



35th
Annual Report
2008-2009

BOARD OF DIRECTORS

Mr. O. Swaminatha Reddy
Chairman

Mr. Mahendra Agarwal

Mr. R.S. Agarwala

Mr. S.M. Jalan

Dr. D.R. Agarwal

Mr. V.T. Pawar

MANAGER

Mr. Ramesh Sivaraman

COMPANY SECRETARY

Mr. R.K. Modi

REGISTERED OFFICE

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

AUDITORS

M/s. Deloitte Haskins & Sells
Chartered Accountants

REGISTRAR & TRANSFER AGENTS

M/s Karvy Computer Share Pvt. Ltd.
Plot No. 17-24,
Vittalrao Nagar, Madhapur,
Hyderabad - 500 081.
E-mail : mohsin@karvy.com
Tel : 040 - 23420815 - 28

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Notice to Shareholders

Notice is hereby given that the 35th Annual General Meeting of the Members of the Company will be held on Wednesday, the 29th July 2009 at 10.30 A.M. at Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad - 500 003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March, 31st 2009, the Profit & Loss Account for the year ended on that date and the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. O Swaminatha Reddy, who retire by rotation as per Article 141 of the Articles of Association of the Company and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. V T Pawar, who retire by rotation as per Article 141 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

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

R K Modi
Company Secretary

Secunderabad, 12th May, 2009

NOTES:

- 1 (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.
(b) Proxy Form is enclosed which should be deposited at the Registered Office of the Company duly signed not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books will remain closed from 27th July 2009 to 29th July 2009 (both days inclusive).
3. Pursuant to the provision of Section 205A of the Companies Act, 1956 Unpaid or Unclaimed dividend for the financial year ended 31st March 1998, has been transferred to The Investor Education and Protection Fund of the Central Government. The Company has not declared any dividend after the financial year ended 31st March 1998.
4. The members are requested to intimate any change in their address immediately. They are also requested to bring their copy of Annual Report while coming to the meeting.
5. Members who hold shares in Dematerialised form are requested to bring their client Id and DP Id No. for easy identification of attendance at the meeting.
6. The shares of the Company are at present listed on the following Stock Exchanges viz., The Bombay Stock Exchange Limited, and National Stock Exchanges of India Limited The listing fee for the year 2009-2010 has been paid to BSE and NSE.
7. The shares of the Company have been dematerialised with effect from 06.09.2000 (ISIN NO.INE911B01018).
8. Appointment/Reappointment of Directors
At the ensuing Annual General Meeting, Mr. O Swaminatha Reddy and Mr. V T Pawar, Directors of the Company, who retire by rotation and being eligible offer themselves for re-appointment. The information or details to be provided under Corporate Governance code for the aforesaid directors are as under:

Mr. O.Swaminatha Reddy aged 78 years is the Member of the Institute of Chartered Accountants of India. He is having expertise in managing Non-Banking Financial Companies and Banks. He was the Chairman & Managing Director of Andhra Bank and Chairman of APSFC. Presently, he is Chairman of M/s. Sagar Cements Ltd., M/s. Golkonda Hospitality Services & Resorts Ltd and M/s. Sagar Power Ltd. He is a Director of M/s. K.C.P. Ltd., M/s. Transport Corporation of India Ltd., M/s. Surana Telecom Ltd., M/s. Bhagyanagar India Ltd., M/s. K.M.Power Pvt. Ltd, M/s. Thembu Power Pvt. Ltd, M/s. E.P.R Gene Technologies Pvt. Ltd, M/s. E.P.R Pharmaceuticals Pvt. Ltd and M/s. E.P.R Centre for Cancer Research and Biometrics Pvt. Ltd.

He is the Chairman of Governing Body of Indian Institute of Economics and Member - Management Committee of Federation of A.P. Chamber of Commerce & Industry.

He is also Chairman of the Audit Committees of M/s. Sagar Cements Ltd., M/s. Transport Corporation of India Ltd., M/s. Bhagyanagar India Ltd., M/s. Surana Telecon Ltd and M/s.K.C.P.Ltd.

Mr. V.T.Pawar

Mr. V.T.Pawar aged 60 years is a Fellow Member of the Institute of Chartered Accountants of India. He is the member of Managing Committee ASSOCHAM . Presently, he is the Whole Time Director of M/s. Gati Infrastructure Ltd, Director in Amrit Jal Ventures Private Ltd, Gati Infrastructure Bhasmey Power Private Ltd, Gati Infrastructure Sada- Mangder Power Private Ltd and Gati Asia Pacific Pte Ltd.

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

R K Modi
Company Secretary

Secunderabad, 12th May, 2009

DIRECTORS' REPORT

The Directors are presenting herewith the 35th Annual Report and the Audited Statement of Accounts for the year ended 31st March 2009.

FINANCIAL RESULTS:**(Rs.in Lakhs)**

	As on 31 st March 2009	As on 31 st March 2008
Income	691.50	330.88
Profit before Interest, Depreciation & Taxation	612.32	244.02
Financial Charges	547.68	71.84
Depreciation	41.61	68.76
Profit before tax	23.03	103.42
Provision for tax:		
Current Tax	-	8.20
Deferred Tax	(8.69)	(16.59)
Fringe Benefit Tax	0.31	0.32
Income Tax relating to previous year	(4.56)	(0.38)
Profit after tax	35.97	111.87
Balance brought forward from previous year	668.17	579.30
Transferred to Reserve Fund	7.60	23.00
Balance Carried forward	696.54	668.17

DIVIDEND

Directors do not recommend payment of dividend for the financial year ended 31st March 2009.

REVIEW OF OPERATION

During the year, your Company achieved a turnover of Rs.691 Lakhs as against Rs.331 Lakhs in the previous year. The net profit after tax is Rs.36 Lakhs as against Rs. 112 Lakhs in the previous year.

The turnover of the Subsidiary Company M/s. ITAG Business Solutions Ltd is Rs. 23 Lakhs as against Rs. 6 Lakhs in the previous year. Loss stood at Rs. 47 Lakhs as against Rs. 86 Lakhs in the previous year. The company is only in its second year of operation. Further due to recessionary market conditions, the company incurred losses during the year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. O Swaminatha Reddy and Mr.V T Pawar retire by rotation and being eligible offer themselves for re-appointment.

FIXED DEPOSITS

The Company has transferred unclaimed deposit including interest Rs.32,000/- to the Investors Education & Protection Fund of the Central Government pursuant to Section 205A of the Companies Act, 1956. There are no amount lying in the Escrow Account as on date.

INVESTMENT

Your Company has made a total investment of Rs.10.80 Crores as on date in M/s. Amritjal Ventures Private Limited which is engaged in generating power and investing in power generating companies. The target date of commercial operation of Chuzachen Hydro Electric Power Project is expected to commence around June 2010.

ABRIDGED ANNUAL ACCOUNTS

In accordance with the Guidelines of SEBI, abridged standalone and consolidated annual accounts for the year ended 31st March 2009 are being circulated while detailed accounts will be made available on request.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the Annual Accounts for the year ended March 31, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period.
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- that the directors have prepared the annual accounts on a 'going concern' basis.

AUDITORS:

The Auditor, M/s. Deloitte Haskins & Sells, Chartered Accountants, hold office until the conclusion of this Annual General Meeting and are eligible for re-appointment.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

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

PERSONNEL

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

CORPORATE GOVERNANCE

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

ACKNOWLEDGEMENT:

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

By Order of the Board
TCI FINANCE LIMITED

O. Swaminatha Reddy
Chairman

Secunderabad, 12th May, 2009

ANNEXURE - I

REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy

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

2. Board of Directors

The Board of Directors comprises of 6 directors.

Composition and category of Directors:

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

Attendance during the financial year 2008-09 of each Director at the Board Meetings, last Annual General Meeting and Number of other Directorships and Chairmanship/Membership of Committee of each Director in various companies:

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

* Excluding Pvt. Ltd. Companies and Companies registered under Section 25 of the Companies Act, 1956.

Number of Board Meetings held and the dates on which held

During the financial year 2008-09, the Board of Directors met five times, on the following dates: 24th April 2008, 11th June 2008, 23rd July 2008, 21st October 2008 and 7th January 2009. The maximum time gap between the meetings was not more than four calendar months.

3. Audit Committee

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

Composition and other details

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

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

Terms of Reference

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

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

The Audit Committee shall mandatory review the following information:

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

Meetings and attendance during the year

During the financial year 2008-09, the Audit Committee met four times on the following dates. 23rd April, 2008, 23rd July, 2008, 20th Oct' 2008 and 7th Jan' 2009. Mr. R S Agarwala is the Chairman of the Audit Committee and Mr. V T Pawar and Mr. S M Jalan are the Members of the Audit Committee. During the year Mr. R S Agarwala and Mr. V T Pawar attended all the meetings. Mr. S M Jalan did not attend one meeting held on 20th Oct' 2008.

4. Remuneration Committee

The Company has constituted Remuneration Committee. During the year, the Committee met on 23rd April, 2008. The Committee consists of the following directors.

Mr.R.S.Agarwala	- Chairman
Mr.Mahendra Agarwal	- Member
Mr.V.T.Pawar	- Member

Terms of Reference and Remuneration policy

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

Details of Remuneration paid to the Directors for the financial year ended 31st March 2009:

<i>Name of the Director</i>	<i>Remuneration (Rs.)</i>	<i>Sitting Fee (Rs.)</i>	<i>Total (Rs.)</i>
Mr.O.Swaminatha Reddy	----	6,000/-	6,000/-
Mr.Mahendra Agarwal	----	-----	-----
Mr.R.S.Agarwala	----	18,000/-	18,000/-
Mr.V.T.Pawar	----	20,000/-	20,000/-
Mr.S.M.Jalan	----	12,000/-	12,000/-
Dr. D R Agarwal	----	8,000/-	8,000/-
TOTAL :	---	64,000/-	64,000/-

5. Shareholders' / Investors' Grievance Committee

The Board has constituted a Shareholders'/ Investors' Grievance Committee as a measure of good corporate governance and is focusing on strengthening the relation with the stakeholders.

Constitution and Composition

The committee was constituted comprising of the following directors as members viz.,

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

Compliance Officer

Name and designation of the Compliance Officer : Mr.Rajesh Kumar Modi, Company Secretary & Compliance Officer.

Details of complaints for the year 2008-09

<i>S.No.</i>	<i>Nature of Complaint</i>	<i>Received</i>	<i>Disposed</i>	<i>Pending</i>
1	Non-Receipt of dividend warrants	4	4	0
2	Non-Receipt of Share Certificates sent for transfer/ refund orders	5	5	0
	TOTAL	9	9	0

As on 31st March 2009 no request for dematerialization was pending.

6. General Body Meetings

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

<i>Year</i>	<i>Date</i>	<i>AGM/EGM</i>	<i>Venue</i>	<i>Time</i>
2005-06	July 11,2006	AGM	1st Floor, Lions Bhavan, Lakhpat Building, Behind Usha Kiran Complex, S.D.Road, Secunderabad - 500 003	10.30 A.M
2006-07	July 28, 2007	AGM	Hotel Nakshtra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad - 500 003	10.30 A.M
2007-08	September 18, 2008	AGM	Hotel Nakshtra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad - 500 003	10.30 A.M

Details of Postal Ballot

No Postal ballots were used / invited for voting at these meetings.

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

None.

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

None

8. Means of Communication

Half Yearly reports to each household of Shareholders : No

Quarterly results:

The quarterly and half yearly un-audited and annual results were published in National newspaper in english i.e., Financial Express and as well as in regional language newspaper circulating in Andhra Pradesh i.e., Andhra Prabha (Telugu).

Displaying on Website : No

News releases and presentation to Institutional Investors : No

Management Discussion and Analysis:

Management Discussion and Analysis forms part of the Annual Report.

9. General Information for Shareholders

9.1 Annual General Meeting

Date, Time and Venue : **29th July 2009 at 10.30 A.M.**
Hotel Nakshatra, 126, Jade Arcade,
Paradise Circle, M G Road,
Secunderabad - 500003

9.2 Financial Calendar for 2009– 2010

Annual General Meeting : July 2010
Results for the quarter ended June 30th 2009 : Last week of July, 2009
Results for the quarter ended September 30th 2009 : Last week of October, 2009
Results for the quarter ended December 31st 2009 : Last week of January, 2010

9.3 Book Closure date : 27.07.2009 To 29.07.2009(both days inclusive)

9.4 Dividend Payment date : Not Applicable

TCIFINANCE LTD.**9.5 Listing on stock exchanges**

- (1) The Bombay Stock Exchange Limited
(2) National Stock Exchange Of India Limited

The Hyderabad Stock Exchange Ltd has been de-recognised by SEBI.
The listing fee for the year 2009-2010 has been paid to BSE and NSE.

9.6 Stock Code:

- (a) Trading Script code Bombay Stock Exchange : 1242
Trading Script ID Bombay Stock Exchange : TCIFIDM
Trading Script code Bombay Stock Exchange (Demat Segment) : 501242
(b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares : INE 911B01018

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

(Amount in Rs.)

Months	BSE		NSE	
	High	Low	High	Low
April 2008	29.50	22.30	29.70	22.30
May 2008	31.55	22.70	30.00	22.55
June 2008	25.30	18.85	24.05	19.10
July 2008	21.55	16.15	21.85	16.70
August 2008	21.95	18.55	22.40	19.00
September 2008	21.45	14.40	23.80	13.65
October 2008	16.80	9.05	16.00	8.00
November 2008	19.25	10.79	19.05	12.20
December 2008	17.49	11.60	17.60	12.80
January 2009	15.90	12.05	16.85	12.45
February 2009	15.00	11.81	15.00	13.30
March 2009	14.88	12.21	15.35	11.55

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

PARTICULARS	TCI FINANCE SHARE PRICE V/S BSE	
	Share Price(Rs.)	BSE Sensex
As on 1st April 2008	23.00	15626.62
As on 31st March 2009	12.82	9708.50
% Change	(44.26)	(37.87)

9.9 Registrar and Transfer Agents

(Share Transfers and Communication regarding share certificates, dividends and change of address)

: Karvy Computershare Limited
Plot No.17-24
Vittal Rao Nagar, Madhapur
Hyderabad – 500 081.

9.10 Share transfer system:

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

9.11 Distribution of Shareholding as on 31st March 2009:

No. of shares	No. of shareholders	% of shareholders	Nos. of Shares	% of Total Shares
Upto - 5000	4553	82.23	953983	7.41
5001- 10000	533	9.63	460848	3.58
10001- 20000	230	4.15	368329	2.86
20001- 30000	50	0.90	130248	1.01
30001-40000	29	0.52	105178	0.82
40001-50000	39	0.70	184693	1.44
50001-100000	47	0.85	342787	2.66
100001 - Above	56	1.02	10326427	80.22
TOTAL	5537	100.00	12872493	100.00

Categories of shareholders as on 31st March 2009 :

Category	No. of shares held	% Shareholding
Promoter and Promoter Group	7460007	57.95
Bodies Corporate	1241891	9.65
Non Resident Indians	21664	0.17
Resident Individuals	4078127	31.68
Clearing Members	1002	0.01
HUF	69802	0.54
TOTAL	12872493	100.00

9.12 Dematerialization of shares :

Over 87.58% of the total shares have been dematerialized up to 31st March, 2009. Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. 28th August, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI)

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

Not Applicable

9.14 Plant Locations: Not Applicable**9.15.1 Investors Correspondence**

Karvy Computershare Pvt Ltd.
 (Unit:TCI Finance Limited)
 Plot No 17-24, Vittal Rao Nagar
 Madhapur, Hyderabad – 500 081
 E Mail ID : mohsin@karvy.com
 Tel: 040 – 23304703 / 23312454

TCI FINANCE LTD.

9.15.2 Any Query on Annual Report:

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

Secunderabad, 12th May, 2009

By order of the Board
TCI FINANCE LIMITED

O. Swaminatha Reddy
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of
TCI FINANCE LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by TCI Finance Limited, for the year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants

Ganesh Balakrishnan
Partner
Membership No. 201193

Secunderabad, 12th May, 2009

MANAGEMENT DISCUSSION & ANALYSIS

Business Environment

The global financial turmoil, which affected the developed economies during 2008-09, has had its ripple effect on the Indian economy as well. Indian GDP growth slipped to 7% in the year 2008-09 as against 9% growth in the previous year. The slow down of the economy has affected almost all the major sector of the Indian economy. The financial sector was also not stable.

Opportunities and Threats

The financial sector is undergoing several changes. The line of distinction between types of entities i.e., Non Banking Financial Companies (NBFCs'), Financial Institutions, Banks, etc. is breaking down. The NBFC sector within the finance sector has consolidated significantly and only a few large players capable of operating in the new paradigm, where they compete with the MNCs' and private banks, have survived in the mainstream of the financial sector. Other small NBFCs' have moved to niche segments or markets. The induction of higher technology platform and more efficient business operating models of private banks, MNCs' and foreign banks is raising the levels of customer service and setting new benchmarks in levels of competition to acquire customers. This competition, coupled with the cost of customer acquisition makes it incumbent upon the players to manage the economics of their operations in a superior manner. The sector as a whole is continuously looking for better cost controls and new and more efficient processes, which reduce costs yet, enhance customer service.

Segment-wise or product-wise performance

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.

Industry Outlook

The Company continues to concentrate on recoveries of outstanding and repayments of its liabilities. The Company proposes to make investment in the field of Infrastructure, lands, Power Projects and other allied activities. M/s. ITAG Business Solutions Limited, a subsidiary of your company is in its second year of operation and incurred losses during the year due to recessionary market conditions.

Risks and concerns

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

Internal Control Systems and their adequacy

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

Discussion on financial performance with respect to operational performance

The Company's total earnings during the year were Rs.691.50 Lacs and earned a net profit of Rs.35.98 Lacs after tax.

Human Resource Development

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

The employee relations have continued to be harmonious through out the year. The Company has 8 number of permanent employees as on 31-03-2009.

AUDITORS' REPORT

To the Members of TCI Finance Limited

1. We have audited the attached Balance Sheet of TCI FINANCE LIMITED as at March 31, 2009 the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 [CARO] issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the annexure referred to in paragraph (3) above, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) in our opinion and to the best of our information and according to the explanations given to us the said accounts, read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
6. On the basis of written representations received from the directors as on March 31, 2009, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**For Deloitte Haskins & Sells
Chartered Accountants**

Ganesh Balakrishnan
Partner

Membership No.201193

Secunderabad, 12th May, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

The nature of the Company's business/ activities during the year is such that paragraphs 4 (ii), (viii), (xii), (xiii), (xv), (xviii), (xix) and (xx) of the CARO are not applicable to the Company.

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified during the year by the management and no material discrepancies were noticed on such verification. The management has informed us that the leased assets could not be verified as all of them are under litigation for recovery of dues and full provision has been made there against.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations give to us:
 - (a) The Company has granted advance to one party (subsidiary). At the year end, the outstanding balance of such advance granted aggregated to Rs.13,620,000 and the maximum amount involved during the year was Rs.13,620,000.
 - (b) No terms and conditions have been specified for repayment of advance.
 - (c) The Company has taken loan from one party. At the year end, the outstanding balance of such loan is Rs.NIL and maximum amount involved during the year was Rs.85,000,000.
 - (d) The rate of interest and other terms and conditions of such loan is, in our opinion, prima facie not prejudicial to the interest of the Company.
 - (e) The payment of principal amount and interest in respect of such loan is as per stipulations.
- (iii) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services and we have not observed any continuing failure to correct major weaknesses in such internal controls.
- (iv) In our opinion, and according to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(v) of the order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58 and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vi) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (vii) In respect of statutory dues
 - (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty and any other material statutory dues with the appropriate authorities during the year.

TCI FINANCE LTD.

(b) According to the information and explanations given to us, there are no disputed customs duty, excise duty, wealth tax and cess which have not been deposited as on March 31, 2009. The details of disputed sales tax which have not been deposited as on March 31, 2009 on account of any dispute are given below:

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

- (viii) The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and 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 the repayment of dues to financial institutions and banks.
- (x) Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (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 the loans were obtained.
- (xii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants

Ganesh Balakrishnan
Partner

Membership No.201193

Secunderabad, 12th May, 2009

TCI FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	31st March 2009 Rupees	31st March 2008 Rupees
SHARE HOLDERS' FUNDS			
Share Capital	A	141,963,050	141,963,050
Reserves & Surplus	B	125,282,049	176,388,099
Total		267,245,099	318,351,149
LOAN FUNDS			
Secured Loans	C	347,577,535	51,609,048
UnSecured Loans	D	-	42,500,000
Total		347,577,535	94,109,048
TOTAL FUNDS EMPLOYED		614,822,634	412,460,197
APPLICATION OF FUNDS			
FIXED ASSETS			
	E		
Gross Block		79,904,360	91,377,614
Less: Depreciation		38,227,426	43,820,352
Lease Adjustment A/c		19,478,166	19,949,566
Net Block		22,198,768	27,607,696
INVESTMENTS		258,340,946	259,621,265
DEFERRED TAX ASSET		1,005,820	136,231
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	H	313,459	797,775
Cash and Bank Balances	I	885,185	1,564,719
Loans and Advances	J	353,349,272	96,763,977
Total		354,547,916	99,126,471
Less: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	K	4,338,230	5,556,974
Provisions	L	16,932,586	23,178,177
Total		21,270,816	28,735,151
NET CURRENT ASSETS		333,277,100	70,391,320
TOTAL ASSETS		614,822,634	357,756,512
Notes forming part of Accounts	Q		

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

for Deloitte Haskins and Sells
Chartered Accountants

For and on Behalf of the Board

Ganesh Balakrishnan
Partner
Secunderabad, 12th May, 2009

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

Schedule	31st March 2009 Rupees	31st March 2008 Rupees
INCOME		
Hire Rentals	3,063,994	7,037,723
Debts Written off realised	1,747,593	1,454,547
Interest on Deposits, Loans & Advances (Tax Deducted Rs. 334,530 Previous year Rs680,503 /-)	37,001,232	4,359,425
Profit on Sale of Investments	599,161	2,420,311
Dividends	10,767,991	10,741,498
Provision for non performing assets no longer required written back	609,337	768,811
Other Income (Tax Deducted Rs.1,717,628/- Previous year Rs163,835/-)	15,360,974	6,306,331
Total	<u>69,150,282</u>	<u>33,088,646</u>
EXPENDITURE		
Personnel Expenses M	4,631,383	4,234,831
Administrative Expenses N	3,116,727	4,471,850
Financial Charges O	54,768,312	7,184,617
Depreciation E	4,161,107	6,876,575
Diminution in Value of Investmetns	170,000	-
Total	<u>66,847,529</u>	<u>22,767,873</u>
Profit before Tax	2,302,753	10,320,773
Provision for Tax		
Current	-	799,773
Deferred	(869,589)	(1,659,355)
Fringe Benefit Tax	31,100	31,568
Income tax relating to earlier years	(456,393)	(38,508)
Profit after Tax	<u>3,597,635</u>	<u>11,187,295</u>
Balance Brought Forward From Previous Year	66,817,643	57,930,348
Transferred to Reserve Fund	760,000	2,300,000
Balance Carried to Balance Sheet	<u>69,655,278</u>	<u>66,817,643</u>
Earning per Share (Basic/Diluted)	0.28	0.87
Notes forming part of Accounts (Annexed) Q		

Schedules referred to above form an integral part of Profit & Loss Account.

**for Deloitte Haskins and Sells
Chartered Accountants**

For and on Behalf of the Board

Ganesh Balakrishnan
Partner
Secunderabad, 12th May, 2009

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

TCI FINANCE LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

(Rupees)		
	2008-2009	2007-2008
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	2,302,753	10,341,000
Adjustments for:		
Depreciation	4,161,107	6,876,575
Loss on sale of assets	518,443	1,418,064
Profit on sale of Investments	(599,161)	(2,420,311)
Dividend	(10,767,991)	(10,741,498)
Diminution in value of Investments	170,000	-
Operating profit before working capital changes	(4,214,849)	5,477,830
Adjustments for:		
Trade and other Receivables	(4,512,453)	(8,329,277)
Trade payables	(3,155,036)	(3,844,368)
Tax Paid	(1,512,531)	(32,100)
Cash generated from operations	(13,394,868)	(6,727,915)
Net Cash used in operating Activities	(13,394,868)	(6,727,915)
B.CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	1,049,433	1,550,002
Purchase of Assets	(320,055)	-
Advance for Purchase of Land	(34,460,000)	(41,800,000)
Purchase of Investments	(1,006,219)	(9,270,816)
Sale of Investments	2,715,698	5,371,268
Loans	(219,500,000)	4,330,000
Dividend received	10,767,991	10,741,498
Net cash used in investing activities	(240,753,152)	(29,078,048)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term Borrowings	392,500,000	42,500,000
Repayment of long Term Borrowing	(139,031,514)	(6,340,255)
Net cash from Financing Activites	253,468,486	36,159,745
Net Increase in cash and equivalents	(679,534)	349,782
Cash and cash equivalents as at		
Beginning of the year	1,564,719	1,214,937
End of the year	885,185	1,564,719

In terms of our report of even date
for Deloitte Haskins and Sells
Chartered Accountants

For and on Behalf of the Board

Ganesh Balakrishnan
Partner

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

Secunderabad, 12th May, 2009

SCHEDULES TO ACCOUNTS

	31st March 2009 Rupees	31st March 2008 Rupees
A SHARE CAPITAL		
AUTHORISED CAPITAL 20,000,000 Equity Shares of Rs.10/- each	200,000,000	200,000,000
ISSUED CAPITAL 16,000,000 Equity Shares of Rs.10/- each	160,000,000	160,000,000
Total	160,000,000	160,000,000
SUBSCRIBED & PAID UP CAPITAL 12,872,493 Equity shares of Of Rs 10/- each fully paid up (1,754,907 Equity shares of Rs.10/- each issued on Amalgamation without payment being received in cash)	128,724,930	128,724,930
Add: Forfeited Shares (Amount Originally paid up)	13,238,120	13,238,120
Total	141,963,050	141,963,050
B RESERVES & SURPLUS		
Share Premium As per Last Balance Sheet	163,086	163,086
General Reserve Balance as per last Balance Sheet	35,218,685	35,196,151
Add: Adjustment consequent to recomputation as of 31-03-07 of Liability for defined benefit plans in accordance with the provisions of AS 15 " Employee Benefits"(net of deferred tax liability)	-	22,534
Total	35,218,685	35,218,685
Reserve Fund (As per Section 45 -IC of Reserve Bank of India Act,1934) Balance as per last Balance Sheet	19,485,000	17,185,000
Add: transferred during the year	760,000	2,300,000
Total	20,245,000	19,485,000
Profit and loss account	69,655,278	66,817,643
Total	125,282,049	176,388,099
C SECURED LOANS		
Term Loans Banks - Secured by Hypthecation of Trucks	77,535	1,609,048
Others -Secured By Pledge of Investments and personal guarantee of a director (Repayable within One year Rs 77,535/- Prveious year Rs 51,531,513)	347,500,000	50,000,000
Total	347,577,535	51,609,048
D UNSECURED LOANS		
Other Loans & Advances From Others	-	42,500,000
Total	-	42,500,000

E FIXED ASSETS

Rupees

S.No.	PARTICULARS	AT COST					DEPRECIATION					LEASE ADJUSTMENT			BALANCE	
		OPENING BALANCE	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	UPTO LAST YEAR	FOR THE YEAR	ADJUST DURING THE YEAR	TOTAL	UPTO LAST YEAR	ADJUST DURING THE YEAR	TOTAL	31.03.2009	31.03.2008		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)		
I	OWNED ASSETS															
1	LAND -FREEHOLD	3,522,514	-	-	3,522,514	-	-	-	-	-	-	-	3,522,514	3,522,514		
2	BUILDINGS	3,720,771	320,055	-	4,040,826	584,591	64,536	-	649,127	-	-	-	3,391,699	3,136,180		
3	FURNITURE & FIXTURES	1,100,000	-	-	1,100,000	597,480	69,630	-	667,110	-	-	-	432,890	502,520		
4	PLANT & MACHINERY	6,802	-	-	6,802	1,413	1,103	-	2,516	-	-	-	4,286	5,389		
5	MOTOR TRUCKS	35,049,558	-	10,350,000	24,699,558	28,365,010	4,025,838	9,391,474	22,999,374	-	-	-	1,700,184	6,684,548		
	SUB TOTAL	43,399,645	320,055	10,350,000	33,369,700	29,548,494	4,161,107	9,391,474	24,318,127	-	-	-	9,051,573	13,851,151		
II	LEASED ASSETS															
1	PLANT & MACHINERY	41,761,751	-	1,443,309	40,318,442	11,368,548	-	362,559	11,005,989	18,719,560	471,400	18,248,160	11,064,293	11,673,643		
2	MOTOR TRUCKS	506,218	-	-	506,218	288,439	-	-	288,439	217,779	-	217,779	-	-		
3	COMPUTERS	5,710,000	-	-	5,710,000	2,614,871	-	-	2,614,871	1,012,227	-	1,012,227	2,082,902	2,082,902		
	SUB TOTAL	47,977,969	-	1,443,309	46,534,660	14,271,858	-	362,559	13,909,299	19,949,566	471,400	19,478,166	13,147,195	13,756,545		
	GRAND TOTAL	91,377,614	320,055	11,793,309	79,904,360	43,820,352	4,161,107	9,754,033	38,227,426	19,949,566	471,400	19,478,166	22,198,768	27,607,696		
	PREVIOUS YEAR	110,272,026	-	18,894,412	91,377,614	52,517,703	6,876,575	15,573,926	43,820,352	20,301,986	352,420	19,949,566	27,607,696			

F INVESTMENTS					
LONG TERM INVESTMENTS (AT COST)					Rupees
NO OF SHARES		FACE VALUE	NAME OF THE COMPANY	31st March 2009 Rupees	31st March 2008 Rupees
31.03.2008	31.03.2009				
LONG TERM INVESTMENTS (AT COST)					
A EQUITY SHARES (QUOTED)					
13,324,350	13,324,350	2	GATI LIMITED	122,414,147	122,414,147
30,236	30,236	10	TCI INDUSTRIES LIMITED	2,128,390	2,128,390
600	600	10	BHIVANI VANASPATHI LIMITED *	6,000	6,000
2,500	2,500	10	ELECTO FLAME LIMITED *	35,000	35,000
62	62	10	GARWARE NYLON LIMITED *	1,043	1,043
200	200	10	INDO MAXWELL LIMITED *	2,000	2,000
8,400	8,400	10	KARNATAKA INVESTMENT & TRADERS LTD *	42,053	42,053
500	500	10	KEDIYA VANASPATHI LIMITED *	5,000	5,000
100	100	10	SANGHI POLYESTERS LIMITED	1,000	1,000
1,100	1,100	10	THE PIONEER LIMITED *	11,000	11,000
500	500	10	UNILITE INDUSTRIES LTD *	5,000	5,000
100	100	10	PATEL INTEGRATED LOGISTICS LTD	4,500	4,500
12,150	12,150	10	KARNATAKA BANK LTD	357,750	357,750
29,200	-	10	RITESH POLYESTERS LTD	-	438,000
56,009	-	2.5	BHURUKA GASES LTD	-	1,624,261
10,000	10,000	10	ANDAMANS TIMBER INDUSTRIES LTD *	200,000	200,000
14,933	14,933	10	DHANLAXMI BANK	278,395	278,395
4,200	4,200	10	LLOYDS FINANCE LTD	2,310	2,310
1,300	1,300	10	ROADWAYS INDIA LTD *	16,668	16,668
1,729,440	1,729,440	1	BHORUKA STEEL LTD	17,272,440	17,272,440
1,395	1,395	10	TRANSCORP INTERNATIONAL LTD *	23,715	23,715
500	1,000	2	DECCAN CHRONICLE HOLDINGS LTD	173,956	98,364
1,000	1,000	10	ELBEE SERVICES LTD *	5,780	5,780
4,000	4,000	2	NRB BEARINGS LTD	70,087	70,087
850	850	2	SATYAM COMPUTERS LTD	173,612	173,612
1,000	1,000	10	RELIANCE PETROLEUM LTD	169,142	169,142
1,000	1,450	2	UNITECH LTD	482,411	372,261
750	750	2	ALEMBIC CHEMICALS LIMITED	52,737	52,737
225	225	5	INFOYSYS TECHNOLOGIES LIMITED	455,618	455,618
200	200	10	RELIANCE COMMUNICATION LIMITED	103,496	103,496
100	100	1	TATA CONSULTANCY SERVICES LIMITED	113,689	113,689
200	200	10	ELECTROTHERM (I) LIMITED	111,273	111,273
1,500	-	2	GUJARAT AMUBJA EXPORTS LIMITED	-	48,378
100	100	10	IPCA LABORATORIES LIMITED	78,922	78,922
200	200	10	SURYACHAKRA POWER CORPORATION LIMITED	9,222	9,222
1,500	1,500	10	POWER GRID CORPORATION LIMITED	173,186	173,186

NO OF SHARES		FACE VALUE	NAME OF THE COMPANY	31st March	31st March	
31.03.2008	31.03.2009			2009	2008	
				Rupees	Rupees	
500	500	10	GATEWAY DISTRI PARKS LIMITED	79,722	79,722	
150	150	10	TATA MOTORS LIMITED	116,713	116,713	
500	500	2	GMR INFRASTRUCTURE LIMITED	88,455	88,455	
15	24	10	RELIANCE POWER LIMITED	6,750	6,750	
-	1,000	10	GUJRAT STATE PETRO LTD	65,815	-	
-	1,000	10	PRISM CEMENTS LTD	40,062	-	
-	1,000	10	PTC INDIA LTD	89,600	-	
			Total	145,466,659	147,196,079	
B DEBENTURES (PARTLY PAID UP)						
1	10,900	10,900	10	PITTIE CEMENTS LIMITED *	354,250	354,250
			Total	354,250	354,250	
C EQUITY SHARES (UNQUOTED)						
1,000	1,000	100	GATI INTELLECT SYSTEMS LIMITED	100,000	100,000	
9,500	9,500	10	GATI SHIPPING P LTD	95,000	95,000	
27,451	27,451	10	TCI HI-WAYS PVT LTD	274,510	274,510	
43,865	42,000	100	GIRI ROADLINES AND COMMERCIAL TRADING PVT LTD	157,527	163,425	
10,814,100	10,814,100	10	AMRIT JAL VENTURES PVT LTD	108,000,000	108,000,000	
30,000	30,000	1	BANGALORE STOCK EXCHANGE LIMITED	30,000	30,000	
5,000	5,000	10	ITAG INFRASTRUCTURE LIMITED	50,000	50,000	
			Total	108,707,037	108,712,935	
D SUBSIDIARY						
25,500	88,000	10	ITAG BUSINESS SOLUTIONS LIMITED	880,000	255,000	
			Total	880,000	255,000	
E. PREFERENCE SHARES						
350,000	350,000	10	CAPITAL FORTUNES LIMITED 8% NON CUMULATIVE 15 YEAR REDEEMABLE	3,500,000	3,500,000	
			Total	3,500,000	3,500,000	
F. GOVERNMENT SECURITIES						
3	3	1000	NATIONAL SAVINGS CERTIFICATES	3,000	3,000	
			Total	3,000	3,000	
			Less: DIMUNITION IN VALUE OF INVESTMENTS	570,000	400,000	
			Total	258,340,946	259,621,265	
			BOOK VALUE OF QUOTED INVESTMENTS	145,250,909	147,150,329	
			MARKET VALUE OF QUOTED INVESTMENTS *	582,711,635	1,461,485,048	
			* Book value has been taken in the absence of Stock Exchange quotations.			

SCHEDULES TO ACCOUNTS

	31st March 2009 Rupees	31st March 2008 Rupees
G DEFERRED TAX ASSET/(LIABILITY)		
As per Last Balance sheet	136231	(1511520)
(Add)/Less: Adjusted during the year (Refer Note 4, Schedule Q)	869589	1647751
	1005820	136231
Total	1005820	136231
H SUNDRY DEBTORS		
Outstanding for more than six months	441,566	441,566
Others	313,459	797,775
	755,025	1,239,341
Less: Provision for non performing assets	441,566	441,566
Total	313,459	797,775
Unsecured -Considered Good	313,459	797,775
-Considered doubtful	441,566	441,566
Total	755,025	1,239,341
I CASH & BANK BALANCES		
Cash on Hand	5,576	4,585
Cheques on Hand	-	1,052,000
With Scheduled Banks - Current Accounts	820,860	418,602
Fixed deposits with banks*	58,749	89,532
Total	885,185	1,564,719
* Includes Rs Nil (Previous Year Rs 39,532) deposited in Escrow account		
J LOANS & ADVANCES		
Unsecured - Considered Good		
Interest accrued on deposits and loans	6,656,465	1,197,360
Other receivables	293,202	293,202
Loans	243,900,000	24,400,000
Advance to Subsidiary	13,620,000	9,840,473
Advances recoverable in cash or in kind or for value to be received	82,490,495	49,537,609
Deposits	60,340	64,400
Advance Tax	6,328,770	11,430,933
Total	353,349,272	96,763,977
K LIABILITIES		
Sundry Creditors		
- Due to other than Micro and small enterprises	313,629	593,907
Security Deposits	3,066,849	4,542,849
Unclaimed Matured Fixed Deposits*	-	31,605
Other Liabilities	957,752	237,323
Interest accrued but not due on loans	-	151,290
Total	4,338,230	5,556,974
* Not due for transfer to Investors Education and protection fund in the previous year.		

SCHEDULES TO ACCOUNTS

	31st March 2009 Rupees	31st March 2008 Rupees
L PROVISIONS		
Non performing assets	12,531,537	13,140,874
Leave Encashment	166,041	162,020
Taxation	4,235,008	9,875,283
Total	16,932,586	23,178,177
M PERSONNEL EXPENSES		
Salaries, Allowances & Bonus	4,139,230	3,871,192
Gratuity and Leave Encashment	155,404	66,911
Staff Welfare Expenses	89,462	108,818
Contribution to Provident Fund	181,287	151,910
Contribution to Superannuation Fund	66,000	36,000
Total	4,631,383	4,234,831
N ADMINISTRATIVE EXPENSES		
Travelling Expenses	180,671	163,911
Conveyance	150,016	138,850
Office Maintenance	61,850	61,500
Telephone Expenses	65,840	96,944
Printing & Stationery	97,738	48,401
Postage	49,099	31,675
Insurance	70,645	57,662
Rates & Taxes	272,727	73,261
Legal & Professional Expenses	967,920	1,576,977
Listing Fees	80,210	79,000
Miscellaneous Expenses	304,235	454,121
Directors Fees	64,000	58,000
Loss on Sale of Assets	518,443	1,418,064
Remuneration to Auditors:		
Audit Fees	100,000	100,000
Other Services	109,500	90,000
Service Tax	23,833	23,484
Total	3,116,727	4,471,850
O Financial Charges		
Interest		
Term Loans	54,768,312	7,184,617
Total	54,768,312	7,184,617

P ACCOUNTING POLICIES

1.	SYSTEM OF ACCOUNTING	The Company follows the Accrual System of Accounting and Prudential Norms prescribed by Reserve Bank of India consistently from year to year.
2.	REVENUE RECOGNITION	
A.	LEASE INCOME	(i) The income from lease transactions is recognized on accrual basis after netting off the lease equalization charges as recommended by the Institute of Chartered Accountants of India in its guidance note "Accounting for Leases".
		(ii) The Lease Equalization charges (debit or credit as the case may be in any particular year) represent the difference between the Depreciation as per Schedule XIV and that which is chargeable so as to write off the asset over the primary lease period.
3.	INVESTMENTS	Investments are shown at cost which includes brokerage and stamp charges.
4.	FIXED ASSETS	Assets are stated at cost less depreciation after adjustment of the Lease Terminal Adjustment Account.
5.	DEPRECIATION	Depreciation is provided on Straight line method at rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition/deductions is calculated pro-rata from/to the date of addition/deduction.
6.	EMPLOYEE BENEFITS	Contribution to Provident Fund and Superannuation Fund is charged to Profit and Loss Account. Provision for gratuity and other long term employee benefits is accounted on accrual basis, as per the requirement of AS -15 on "Employee Benefits"
7.	TAXATION	Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected. Fringe Benefit Tax is determine on the basis of the Income Tax Act, 1961

Q NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for in respect of:
 - a Disputed income tax demands Rs.Nil and sales tax demand Rs.63,661 (previous year income tax demands Rs.566,594 and sales tax demand Rs.63,661).
 - b Capital commitments not provided for Rs.54,140,000 net of advances Rs.6,000,000 (Previous year Rs.88,340,000 net of advances Rs.47,800,000)
 - c Uncalled liability on partly paid shares/debentures Rs.1,062,750 (previous year Rs.1,062,750)
2. Inter-Company loans/deposits given by the Company are on the basis that one of the main objects of the company is to act as financiers. Accordingly the Company has been advised that Section 372 A of the Companies Act, 1956 is not applicable to the Company.
3. Being a Non-Banking Financial Company, the Company is required to follow the prudential norms prescribed by Reserve Bank of India for income recognition and provision for non-performing assets and in compliance with the said norms the Company had during the year written back provision for non-performing assets as under:

Amount in Rs.

Particulars	Current Year	Previous Year
Lease Debtors	609,337	768,811

4. In accordance with the Accounting Standard 22 "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India the Company has provided for deferred tax during the year. Major Components of deferred tax arising on account of timing difference is as follows:

Deferred Tax Assets/(Liability)	As on 31.03.2008	Current Year	Total Rs.
Provision for non performing assets	4,616,671	(207,113)	4,409,558
Diminution in value of investments	135,960	57,783	193,743
Difference between book & tax depreciation	(4,604,796)	10,18,919	(3,585,877)
Due to transitional provision	(11,604)	-	(11,604)
Total	136,231	869,589	1,005,820

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

6. Details of Earning per Share

Earning per Share	31.03.2009	31.03.2008
No.of Equity Shares Outstanding	12,872,493	12,872,493
Net profit after Tax Available to equity Shareholders	3,597,635	11,187,295
Basic and Diluted earnings Per share of Rs.10 each	0.28	0.87

7. Advances includes

a). Rs 136.20 lacs (Previous Year Rs 98.43 lacs) due from subsidiary company which is in its second year of operations. It has incurred a loss of Rs 47.83 lacs (Previous year Rs 88.28 lacs) during the year ended 31st March 2009 and has accumulated losses of Rs 136.12 lacs .On account of the Companys's long term involvement, management is of the view that no provision is required on this account at this stage.

b) Rs.866.20 lacs (Previous Year Rs.478lacs) towards purchase of land and commercial space.

8. Related Party Disclosures

A. Name of the related parties

Gati Limited	Associate
Gati Intellects Systems Ltd	Associate
Bunny Investment and Finance Limited	Associate
Giri Roadlines and Commercial Trading Pvt Ltd	Associate
Jubilee Commercial & Trading Pvt Ltd	Associate
TCI Hi-Ways Pvt Ltd	Associate
Amrit Jal Ventures Pvt Ltd	Associate
ITAG Business Solutions Limited	Subsidiary

RELATED PARTY DETAILS

Rupees

Nature of Transaction	Associate										Total	
	Gati Ltd		Gati Intellects Systems Limited		Giri Roadlines and Commercials Pvt. Ltd		Amrit Jal Ventures Private Limited		Associates		31.03.08	31.03.08
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08		
Interest Income	-	-	8,709,863	-	14,516,438	-	-	-	-	23,226,301	-	-
Rent Received	7,460,000	632,700	-	-	-	-	-	-	-	7,460,000	632,700	-
Dividend Received	10659480	10659480	-	-	-	-	-	-	-	10,659,480	10,659,480	-
Hire Rentals Received	98,250	167,025	-	-	-	-	-	-	-	98,250	167,025	-
Office Maintenance	60,000	60,000	-	-	-	-	-	-	-	60,000	60,000	-
Interest Paid	1,956,164	195,616	-	-	-	-	-	-	-	1,956,164	195,616	-
Investment in Equity	-	-	-	-	-	-	-	-	5,000,000	-	-	5,000,000
Loans Given (Net)	42,695,616	(42,651,290)	61,815,480	-	12,577,997	(1,253,327)	-	-	-	117,088,493	(-43,904,617)	-
Balance at the year end												
-Loans Given	-	-	61,815,480	-	102,577,997	-	-	-	-	164,392,877	-	-
-Loans Taken	-	42,651,290	-	-	-	-	-	-	-	-	-	42,651,290
Corporate Guarantee taken	77,534	1,609,048	-	-	-	-	-	-	-	77,534	1,609,048	-

Nature of Transaction	Subsidiary	
	31.03.2009	31.03.2008
Investment in Equity	625,000	255,000
Advance Given	3,779,527	9,840,473
Balance at the year end	13,620,000	9,840,473

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

(Amount in Rupees)

	Gratuity (funded) 31.03.09	Leave Encashment (unfunded) 31.03.09	Gratuity (funded) 31.03.08	Leave Encashment (unfunded) 31.03.08
Present Value of Defined Benefit Obligations	697,360	166,041	503,712	162,020
Fair Value of Plan Assets	1,106,370	-	102,569	-
Funded Status [Surplus/(Deficit)]	409,010	-	521,557	-
Net Asset (Liability) recognized in the Balance Sheet	-	(166,041)	-	(162,020)
Present Value of DBO at the beginning of the year	503,712	162,020	384,104	120,692
Current Service Cost	49,201	-	31,363	-
Interest Cost	40,041	-	33,237	-
Actuarial Losses / (Gains)	209,210	-	55,008	-
Benefits paid	104,804	-	-	-
Present Value of DBO at the end of the year	697,360	166,041	503,712	162,020
Plan Assets at the beginning of the year	1,025,269	-	946,742	-
Expected Return on Plan Assets	86,214	-	75,739	-
Actuarial gain	(5,113)	-	2,788	-
Benefits Paid	-	-	-	-
Plan Assets at the end of the year	1,106,370	-	1,025,269	-
Current Service Cost	49,210	-	31,363	19,320
Interest Cost	40,041	-	33,267	10,178
Expected Return on Plan Assets	(86,214)	-	(75,739)	-
(Gain) / Actuarial Loss	214,323	-	52,220	37,413
Expense recognized in the Statement of Profit and Loss	104,804	50,600	-	66,911
Actual Benefit Payments	104,804	-	-	-
Assumptions				
Discount Rate %	8%	8%	8%	8%
Expected Return on Plan Assets %	8%	8%	8%	8%
Salary Escalation %	6%	6%	6%	6%

10. Remuneration to Manager:

	31.03.09 Rs.	31.03.08 Rs.
Salaries & Allowances	1,239,400	1,102,275
Contribution to Provident / Superannuation Funds	120,000	80,532
Total	1,359,400	1,182,807

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

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11. The company has not received any intimation from "Suppliers" regarding the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures, if any, relating to amounts not paid as at the end of the year together with the interest paid/payable as required on the said amount have not been given.
12. Particulars of Loans /advances by the company in its subsidiary as required to be disclosed pursuant to clause 32 of the listing Agreement

Name of the company	Balance as on 31.03.09 (Rs.)	Max balance during the year (Rs)
ITAG Business Solutions Ltd	13,620,000	13,620,000
(Previous Year)	(9,840,473)	(9,840,473)

13. Key Ratios

	31.03.2009	31.03.2008
Total Income / Total Assets	0.11	0.09
Return on Net Worth %	1.35	4.24
Net Profit / Total Income %	5.20	33.81

14. Figures of the previous year have been regrouped wherever necessary.

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

Registration No. : 31293 State Code : 01
Balance Sheet Date : 31.03.2009

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

Public Issue -- Rights Issue --
Bonus Issue -- Private placement --

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

Total Liabilities 614,823 Total Assets 614,823

Source of Funds

Paid up Capital 141,963 Reserves & Surplus 125,282
Secured Loans 347,578 Deferred Tax Liability --
UnSecured Loans --

Application of Funds

Net Fixed Assets 22,199 Investments 258,341
Net Current Assets 333,277 Deffered Tax 1,006

Accumulated Losses --

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

Turnover 69,150 Total Expenditure 66,848
+-Profit/(Loss) Before Tax 2,303 +-Profit/(Loss) After Tax 3,598
Earning per share in Rs. 0.28 Dividend (%) --

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

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

For and on Behalf of the Board

Secunderabad, 12th May, 2009

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

ITAG Business Solutions Ltd.
DIRECTORS' REPORT

Your Directors are presenting the 2nd Annual Report and the Audited Statement of Accounts for the year ended 31st March 2009.

FINANCIAL RESULTS:

(Rs.in Lakhs)

	As on 31st March 2009	As on 31 st March 2008
Income	22.91	6.35
Profit/(loss) before Interest, Depreciation & Taxation	(50.56)	(90.40)
Depreciation	2.72	2.11
Profit/ (Loss) before tax	(46.72)	(85.99)
Provision for tax:		
Current Tax	-	-
Deferred Tax	0.60	2.00
Fringe Benefit Tax	0.50	0.28
Profit/ (Loss) after tax	(47.83)	(88.28)
Balance brought forward from previous year	(88.28)	-
Balance Carried forward	(136.12)	(88.28)

DIVIDEND

Directors do not recommend payment of dividend for the financial year ended 31st March 2009.

REVIEW OF OPERATIONS

During the period under review the turnover of the Company stood at Rs. 23 Lakhs as against Rs. 6 Lakhs in the previous year. The Company incurred a loss of Rs. 47 Lakhs as against Rs. 86 Lakhs in the previous year due to recessionary conditions and its second year of operation. However, the Company is making all necessary efforts to generate profit.

EQUITY SHARE CAPITAL

During the year your Company has allotted 1,22,500 Equity Shares of Rs 10/- each under Section 81(1A) of the Companies Act, 1956.

Consequently, as on 31st March, 2009, the Company has Share Capital of Rs 17.25 Lakhs comprising of 1,72,500 Equity Shares of Rs 10/- each fully paid up.

DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. in the preparation of the Annual Accounts for the year ended March 31, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures.

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- ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the Directors have prepared the annual accounts on a going concern basis.

AUDITORS:

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

COMPLIANCE CERTIFICATE :

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

PERSONNEL

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

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

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Secunderabad, 12th May, 2009

N.K. Pandey
Director

Dr. D.R. Agarwal
Director

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

Registration No. (CIN No.) : U74140AP2007PLC053476
Nominal Capital : Rs.1,00,00,000/-

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

I have examined the registers, records, books and papers of **M/s ITAG Business Solutions Limited**, Secunderabad as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31-03-2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company comments are not required.
4. The Board of Directors duly met 5 (five) times respectively on 24-04-2008, 23-07-2008, 17-10-2008, 26-12-2008 and 21-01-2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the Financial Year ended 31st March, 2008 was held on 17-09-2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra-ordinary General Meeting was held on 21-01-2009 after giving notice to the members of the Company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under the section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has/was :
 - i) Delievered all the certificates on allotment of securitites and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - iii) not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - iv) not required to transfer any amounts to the Investors- Education and Protection Fund as there were no unclaimed dividends/ unclaimed deposits, matured debentures and the interest occurred thereon which have remained unclaimed or unpaid for a period of seven years to investor Education and Protection Fund (applicable when Rules were notified.) as no dividend was declared, no deposits were accepted and no debentures were issued during the Financial Year.
 - v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional Directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The Company has not appointed any Managing Director/ Whole Time Director/ Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.

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17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act during the Financial Year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has issued 1,22,500 Equity Shares during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registrations of transfer of shares.
23. The Company has not invited/accepted any public deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company, has not made any borrowings during the financial year ended 31st March, 2009.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate, and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another state during the financial year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny and complied with provisions of the Act.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year under scrutiny and complied with provisions of the Act.
30. The Company has not altered its Articles of Association during the Financial Year.
31. There was/were no prosecution(s) initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year under scrutiny for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the Financial year.

Secunderabad, 12th May, 2009

Dulichand Agarwal
Practising Company Secretary (C.P.No.: 3345)

ANNEXURE - A

Registers/Books as maintained by the Company

Statutory Registers:

1. Register of Members u/s 150
2. Register of Directors, Managing Directors, Manager and Secretary as per Section 303.
3. Register of Director's Share and Debenture Holdings as per Section 307
4. Register of Allotment of Shares.
5. Register of Charges as per Section 143.
6. Register of Particular of Contracts as per Section 301.

7. Investment Register
8. Dividend Register
9. Register of Share Transfers.
10. Register of Directors' Attendance
11. Register of Shareholders' Attendance
12. Register of Fixed Assets
13. Minutes Books of Board Meetings
14. Minutes Books of Shareholders' Meetings

Secunderabad, 12th May, 2009

Dulichand Agarwal
Practising Company Secretary (C.P.No.: 3345)

ANNEXURE - B

Forms and Returns as filed by ITAG Business Solutions Limited with the Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ending 31-03-2009

S.No	Form No. / Return	Filed u/s	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form 23 AC & Form 23 ACA - Balance Sheet & Profit & Loss A/c	220	For the Financial Year 2007-08	26-09-2008	Yes (SRN-P21999842)	No
2	Form 20B- Annual Return	159	For the Financial Year 2007-08	26-09-2008	Yes (SRN-P22000277)	No
3.	Form 23	192	Special Resolution under Section 81 (1A) for further issue of 1,22,500 equity shares of Rs 10/- each	05-02-2009	Yes (SRN-A55544035)	No
4.	Form 2	75 (1)	Allotment of 1,22,500 Equity Shares of Rs 10/- each	12-02-2009	Yes (SRN-A56034846)	No

Secunderabad, 12th May, 2009

Dulichand Agarwal
Practising Company Secretary (C.P.No.: 3345)

AUDITORS' REPORT
(ITAG Business Solutions Limited)

To the Members of ITAG Business Solutions Limited

1. We have audited the attached Balance Sheet of ITAG Business Solutions Limited as at March 31, 2009, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 [CARO] issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the directors as on March 31, 2009, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants

Ganesh Balakrishnan
Partner

Membership No.201193

Secunderabad, 12th May, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

The nature of the Company's business/activities during the period is such that paragraphs 4 (ii), (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of the CARO are not applicable to the Company.

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the fixed assets were physically verified during the year by the management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) None of the asset is disposed off during the year.
- (ii) In respect of loans, secured or unsecured, granted or taken by the Company to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has not granted any loans to such companies, firms or other parties.
 - (b) The Company has taken loan from one party (holding Company). At the year end, the outstanding balance of such loan is Rs.1,36,20,000 and maximum amount involved during the year was Rs. 1,36,20,000.
 - (c) No terms and conditions have been specified for repayment of loan.
- (iii) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services and we have not observed any continuing failure to correct major weaknesses in such internal controls.
- (iv) In our opinion, and according to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(v) of the order is not applicable.
- (v) In respect of statutory dues:
 - (a) According to the information and explanations given to us, except delays in remittance of tax deducted at source the Company has been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty and any other material statutory dues, with the appropriate authorities during the year.
 - (b) According to the information and explanations given to us, there are no disputed sales tax, income tax, customs duty, excise duty, wealth tax and cess which have not been deposited as on March 31, 2009.
- (vi) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- (vii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For Deloitte Haskins & Sells
Chartered Accountants**

Ganesh Balkrishnan
Partner
Membership No.201193

Secunderabad, 12th May, 2009

ITAG BUSINESS SOLUTIONS LIMITED
BALANCE SHEET AS AT 31st MARCH 2009

	<u>Schedule</u>	<u>31st March 2009 Rupees</u>	<u>31st March 2008 Rupees</u>
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	1,725,000	500,000
Share Application Money		-	600,000
Total		1,725,000	1,100,000
DEFERRED TAX LIABILITY	B	260,529	200,181
UNSECURED LOANS			
Advance From Holding company		13,620,000	9,840,473
TOTAL FUNDS EMPLOYED		15,605,529	11,140,654
APPLICATION OF FUNDS			
FIXED ASSETS			
	C		
Gross Block		2,505,142	2,316,468
Less: Depreciation		483,639	211,318
Net Block		2,021,503	2,105,150
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	D	372,640	302,224
Cash and Bank Balances	E	299,116	373,197
Loans and Advances	F	170,884	87,243
Total		842,640	762,664
Less: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	G	745,167	416,978
Provisions	H	125,579	138,801
Total		870,746	555,779
NET CURRENT ASSETS		(28,106)	206,885
Profit and Loss Account		13,612,132	8,828,619
TOTAL ASSETS		15,605,529	11,140,654
Notes forming part of Accounts	L		

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

In terms of our report of even date

for Deloitte Haskins and Sells
Chartered Accountants

Ganesh Balakrishnan
Partner

For and on Behalf of the Board

N.K. Pandey
Director

Dr. D.R. Agarwal
Director

Secunderabad, 12th May, 2009

ITAG BUSINESS SOLUTIONS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	Schedule	31st March 2009 Rupees	31st March 2008 Rupees
INCOME			
Consultancy fees		1,485,187	634,700
(Tax Deducted at source Rs.111,163 Previous Year Rs.15,038/-)			
Delegate Fees		413,409	-
Sponsorship		392,500	-
Total		2,291,096	634,700
EXPENDITURE			
Personnel Expenses	I	2,775,056	2,995,853
Administrative Expenses	J	3,916,519	5,636,028
Depreciation	C	272,321	211,318
Preliminary expenses		-	391,301
Total		6,963,896	9,234,500
Profit/(Loss) before Tax		(4,672,800)	(8,599,800)
Provision for Tax			
Current Tax		-	-
Deferred Tax		60,348	200,181
Fringe Benefit Tax		50,365	28,638
(Loss) after Tax		(4,783,513)	(8,828,619)
Balance Brought forward from previous year		(8,828,619)	-
Balance Carried to Balance Sheet		(13,612,132)	(8,828,619)
Earning per share (basic/diluted)			
		(65.09)	(176.57)
Note forming part of Accounts L			
Schedules referred to above form an integral part of Profit & Loss Account.			

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

In terms of our report of even date

for Deloitte Haskins and Sells
Chartered Accountants

Ganesh Balakrishnan
Partner

For and on Behalf of the Board

N.K. Pandey
Director

Dr. D.R. Agarwal
Director

Secunderabad, 12th May, 2009

	(Rupees)	
	2008-2009	2007-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax and extra ordinary items	(4,672,800)	(8,599,800)
Adjustments for:		
Depreciation	272,321	211,318
Operating loss before working capital changes	(4,400,479)	(8,388,482)
Adjustments for		
Trade and other Receivables	(155,736)	(363,105)
Trade payables	314,967	555,779
Tax Paid	(48,686)	(55,000)
Cash generated used in operations	(4,289,934)	(8,250,808)
Net Cash used in operating Activities	(4,289,934)	(8,250,808)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(188,674)	(2,316,468)
Net cash used in investing activities	(188,674)	(2,316,468)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity capital/application money	625,000	1,100,000
Advance from holding company	3,779,527	9,840,473
Net cash from Financing Activites	4,404,527	10,940,473
Net Increase in cash and cash equivalents	(74,081)	373,197
Cash and cash equivalents as at:		
Beginning of the year	373,197	-
End of the year	299,116	373,197

In terms of our report of even date

**for Deloitte Haskins and Sells
Chartered Accountants**

For and on behalf of the Board

Ganesh Balakrishnan
Partner

N K Pandey
Director

Dr. D R Agarwal
Director

Secunderabad, 12th May, 2009

ITAG BUSINESS SOLUTIONS LIMITED
SCHEDULES TO ACCOUNTS

	31st March 2009 Rupees	31st March 2008 Rupees
A SHARE CAPITAL		
AUTHORISED CAPITAL		
1,000,000 Equity Shares of Rs.10/- each	10,000,000	10,000,000
ISSUED CAPITAL		
172,500 (Previous Year 50,000)Equity Shares of Rs.10/- each	1,725,000	500,000
Total	1,725,000	500,000
SUBSCRIBED & PAID UP CAPITAL		
172,500 (Previous Year 50,000) Equity shares of of Rs 10/- each fully paid up (of the above,88,000 (Previous year 25,500) equity shares are held by TCI Finance Ltd, the Holding Company)	1,725,000	500,000
	1,725,000	500,000
B DEFERRED TAX LIABILITY		
Difference between Book and Tax Depreciation	260,529	200,181
Total	260,529	200,181

C FIXED ASSETS

S.N.	PARTICULARS	AT COST			DEPRECIATION			BALANCE Rupees	
		OPENING BALANCE	ADDITIONS DURING THE YEAR	TOTAL	UPTO LAST YEAR	FOR THE YEAR	TOTAL	31.03.2009	31.3.2008
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	FURNITURE & FIXTURES	903,431	75,950	979,381	52,198	65,302	117,500	861,881	851,233
2	OFFICE EQUIPMENT	228,500	27,300	255,800	10,095	11,674	21,769	234,031	218,405
3	COMPUTERS	1,184,537	85,424	1,269,961	149,025	195,345	344,370	925,591	1,035,512
	TOTAL	2,316,468	188,674	2,505,142	211,318	272,321	483,639	2,021,503	2,105,150
	Previous year	-	2,316,468	2,316,468	-	211,318	211,318		

D SUNDRY DEBTORS		
Unsecured -Considered Good		
Outstanding for more than six months	193,830	33,500
Others	178,810	268,724
Total	372,640	302,224
E CASH & BANK BALANCES		
Cash on Hand	1,594	5,241
With Scheduled Banks - Current Accounts	297,522	367,956
Total	299,116	373,197

ITAG BUSINESS SOLUTIONS LIMITED
SCHEDULES TO ACCOUNTS

	31st March 2009 Rupees	31st March 2008 Rupees
F LOANS & ADVANCES		
Unsecured - Considered Good		
Advance payment of tax (Net of provision for tax Rs. 50,365 Previous year Rs. 28,638)	150,884	41,400
Advances recoverable in cash or in kind or for value to be received	20,000	45,843
Total	170,884	87,243
G LIABILITIES		
Sundry Creditors		
- Due to other than Micro and small enterprises	681,469	349,002
Other Liabilities	63,698	67,976
Total	745,167	416,978
H PROVISIONS		
Gratuity	84,578	59,322
Long Term Employee Benefits	41,001	79,479
Total	125,579	138,801
I PERSONNEL EXPENSES		
Salaries and Allowances	2,683,836	-
Gratuity	25,256	59,322
Staff Welfare Expenses	65,964	18,107
Total	2,775,056	2,995,853
J ADMINISTRATIVE EXPENSES		
Rent	720,000	840,000
Travelling Expenses	187,176	426,398
Conveyance	183,179	158,501
Office maintenance	261,708	144,153
Telephone Expenses	84,386	80,122
Printing & Stationery	193,867	195,784
Postage & Telegrams	1,682	7,890
Professional Fees	1,321,656	3,154,861
Rates & Taxes	18,355	32,361
Conferences & Seminars	374,499	55,709
Subscription & membership	40,950	35,969
Books & periodicals	33,290	14,374
Advertisement	51,473	26,277
Web designing charges	25,400	68,179
Internet expenses	107,620	128,465
Software expenses	151,135	99,044
Electricity charges	80,940	60,580
Miscellaneous Expenses	29,203	23,089
Remuneration to Auditors:		
Audit Fees	50,000	50,000
Other Services	-	25,000
Service Tax	-	9,270
Total	3,916,519	5,636,028

ITAG BUSINESS SOLUTIONS LIMITED**K ACCOUNTING POLICIES**

1.	SYSTEM OF ACCOUNTING	The Company follows the Accrual System of Accounting.
2.	FIXED ASSETS	Assets are stated at cost less depreciation
3.	DEPRECIATION	Depreciation is provided on Straight line method at rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition/ deductions is calculated prorata from/to the date of addition/deduction.
4.	REVENUE	Consultancy Revenue is recognized on accrual basis.
5.	EMPLOYEE BENEFITS	Provision for gratuity and other long term employee benefits is accounted on accrual basis, as per the requirement of AS -15 on "Employee Benefits"
6.	TAXATION	Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected. Fringe Benefit Tax is determine on the basis of the Income Tax Act,1961

L NOTES ON ACCOUNTS

- Contingent Liabilities not provided for : Nil
- The company is engaged in consultancy in the area of knowledge process outsourcing, which constitutes a single business segment. There are no reportable geographical segments.

3.	Earning per Share	31.03.2009	31.03.2008
	Number of equity shares outstanding	172,500	50,000
	Weighted Average Number of Equity Shares	73,493	50,000
	Net profit after tax available to equity shareholders (Rs.)	(4,783,513)	(8,828,619)
	Earnings per share (nominal value Rs.10 each)-Basic	(65.09)	(176.57)

- Related party disclosures :

A. Name of the related parties

Holding company	TCI Finance Ltd
Key Management Personnel	Dr. DR Agarwal
Individuals having significant influence over the enterprise	Mahendra Agarwal

B. Transactions with related parties

Nature of transaction	Holding Company Rs.	Key Management Personnel Rs.
Advance taken (Previous Year)	13,620,000 (9,840,473)	-- --
Balance at year end:		
Advance taken (Previous Year)	13,620,000 (9,840,473)	-- --
Rent Paid (Previous Year)	-- --	720,000 840,000

TCI FINANCE LTD.

5. Lease details as per Accounting Standard 19 - "Accounting for leases :

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

Amount in Rupees

Particulars	Current Year	Previous Year
Lease rent	720,000	840,000

6. Expenditure in foreign currency :

Amount in Rupees

Particulars	Current Year	Previous Year
Travel	50,029	75,700

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

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

(Amount in Rupees)

	Gratuity (unfunded) 31.03.09	Leave Encashment (unfunded) 31.03.09	Gratuity (unfunded) 31.03.08	Leave Encashment (unfunded) 31.03.08
Present Value of Defined Benefit Obligations	84,578	41,001	59,322	79,479
Fair Value of Plan Assets	-	-	-	-
Funded Status [Surplus/(Deficit)]	-	-	-	-
Net Asset (Liability) recognized in the Balance Sheet	(84,578)	(41,001)	(59,322)	(79,479)
Present Value of DBO at the beginning of the year	59,322	79,479	-	-
Current Service Cost	66,498	-	59,322	79,479
Interest Cost	10,066	-	-	-
Actuarial Losses / (Gains)	(51,307)	38,478	-	-
Benefits paid	-	-	-	-
Present Value of DBO at the end of the year	84,578	41,001	59,322	79,479
Current Service Cost	66,498	-	59,322	79,479
Interest Cost	10,066	-	-	-
Expected Return on Plan Assets	-	-	-	-
(Gain) / Actuarial Loss	(51,307)	-	-	-
Expense recognized in the Statement of Profit and Loss	25,256	(38,478)	59,322	79,479
Actual Benefit Payments	-	-	-	-
Assumptions				
Discount Rate %	8	8	8	8
Expected Return on Plan Assets %	-	-	-	-
Salary Escalation %	6	6	6	6

9. Key Ratios

	31.03.2009	31.03.2008
Total Income / Total Assets	0.15	0.06
Return on Net Worth %	(40.24)	(114.23)
Net Profit / Total Income %	(208.79)	(1390.99)

AUDITORS' REPORT

To the Board of Directors of TCI Finance Limited

1. We have audited the attached Consolidated Balance Sheet of TCI Finance Limited ('the Parent Company') and its subsidiary and associates, (collectively referred as 'the Group') as at March 31, 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the Associates, whose financial statements reflect Group's share of loss Rs.92,30,802 for the year ended March 31, 2009. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these associates, is based solely on the report of other auditors.
4. We report that:
 - a. the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard-21: Consolidated Financial Statements, Accounting Standard-23: Accounting for Investments in Associates in Consolidated Financial Statements and notified by the Companies (Accounting Standards) Rules, 2006 ;
 - b. Based on our audit and on consideration of the reports of the other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For Deloitte Haskins & Sells
Chartered Accountants**

Ganesh Balakrishnan
Partner
Membership No.201193

Secunderabad, 12th May, 2009

TCI FINANCE LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2009

	<u>Schedule</u>	<u>31st March 2009 Rupees</u>	<u>31st March 2008 Rupees</u>
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	A	141,963,050	141,963,050
Share Application Money		-	600,000
Reserves & Surplus	B	90,973,558	100,790,239
Total		<u>232,936,608</u>	<u>243,353,289</u>
LOAN FUNDS			
Secured Loans	C	347,577,535	51,609,048
Unsecured Loans	D	-	42,500,000
Total		<u>347,577,535</u>	<u>94,109,048</u>
DEFERRED TAX LIABILITY	G	-	63,950
TOTAL FUNDS EMPLOYED		<u>580,514,143</u>	<u>337,526,287</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	82,409,502	93,694,082
Less: Depreciation		38,711,065	44,031,670
Lease Adjustment A/c		19,478,166	19,949,566
Net Block		<u>24,220,271</u>	<u>29,712,846</u>
INVESTMENTS	F	235,919,588	247,055,708
DEFERRED TAX ASSET	G	745,291	-
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	H	686,099	1,099,999
Cash and Bank Balances	I	1,184,300	1,937,916
Loans and Advances	J	339,901,835	87,010,748
Total		<u>341,772,234</u>	<u>90,048,663</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	K	5,083,397	5,973,952
Provisions	L	17,059,844	23,316,978
Total		<u>22,143,241</u>	<u>29,290,930</u>
NET CURRENT ASSETS		<u>319,628,993</u>	<u>60,757,733</u>
TOTAL ASSETS		<u>580,514,143</u>	<u>337,526,287</u>
Notes forming part of Accounts	Q		

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

In terms of our report of even date

**for Deloitte Haskins and Sells
Chartered Accountants**

For and on Behalf of the Board

Ganesh Balakrishnan
Partner

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

Secunderabad, 12th May, 2009

TCI FINANCE LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

Schedule	31st March 2009 Rupees	31st March 2008 Rupees
INCOME		
Hire Rentals	3,063,994	7,037,723
Consultancy Fees (Tax Deducted Rs 111,163 Previous Year Rs.15,038/-)	1,485,187	634,700
Delegate Fees	413,409	-
Sponsorship	392,500	-
Debts Written off realised	1,747,593	1,454,547
Interest on Deposits, Loans & Advances (Tax Deducted Rs. 334,530/- Previous Year Rs.680,503/-)	37,001,232	4,359,425
Profit on Sale of Investments	599,161	2,420,311
Dividends	10,767,991	10,741,498
Provision for non performing assets no longer required written back	609,337	768,811
Other Income (Tax Deducted Rs. 1,717,628 Previous year Rs. 163,835 /-)	15,360,974	6,306,331
Total	71,441,378	33,723,346
EXPENDITURE		
Personnel Expenses M	7,406,439	7,230,683
Administrative Expenses N	7,033,247	10,107,881
Financial Charges O	54,768,312	7,184,617
Depreciation E	4,433,428	7,087,893
Preliminary Expenses	-	391,301
Diminution in Value of Investments	170,000	-
Total	73,811,426	32,002,375
Profit before Tax	(2,370,048)	1,720,971
Provision for Tax		
Current	-	799,773
Deferred	(809,241)	(1,459,174)
Fringe Benefit Tax	81,465	60,206
Income tax relating to earlier years	(456,393)	(38,508)
Profit after Tax before share of results of Associates and Minority Interest	(1,185,879)	2,358,674
Share of Net loss of Associates	(9,230,802)	(8,219,920)
Minority Interest	600,000	245,000
Net Profit	(9,816,681)	(5,616,246)
Balance Brought Forward From Previous Year	50,014,102	57,930,348
Transferred to Reserve Fund	(760,000)	(2,300,000)
Balance Carried to Balance Sheet	39,437,421	50,014,102
Earning per Share (Basic/Diluted)	(0.76)	(0.44)
Note forming part of Accounts Q		

Schedules referred to above form an integral part of Profit & Loss Account.

In terms of our report of even date

**for Deloitte Haskins and Sells
Chartered Accountants**

For and on Behalf of the Board

Ganesh Balakrishnan
Partner
Secunderabad, 12th May, 2009

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

(Rupees)		
	2008-2009	2007-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	(2,370,048)	1,720,971
Adjustments for:		
Depreciation	4,433,428	7,087,893
Loss on sale of assets	518,443	1,418,064
Profit on sale of Investments	(599,161)	(2,420,311)
Dividend	(10,767,991)	(10,741,498)
Diminution in value of Investments	170,000	-
Operating profit before working capital changes	(8,615,328)	(2,934,881)
Adjustments for		
Trade and other Receivables	(888,661)	1,148,090
Trade payables	(2,840,069)	(3,268,362)
Tax Paid	(1,561,217)	(87,100)
Cash generated from operations	(13,905,275)	(5,142,253)
Net Cash used in operating Activities	(13,905,275)	(5,142,253)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(508,729)	(2,316,468)
Sale of Fixed Assets	1,049,433	1,550,005
Advance for Purchase of Land	(34,460,000)	(41,800,000)
Purchase of Investments	(381,219)	(9,015,816)
Sale of Investments	2,715,698	5,371,268
Loans	(219,500,000)	4,330,000
Dividend received	10,767,991	10,741,498
Net cash used in investing activities	(240,316,826)	(31,139,513)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	245,000
Share Application money	-	600,000
Proceeds from long term Borrowings	392,500,000	42,500,000
Repayment of long Term Borrowing	(139,031,515)	(6,340,255)
Net cash from Financing Activites	253,468,485	37,004,745
Net Increase in cash and equivalents	(753,616)	722,979
Cash and cash equivalents as at		
Beginning of the year	1,937,916	1,214,937
End of the year	1,184,300	1,937,916

In terms of our report of even date

**for Deloitte Haskins and Sells
Chartered Accountants**

For and on Behalf of the Board

Ganesh Balakrishnan
Partner

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

Secunderabad, 12th May, 2009

TCI FINANCE LIMITED
SCHEDULES TO CONSOLIDATED ACCOUNTS

	31st March 2009 Rupees	31st March 2008 Rupees
A SHARE CAPITAL		
AUTHORISED CAPITAL	200,000,000	200,000,000
20,000,000 Equity Shares of Rs.10/- each		
ISSUED CAPITAL	160,000,000	160,000,000
16,000,000 Equity Shares of Rs.10/- each		
Total	<u>160,000,000</u>	<u>160,000,000</u>
SUBSCRIBED & PAIDUP CAPITAL		
12,872,493 Equity shares of Rs 10/- each fully paid up (1,754,907 Equity shares of Rs.10/- each issued on Amalgamation without payment being received in cash)	128,724,930	128,724,930
Add: Forfeited Shares (Amount Originally paid up)	<u>13,238,120</u>	13,238,120
Total	<u>141,963,050</u>	<u>141,963,050</u>
B RESERVES & SURPLUS		
Share Premium		
As per Last Balance Sheet	163,088	163,088
General Reserve		
Balance as per last Balance Sheet	31,128,049	35,196,151
Add: Adjustment consequent to recomputation as of 31-03-07 of Liability for defined benefit plans in accordance with the provisions of AS 15"Employee Benefits"(net of deferred tax Liability)	-	22,534
Less: Adjustments consequent to Transitional provisions as per AS 23 "Accounting for Investments in Associates".	-	4,090,636
Total	<u>31,128,049</u>	<u>31,128,049</u>
Reserve Fund (As per Section 45 -IC of Reserve Bank of India Act,1934)		
Balance as per last Balance Sheet	19,485,000	17,185,000
Add: transferred during the year	<u>760,000</u>	2,300,000
Total	<u>20,245,000</u>	<u>19,485,000</u>
Profit and loss account	39,437,421	50,014,102
Total	<u>90,973,558</u>	<u>100,790,239</u>
C SECURED LOANS		
Term Loans		
Banks		
- Secured by Hypthecation of Trucks	77,535	1,609,048
Others		
-Secured By Pledge of Investments and personal guarantee of a Director (Repayable within One year Rs 77,535/- Prveious year Rs 51,531,513)	347,500,000	50,000,000
Total	<u>347,577,535</u>	<u>51,609,048</u>
D UNSECURED LOANS		
Other Loans & Advances		
From Others	-	42,500,000
Total	-	<u>42,500,000</u>

Rupees

E FIXED ASSETS

S.N.	PARTICULARS	AT COST			DEPRECIATION			LEASE ADJUSTMENT			BALANCE			
		OPENING BALANCE	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	UPTO LAST YEAR	FOR THE YEAR	ADJUST DURING THE YEAR	TOTAL	UPTO LAST YEAR	ADJUST DURING THE YEAR	TOTAL	31.03.2009	31.03.2008
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
I	OWNED ASSETS													
1	LAND	3,522,514	-	-	3,522,514	-	-	-	-	-	-	-	3,522,514	3,522,514
2	BUILDINGS	3,720,771	320,055	-	4,040,826	584,591	64,536	-	649,127	-	-	-	3,391,699	3,136,180
3	FURNITURE & FIXTURES	2,003,431	75,950	-	2,079,381	649,678	134,932	-	784,610	-	-	-	1,294,771	1,353,753
4	PLANT & MACHINERY	1,419,839	112,724	-	1,532,563	160,533	208,122	-	368,655	-	-	-	1,163,908	1,259,306
5	MOTOR TRUCKS	35,049,558		10,350,000	24,699,558	28,365,010	4,025,838	9,391,474	22,999,374	-	-	-	1,700,184	6,684,548
	SUB TOTAL	45,716,113	508,729	10,350,000	35,874,842	29,759,812	4,433,428	9,391,474	24,801,766	-	-	-	11,073,076	15,956,301
II	LEASED ASSETS													
1	PLANT & MACHINERY	41,761,751	-	1,443,309	40,318,442	11,368,548	-	362,559	11,005,999	18,719,560	471,400	18,248,160	11,064,293	11,673,643
2	MOTOR TRUCKS	506,218	-	-	506,218	288,439	-	-	288,439	217,779	-	217,779	-	-
3	COMPUTERS	5,710,000	-	-	5,710,000	2,614,871	-	-	2,614,871	1,012,227	-	1,012,227	2,082,902	2,082,902
	SUB TOTAL	47,977,969	-	1,443,309	46,534,660	14,271,858	-	362,559	13,909,299	19,949,566	471,400	19,478,166	13,147,195	13,756,545
	GRAND TOTAL	93,694,082	508,729	11,793,309	82,409,502	44,031,670	4,433,428	9,754,033	38,711,065	19,949,566	471,400	19,478,166	24,220,271	29,712,846
	Previous Year	110,272,026	2,316,468	18,894,412	93,694,082	52,517,703	7,087,893	15,573,926	44,031,670	20,301,986	352,420	19,949,566	-	-

F INVESTMENTS							
LONG TERM INVESTMENTS (AT COST)					Rupees		
NO OF SHARES		FACE VALUE	NAME OF THE COMPANY	31st March 2009 Rupees	31st March 2008 Rupees		
31.03.2008	31.03.2009						
LONG TERM INVESTMENTS (AT COST)							
A EQUITY SHARES (QUOTED)							
13,324,350	13,324,350	2	GATI LIMITED	122,414,147	122,414,147		
30,236	30,236	10	TCI INDUSTRIES LIMITED	2,128,390	2,128,390		
600	600	10	BHIVANI VANASPATHI LIMITED *	6,000	6,000		
2,500	2,500	10	ELECTO FLAME LIMITED *	35,000	35,000		
62	62	10	GARWARE NYLON LIMITED *	1,043	1,043		
200	200	10	INDO MAXWELL LIMITED *	2,000	2,000		
8,400	8,400	10	KARNATAKA INVESTMENT & TRADERS LTD *	42,053	42,053		
500	500	10	KEDIYA VANASPATHI LIMITED *	5,000	5,000		
100	100	10	SANGHI POLYESTERS LIMITED	1,000	1,000		
1,100	1,100	10	THE PIONEER LIMITED *	11,000	11,000		
500	500	10	UNILITE INDUSTRIES LTD *	5,000	5,000		
100	100	10	PATEL INTEGRATED LOGISTICS LTD	4,500	4,500		
12,150	12,150	10	KARNATAKA BANK LTD	357,750	357,750		
29,200	-	10	RITESH POLYESTERS LTD *	-	438,000		
56,009	-	2.5	BHURUKA GASES LTD	-	1,624,261		
10,000	10,000	10	ANDAMANS TIMBER INDUSTRIES LTD *	200,000	200,000		
14,933	14,933	10	DHANLAXMI BANK	278,395	278,395		
4,200	4,200	10	LLOYDS FINANCE LTD	2,310	2,310		
1,300	1,300	10	ROADWAYS INDIA LTD *	16,668	16,668		
1,729,440	1,729,440	1	BHORUKA STEEL LTD	17,272,440	17,272,440		
1,395	1,395	10	TRANSCORP INTERNATIONAL LTD	23,715	23,715		
500	1,000	2	DECCAN CHRONICLE HOLDINGS LTD	173,956	98,364		
1,000	1,000	10	ELBEE SERVICES LTD *	5,780	5,780		
4,000	4,000	2	NRB BEARINGS LTD	70,087	70,087		
850	850	2	SATYAM COMPUTERS LTD	173,612	173,612		
1,000	1,000	10	RELIANCE PETROLEUM LTD	169,142	169,142		
1,000	1,450	2	UNITECH LTD	482,411	372,261		
750	750	2	ALEMBIC CHEMICALS LIMITED	52,737	52,737		
225	225	5	INFOYSYS TECHNOLOGIES LIMITED	455,618	455,618		
200	200	10	RELIANCE COMMUNICATION LIMITED	103,496	103,496		
100	100	1	TATA CONSULTANCY SERVICES LIMITED	113,689	113,689		
200	200	10	ELECTROTHERM (I) LIMITED	111,273	111,273		
1,500	-	2	GUJARAT AMUBJA EXPORTS LIMITED	-	48,378		
100	100	10	IPCA LABORATORIES LIMITED	78,922	78,922		
200	200	10	SURYACHAKRA POWER CORPORATION LIMITED	9,222	9,222		
1,500	1,500	10	POWER GRID CORPORATION LIMITED	173,186	173,186		
500	500	10	GATEWAY DISTRI PARKS LIMITED	79,722	79,722		
150	150	10	TATA MOTORS LIMITED	116,713	116,713		
500	500	2	GMR INFRASTRUCTURE LIMITED	88,455	88,455		
15	24	10	RELIANCE POWER LIMITED	6,750	6,750		
-	1,000	10	GUJRAT STATE PETRO LTD	65,815	-		
-	1,000	10	PRISM CEMENTS LTD	40,062	-		
-	1,000	10	PTC INDIA LTD	89,600	-		
Total				145,466,659	147,196,079		

NO OF SHARES		FACE VALUE	NAME OF THE COMPANY	31st March	31st March	
31.03.2008	31.03.2009			2009	2008	
				Rupees	Rupees	
B DEBENTURES (PARTLY PAID UP)						
1	10,900	10,900	10	PITTIE CEMENTS LIMITED *	354,250	354,250
Total				354,250	354,250	
C EQUITY SHARES (UNQUOTED)						
	1,000	1,000	100	GATI INTELLECT SYSTEMS LIMITED	100,000	100,000
	9,500	9,500	10	GATI SHIPPING P LTD	95,000	95,000
	27,451	27,451	10	TCI HI-WAYS PVT LTD	274,510	274,510
	43,865	42,000	100	GIRI ROADLINES AND COMMERCIAL TRADING PVT LTD		
				Cost including Good will of Rs 163425	-	163,425
				Less : Associate share of Losses	(157,527)	163,425
Total				157,527	-	
	10,314,100	10,814,100	10	AMRIT JAL VENTRUES PVT LTD		
				Cost including Good will of Rs 3927211	95,852,869	108,000,000
				Less : Associate share of Losses	9,394,227	12,147,131
Total				86,458,642	95,852,869	
	30,000	30,000	1	BANGALORE STOCK EXCHANGE LIMITED	30,000	30,000
	5,000	5,000	10	ITAG INFRASTRUCTURE LIMITED	50,000	50,000
Total				87,165,679	96,402,379	
D. PREFERENCE SHARES						
	350,000	350,000	10	CAPITAL FORTUNES LIMITED	3,500,000	3,500,000
				8% NON CUMULATIVE 15 YEAR REDEEMABLE		
Total				3,500,000	3,500,000	
E. GOVERNMENT SECURITIES						
	3	3	1000	NATIONAL SAVINGS CERTIFICATES	3,000	3,000
Total				3,000	3,000	
				Less: DIMUNITION IN VALUE OF INVESTMENTS	570,000	400,000
Total				235,919,588	247,055,708	
				BOOK VALUE OF QUOTED INVESTMENTS	145,250,909	147,150,329
				MARKET VALUE OF QUOTED INVESTMENTS *	582,711,635	1,461,485,048
				* Book value has been taken in the absence of Stock Exchange quotations.		
G DEFERRED TAX ASSETS/(LIABILITY)						
As per Last Balance sheet				(63,950)	(1,511,520)	
(Add)/Less: Adjusted during the year				809,241	1,447,570	
Total				745,291	(63,950)	
H SUNDRY DEBTORS						
Outstanding for more than six months				635,396	475,066	
Others				492,269	1,066,499	
Total				1,127,665	1,541,565	
Less: Provision for non performing assets				441,566	441,566	
				686,099	1,099,999	
Unsecured -Considered Good				686,099	1,099,999	
-Considered doubtful				441,566	441,566	
Total				1,127,665	1,541,565	
I CASH & BANK BALANCES						
Cash on Hand				7,170	9,826	
Cheques on Hand				-	1,052,000	
With Scheduled Banks - Current Accounts				1,118,381	786,558	
Fixed deposits with banks*				58,749	89,532	
Total				1,184,300	1,937,916	
* Includes Rs Nil (Previous year Rs 39532 /-) deposited in Escrow account.						

	31st March 2009 Rupees	31st March 2008 Rupees
J LOANS & ADVANCES		
Unsecured - Considered Good		
Interest accrued on deposits and loans	6,656,465	1,197,360
Other receivables	293,202	293,202
Loans	243,900,000	24,400,000
Advances recoverable in cash or in kind or for value to be received	82,510,495	49,583,453
Deposits	60,340	64,400
Advance Tax	6,481,333	11,472,333
Total	339,901,835	87,010,748
K LIABILITIES		
Sundry Creditors		
- Due to other than Micro and small enterprises	995,098	942,909
Security Deposits	3,066,849	4,542,849
Unclaimed Matured Fixed Deposits*	-	31,605
Other Liabilities	1,021,450	305,299
Interest accrued but not due on loans	-	151,290
Total	5,083,397	5,973,952
* Not due for transfer to Investors Education and protection fund in the previous year.		
L PROVISIONS		
Non performing assets	12,531,537	13,140,874
Gratuity	84,578	59,322
Leave Encashment	207,042	241,499
Taxation	4,236,687	9,875,283
Total	17,059,844	23,316,978
M PERSONNEL EXPENSES		
Salaries, Allowances & Bonus	6,861,544	6,710,137
Gratuity	130,060	59,322
Leave Encashment	12,122	146,390
Staff Welfare Expenses	155,426	126,924
Contribution to Provident Fund	181,287	151,910
Contribution to Superannuation Fund	66,000	36,000
Total	7,406,439	7,230,683
N ADMINISTRATIVE EXPENSES		
Rent	720,000	840,000
Travelling Expenses	367,847	590,310
Conveyance	333,195	297,352
Office Maintenance	363,524	236,784
Telephone Expenses	150,226	177,065
Printing & Stationery	291,605	244,185
Postage	50,781	39,565
Insurance	70,645	57,662
Rates & Taxes	277,227	73,262
Legal & Professional Expenses	2,292,646	4,731,838
Listing Fees	80,210	79,000
Miscellaneous Expenses	1,169,565	967,040
Directors Fees	64,000	58,000
Loss on Sale of Assets	518,443	1,418,064
Remuneration to Auditors:		
Audit Fees	150,000	150,000
Other Services	109,500	115,000
Service Tax	23,833	32,754
Total	7,033,247	10,107,881
O Financial Charges		
Interest		
Term Loans	54,768,312	7,184,617
Total	54,768,312	7,184,617

P CONSOLIDATED ACCOUNTING POLICIES**Principles of Consolidation**

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

The consolidated Statements have been prepared on the following basis:

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

TCI Finance Limited subsidiary details are as follows:

Entity	Country of Incorporation	Percentage of holding
ITAG Business Solutions Limited	India	51%

1.	SYSTEM OF ACCOUNTING	The Company follows the Accrual System of Accounting and Prudential Norms prescribed by Reserve Bank of India consistently from year to year.
2.	REVENUE RECOGNITION	
	LEASE INCOME	(i) The income from lease transactions is recognised on accrual basis after netting off the lease equalisation charges as recommended by the Institute of Chartered Accountants of India in its guidance note "Accounting for Leases".
		(ii)The Lease Equalisation charges (debit or credit as the case may be in any particular year) represent the difference between the Depreciation as per Schedule XIV and that which is chargeable so as to write off the asset over the primary lease period.
	CONSULTANCY FEES	Revenue is recognized on accrual basis.
3.	INVESTMENTS	Investments are shown at cost which includes brokerage and stamp charges.
4.	FIXED ASSETS	Assets are stated at cost less depreciation after adjustment of the Lease Terminal Adjustment Account.
5.	DEPRECIATION	Depreciation is provided on Straight line method at rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition/ deductions is calculated prorata from/to the date of addition/deduction.
6.	EMPLOYEE BENEFITS	Contribution to Provident Fund and Superannuation Fund is charged to Profit and Loss Account. Provision for gratuity and other long term employee benefits is accounted on accrual basis, as per the requirement of AS -15 (revised 2005) on "Employee Benefits"
7.	TAXATION	Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognised in the year in which the change is effected. Fringe Benefit Tax is determine on the basis of the Income Tax Act, 1961.

Q CONSOLIDATED NOTES ON ACCOUNTS

- 1 Contingent Liabilities not provided for in respect of:
 - a Disputed income tax demands Rs.Nil and sales tax demand Rs.63,661 (previous year income tax demands Rs.566,594 and sales tax demand Rs.63,661).
 - b Capital commitments not provided for Rs.54,140,000 net of advances Rs.6,000,000 (Previous year Rs.88,340,000 net of advances Rs.47,800,000)
 - c Uncalled liability on partly paid shares/debentures Rs.1,062,750 (previous year Rs.1,062,750)
2. Inter-Company loans/deposits given by the Company are on the basis that one of the main objects of the company is to act as financiers. Accordingly the Company has been advised that Section 372 A of the Companies Act, 1956 is not applicable to the Company.
3. Being a Non-Banking Financial Company, the Company is required to follow the prudential norms prescribed by Reserve Bank of India for income recognition and provision for non-performing assets and in compliance with the said norms the Company had during the year written back provision for non-performing assets as under:

Amount in Rs.

Particulars	Current Year	Previous Year
Lease Debtors	609,337	768,811

4. In accordance with the Accounting Standard 22 "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India the Company has provided for deferred tax during the year. Major Components of deferred tax arising on account of timing difference is as follows:

Deferred Tax Assets/(Liability)	As on 31.03.2008	Current Year	Total Rs.
Provision for non performing assets	4,616,671	(207,113)	4,409,558
Diminution in value of investments	135,960	57,783	193,743
Difference between book & tax depreciation	(4,804,977)	958,571	(3,846,406)
Due to transitional provision	(11,604)	-	(11,604)
Total	(63,950)	809,241	745,291

5.

	31.03.2009	31.03.2008
Earning per Share	12,872,493	12,872,493
No.of Equity Shares outstanding	(9,816,681)	(5,616,246)
Net loss after Tax available for equity shareholders	(0.76)	(0.44)
Basic and Diluted earnings per share of Rs.10 each		
6. Advances includes
 - (a) Rs 136.20 lacs (Previous Year Rs 98.43 lacs) due from subsidiary company which is in its second year of operations. It has incurred a loss of Rs 47.83 lacs (Previous year Rs 88.28 lacs) during the year ended 31st March 2009 and has accumulated losses of Rs 136.12 lacs .On account of the Companys's long term involvement, management is of the view that no provision is required on this account at this stage.
 - b) Rs.866.20 lacs (Previous Year Rs.478lacs) towards purchase of land and commercial space.

7. Related Party Disclosures

A. Name of the related parties

Gati Limited	Associate
Gati Intellects Systems Ltd	Associate
Bunny Investment and Finance Limited	Associate
Giri Roadlines and Commercial Trading Pvt Ltd	Associate
Jubilee Commercials & Trading Pvt Ltd	Associate
TCI Hi-Ways Pvt Ltd	Associate
Amrit Jal Ventures Pvt Ltd	Associate
Dr. DR Agarwal	Key Management Personnel

Rupees

B. RELATED PARTY DETAILS

Nature of Transaction	Associate										Total	
	Gati Ltd		Gati Intellects Systems Limited		Giri Roadlines and Commercials Pvt. Ltd		Amrit Jal Ventures Private Limited		Associates		Total	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Interest Income	-	-	8,709,863	-	14,516,438	-	-	-	-	23,226,301	-	-
Rent Received	7,460,000	632,700	-	-	-	-	-	-	-	7,460,000	632,700	-
Dividend Received	10659480	10659480	-	-	-	-	-	-	-	10,659,480	10,659,480	-
Hire Rentals Received	98,250	167,025	-	-	-	-	-	-	-	98,250	167,025	-
Office Maintenance	60,000	60,000	-	-	-	-	-	-	-	60,000	60,000	-
Interest Paid	1,956,164	195,616	-	-	-	-	-	-	-	1,956,164	195,616	-
Investment in Equity	-	-	-	-	-	-	-	-	5,000,000	-	5,000,000	-
Loans Given (Net)	42,695,616	(42,651,290)	61,815,480	-	12,577,397	(1,253,327)	-	-	-	117,088,493	(43,904,617)	-
Balance at the year end												
-Loans Given			61,815,480	-	102,577,397	-	-	-	-	164,392,877	-	-
-Loans Taken	-	42,651,290	-	-	-	-	-	-	-	-	42,651,290	-
Corporate Guarantee taken	77,534	1,609,048	-	-	-	-	-	-	-	77,534	1,609,048	-

TCIFINANCE LTD.

8. Remuneration to the Manager:

	31.03.2009 Rs.	31.03.2008 Rs.
Salaries & Allowances	1,239,400	1,102,275
Contribution to Provident / Superannuation Funds	120,000	80,532
Total	1,359,400	1,182,807

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

9. Segment Information:

Business Segment

Non Banking Financial Services

Knowledge Process Outsourcing- Intellectual Property Services

Rupees

	31-03-2009	31-03-2008
1.Segment Revenue		
a.Non Banking financial Services	69,150,282	33,088,646
b.Knowledge Process Outsourcing	2,291,096	634,700
Total	71,441,378	33,723,346
2. Segment Results		
Profits before tax and interest		
a. Non Banking financial Services	57,071,065	17,505,390
b. Knowledge Process Outsourcing	(4,672,800)	(8,599,800)
Total	52,398,265	8,905,590
Less Interest	54,768,312	7,184,617
Total Profit(loss) Before Tax	(2,370,047)	1,720,973
3. Other Information		
Segment Assets		
a.Non Banking Financial Services	622,473,450	376,651,190
b.Knowledge Process Outsourcing	2,864,143	2,867,814
Total Assets	625,337,593	379,519,004
Segment Liabilities		
a.Non Banking Financial Services	368,848,351	122,844,199
b.Knowledge Process Outsourcing	1,131,275	755,960
Total Liabilities	369,979,626	123,600,159

10. The group associates are :

Name	Country of Incorporation	Percentage of Ownership interest as at 31st March 2009
Amrit Jal Ventures Private Limited	India	37.64

11. In accordance with AS -21 " Consolidated Financial Statements" the loss applicable to the minority in excess of the equity have been adjusted against the majority interest. Consequently the minority interest at the balance sheet date is Nil.

12. Key Ratios

	31.03.2009	31.03.2008
Total Income / Total Assets	0.12	0.10
Return on Net Worth %	(4.21)	(2.27)
Net Profit / Total Income %	(13.74)	(16.65)

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

STATEMENT RELATING TO SUBSIDIARY COMPANY AS AT 31ST MARCH 2009

Amount in Rupees

Name of the Subsidiary	Issued and Subscribed Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(loss) after Taxation	Proposed Dividend
ITAG Business Solutions Ltd.	1725000	-	1,565,059	1,565,059	-	2,291,096	(4,672,800)	110,713	(4,783,513)	-

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

Name of the Subsidiary	Financial year of Subsidiary ended on	Number of Equity Shares held by Tci Finance Ltd	Extent of Interest of TCI Finance Ltd in the Capital of the Subsidiary	Net Aggregate amount of profits or losses of the subsidiary so far as it concerns the members of Tci Finance Ltd dealt with or provided for in the accounts of TCI Finance ltd	Net aggregate amount of profits or losses of the subsidiary so far as it concerns the members of TCI Finance Ltd and is not dealt with in the accounts of TCI Finance Ltd
ITAG Business Solutions Limited	March 31, 2009	88000 shares of Rs 10 each	51%	Nil	Loss of Rs 2,439,592



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