435,800,000
<b>Net Cash from / (used in) Operating Activities (A)</b>	<b>(280,405,040)</b>	<b>381,762,135</b>
<b>B. Cash Flow from Investing Activities</b>		
Proceeds from Sale of assets	595,300	-
Repayment from / (Advance to) Subsidiary	901,430	440,070
Purchase of Assets	(1,317,729)	-
Sale of Long Term Investments	30,629,704	137,997,515
Purchase of Long Term Investments	-	(234,928,100)
Dividend received (Long term Investments)	11,826,784	7,078,203
<b>Net cash from / (used in) Investing Activities (B)</b>	<b>42,635,489</b>	<b>(89,412,312)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Short Term Borrowings	300,000,000	
Repayment of Long Term Borrowings	(21,175,293)	(290,206,765)
<b>Net cash from Financing Activities (C)</b>	<b>278,824,707</b>	<b>(290,206,765)</b>
<b>Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>41,055,157</b>	<b>2,143,058</b>
Cash and Cash Equivalents at the beginning of the year	2,263,965	120,907
<b>Cash and Cash Equivalents at the end of the year</b>	<b>43,319,122</b>	<b>2,263,965</b>

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

**For M.Bhaskara Rao & Co.**  
Chartered Accountants

**For and on behalf of the Board**

**M.V. Ramana Murthy**  
Partner

**Hemant Kaul**  
Chairman  
DIN No : 00551588

**S M Jalan**  
Director  
DIN No : 00324182

Hyderabad, April 29, 2015

**Lakshmi Sharma**  
Company Secretary  
M.No: A32617

**Ramesh Sivaraman**  
Manager - Chief Executive

**Notes forming part of the Financial Statements for the year ended March 31, 2015**

<b>1</b>	<p><b>Corporate information</b></p> <p>TCI Finance Limited ("the Company") is a public company domiciled in India. 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>
<b>2</b>	<p><b>Significant Accounting Policies</b></p>
<b>2.1</b>	<p><b>Basis of accounting and preparation of financial statements</b></p> <p>The financial statements of the Company are prepared on accrual basis, under historical cost convention. The Financial Statements of the Company have been prepared in accordance with G.A.A.P in India ("Indian GAAP") to comply with accounting standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Act/ the Companies Act, 1956, as applicable.</p> <p>The accounting policies adopted in the preparation of financial statements are consistent with those of the preceeding year.</p>
<b>2.2</b>	<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>
<b>2.3</b>	<p><b>Cash Flow Statement</b></p> <p>The Cash Flow Statement is prepared under "Indirect method" in accordance with Accounting Standard-3 on Cash Flow Statements notified in section 133 of the Companies Act, 2013. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
<b>2.4</b>	<p><b>Revenue Recognition</b></p>
<b>2.4.1</b>	<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>
<b>2.4.2</b>	<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>
<b>2.5</b>	<p><b>Fixed Assets:</b></p>
	<p><b>2.5.1 Tangible Assets:</b> Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.</p>
	<p><b>2.5.2 Intangible Assets:</b> 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></p> <p>Depreciable amount of assets is the cost of an asset, or other amount substituted for cost less its estimated residual value.</p> <p>Depreciation on tangible fixed assets has been provided on the straight line method as per the useful lives prescribed in schedule II to the Companies Act, 2013 .</p> <p>Intangible assets are amortised, on the straight line method on the useful lives prescribed in schedule II to the Companies Act, 2013 .</p>
<b>2.7</b>	<p><b>Investments</b></p> <p>Investments are classified as Long term and Current. Long term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.</p>

## Notes forming part of the Financial Statements for the year ended March 31, 2015

<b>2.8</b>	<b>Employee Benefits</b> (i) Provident fund is a defined contribution plan and the contributions as required by the statute to Employees Provident Fund Organisation are charged to Statement of Profit and Loss 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 Statement of Profit and Loss 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.
<b>2.9</b>	<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.222/CGM(US)-2011 dated January 17, 2011 issued by Reserve Bank of India.
<b>2.10</b>	<b>Taxes :</b> <b>2.10.1 Current Tax:</b> Provision for current tax is made based on the taxable income computed for the year under the Income Tax Act, 1961. <b>2.10.2 Deferred Taxes:</b> Deferred tax is recognised on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.
<b>2.11.</b>	<b>Earnings Per Share:</b> Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.
<b>2.12.</b>	<b>Provisions, Contingent liabilities liabilities and Contingent Assets:</b> The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

## 3 Share Capital

	March 31, 2015		March 31, 2014	
	No. of shares	₹	No. of shares	₹
<b>Authorised</b> Equity shares of ₹ 10/- each	20,000,000	200,000,000	20,000,000	200,000,000
<b>Issued</b> Equity shares of ₹ 10/- each	16,000,000	160,000,000	16,000,000	160,000,000
<b>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 <i>(Amount Originally paid up)</i>	-	13,238,120	-	13,238,120
<b>Total</b>		<b>141,963,050</b>		<b>141,963,050</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2015**
**(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

	March 31, 2015		March 31, 2014	
	No. of Shares	₹	No. of Shares	₹
<b>Equity Shares of ₹10/- each</b>				
At the beginning of the year	12,872,493	141,963,050	12,872,493	141,963,050
Add : 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) Rights, Preferences and Restrictions attached to equity shares**

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of Shareholder	March 31, 2015		March 31, 2014	
	No of Shares	% Shareholding	No of Shares	% Shareholding
<b>Equity Shares of ₹ 10/- each</b>				
Gati Limited	1,600,300	12.43	1,600,300	12.43
Green India Venture Fund	1,523,436	11.83	2,921,296	22.69
Mahendra Investment Advisors Private Limited	682,000	5.30	682,000	5.30
Mahendra Kumar Agarwal	1,196,619	9.30	1,196,619	9.30
Neera Agarwal	950,265	7.38	950,265	7.38

**4 Reserves and Surplus**

	March 31, 2015	March 31, 2014
	₹	₹
(a) Securities Premium Account Opening Balance	163,086	163,086
(b) General Reserve Opening Balance	35,218,685	35,218,685
(c) Reserve Fund (As per Section 45 IC of Reserve Bank of India Act, 1934) Opening Balance	34,165,894	22,987,623
Add: Transferred from surplus in Statement of Profit and Loss	13,558,780	11,178,271
	<b>47,724,674</b>	<b>34,165,894</b>
(d) Surplus in Statement of Profit and Loss Opening Balance	121,735,531	77,022,446
<b>Less :</b> Depreciation adjustment on account of Companies Act, 2013 (net of deferred tax of ₹ 13,688/-) (Refer Note No. 11C)	(30,618)	-
<b>Add:</b> Profit After Tax for the year	67,793,898	55,891,356
<b>Less:</b> Amount transferred to Reserve Fund	13,558,780	11,178,271
	175,940,031	121,735,531
<b>Total</b>	<b>259,046,476</b>	<b>191,283,196</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2015

## 5. Long Term Borrowings - Secured

	Non-current		Current	
	31.03.2015 ₹	31.03.2014 ₹	31.03.2015 ₹	31.03.2014 ₹
<b>Term Loans</b>				
From Others (Refer (ii) below)	215,712,410	221,117,940	5,405,532	21,175,295
<b>Total</b>	<b>215,712,410</b>	<b>221,117,940</b>	<b>5,405,532</b>	<b>21,175,295</b>

- (i) Current maturities of Long Term Borrowings have been disclosed under the head "Other Current Liabilities" (Refer Note No. 9)

## (ii) Term Loans from Others

Term loan from Others carries interest at a variable rate based on the lender Retail Prime Lending Rate (RPLR), of 13.90% p.a and is repayable in 180 instalments from date of loan viz., April 28, 2013. Presently, the loan carries rate of interest of 14.25%. The loan is secured by pledge of certain investments of the Company, personal guarantee of a director, pledge of property of a director and pledge of third party investments and property.

## 6 Long Term Provisions

	March 31, 2015	March 31, 2014
	₹	₹
Provision for Employee Benefits:		
(i) Provision for Compensated Absences	307,123	225,020
Provision - Others:		
(i) Contingent Provision against Standard Assets	895,000	5,000
(ii) Non Performing Assets	-	3,700,000
<b>Total</b>	<b>1,202,123</b>	<b>3,930,020</b>

## 7 Short Term Borrowings

	March 31, 2015	March 31, 2014
	₹	₹
Secured:		
From Others (Refer Note no 7.1 and 7.2 below)	300,000,000	-
<b>Total</b>	<b>300,000,000</b>	<b>-</b>

## 7.1 The details of the rate of interest, repayment and security are as below:

Name of the lender	ROI	Amount ( ₹ )	
SKS Fin Cap Private Limited	17%	50,000,000	Repayable in 346 Days from the date of loan agreement i.e, August 20, 2014.
SKS Fin Cap Private Limited	17%	25,000,000	Repayable in 354 Days from the date of loan agreement i.e, September 12, 2014.
SKS Fin Cap Private Limited	17%	25,000,000	Repayable in 285 Days from the date of loan agreement i.e, November 20, 2014.
Sun Pharma Laboratories Limited	14%	200,000,000	Repayable in 365 Days from the date of loan agreement i.e, January 30, 2015.

7.2 The above loans are secured by the pledge of 1,454,546 and 2,250,000 equity shares of Gati Limited to SKS Fincap Private Limited and Sun Pharma Laboratories Limited respectively which were held by the Company.

**Notes forming part of the Financial Statements for the year ended March 31, 2015**
**8 Trade Payables**

	March 31, 2015	March 31, 2014
	₹	₹
Trade Payables other than Acceptances (Refer Note No.8.1 below)	311,300	381,627
<b>Total</b>	<b>311,300</b>	<b>381,627</b>

**8.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:

	As At March 31, 2015	As At March 31, 2014
a) Principal amount remaining unpaid	Nil	Nil
b) Interest due thereon	Nil	Nil
c) Interest paid by the Company in terms of Section 16 of Micro Small and Medium Enterprises Development Act, 2006 along with the amount of payments made to the supplier beyond the appointed day during the year	Nil	Nil
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
e) Interest accrued and remaining unpaid	Nil	Nil
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

**9 Other Current Liabilities**

	March 31, 2015	March 31, 2014
	₹	₹
Current Maturities of Long Term Borrowings (Refer Note No. 5)	5,405,532	21,175,295
Interest Accrued and Due	-	157,373
Other Payables		
(i) Statutory Payables	736,799	1,267,314
(ii) Security Deposits	186,666	681,509
(iii) Others	370,465	250,050
<b>Total</b>	<b>6,699,462</b>	<b>23,531,541</b>

(Includes ₹ 163,610 (March 31, 2014 ₹ 94,475/-) payable towards Managerial Remuneration)

**10 Short Term Provisions**

	March 31, 2015	March 31, 2014
	₹	₹
Provision for Employee Benefits:		
Provision for Compensated Absences	8,193	6,790
Provision for Tax		
(Net of Advance tax ₹2,13,42,001/-)	2,982,749	-
<b>Total</b>	<b>2,990,942</b>	<b>6,790</b>



Notes forming part of the Financial Statements for the year ended March 31, 2015

11 Fixed Assets ₹

No	PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As At 01.04. 2014	Additions	Deletions	As At 31.03. 2015	Upto 01.04.2014	For the year	Charge to opening reserves/ Deletions	Upto 31.03.2015	As at 31.03.2015	As At 31.03.2014
A	TANGIBLE ASSETS										
i	Owned Assets										
1	Land - Freehold	3,522,514	-	-	3,522,514	-	-	-	-	3,522,514	3,522,514
2	Buildings	4,040,826	-	-	4,040,826	978,457	63,234	-	1,041,691	2,999,135	3,062,369
3	Furniture and Fixtures	1,100,000	-	-	1,100,000	1,015,260	-	29,740*	1,045,000	55,000	84,740
4	Plant and Machinery	6,802	-	-	6,802	6,802	-	-	6,802	-	-
5	Vehicles	5,928,039	1,170,599	5,928,039	1,170,599	5,928,039	7,617	5,928,039	7,617	1,162,982	-
6	Computer	40,000	147,130	-	187,130	12,702	50,200	-	62,902	124,228	27,298
	Total Tangible Assets	14,638,181	1,317,729	5,928,039	10,027,871	7,941,260	121,051	5,957,779	2,164,012	7,863,859	6,696,921
	Previous Year	61,172,841	-	46,534,660	14,638,181	21,708,579	141,980	13,909,299	7,941,260	6,696,921	19,986,096
B	INTANGIBLE ASSETS										
1	Computer Software	33,038	-	-	33,038	16,828	-	14,566*	31,394	1,644	16,210
	Total Intangible Assets	33,038	-	-	33,038	16,828	-	14,566	31,394	1,644	16,210
	Previous Year	33,038	-	-	33,038	11,473	5,355	-	16,828	16,210	21,565

C \* Pursuant to Schedule II of the Companies Act, 2013, with effect from April 1, 2014, the Company has adopted revised useful life of the assets aligning the same with those specified in Schedule II. The Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014 and has adjusted an amount of ₹ 30,618/- (net of deferred tax of ₹ 13,688/-) from the opening surplus in the Statement of Profit and Loss under Reserves and Surplus. Consequent to the change in the useful life of the other assets, the impact on the depreciation expense for the year is lower by ₹ 47,430.

D. Depreciation / Amortisation charged to Statement of Profit and Loss

	2014-15		2013-14	
	₹		₹	
Tangible Assets	121,051		141,980	
Intangible Assets	-		5,355	
<b>Total</b>	<b>121,051</b>		<b>147,335</b>	



**12 Non Current Investments**
**NON TRADE INVESTMENTS (AT COST)**
**₹**

NAME OF THE COMPANY	March 31, 2015			March 31, 2014		
	No. of shares	Face value	Amount	No. of shares	Face value	Amount
<b>A EQUITY SHARES (QUOTED)</b>						
<i>Gati Limited (Refer Note No. 12.1)</i>	8,133,205	2	90,837,978	7,724,350	2	89,202,558
<i>TCI Industries Limited</i>	30,236	10	2,128,390	30,236	10	2,128,390
<i>Karnataka Bank Limited</i>	4,860	10	413,100	4,860	10	413,100
<i>ATI Limited</i>	10,000	10	200,000	10,000	10	200,000
<i>Less: Provision for decline, other than temporary, in the value of long term investments</i>			(86,206)			(86,206)
<b>Net</b>			113,794			113,794
<i>Lloyds Finance Limited</i>	4,200	10	2,310	4,200	10	2,310
<i>Tech Mahindra Limited (Refer Note No. 12.2)</i>	400	5	173,612	100	10	173,612
<b>Total</b>			93,669,184			92,033,764
<b>B EQUITY SHARES (UNQUOTED)</b>						
<i>Gati Intellect Systems Limited</i>	1,000	100	100,000	1,000	100	100,000
<i>Coast-To-Coast Shipping Limited</i>	9,500	10	95,000	9,500	10	95,000
<i>TCI Hi-Ways Private Limited</i>	27,451	10	274,510	27,451	10	274,510
<i>Giri Roadlines and Commercial Trading Private Limited</i>	42,000	100	157,527	42,000	100	157,527
<i>Amrit Jal Ventures Private Limited</i>	15,014,100	10	150,000,000	15,014,100	10	150,000,000
<i>Bangalore Stock Exchange Limited</i>	30,000	1	30,000	30,000	1	30,000
<i>ITAG Infrastructure Limited</i>	5,000	10	50,000	5,000	10	50,000
<b>Total</b>			150,707,037			150,707,037
<b>C SUBSIDIARY - EQUITY SHARES (UNQUOTED)</b>						
<i>ITAG Business Solutions Limited</i>	1,250,000	10	12,500,000	1,250,000	10	12,500,000
<b>Total</b>			12,500,000			12,500,000
<b>D PREFERENCE SHARES (UNQUOTED)</b>						
<i>Capital Fortunes Limited</i>	350,000	10	3,500,000	350,000	10	3,500,000
<i>8% Non Cumulative 15 Year Redeemable</i>						
<b>Total</b>			3,500,000			3,500,000
<b>E DEBENTURES (OPTIONALLY CONVERTIBLE) (UNQUOTED)</b>						
<i>14.50% - Amrit Jal Ventures Private Limited</i>	2,349,281	100	234,928,100	2,349,281	100	234,928,100
<b>Total</b>			234,928,100			234,928,100
<b>Grand Total</b>			495,304,321			493,668,901
<b>Book Value Of Quoted Investments</b>			93,669,184			92,033,764
<b>Market Value of Quoted Investments (Refer Note No. 12.3)</b>			1,798,019,758			669,109,528

**12.1** 4,354,546 (March 31, 2014: 7,717,000) Equity Shares pledged with lenders as security for Long and Short Term Borrowings (Refer Note No.5 (ii) and 7.2) and 1,085,000 Shares pledged with IFCI Venture capital limited towards loan availed by M/s Amrit Jal Ventures Private Limited.

**12.2** Pledged with Bangalore Stock Exchange, the shares were split from ₹ 10/- to ₹ 5/- and also 1:1 Bonus shares issued during the year

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

## Notes forming part of the Financial Statements for the year ended March 31, 2015

**13 Long Term Loans and Advances - Unsecured, considered good**

	March 31, 2015	March 31, 2014
	₹	₹
Advance Tax (Net of Provision ₹ 1,52,35,000/-)	-	10,369,002
<b>Total</b>	<b>-</b>	<b>10,369,002</b>

**14 Other Non-Current Assets**

	March 31, 2015	March 31, 2014
	₹	₹
Interest accrued on deposits	3,267	13,600
Fixed Deposit with original maturity more than 12 months	66,998	50,000
Security Deposit - Unsecured, considered good	50,000	50,000
<b>Total</b>	<b>120,265</b>	<b>113,600</b>

**15 Cash and Bank Balances**

	March 31, 2015	March 31, 2014
	₹	₹
<b>Cash and Cash Equivalents</b>		
Cash on hand	16,760	2,930
Balances with Banks		
In Current Accounts	43,302,362	2,261,035
<b>Total</b>	<b>43,319,122</b>	<b>2,263,965</b>

**16 Short Term Loans and Advances - Unsecured, considered good**

	March 31, 2015	March 31, 2014
	₹	₹
Loans and advances to Subsidiary (Refer Note No.25)	1,000,000	1,901,430
Inter corporate Loans (Refer Note No.23.3)	355,000,000	37,000,000
Other Advances recoverable in cash or kind	625,000	-
<b>Total</b>	<b>356,625,000</b>	<b>38,901,430</b>

**17 Other Current Assets**

	March 31, 2015	March 31, 2014
	₹	₹
Interest accrued on Debentures	17,470,955	22,174,671
Interest accrued on Short Term Loans and Advances	1,692,602	-
Claims Receivables (Refer Note No. 17.1)	5,129,704	7,156,470
Contractually Reimbursable Expenses	294,000	294,000
<b>Total</b>	<b>24,587,261</b>	<b>29,625,141</b>

**17.1** Towards part amount receivable on sale of 1,091,145 pledged shares of Gati limited which was invoked during the year 2013-14 by the pledgee.

**Notes forming part of the Financial Statements for the year ended March 31, 2015**
**18 Revenue from Operations**

	<b>2014-15</b>	<b>2013-14</b>
	₹	₹
Interest Income (Refer Note No. 18.1)	92,551,969	37,917,932
Other Operating Revenue (Refer Note No. 18.2)	39,808,041	117,803,763
<b>Total</b>	<b>132,360,010</b>	<b>155,721,695</b>

**18.1 Interest Income**

	<b>2014-15</b>	<b>2013-14</b>
	₹	₹
<b>Interest Income from:</b>		
(i) Banks	6,765	5,170
(ii) Loans and Advances	23,453,029	13,274,238
(iii) Un recognised income of earlier year, now received and recognised	35,027,592	-
(iv) Investments	34,064,583	24,638,524
<b>Total</b>	<b>92,551,969</b>	<b>37,917,932</b>

**18.2 Other Operating Revenue**

	<b>2014-15</b>	<b>2013-14</b>
	₹	₹
Upfront Fee	2,872,603	-
Debts Written off earlier, realised	-	100,000
Profit on sale of Long Term Investments	25,108,654	110,625,560
Dividend income from Long Term Investments	11,826,784	7,078,203
<b>Total</b>	<b>39,808,041</b>	<b>117,803,763</b>

**19 Other Income**

	<b>2014-15</b>	<b>2013-14</b>
	₹	₹
Rental Income	804,000	984,000
Other Non-Operating Income (Refer Note No. 19.1)	4,103,007	3,804,033
<b>Total</b>	<b>4,907,007</b>	<b>4,788,033</b>

**19.1 Other Non-Operating Income**

	<b>2014-15</b>	<b>2013-14</b>
	₹	₹
Profit on sale of Motor Trucks	595,300	-
Liabilities no longer required written back	76,526	-
Miscellaneous income	1,730,609	3,804,033
Interest on IT Refund	1,700,572	-
<b>Total</b>	<b>4,103,007</b>	<b>3,804,033</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2015

**20 Employee Benefits Expense**

	<b>2014-15</b>	<b>2013-14</b>
	₹	₹
Salaries and wages	5,977,896	5,677,231
Contributions to provident and other funds (Refer Note No. 20.1)	303,877	318,273
Staff welfare expenses	-	700
<b>Total</b>	<b>6,281,773</b>	<b>5,996,204</b>

**20.1 Employee Benefit Plans****a. Defined contribution plans**

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 ₹ 195,985/- (As at March 31, 2014 ₹ 211,773/-) for Provident Fund contributions and ₹ 108,000/- (As at March 31, 2014 ₹ 106,500/-) 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. 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 gratuity liability as per Actuarial Valuation has been deposited with the group gratuity Fund before March 31, 2015.

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**Notes forming part of the Financial Statements for the year ended March 31, 2015**

Particulars	March 31, 2015	March 31, 2014
	₹	₹
	Gratuity (Funded)	Gratuity (Funded)
Present Value of Defined Benefit Obligation	1,479,588	1,119,782
Fair Value of Plan Assets	1,582,979	1,446,338
Funded Status [Surplus/(Deficit)]	103,391	326,556
Net Asset / (Liability) recognized in the Balance Sheet	-	-
Present Value of DBO at the beginning of the year	1,119,782	1,172,658
Current Service Cost	61,593	54,317
Interest Cost	100,780	105,539
Actuarial Losses / (Gains)	197,433	(212,732)
Benefits paid	-	-
<b>Present Value of DBO at the end of the year</b>	<b>1,479,588</b>	<b>1,119,782</b>
Plan Assets at the beginning of the year	1,446,338	1,332,422
Expected Return on Plan Assets	115,707	106,594
Actuarial Gain / (Loss)	20,934	7,322
Benefits Paid	-	-
<b>Plan Assets at the end of the year</b>	<b>1,582,979</b>	<b>1,446,338</b>
Current Service Cost	61,593	54,317
Interest Cost	100,780	105,539
Expected Return on Plan Assets	(115,707)	(106,594)
Actuarial Loss / (Gains)	176,499	(220,054)
Expense recognized in the Statement of Profit and Loss	223,165	(166,792)
Actual Benefit Payments	-	-
<b>Experience History</b>		
(1) Defined Benefit Obligation at end of the period	1,479,588	1,119,782
(2) Plan Assets at end of the period	1,582,979	1,446,338
(3) Surplus / (Deficit)	103,391	326,556
(4) Experience (Gain) / Loss adjustments on plan liabilities	82,960	(155,700)
(5) Experience Gain / (Loss) adjustments on plan assets	20,934	7,322
<b>Division of Defined Benefit Obligation (Current / Non-Current)</b>		
(1) Current Defined Benefit Obligation at end of the period	36,728	30,780
(2) Non-Current Defined Benefit Obligation at end of the period	1,442,860	1,089,002
(3) Total Defined Benefit Obligation at end of the period	1,479,588	1,119,782
<b>Best Estimate of Contribution During Next year</b>	<b>-</b>	<b>-</b>
<b>Assumptions</b>		
Discount Rate %	7.80%	9.00%
Expected Return on Plan Assets %	8.00%	8.00%
Salary Escalation %	6.00%	6.00%
Mortality	<i>IALM 06-08 Ultimate</i>	<i>IALM 06-08 Ultimate</i>
Attrition rate	2.00%	2.00%
The major categories of plan assets as a percentage of total plan - Funded with LIC	85.24%	84.91%

As a matter of prudence, the balance of fund of ₹ 103,391/- of planned assets over gratuity liability is not recognised.

**20.2** Employee benefits expenses includes ₹ 2,075,520/- paid to the Manager for the period from July 1, 2014 to March 31, 2015 for which the Company has obtained shareholders approval and filed an application for Central Government approval in view of inadequate profits.

## Notes forming part of the Financial Statements for the year ended March 31, 2015

**21 Finance Costs**

	2014-15	2013-14
	₹	₹
Interest expense on:		
(i) Debentures	-	7,208,667
(ii) Term Loans	46,441,423	65,004,641
Other borrowing costs	2,916,469	6,685,420
<b>Total</b>	<b>49,357,892</b>	<b>78,898,728</b>

**22 Other Expenses**

	2014-15	2013-14
	₹	₹
Rates and taxes	18,553	33,094
Travelling and conveyance	371,248	125,749
Printing and stationery	194,158	180,720
Legal and professional	414,110	1,354,290
Auditors' Remuneration (Refer Note No. 22.1)	264,046	234,835
Listing Fee	247,192	176,967
Demat charges	145,634	15,960
Trade Receivables Written off	-	441,566
Less: Provision Written back	-	(441,566)
Leased Assets Written off	-	13,147,195
Less: Provision for NPAs	-	(12,531,537)
Security Deposit Written back	-	(556,240)
CSR Expenses	285,075	-
Miscellaneous	616,581	638,072
<b>Total</b>	<b>2,556,597</b>	<b>2,819,105</b>

**22.1 Auditors' Remuneration**

	2014-15	2013-14
	₹	₹
Fee towards		
Statutory Audit	125,000	100,000
Limited Review	90,000	90,000
Certification	20,000	19,000
Service Tax	29,046	25,835
<b>Total</b>	<b>264,046</b>	<b>234,835</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2015**
**23 Additional information to the Financial Statements**

23.1	Contingent liabilities and commitments (to the extent not provided for)	March 31, 2015	March 31, 2014
		₹	₹
	Contingent liabilities		
	(a) Disputed Sales Tax demand	63,661	63,661
	(b) Corporate Guarantees	1,966,766,935	300,000,000
	The Company has provided Guarantee for A. redemption / buyback of the Optionally convertible Debentures subscribed by IFCI Venture Capital Funds Limited in Amrit Jal Ventures Private Limited, B. To the lenders of Gati Infrastructure Bhasmey Power Private Limited and C. Pledge of Gati Ltd shares to IFCI Venture Capital Funds Limited for loan availed by Amrit Jal Ventures Private Limited.		

**23.2 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges**

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the party	Relationship	Amount outstanding as at March 31, 2015	Maximum balance outstanding during the year
		₹	₹
ITAG Business Solutions Limited	Subsidiary	1,000,000 (1,901,430)	1,901,430 (2,275,000)

Note: Figures in bracket relate to the previous year.

**23.3** 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 186 of the Companies Act, 2013 is not applicable to the Company.

**23.4** The Provision for standard assets and Non Performing Assets during the year is as below:

Particulars	2014-15	2013-14
	₹	₹
Provision for Standard Assets	890,000	(1,243,000)
Provision For Non - Performing Assets - Loans	(3,700,000)	3,700,000
<b>Total</b>	<b>(2,810,000)</b>	<b>2,457,000</b>

Note: Figures in bracket relate to the reversal of provisions.

**24 Other Disclosures under Accounting Standards**

		2014-15	2013-14
		₹	₹
<b>24.1 Earnings per share</b>			
Net profit for the year attributable to the equity shareholders (₹)		67,793,898	55,891,356
Weighted average number of equity shares		12,872,493	12,872,493
Face value per share (₹)		10	10
<b>Earnings per share - Basic and Diluted (₹)</b>		<b>5.27</b>	<b>4.34</b>



## Notes forming part of the Financial Statements for the year ended March 31, 2015

		2014-15	2013-14
		₹	₹
<b>24.2 Deferred Tax (Liability) / Asset</b>			
Tax effect of items constituting deferred tax liability :			
On difference between book balance and tax balance of fixed assets		172,264	3,835,327
Tax effect of items constituting deferred tax liability		172,264	3,835,327
Tax effect of items constituting deferred tax assets :			
Provision for Standard assets		276,555	385,632
Provision for Non-Performing assets		-	4,008,689
Tax effect of items constituting deferred tax assets		276,555	4,394,321
<b>Net Deferred Tax - Asset /(Liability)</b>		<b>104,291</b>	<b>558,994</b>

**25 Disclosures under Accounting Standards (contd.)****25.1 Related party transactions****Details of related parties:**

Description of relationship	Names of related parties
Subsidiary	ITAG Business Solutions Limited
Key Management Personnel (KMP) (Para 3 of AS 18)	
Manager	Mr. Ramesh Sivaraman

Note: Related parties have been identified by the Management.

**25.2 Details of related party transactions during the year ended March 31, 2015 and balances outstanding as at March 31, 2015:**

Particulars	Subsidiaries	KMP	Total
<b>Transactions during the year</b>			
Advance Given	500,000	-	500,000
	(880,230)	(-)	(880,230)
Advance Recovered	1,401,430	-	1,401,430
	(758,500)	(-)	(758,500)
Managerial Remuneration			
Manager	-	2,622,814	2,622,814
	(-)	(2,082,383)	(2,082,383)
Staff Advance Given	-	625,000	625,000
	(-)	(620,873)	(620,873)
Interest Expense	223,695	-	223,695
	(31,666,887)	(-)	(31,666,887)
<b>Balances at the year end</b>			
Advance Given	1,000,000	-	1,000,000
	(1,901,430)	(-)	(1,901,430)
<b>Other current liabilities - Others</b>			
Managerial Remuneration Payable	-	163,610	163,610
	(-)	(94,475)	(94,475)

Note: Figures in bracket relates to the previous year

**Notes forming part of the Financial Statements for the year ended March 31, 2015**
**26 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) :**

₹

Particulars		Amount outstanding	Amount Overdue
<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. Term Loans	221,117,942	-
	c. Inter Corporate loans and borrowings	300,000,000	-
	<b>Total</b>	<b>521,117,942</b>	<b>-</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#		362,822,306
<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. 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		93,669,184
	(ii) Debentures and Bonds		-
	2. Un Quoted:		
	(i) Equity Shares		163,207,037
	(ii) Preference		3,500,000
	(iii) Debentures and Bonds		252,399,055*

# includes ₹ 1,692,602/- towards Interest accrued on advances and ₹5,129,704/- towards part amount receivable on sale of 1,091,145 pledged shares of Gati limited which was invoked during the year 2013-14 by the pledgee.

\* includes ₹ 17,470,955/- towards Interest accrued on Investments

## Notes forming part of the Financial Statements for the year ended March 31, 2015

**26.5 Borrower group-wise classification of assets financed as in 27.2 and 27.3 above:**

₹

	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	-	997,500	997,500
	(b) Companies in the same Group	-	-	-
	2. Other than Related parties	-	360,929,806	360,929,806
	<b>Total</b>	<b>-</b>	<b>361,927,306</b>	<b>361,927,306</b>

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

	Category	Market Value/Breakup or Fair value or NAV	Book Value (Net of Provisions)
	1. Related parties	₹	₹
	(a) Subsidiaries	12,500,000	12,500,000
	(b) Companies in the same Group	-	-
	(c) Other Related parties	-	-
	2. Other than related parties	2,204,625,850*	500,275,276*
	<b>Total</b>	<b>2,217,125,850</b>	<b>512,775,276</b>

\* includes ₹ 17,470,955/- towards Interest accrued on Investments

**26.7 Other Information**

₹

	Particulars	
	(i) Gross Non-Performing assets	-
	(a) Related parties	-
	(b) Other than related parties	-
	(ii) Net Non-Performing assets	-
	(a) Related parties	-
	(b) Other than related parties	-
	(ii) Assets acquired in satisfaction of debt	-

**27** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**Signatures to Notes "1 to 27"**

For and on behalf of the Board

**Hemant Kaul**  
Chairman  
DIN No : 00551588

**S M Jalan**  
Director  
DIN No : 00324182

**Lakshmi Sharma**  
Company Secretary  
M.No: A32617

**Ramesh Sivaraman**  
Manager - Chief Executive

**INDEPENDENT AUDITORS' REPORT**

To  
**The Members of  
TCI FINANCE LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of TCI FINANCE LIMITED (the "Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information("the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in the terms of the requirements of the Companies Act, 2013("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter:**

We draw attention to Note No 22.1 to the financial statements regarding Managerial remuneration of the current year. The Company is awaiting approval from the Central Government in this regard.

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company, incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company and subsidiary company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and subsidiary company, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, refer Note No 23.1 to the consolidated financial statements;
    - ii. The Group did not have any material foreseeable losses relating to long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, incorporated in India.

for **M. Bhaskara Rao & Co.**  
Chartered Accountants  
Firm Registration No. 000459 S

**M. V. Ramana Murthy**  
Partner  
Membership No. 206439

Hyderabad, April 29, 2015

(Referred to in paragraph '1' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Holding Company and the Subsidiary Company have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all the fixed assets have been physically verified by the management during the year in accordance with programme of verification, which in our opinion, is reasonable having regard to the size of the Holding Company and the Subsidiary Company and the nature of the assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. Having regard to the nature of the Holding Company and the Subsidiary Company's business, paragraph 4(ii) of the Order relating to inventory is not applicable.
- iii. The Holding Company and the Subsidiary Company have not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly clause (b) paragraph 4(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Holding Company and the Subsidiary Company and the nature of their business with regard to purchase of fixed assets. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. In our opinion and according to the information and explanations given to us, the Holding Company and the Subsidiary Company have not accepted any deposits. Accordingly, the provision of paragraph 4(v) of the Order is not applicable.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for the activities of the Holding Company and the Subsidiary Company.
- vii. (a) According to the information and explanations given to us, the Holding Company and the Subsidiary Company are regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Sales-tax, Service Tax, Customs duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Service Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are as below:

<b>Nature of Statute</b>	<b>Nature of dues</b>	<b>Amount (₹)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Karnataka Sales Tax	Tax/Penalty	63,661	1996-1997	Joint Commissioner of Commercial Taxes (Appeals)

- (d) According to the information and explanations given to us, no amount is required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions for the Companies Act, 1956 and the rules made there under.
- viii. The Holding Company and the Subsidiary Company do not have accumulated losses at the end of the financial year and has not incurred any cash losses during the current financial year and in the immediately preceding financial year.

- ix. In our opinion and according to the information and explanations given to us, the Holding Company and the Subsidiary Company have not defaulted in repayment of dues to banks and financial institutions except in respect of following delays in repayment of installments of term loans to financial institutions and interest dues:

Particulars	Amount (₹)	Number of Days
Dues to financial institutions - term loans	14,483,749	30
- Interest on Term Loans	428,073	30

- x. According to the information and explanations given to us, the terms and conditions of the guarantee given by the Holding Company and the Subsidiary Company for loans taken by others are not prima facie prejudicial to the interests of the Companies.
- xi. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Holding Company and the Subsidiary Company were, prima facie, applied by the Companies during the year for the purposes for which they were obtained.
- xii. During the course of our examination of the books and other records of the Holding Company and the Subsidiary Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instance of fraud on or by the Holding Company and the Subsidiary Company was noticed or reported during the year.

for **M. Bhaskara Rao & Co.**  
Chartered Accountants  
Firm Registration No. 000459 S

**M. V. Ramana Murthy**  
Partner  
Membership No.206439

Hyderabad, April 29, 2015



## TCI FINANCE LIMITED

## Consolidated Balance Sheet as at March 31, 2015

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>		<b>₹</b>	<b>₹</b>
<b>Shareholders' Funds</b>			
(a) Share Capital	3	141,963,050	141,963,050
(b) Reserves and Surplus	4	252,188,404	184,210,078
		<b>394,151,454</b>	<b>326,173,128</b>
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	215,712,410	221,117,940
(b) Long Term Provisions	6	1,428,348	4,049,344
		<b>217,140,758</b>	<b>225,167,284</b>
<b>Current Liabilities</b>			
(a) Short Term Borrowings	5A	300,000,000	-
(b) Trade Payables	7	1,573,450	2,124,306
(c) Other Current Liabilities	8	7,528,502	26,418,714
(d) Short Term Provisions	9	2,995,021	10,196
		<b>312,096,973</b>	<b>28,553,216</b>
<b>TOTAL</b>		<b>923,389,185</b>	<b>579,893,628</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10A	8,918,418	8,173,905
(ii) Intangible Assets	10B	1,644	16,210
(b) Non-Current Investments	11	482,804,321	481,168,901
(c) Deferred Tax Assets (Net)	24.4	158,140	425,877
(d) Long Term Loans and Advances	12	196,135	12,400,722
(e) Other Non-Current Assets	13	120,265	113,600
		<b>492,198,923</b>	<b>502,299,215</b>
<b>Current Assets</b>			
(a) Trade Receivables	14	3,193,601	3,701,113
(b) Cash and Bank Balances	15	47,444,057	6,898,232
(c) Short Term Loans and Advances	16	355,860,470	37,339,638
(d) Other Current Assets	17	24,692,134	29,655,430
		<b>431,190,262</b>	<b>77,594,413</b>
<b>TOTAL</b>		<b>923,389,185</b>	<b>579,893,628</b>
Corporate Information and Significant Accounting Policies	1 & 2		

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For M.Bhaskara Rao & Co.

Chartered Accountants

M.V.Ramana Murthy

Partner

For and on behalf of the Board

Hemant Kaul

Chairman

DIN No : 00551588

Lakshmi Sharma

Company Secretary

M.No: A32617

S M Jalan

Director

DIN No : 00324182

Ramesh Sivaraman

Manager - Chief Executive

Hyderabad, April 29, 2015

**TCI FINANCE LIMITED****Consolidated Statement of Profit and Loss for the year ended March 31, 2015**

Particulars	Note No.	2014-15	2013-14
		₹	₹
<b>Continuing Operations :</b>			
<b>Income</b>			
Revenue from Operations	18	144,218,645	166,060,397
Other Income	19	5,650,776	4,997,143
<b>Total Revenue</b>		<b>149,869,421</b>	<b>171,057,540</b>
<b>Expenses</b>			
(a) Employee Benefits Expense	20	8,940,635	7,954,253
(b) Finance Costs	21	49,380,269	77,976,898
(c) Depreciation and Amortisation	10D	445,923	402,420
(d) Other Expenses	22	11,764,385	11,083,233
(e) Provision for Standard Assets / Non-Performing Assets	23.3	(2,810,000)	2,457,000
<b>Total Expenses</b>		<b>67,721,212</b>	<b>99,873,804</b>
<b>Profit Before Exceptional Item and Tax</b>		<b>82,148,209</b>	<b>71,183,736</b>
<b>Profit Before Tax</b>		<b>82,148,209</b>	<b>71,183,736</b>
<b>Tax Expense:</b>			
(a) Current Tax		13,571,566	14,491,000
(b) Deferred Tax		369,884	(13711)
		<b>13,941,450</b>	<b>14,477,289</b>
<b>Profit After Tax from Continuing Operations</b>		<b>68,206,759</b>	<b>56,706,447</b>
<b>Discontinuing Operations</b>			
Profit from Discontinuing Operations Before Tax	24.5	-	5,527
Add / (Less): Tax Expense of Discontinuing Operations			
Deferred Tax on Ordinary Activities attributable to Discontinuing Operations	-	-	
<b>Profit After Tax from Discontinuing Operations</b>		<b>-</b>	<b>5,527</b>
<b>Total Operations</b>			
<b>Profit After Tax</b>		<b>68,206,759</b>	<b>56,711,974</b>
<b>Earnings per Equity Share of ₹ 10/- each</b>			
Basic and Diluted			
(i) Continuing Operations	24.3	5.30	4.41
(ii) Total Operations	24.3	5.30	4.41
Corporate Information and Significant Accounting Policies	1 & 2		

**Accompanying notes form an integral part of the Financial Statements**

As per our report of even date attached.

**For M.Bhaskara Rao & Co.**

Chartered Accountants

**M.V.Ramana Murthy**  
Partner

**Hemant Kaul**  
Chairman  
DIN No : 00551588

**Lakshmi Sharma**  
Company Secretary  
M.No: A32617

**For and on behalf of the Board**

**S M Jalan**  
Director  
DIN No : 00324182

**Ramesh Sivaraman**  
Manager - Chief Executive

Hyderabad, April 29, 2015

**Consolidated Cash Flow Statement for the year ended March 31, 2015**

	<b>2014-15</b>	<b>2013-14</b>
	<b>₹</b>	<b>₹</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extra ordinary items	82,148,209	71,189,263
<b>Adjustments for:</b>		
Depreciation and Amortisation	445,922	402,420
Loss on sale of assets	-	-
Profit on sale of assets	(595,300)	-
Profit on sale of Long Term Investments	(25,108,654)	(110,625,560)
Profit/Loss on sale of Long term Investments	-	-
Dividend received (Long term Investments)	(11,826,784)	(7,078,203)
Leased Assets written off	-	59,418
Liabilities / Provisions no longer required Written Back	-	-
Interest Income	(442,707)	(198,845)
Sundry Debtors Written Off	-	-
	<b>44,620,686</b>	<b>(46,251,507)</b>
<b>Changes in Working Capital:</b>		
<b>Adjustments for (increase) / decrease in Operating Assets:</b>		
Trade Receivables	507,512	2,951,096
Short Term Loans and Advances	(520,832)	78,135
Other Current Assets	(2,193,174)	1,495,615
Other Non-Current Assets	(6,665)	(5,170)
Long-term loans and advances	-	-
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade Payables	(550,858)	(681,025)
Other Current Liabilities	(3,120,449)	(1,239,283)
Short Term Provisions	2,076	707
Long Term Provisions	(2,620,996)	2,425,958
Cash used in Operations	36,117,301	(41,225,474)
Net Income Tax Paid	1,615,770	(8,214,257)
Net Cash from / (used in) Operations	37,733,071	(49,439,732)
Loans (Disbursed) / Repaid (Net)	(318,000,000)	435,800,000
<b>Net Cash from / (used in) Operating Activities (A)</b>	<b>(280,266,929)</b>	<b>386,360,268</b>
<b>B. Cash Flow from Investing Activities</b>		
Proceeds from Relinquishment of Land Ownership	-	-
Proceeds from Sale of Fixed Assets	595,300	-
Repayment from (Advance to ) Subsidiary	0	0
Purchase of Assets	(1,506,449)	(346,333)
Sale of Long Term Investments	30,629,704	137,997,515
Purchase of Long Term Investments	-	(234,928,100)
Interest Received - Others	218,742	198,845
Dividend received (Long term Investments)	11,826,784	7,078,203
<b>Net cash from / (used in) Investing Activities (B)</b>	<b>41,764,081</b>	<b>(89,999,870)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	300,000,000	-
Repayment of Long Term Borrowings	(21,175,293)	(290,206,765)
Interest Income Received	223,965	-
Loans Recovered	-	500,000
<b>Net cash (used in) / from Financing Activities (C)</b>	<b>279,048,672</b>	<b>(289,706,765)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>40,545,824</b>	<b>6,653,634</b>
Cash and Cash Equivalents at the beginning of the year	6,898,232	244,598
<b>Cash and Cash Equivalents at the end of the year</b>	<b>47,444,056</b>	<b>6,898,232</b>

**Accompanying notes form an integral part of the Financial Statements**

As per our report of even date attached.

**For M.Bhaskara Rao & Co.**

Chartered Accountants

**M.V. Ramana Murthy**

Partner

**For and on behalf of the Board**
**Hemant Kaul**

Chairman

DIN No : 00551588

**Lakshmi Sharma**

Company Secretary

M.No: A32617

**S M Jalan**

Director

DIN No : 00324182

**Ramesh Sivaraman**

Manager - Chief Executive

Hyderabad, April 29, 2015

**TCI FINANCE LIMITED****Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015**

<b>1</b>	<b>Corporate information</b>
	<b>Principles of Consolidation</b>
	TCI Finance Limited ("the Company") is a public company domiciled in India. 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.
<b>2</b>	<b>Significant Accounting Policies</b>
<b>2.1</b>	<b>Basis of Accounting and Preparation of Financial Statements</b>
	The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") /Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.
<b>2.2</b>	<b>Principles of Consolidation</b>
	The consolidated financial statements have been prepared on the following basis:
a)	The financial statements of the Company and its subsidiary company has been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting and unrealised profits or losses on intra-group transactions as per Accounting Standard (AS) 21 - "Consolidated Financial Statements" specified under Section 133 of Companies Act, 2013.
b)	The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2015.
c)	Intra-group balances and intra-group transactions and resulting unrealised profits / loss has been eliminated.
d)	The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.
<b>2.2</b>	<b>Use of Estimates</b>
	The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
<b>2.3</b>	<b>Cash Flow Statement</b>
	Cash flows are reported using the indirect method, 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 Group are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
<b>2.4</b>	<b>Revenue Recognition</b>
<b>2.4.1</b>	<b>Interest Income</b>
	Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.
<b>2.4.2</b>	<b>Consultancy income</b>
	Consultancy Revenue is recognized on accrual basis.
<b>2.4.3</b>	<b>Sponsorship and Delegate Fee Income</b>
	Revenue from sponsorship and delegate fees is recognised on accrual basis.
<b>2.4.4</b>	<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.
<b>2.5</b>	<b>Fixed Assets:</b>
<b>2.5.1</b>	<b>Tangible Assets:</b> Fixed Assets are carried at cost less accumulated depreciation/amortization and impairment losses, if any. The cost of fixed assets comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use.

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015**

	Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately.
<b>2.5.2</b>	<b>Intangible Assets:</b> Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.
<b>2.6</b>	<b>Depreciation and Amortisation</b> Depreciable amount of assets is the cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight line method as per the useful lives prescribed in schedule II to the Companies Act, 2013 . Intangible assets are amortised, on the straight line method on the useful lives prescribed in schedule II to the Companies Act, 2013 .
<b>2.7</b>	<b>Investments</b> Investments are classified as non current and current investments. Non Current Investments are carried individually at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried individually at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees, and duties.
<b>2.8</b>	<b>Employee Benefits</b> (i) Provident fund is a defined contribution plan and the contributions as required by the statute to Employees Provident Fund Organisation are charged to Statement of Profit and Loss 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 Statement of Profit and Loss 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.
<b>2.9</b>	<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.222/CGM(US)-2011 dated January 17, 2011 issued by Reserve Bank of India.
<b>2.10</b>	<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 Statement of Profit and Loss.
<b>2.11</b>	<b>Taxes on Income</b>
<b>2.11.1</b>	<b>Current Tax:</b> Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.
<b>2.11.2</b>	<b>Deferred Tax :</b> Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.
<b>2.12</b>	<b>Earnings per share</b> Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.
<b>2.13</b>	<b>Provision, Contingent Liabilities and Contingent Assets</b> The Group recognised provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

## 3 Share Capital

	March 31, 2015		March 31, 2014	
	No. of shares	₹	No. of shares	₹
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	20,000,000	200,000,000	20,000,000	200,000,000
<b>Issued</b>				
Equity Shares of ₹ 10/- each	16,000,000	160,000,000	16,000,000	160,000,000
<b>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	-	13,238,120	-	13,238,120
(Amount Originally paid up)				
<b>Total</b>	<b>12,872,493</b>	<b>141,963,050</b>	<b>12,872,493</b>	<b>141,963,050</b>

## (i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	March 31, 2015		March 31, 2015	
	No. of shares	₹	No. of shares	₹
<b>Equity Shares of ₹ 10/- each</b>				
At the beginning of the year	12,872,493	141,963,050	12,872,493	141,963,050
Add : Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>12,872,493</b>	<b>141,963,050</b>	<b>12,872,493</b>	<b>141,963,050</b>

## (ii) Rights, Preferences and Restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of Shareholder	March 31, 2015		March 31, 2014	
	No of Shares	%Shareholding	No of Shares	%Shareholding
<b>Equity Shares of ₹ 10/- each</b>				
Green India Venture Fund	1,523,436	11.83	2,921,296	22.69
Gati Limited	1,600,300	12.43	1,600,300	12.43
Mahendra Investment Advisors Private Limited	682,000	5.30	682,000	5.30
Mahendra Kumar Agarwal	1,196,619	9.30	1,196,619	9.30
Neera Agarwal	950,265	7.38	950,265	7.38

## 4 Reserves and Surplus

	March 31, 2015	March 31, 2014
	₹	₹
(a) Securities Premium Account		
Opening Balance	163,088	163,088
(b) General Reserve		
Opening Balance	31,128,049	31,128,049
(c) Reserve Fund (As per Section 45 IC of Reserve Bank of India Act, 1934)		
Opening Balance	34,165,894	22,987,623
Add : Transferred from surplus in Statement of Profit and Loss	13,558,780	11,178,271
	<b>47,724,674</b>	<b>34,165,894</b>
(d) Surplus in Statement of Profit and Loss		
Opening Balance	118,753,047	73,219,344
Less : Depreciation adjustment on account of Companies Act, 2013		
(net of deferred tax of ₹ 102,147/-) (Refer No. 10C)	(228,433)	-
Add: Profit After Tax for the year	68,206,759	56,711,974
Less : Amount transferred to Reserve Fund	(13,558,780)	11,178,271
	173,172,593	118,753,047
<b>Total</b>	<b>252,188,404</b>	<b>184,210,078</b>



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015**
**5 Long-Term Borrowings - Secured**

	Non-current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>Term Loans</b>				
From Others (Refer (iii) below)	215,712,410	221,117,940	5,405,532	21,175,295
<b>Total</b>	<b>215,712,410</b>	<b>221,117,940</b>	<b>5,405,532</b>	<b>21,175,295</b>

- (i) Current maturities of Long Term Borrowings have been disclosed under the head "Other Current Liabilities" (Refer Note No. 8)
- (ii) **Term Loans from Others**
- (a) Term loan from Others carries interest at a variable rate based on the lender Retail Prime Lending Rate (RPLR), of 13.90% p.a and is repayable in 180 instalments from date of loan viz., April 28, 2013. Presently, the loan carries rate of interest of 14.25%. The loan is secured by pledge of certain investments of the Company, personal guarantee of a director, pledge of property of a director and pledge of third party investments and property.

**5A Short Term Borrowings**

	March 31, 2015	March 31, 2014
	₹	₹
Secured		
From Others (Refer note 5A.1 and 5A.2 below)	300,000,000	-
<b>Total</b>	<b>300,000,000</b>	<b>-</b>

**5A.1 The details of the rate of interest, repayment and security is as mentioned below:**

Name of the lender	ROI	Amount ( ₹ )	
SKS Fin Cap Private Limited	17%	50,000,000	Repayable in 346 Days from the date of loan agreement i.e, August 20, 2014.
SKS Fin Cap Private Limited	17%	25,000,000	Repayable in 354 Days from the date of loan agreement i.e, September 12, 2014.
SKS Fin Cap Private Limited	17%	25,000,000	Repayable in 285 Days from the date of loan agreement i.e, November 20, 2014.
Sun Pharma Laboratories Limited	14%	200,000,000	Repayable in 365 Days from the date of loan agreement i.e, January 30, 2015.

**5A.2** The above loans are secured by the pledge of 1,454,546 and 2,250,000 equity shares of Gati Limited to SKS Fincap Private Limited and Sun Pharma Laboratories Limited respectively which were held by the Company.

**6 Long Term Provisions**

	March 31, 2015	March 31, 2014
	₹	₹
Provision for Employee Benefits:		
(i) Provision for Compensated Absences	307,123	225,020
(ii) Provision for Gratuity	226,225	119,324
Provision - Others:		
(i) Contingent Provision against Standard Assets	895,000	5,000
(ii) Non Performing Assets	-	3,700,000
<b>Total</b>	<b>1,428,348</b>	<b>4,049,344</b>



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015****7 Trade Payables**

Particulars	March 31, 2015	March 31, 2014
	₹	₹
Trade Payables other than Acceptances (Refer Note No. 7.1 below)	1,573,450	2,124,306
<b>Total</b>	<b>1,573,450</b>	<b>2,124,306</b>

**7.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

According to the records available with the Company, there are no dues payable to entities that are classified as Micro, Small and Medium Enterprises Development Act, 2006 during the period. Hence disclosures, if any, relating to amounts unpaid as at the period end together with the interest paid / payable as required under the Act have not been given.

	As At March 31, 2015	As At March 31, 2014
a) Principal amount remaining unpaid	Nil	Nil
b) Interest due thereon	Nil	Nil
c) Interest paid by the Company in terms of Section 16 of Micro Small and Medium Enterprises Development Act, 2006 along with the amount of payments made to the supplier beyond the appointed day during the year	Nil	Nil
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
e) Interest accrued and remaining unpaid	Nil	Nil
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

**8 Other Current Liabilities**

	March 31, 2015	March 31, 2014
	₹	₹
Current maturities of Long Term Borrowings (Refer Note No. 5)	5,405,532	21,175,295
Interest accrued and due	-	157,373
Other payables		
(i) Statutory Payables	950,218	3,335,069
(ii) Security Deposits	186,666	681,509
(iii) Others	986,086	1,069,468
<b>Total</b>	<b>7,526,002</b>	<b>26,418,714</b>

(Includes ₹ 71,125/- (March 31, 2014 ₹ 155,295/-) payable to Related Party. (Refer Note No.24.2))

(Includes ₹ 163,610/- (March 31, 2014 ₹ 194,475/-) payable towards Managerial Remuneration (Refer Note No. 24.2))

**9 Short Term Provisions**

	March 31, 2015	March 31, 2014
	₹	₹
Provision for Employee Benefits:		
(i) Provision for Compensated Absences	8,193	6,790
(ii) Provision for Gratuity	4,079	3,406
Provision for Tax (net of Advance tax as at March 31, 2015 of ₹ 213,42,001/-)	2,982,749	-
<b>Total</b>	<b>2,995,021</b>	<b>10,196</b>

No	PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As At 01.04. 2014	Additions	Deletions	As At 31.03. 2015	Upto 01.04.2014	For the year	Charge to opening Reserves/ Deletions	Upto 31.03.2015	As at 31.03.2015	As At 31.03.2014
A	TANGIBLE ASSETS										
I	Owned Assets										
1	Land - Freehold	3,522,514	-	-	3,522,514	-	-	-	-	3,522,514	3,522,514
2	Buildings	4,040,826	-	-	4,040,826	978,457	63,234	-	1,041,691	2,999,135	3,062,369
3	Furniture and Fixtures	2,320,861	62,300	-	2,383,161	1,520,324	173,394	29740*	1,723,458	659,703	800,537
4	Plant and Machinery	6,802	-	-	6,802	6,802	-	-	6,802	-	-
5	Motor Trucks	5,928,039	1,170,599	5,928,039	1,170,599	5,928,039	7,617	5,928,039	7,617	1,162,982	-
6	Office Equipment and Computers	2,414,798	273,550	-	2,688,348	1,626,313	201,678	286,273*	2,114,264	574,084	788,485
	Total	18,233,840	1,506,449	5,928,039	13,812,250	10,059,935	445,923	6,244,052	4,893,832	8,918,418	8,173,905
	Previous Year	17,887,507	346,333	-	18,233,840	9,662,870	397,065	-	10,059,935	8,173,905	8,224,637
B	INTANGIBLE ASSETS										
1	Computer Software	33,038	-	-	33,038	16,828	-	14,566*	31,394	1,644	16,210
	Total Intangible Assets	33,038	-	-	33,038	16,828	-	14,566	31,394	1,644	16,210
	Previous Year	33,038	-	-	33,038	11,473	5,355	-	16,828	16,210	21,565

C. \* Pursuant to Schedule II of the Companies Act, 2013, with effect from April 1, 2014, the Company has adopted revised useful life of the assets aligning the same with those specified in Schedule II. The Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014 and has adjusted an amount of ₹ 228,433/- (net of deferred tax of ₹102,147/-) from the opening surplus in the Statement of Profit and Loss under Reserves and Surplus. Consequent to the change in the useful life of the other assets, the impact on the depreciation expense for the year is lower by ₹ 80,819/-.

**D. Depreciation / Amortisation charged to Statement of Profit and Loss**

	2014-15		2013-14	
	₹		₹	
Tangible Assets	445,923		397,065	
Intangible Assets	-		5,355	
<b>Total</b>	<b>445,923</b>		<b>402,420</b>	

## Notes forming part of the Financial Statements for the year ended March 31, 2015

## 12 Non-Current Investments

## NON TRADE INVESTMENTS (AT COST)

₹

NAME OF THE COMPANY	March 31, 2015			March 31, 2014		
	No. of shares	Face value	Amount	No. of shares	Face value	Amount
<b>A EQUITY SHARES (QUOTED)</b>						
<i>Gati Limited (Refer Note No. 11.1)</i>	8,133,205	2	90,837,978	7,724,350	2	89,202,558
<i>TCI Industries Limited</i>	30,236	10	2,128,390	30,236	10	2,128,390
<i>Karnataka Bank Limited</i>	4,860	10	413,100	4,860	10	413,100
<i>ATI Limited</i>	10,000	10	200,000	10,000	10	200,000
<i>Less: Provision for decline, other than temporary, in the value of long term investments</i>			(86,206)			(86,206)
<b>Net</b>			113,794			113,794
<i>Lloyds Finance Limited</i>	4,200	10	2,310	4,200	10	2,310
<i>Tech Mahindra Limited (Refer Note No. 11.2)</i>	400	5	173,612	100	10	173,612
<b>Total</b>			93,669,184			92,033,764
<b>B EQUITY SHARES (UNQUOTED)</b>						
<i>Gati Intellect Systems Limited</i>	1,000	100	100,000	1,000	100	100,000
<i>Coast-To-Coast Shipping Limited</i>	9,500	10	95,000	9,500	10	95,000
<i>TCI Hi-Ways Private Limited</i>	27,451	10	274,510	27,451	10	274,510
<i>Giri Roadlines and Commercial Trading Private Limited</i>	42,000	100	157,527	42,000	100	157,527
<i>Amrit Jal Ventures Private Limited</i>	15,014,100	10	150,000,000	15,014,100	10	150,000,000
<i>Bangalore Stock Exchange Limited</i>	30,000	1	30,000	30,000	1	30,000
<i>ITAG Infrastructure Limited</i>	5,000	10	50,000	5,000	10	50,000
<b>Total</b>			150,707,037			150,707,037
<b>C PREFERENCE SHARES (UNQUOTED)</b>						
<i>Capital Fortunes Limited</i>	350,000	10	3,500,000	350,000	10	3,500,000
<i>8% Non Cumulative 15 Year Redeemable</i>						
<b>Total</b>			3,500,000			3,500,000
<b>D DEBENTURES (OPTIONALLY CONVERTIBLE) (UNQUOTED)</b>						
<i>14.50% - Amrit Jal Ventures Private Limited</i>	2,349,281	100	234,928,100	2,349,281	100	234,928,100
			-			-
<b>Total</b>			234,928,100			234,928,100
<b>Grand Total</b>			482,804,321			481,168,901
<b>Book Value Of Quoted Investments</b>			93,669,184			92,033,764
<b>Market Value Of Quoted Investments(Refer Note No. 11.3)</b>			1,798,019,758			669,109,528

11.1 4,354,546 (March 31, 2014: 7,717,000) Equity Shares pledged with lenders as security for Long and Short Term Borrowings (Refer Note No.5 (ii) and 7.2) and 1,085,000 Shares pledged with IFCI Venture capital limited towards loan availed by M/s Amrit Jal Ventures Private Limited.

11.2 Pledged with Bangalore Stock Exchange, the shares were split from ₹ 10/- to ₹ 5/- and also 1:1 Bonus issued during the year

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

**12 Long Term Loans and Advances - Unsecured, considered good**

	March 31, 2015	March 31, 2014
	₹	₹
Advance Tax (Net of Provision ₹ 75,000/- (As at March 31, 2014 ₹15,426,000/-)	196,135	12,400,722
<b>Total</b>	<b>196,135</b>	<b>12,400,722</b>

**13 Other Non-Current Assets**

	March 31, 2015	March 31, 2014
	₹	₹
Interest Accrued on deposits	3,267	13,600
Fixed Deposit with original maturity more than 12 months	66,998	50,000
Security Deposit - Unsecured, considered good	50,000	50,000
<b>Total</b>	<b>120,265</b>	<b>113,600</b>

**14 Trade Receivables - Unsecured**

	March 31, 2015	March 31, 2014
	₹	₹
Receivables outstanding over six months		
Considered good	2,903,802	3,187,999
Considered doubtful	-	-
	<b>2,903,802</b>	<b>3,187,999</b>
Less: Provision for doubtful debts	-	-
	<b>2,903,802</b>	<b>3,187,999</b>
Others		
Considered good	289,799	513,114
<b>Total</b>	<b>3,193,601</b>	<b>3,701,113</b>

**15 Cash and Bank Balances**

	March 31, 2015	March 31, 2014
	₹	₹
<b>Cash and Cash Equivalents</b>		
Cash on hand	46,790	26,670
Balances with banks		
In current accounts	43,397,267	4,871,562
In deposit accounts	4,000,000	2,000,000
<b>Total</b>	<b>47,444,057</b>	<b>6,898,232</b>

**16 Short Term Loans and Advances - Unsecured, considered good**

	March 31, 2015	March 31, 2014
	₹	₹
Inter Corporate Loans	355,000,000	37,000,000
Advances recoverable in cash or kind	860,470	339,638
<b>Total</b>	<b>355,860,470</b>	<b>37,339,638</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015****17 Other Current Assets**

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>₹</b>	<b>₹</b>
Interest accrued on debentures	17,575,828	22,204,960
Interest accrued on Short Term Loan and Advances	1,692,602	
Others		
(i) Contractually Reimbursable Expenses	294,000	294,000
(ii) Others Receivables (Refer Note No. 17.1)	5,129,704	7,156,470
(iii) Advances recoverable in cash or kind -unsecured, considered good	-	-
(iv) Other Advances recoverable in cash or kind-Unsecured (Refer Note No. 17.2)	3,302,693	3,302,693
Less: Provision for doubtful loans and advances	(3,302,693)	(3,302,693)
	-	-
<b>Total</b>	<b>24,692,134</b>	<b>29,655,430</b>

**17.1** Towards part amount receivable on sale of 1,091,145 pledged shares of Gati limited which was invoked during the year 2013-14 by the pledgee.

**17.2** Represents amount misappropriated by employee during the year 2010-11 and 2011-12 by way of embezzlement of cash and fraudulent encashment of the Company's cheques. The Company filed a First Information Report (FIR) on October 13, 2011 against the employee with the designated police authority and has initiated legal proceedings.

**18 Revenue from Operations**

	<b>2014-15</b>	<b>2013-14</b>
	<b>₹</b>	<b>₹</b>
Interest Income (Refer Note No.18.1)	92,551,969	37,917,932
Consultancy Fees	1,069,435	1,268,646
Other Operating Revenue (Refer Note No.18.2)	50,597,241	126,873,819
<b>Total</b>	<b>144,218,645</b>	<b>166,060,397</b>

**18.1 Interest Income**

	<b>2014-15</b>	<b>2013-14</b>
	<b>₹</b>	<b>₹</b>
Interest on Loans and Advances		
(i) Banks	6,765	5,170
(ii) Loans and Advances	23,453,029	13,274,238
(iii) Un recognised income of earlier year, now received and recognised	35,027,592	-
(iv) Investments	34,064,583	24,638,524
<b>Total</b>	<b>92,551,969</b>	<b>37,917,932</b>

**18.2 Other Operating Revenue**

	<b>2014-15</b>	<b>2013-14</b>
	<b>₹</b>	<b>₹</b>
Hire Rental	-	-
Upfront Fee	2,872,603	-
Debts Written off earlier, realised	-	100,000
Profit on sale of Long Term Investments	25,108,654	110,625,560
Dividend income from long-term investments	11,826,784	7,078,203
Sponsorship and Delegate Fees	10,789,201	9,070,056
<b>Total</b>	<b>50,597,241</b>	<b>126,873,819</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015****19 Other Income**

	<b>2014-15</b>	<b>2013-14</b>
	<b>₹</b>	<b>₹</b>
Rental Income	804,000	984,000
Other Non-Operating Income (Refer Note No.19.1)	4,727,938	3,996,645
Gain on Foreign Currency Transaction	118,838	16,498
<b>Total</b>	<b>5,650,776</b>	<b>4,997,143</b>

**19.1 Other Non-Operating Income**

	<b>2014-15</b>	<b>2013-14</b>
	<b>₹</b>	<b>₹</b>
Profit on sale of Motor Trucks	595,300	-
Liabilities no longer required written back	395,619	-
Miscellaneous income	1,736,377	3,804,033
Interest Income	176,127	192,612
Interest on IT refund	1,824,514	-
<b>Total</b>	<b>4,727,938</b>	<b>3,996,645</b>

**20 Employee Benefits Expense**

	<b>2014-15</b>	<b>2013-14</b>
	<b>₹</b>	<b>₹</b>
Salaries and wages	8,498,007	7,554,051
Contributions to provident and other funds	411,451	333,318
Staff welfare expenses	31,177	66,884
<b>Total</b>	<b>8,940,635</b>	<b>7,954,253</b>

20.1 Employee benefits expenses includes ₹ 2,075,520/- paid to the Manager for the period July 1, 2014 to March 31, 2015 for which the Company has obtained shareholders approval and filed application for Central Government approval.

**21 Finance Costs**

	<b>2014-15</b>	<b>2013-14</b>
	<b>₹</b>	<b>₹</b>
Interest expense on:		
(i) Debentures	-	7,208,667
(ii) Term Loans	46,440,747	64,082,811
(iii) Interest on TDS	23,053	-
Other borrowing cost	2,916,469	6,685,420
<b>Total</b>	<b>49,380,269</b>	<b>77,976,898</b>

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

## 22 Other Expenses

	2014-15	2013-14	
	₹	₹	
Rent	720,000		720,000
Rates and taxes	19,553		269,502
Office maintenance	575,613		539,667
Legal and Professional	1,795,815		2,703,985
Travelling and Conveyance	869,471		618,018
Telephone and Communication Expenses	367,252		316,536
Electricity	216,558		153,003
Printing and Stationery	235,968		231,918
Postage and Telegrams	119,756		110,125
Software Expenses	-		13,500
Conferences and Seminars	5,365,402		4,314,932
Subscription and Membership	80,273		45,672
Listing Fee	247,192		176,967
Demat charges	145,634		15,960
Auditors' Remuneration (Refer Note No.22.1)	292,061		259,835
Trade Receivables Written off	-	441,566	
Less: Provision Written back	-	(441,566)	-
Leased Assets Written off	-	13,147,195	
Less: Provision for NPAs	-	(12,531,537)	
Security Deposit Written back	-	(556,240)	59,418
CSR Expenses	285,075		-
Miscellaneous expenses	428,762		534,195
<b>Total</b>	<b>11,764,385</b>		<b>11,083,233</b>

## 22.1 Auditors' Remuneration

	2014-15	2013-14
	₹	₹
Fee towards		
Statutory Audit	150,000	125,000
Limited Review	90,000	90,000
Certification	19,000	19,000
Service Tax	28,925	25,835
<b>Total</b>	<b>292,061</b>	<b>259,835</b>

## 23 Additional information to the Financial Statements

	March 31, 2015	March 31, 2014
	₹	₹
<b>23.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
Contingent Liabilities		
(a) Disputed sale tax demand	63,661	63,661
(b) Corporate Guarantees	1,966,766,935	300,000,000
The Company has provided Guarantee for A. redemption / buyback of the Optionally convertible Debentures subscribed by IFCI Venture Capital Funds Limited in Amrit Jal Ventures Pvt Limited, B. To the lenders of Gati Infrastructure Bhasmey Power Pvt Ltd , C. Pledge of Gati Ltd shares to IFCI Venture Capital Funds Ltd for loan availed by Amrit Jal Ventures Pvt Ltd.		



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015**

**23.2** 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 Company has been advised that Section 186 of the Companies Act, 2013 is not applicable to the Company.

**23.3** The Provision for standard assets and Non Performing Assets during the year is as given below:

Particulars	March 31, 2015	March 31, 2014
	₹	₹
Provision for Standard Assets - reversal of provision	890,000	(1,243,000)
Provision For Non - Performing Assets- Loans	(3,700,000)	3,700,000
<b>Total</b>	<b>(2,810,000)</b>	<b>2,457,000</b>

Note: Figures in brackets represents reversal of provisions.

**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.

Particulars	March 31, 2015	March 31, 2014
	₹	₹
<b>1.Segment Revenue</b>		
a.Non Banking Financial Services	137,267,016	160,509,728
b.Knowledge Process Outsourcing	12,602,405	10,547,812
c. HR Outsourcing	-	6,233
<b>Total</b>	<b>149,869,421</b>	<b>171,063,773</b>
<b>2. Segment Results</b>		
Profits Before Tax and Interest		
a. Non Banking Financial Services	131,117,595	149,090,083
b. Knowledge Process Outsourcing	410,883	70,551
c. HR Outsourcing	-	5,527
<b>Total</b>	<b>131,528,478</b>	<b>149,166,161</b>
Less Interest	49,380,269	77,976,898
<b>Total Profit Before Tax</b>	<b>82,148,209</b>	<b>71,189,263</b>
<b>3. Other Information</b>		
Segment Assets		
a.Non Banking Financial Services	914,425,762	567,679,617
b.Knowledge Process Outsourcing	8,963,423	12,214,011
c. HR Outsourcing	-	-
<b>Total Assets</b>	<b>923,389,185</b>	<b>579,893,628</b>
<b>Segment Liabilities</b>		
a.Non Banking Financial Services	526,916,239	248,834,802
b.Knowledge Process Outsourcing	2,321,492	4,885,698
c. HR Outsourcing	-	-
<b>Total Liabilities</b>	<b>529,237,731</b>	<b>253,720,500</b>

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

## 24 Disclosures under Accounting Standards (contd.)

## 24.2 Related Party Disclosure

## a. Related party transactions

## Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	
Manager	Mr. Ramesh Sivaraman
Director of Subsidiary	Dr. D R Agarwal
Partnership firm over which KMP is able to exercise significant influence	Agarwal Maheswari & Co
Enterprises over which the Director of Subsidiary is able to exercise significant influence	Kumpepar Construction Private Limited
	Institute of International Trade

Note: Related parties have been identified by the Management.

**b. Details of related party transactions during the year ended March 31, 2015 and balances outstanding as at March 31, 2015:**

Particulars	Enterprise over which Director of Subsidiary is able to exercise significant influence	KMP	Total
<b>Transactions during the year</b>			
Managerial remuneration*	-	2,622,814	2,622,814
Manager	(-)	(2,082,383)	(2,082,383)
Staff Advance Given	-	625,000	625,000
	(-)	(628,873)	(628,873)
Consultancy Fee	1,200,000	-	1,200,000
	(1,200,000)	(-)	(1,200,000)
Rent Paid	-	720,000	720,000
	(-)	(720,000)	(720,000)
Conference Management Fee	1,035,000	-	1,035,000
	(-)	(-)	-
Balance Outstanding at the end of the year	-	71,125	71,125
Payables	(101,124)	(54,000)	(155,124)
Managerial Remuneration Payable	-	163,610	163,610
	(-)	(94,475)	(94,475)

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.

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015**
**24 Disclosures under Accounting Standards (contd.)**

	2014-15	2013-14
<b>24.3 Earnings Per Share</b>	₹	₹
<b>Continuing Operations:</b>		
Basic		
Net Profit for the year attributable to the equity shareholders(₹)	68,206,759	56,706,447
Weighted average number of equity shares	12,872,493	12,872,493
Par value per share (₹)	10	10
<b>Earnings Per Share - Basic and Diluted (₹)</b>	<b>5.30</b>	<b>4.41</b>
<b>Total operations</b>		
Net Profit for the year attributable to the equity shareholders (₹)	68,206,759	56,711,974
Weighted average number of equity shares	12,872,493	12,872,493
Par value per share (₹)	10	10
Earnings per share from total operations - Basic and Diluted (₹)	5.30	4.41

	2014-15	2013-14
	₹	₹
<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	189,579	3,968,444
Tax effect of items constituting deferred tax liability	189,579	3,968,444
Tax effect of items constituting deferred tax assets :		
Provision for employee benefits - Gratuity	71,164	
Provision for Standard assets	276,555	385,632
Provision for Non-Performing assets	-	4,008,689
Tax effect of items constituting deferred tax assets	347,719	4,394,321
<b>Net Deferred Tax - Asset</b>	<b>158,140</b>	<b>425,877</b>
Deferred Tax Asset of the Parent Company for the current year is not recognised on business losses, as a measure of prudence.		

**24.5 Discontinuing Operations**

Effective March 11, 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.

(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	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<i>Total Income</i>	149,869,421	171,057,540	-	6,233	149,869,421	171,063,773
<i>Less : Operating Expenses</i>	18,340,943	21,896,906	-	706	18,340,943	21,897,612
<b>Pre-tax profit from operating activities</b>	<b>131,528,478</b>	<b>149,160,634</b>	<b>-</b>	<b>5,527</b>	<b>131,528,478</b>	<b>149,166,161</b>
<i>Less : Interest expenses</i>	49,380,269	77,976,898	-	-	49,380,269	77,976,898
<b>Profit before Tax</b>	<b>82,148,209</b>	<b>71,183,736</b>	<b>-</b>	<b>5,527</b>	<b>82,148,209</b>	<b>71,189,263</b>
<i>Less : Taxation</i>	13,941,450	14,477,289	-	-	13,941,450	14,477,289
<b>Profit / (Loss) After Tax from operating activities</b>	<b>68,206,759</b>	<b>56,706,447</b>	<b>-</b>	<b>5,527</b>	<b>68,206,759</b>	<b>56,711,974</b>

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

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015**

Particulars	March 31, 2015	March 31, 2014
	₹	₹
Carrying amount of assets as at the Balance Sheet date	-	-
Carrying amount of liabilities as at the Balance Sheet date	-	-

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

Particulars	2014-15	2013-14
	₹	₹
Cash flows from Operating Activities	-	8,442
Cash flows from Investing Activities	-	-
Cash flows from Financing Activities	-	(72,481)

**25** Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹)	As % of Consolidated profit or loss	Amount (₹)
Parent: TCI Finance Limited	98.31	387,509,526	99.72	68,017,593
<b><u>Subsidiaries</u></b>				
ITAG Business Solutions Limited	1.69	6,641,930	0.28	189,168

**26** Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

**Signatures to Notes “1 to 26”**

For and on behalf of the Board

**Hemant Kaul**

Chairman

DIN No : 00551588

**S M Jalan**

Director

DIN No : 00324182

**Lakshmi Sharma**

Company Secretary

M.No: A32617

**Ramesh Sivaraman**

Manager - Chief Executive

Hyderabad, April 29, 2015

## Form AOC-I

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, 2014)**

**Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures**

### Part "A": Subsidiaries

**(Information in respect of each subsidiary to be presented with amounts in Rs)**

1	Sl. No.	1
2	Name of the subsidiary	ITAG Business Solutions Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Same as Holding Company
5	Share capital	
	a) Authorised Capital	20,000,000
	b) Paid-up Capital	12,500,000
6	Reserves & surplus	(6,858,069)
7	Total assets	8,963,423
8	Total Liabilities	8,963,423
9	Investments	NIL
10	Turnover	11,858,636
11	Profit before taxation	388,507
12	Provision for taxation	(24,356)
13	Profit after taxation	412,863
14	Proposed Dividend	NIL
15	% of shareholding	100

# TCI FINANCE LIMITED

CIN: L65910TG1973PLC031293

Registered Office: Plot no-20, Survey no-12, 4th Floor, Kothaguda, Kondapur, Hyderabad-500081

Tel:040 271204284, Fax:040 23112318, Email: investors\_tcif@gati.com

## ATTENDANCE SLIP

### 41<sup>st</sup> Annual General Meeting

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain slip at the venue of the meeting.

DP Id	Folio No.	
Client Id	No. of shares	

NAME AND ADDRESS OF THE SHAREHOLDER \_\_\_\_\_

I hereby record my presence at the 41<sup>st</sup> ANNUAL GENERAL MEETING of the company held on July 28, 2015 at 11.00 am at Plot no-20, Survey no.12, Ground Floor, Kothaguda, Kondapur, Hyderabad-500081.

\*Applicable for investors holding shares in electronic form

Signature of Shareholder/proxy

## PROXY FORM

CIN: L65910TG1973PLC031293

Registered Office: Plot no-20, Survey no-12, 4th Floor, Kothaguda, Kondapur, Hyderabad-500081

Tel:040 271204284, Fax:040 23112318, Email: investors\_tcif@gati.com

Name of the member (s):	E-mail Id:	
Registered address	Folio No/Client id /DP Id:	

I/We, being the member(s) of \_\_\_\_\_ shares of TCI Finance Limited, hereby appoint:

1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41<sup>st</sup> Annual General Meeting of the Company, to be held on July 28, 2015 at 11.00 am at Plot no-20, Survey no.12, Ground Floor, Kothaguda, Kondapur, Hyderabad-500081 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below:

	Resolutions	For	Against
<b>Ordinary business:</b>			
1(a)	Adoption of audited financial statements of the Company for the financial year ended March 31, 2015, the Board of Directors and Auditors thereon		
1(b)	Adoption of audited consolidated financial Statements of the Company for the financial year ended March 31, 2015		
2	Re-appointment of Mr. Mahendra Agarwal who retire by rotation		
3	Ratification of the appointment of Statutory Auditors		
<b>Special Business</b>			
4	Appointment of Mr. Hemant Kaul as Independent Director of the Company		
5	Appointment of Ms. Meera Madhusudan Singh as Director of the Company		
6	Approval of Borrowing Limits of Rs. 150 Crores		
7	Approval of creation of mortgage or charge all or any part of immovable or movable properties of the Company		
8	Adoption of Articles of Association		

affix  
revenue  
stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

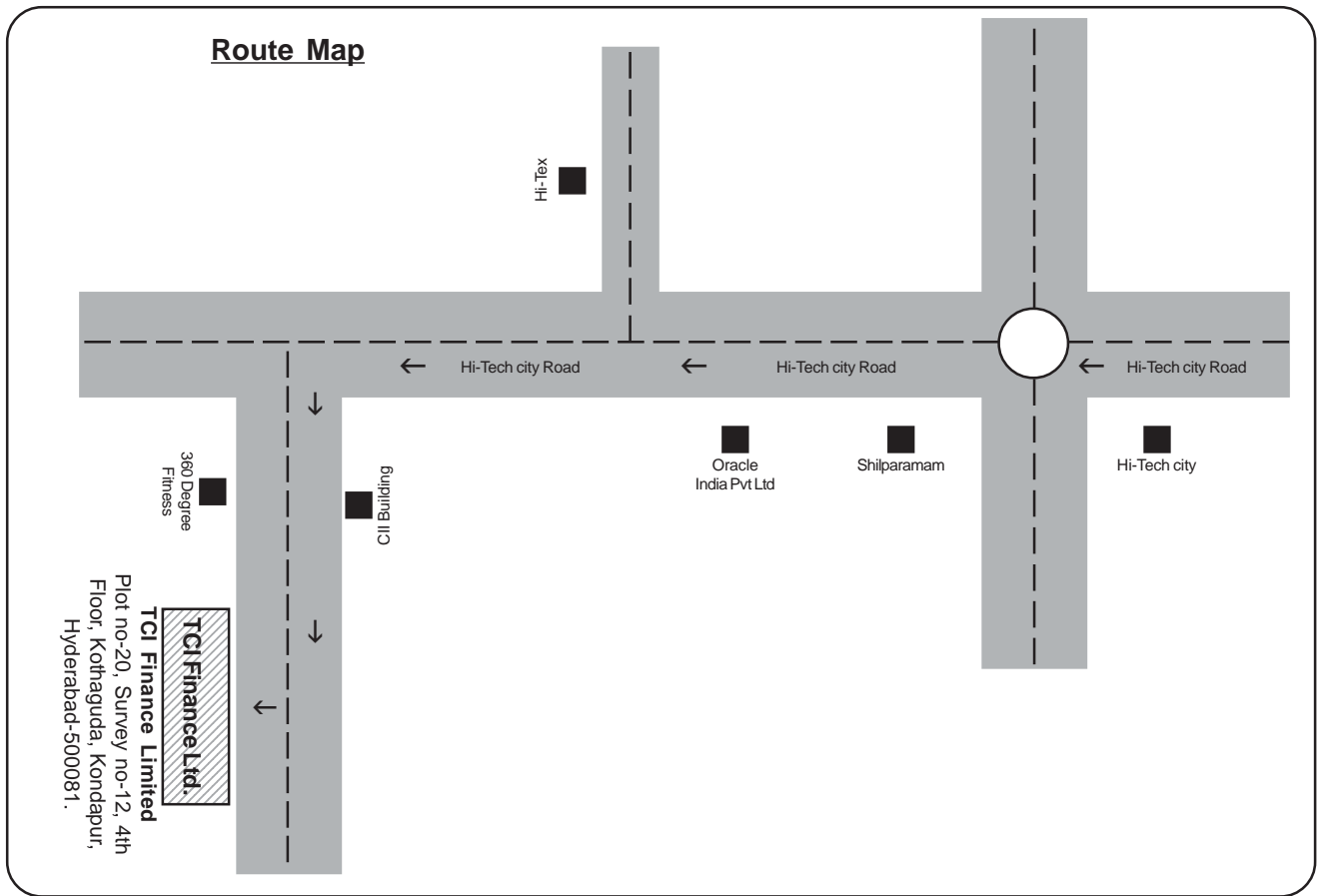
Signature of shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

**Notes:** (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting. (2) A Proxy need not to be a member of the Company.



*If Undelivered, please return to :*

**M/s Karvy Computershare Private Limited**

(Unit: TCI Finance Limited)

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel: +91 040 67162222

E-mail: mohsin.mohd@karvy.com