



34th
Annual Report
2007-2008

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

REGISTRAR &

TRANSFER AGENTS

M/s Karvy Computer Share Pvt. Ltd
Plot No. 17-24,
Vittalrao Nagar,
Madhapur,
Hyderabad-500081.
E-mail: mohsin@karvy.com

Auditors :

Deloitte Haskins & Sells
Chartered Accountants
Coromandel House
1-2-10, Sardar Patel Road,
Secunderabad - 500 003.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of the Members of the Company will be held on 18th Sept' 2008 the Thursday at Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad – 500 003 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March, 31st 2008, the Profit & Loss Account for the year ended on that date and the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahendra Agarwal, who retire by rotation as per Article 141 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr. D R Agarwal, who retire by rotation as per Article 141 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED that in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject to such consents and approvals as may be necessary, the company hereby approves the re-appointment of and terms and conditions and remuneration payable to Mr. Ramesh Sivaraman as Manager of the Company for the period 01.07.2008 to 30.06.2011, on terms set out in the explanatory statement with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of re-appointment and /or remuneration so as not to exceed overall ceiling as stipulated in section 198, 309 and 310 of the Companies Act, 1956 including any statutory modification or re-enactments thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Mr. Ramesh Sivaraman.

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

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

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

Place : Secunderabad
Date : 23/07/2008

R K MODI
Company Secretary

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 15.09.2008 to 18.09.2008 (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 presently listed on the following Stock Exchanges viz., The Bombay Stock Exchange Limited, and National Stock Exchange of India Limited The listing fee for the year 2008-09 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. Mahendra Agarwal and Dr. D R Agarwal, Directors of the Company, who retire by rotation and being eligible offer themselves for re-appointment. The information or details to be provided under Corporate Governance code for the aforesaid directors are as under:

Mr. Mahendra Agarwal is the Managing Director of Gati Limited. He is a engineering graduate and postgraduate in Business Management from USA. He has pioneered the concept of express cargo movement in the country. A turnaround specialist with a vision towards institutionalising and creating a world class organisation. He is on the Board of Gati Limited and TCI Industries Limited and member of Investors Grievance Committee of Gati Limited.

Dr. D R Agarwal, B.Com (Hons.), LLB, FCA, PH.D (Economics) has presented various papers in seminars and conferences in India and abroad on the subject of Economics and Accountancy. He is actively associated with Calcutta Chamber of Commerce and Bharat Chamber of Commerce. He is founder and director of Trustee Swadeshi Research Institute and a member of association on WTO of Institute of Chartered Accountants of India (Eastern Region). He is treasurer Vivekanand Mandal and visiting faculty of National Institute of Human Development.

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

R K MODI
Company Secretary

Place : Secunderabad
Date : 23/07/2008

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

The present term of office of Mr.Ramesh Sivaraman as Manager of the Company will expire on 30.06.2008 subject to shareholders' approval, the Board of Directors, at their meeting held on 24.04.2008 have re-appointed Mr.Ramesh Sivaraman as Manager of the Company for a period of 3 years w.e.f 01.07.2008. on the following terms and condition as recommended by the Remuneration Committee.

I. Basic Salary:

Rs. 40,000 per month in the pay scale of Rs. 40,000-2000-70,000 with authority to the Board to sanction more than one increment in the scale in any year

II. Allowances and Perquisites:

1. House Rent Allowance 50% of the Basic Salary per month.
2. Such Allowances and such Perquisites as may be decided by the Board keeping in line with Company's remuneration policy applicable at his level from time to time but not exceeding Rs.10(ten) lacs during any particular year excluding Perquisites covered by Serial No. 3 to 8 below.
3. Leave with full pay and allowances and right to accumulate and encashment in accordance with the rules of the Company.
4. Use of Company's Car and telephone at residence as per the rules of the Company
5. Group Accident and Medclaim Insurance Premiums as per the rules of the Company
6. Contribution to Provident Fund in accordance with the rules of the Company
7. Contribution to Superannuation in accordance with the rules of the Company
8. Gratuity payable in accordance with the Rules of the Company.

GENERAL:

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

DIRECTORS' REPORT

The Directors have pleasure in presenting the 34th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2008..

FINANCIAL RESULTS:

(Rs.in Lakhs)

	As on 31 st March 2008	As on 31 st March 2007
Income	330.88	373.70
Profit/(loss) before Interest, Depreciation & Taxation	244.02	305.03
Interest	71.84	64.18
Depreciation	68.76	72.78
Profit before tax	103.42	168.07
Provision for tax:		
Current Tax	8.20	34.62
Deferred Tax	(16.59)	(9.33)
Income Tax relating to previous year	(0.38)	11.16
Fringe Benefit Tax	0.32	0.37
Profit after tax	111.87	131.25
Balance brought forward from previous year	579.30	474.18
Transferred to Reserve Fund	23.00	26.50
Balance Carried forward	668.17	579.30

DIVIDEND

Directors do not recommend payment of dividend for the financial year ended 31st March 2008.

SUBSIDIARY BUSINESS

Your Company has incorporated ITAG Business Solutions Ltd on 5th day of April 2007 to carry on the business of providing services in the form of knowledge process outsourcing. During the year under review the above subsidiary Company have incurred losses due to initial start up expenses and this being first year of business.

The Company has obtained permission from the Central Government under Section 212(8) of the Companies Act, 1956 vide their Letter No.47/221/2008-CL-III dated 9th April 2008 and accordingly the individual annual accounts of the above mentioned subsidiary for the year ended 31st March 2008 has not been attached to the Annual Report. Copies of these annual accounts and related detailed information will be made available to the holding and subsidiary companies investors, seeking such information at any point of time. Further the annual accounts of the subsidiary companies will also be kept for inspection by any investor in the registered office of the company and also at the venue during the Annual General Meeting.

DIRECTORS

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

FIXED DEPOSITS

At the end of the current year, the Company had fixed deposits including interest thereon amounting to Rs.0.32 lakhs against Rs.1.01 Lakhs at the end of the previous year. Deposits amounting to Rs.0.32 Lakhs are unclaimed from 2.depositors and an equivalent amount has been deposited in an Escrow account.

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.

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, 2008, 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 reappointment.

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 express their grateful appreciation for the assistance and co-operation received from the Banks and Financial Institutions during the year under review. Your Directors also thank the shareholders for the confidence reposed by them in the Company and for their continued support and co-operation. Your Directors express their appreciation for the dedicated and sincere efforts put in by the Company's employees at all levels.

By Order of the Board
TCI FINANCE LIMITED

Place: Secunderabad
Date : 24/04/2008

O. SWAMINATHA REDDY
CHAIRMAN

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
Mr.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 2007-08 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	Other Directorship	Committee Membership	Committee Chairmanship
Mr.O.Swaminatha Reddy	6	Yes	15	2	5
Mr.Mahendra Agarwal	6	No	8	1	—
Mr.R.S.Agarwala	5	Yes	1	—	—
Mr.V.T.Pawar	6	Yes	4	—	—
Mr.S.M.Jalan	Nil	Yes	5	—	—
Mr.D.R.Agarwal	3	No	4	—	—

Number of Board Meetings held and the dates on which held

During the financial year 2007-08, the Board of Directors met six times, on the following dates: 28th April 2007, 24th July 2007, 11th August 2007, 11th October 2007, 23rd January 2008 and 13th March 2008. The maximum time gap between the meetings was not more than four calendar months.

3. Audit Committee

The Board of Directors have 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 mandatorily review the following information:

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

Meetings and attendance during the year

During the financial year 2007-08, the Audit Committee met four times. Mr.R S Agarwala and Mr.V T Pawar were present at all the meetings, while Mr.S M Jalan could not attend any meetings.

4. Remuneration Committee

The Company has constituted Remuneration Committee. 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 2008:

<i>Name of the Director</i>	<i>Remuneration (Rs.)</i>	<i>Sitting Fee (Rs.)</i>	<i>Total (Rs.)</i>
Mr.O.Swaminatha Reddy	—	12,000/-	12,000/-
Mr.Mahendra Agarwal	—	—	—
Mr.R.S.Agarwala	—	18,000/-	18,000/-
Mr.V.T.Pawar	—	22,000/-	22,000/-
Mr.S.M.Jalan	—	Nil	Nil
Dr. D R Agarwal	—	6,000/-	6,000/-
TOTAL :	—	58,000/-	58,000/-

5. Shareholders' / Investors' Grievance Committee

The Board has constituted a Shareholders'/ Investors' Grievance Committee as a measure of good corporate governance and 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

Compliance Officer

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

Details of complaints for the year 2007-08

S.No.	Nature of Complaint	Received	Disposed	Pending
1	Non-Receipt of dividend warrants	5	5	0
2	Non-Receipt of Share Certificates/Refund Orders	5	5	0
3	Non-Receipt of Share Certificates sent for transfer	4	4	0
4	Non-Receipt of fully paid stickers	1	1	0

As on 31st March 2008 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:

Year	Date	AGM/EGM	Venue	Time
2004-05	July 26, 2005	AGM	1 st Floor, Lions Bhavan, Lakhpat Building, Behind Usha Kiran Complex, S.D.Road, Secunderabad – 500 003	10.30 A.M
2005-06	July 11, 2006	AGM	1 st 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

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 report 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 the Andhra Pradesh. i.e., Andhra Prabha.

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

9.0 Annual General Meeting

Date, Time and Venue

18.09.2008 at 10:30 a.m. at Hotel Nakshatra
 126, Jade Arcade Paradise Circle,
 M.G. Road, Secunderabad - 500 003.

9.1 Financial Calendar for 2008-2009 (Tentative)

Annual General Meeting	:	July 2009
Results for the quarter ended June 30 th 2008	:	Last week of July, 2008
Results for the quarter ended September 30 th 2008	:	Last week of October, 2008.
Results for the quarter ended December 31 st 2008	:	Last week of January, 2009
9.2 Book Closure date	:	15.09.08 To 18.09.08 (both days inclusive).
9.3 Dividend Payment date	:	Not Applicable
9.4 Listing on stock exchanges		

(1) The Bombay Stock Exchange Limited

(2) National Stock Exchange Of India Limited

(3) The Hyderabad Stock Exchange Ltd has been de-recognised by SEBI.

The listing fee for the year 2008-2009 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 of BSE & NSE during the year under review are as follows:

(Amount in Rs.)

Months	BSE		NSE	
	High	Low	High	Low
April 2007	21.40	17.30	21.45	18.00
May	22.80	18.65	22.80	18.80
June	27.40	17.20	28.05	17.30
July	30.95	21.25	30.95	21.20
August	29.55	22.05	29.55	21.70
September	27.30	23.55	26.85	24.05
October	42.15	22.05	42.90	22.00
November	53.70	39.00	53.55	39.10
December	48.35	39.20	48.95	39.00
January 2008	64.25	34.60	67.40	37.80
February	36.40	25.90	38.80	26.35
March	26.00	18.05	26.00	19.50

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 1 st April 2007	18.50	13072.10
As on 31 st March 2008	22.50	15644.44
% Change	21.62	19.68

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
 Vitthal Rao Nagar, Madhapur
 Hyderabad – 500 081.

9.10 Share transfer system:

The Company has a Registrar and Share Transfer Agent. Share Transfers, where documents were found to be 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 2008:

No. of shares	No. of shareholders	% of shareholders	Nos. of Shares	% of Total Shares
Upto – 5000	4590	81.43	970467	7.54
5001- 10000	572	10.15	494577	3.84
10001- 20000	240	4.26	381835	2.96
20001- 30000	58	1.03	150541	1.17
30001-40000	30	0.53	110313	0.86
40001-50000	37	0.66	176389	1.37
50001-100000	52	0.92	380293	2.95
100001 - Above	58	1.02	10208078	79.31
TOTAL	5637	100.00	12872493	100.00

Categories of shareholders as on 31st March 2008 :

Category	No. of shares held	% Shareholding
Promoter and Promoter Group	7365819	57.22
Bodies Corporate	1305171	10.14
Non Resident Indians	19643	0.15
Resident Individuals	4090338	31.77
Trusts	10000	0.07
Clearing Members	13395	0.10
HUF	68127	0.52
TOTAL	12872493	100.00

9.12 Dematerialization of shares :

Over 87.31% of the total shares have been dematerialized up to 31st March, 2008. 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, Viithal Rao Nagar
Madhapur, Hyderabad – 500 081
E Mail ID : mohsin@karvy.com
Tel: 040 – 23304703 / 23312454

9.15.2 Any Query on Annual Report:

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

By order of the Board
TCI FINANCE LIMITED

Place: Secunderabad
Date : 24/04/2008

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, 2008, 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

Secunderabad,
April 24, 2008

K Rajasekhar
Partner

MANAGEMENT DISCUSSION & ANALYSIS

Business Environment

India is gearing up for a GDP growth rate of 9-10% during the next decade. The optimism stemming from the sustained high growth rates of last few years, excellent tax revenues and corporate profits is now appearing to be fading. Many economists are now predicting slowing down of the global economy which will also slow down Indian economy. In India, the slow pace of infrastructure development and stagnation of agriculture along with rising rupee have discouraged many people. Land for industrial applications has always been a sensitive issue and there have been cases where a wide spread opposition to acquisition of farm land for industrial use was the reason for delay in implementation of prestigious projects. The financial sector was very stable. By and large, the behavior of the fixed income market has been in consonance with the monetary policy stance.

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 industry has consolidated significantly and only a few large players capable of operating in the new paradigm, where they have to face the fortCo 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 incurred losses due to initial start up expenses and this being first year of business.

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 was Rs.330.88 Lacs and earned a net profit of Rs.111.87 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 the year. The Company have 9 number of permanent employees as on 31-03-2008.

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, 2008 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 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. We invite attention to Note 3 Schedule Q regarding residual fixed deposits of Rs.31,605 of the Company, matured and remaining unclaimed, being in excess of the limit stipulated in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1998. The Company has deposited the unclaimed amount in an Escrow Account with a nationalised bank.
5. 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 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, 2008;
 - (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, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 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

K . Rajasekhar
Partner
Membership No. 23341

Secunderabad
April 24, 2008

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 Companies (Auditor's Report) Order, 2003 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 other than assets leased out 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. At the year end, the outstanding balance of such advance granted aggregated to Rs.9,840,473 and the maximum amount involved during the year was Rs.9,840,473.
 - (b) No terms and conditions have been specified for repayment of the advance.
 - (c) The Company has taken loan from one party. At the year end, the outstanding balance of such loan is Rs.42,500,000 and maximum amount involved during the year was Rs.42,500,000.
 - (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 inventory and 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.

- (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, 2008. The details of disputed sales tax and income tax which have not been deposited as on March 31, 2008 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)
Income Tax Act, 1961	Tax/Penalty	566,594	2002-03	Commissioner of Income Tax (Appeals)

- (vii) 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

K. Rajasekhar
Partner
Membership No.23341

Secunderabad
April 24, 2008

BALANCE SHEET AS AT 31st MARCH 2008

			31st March 2008	31st March 2007
	Schedule	Rupees	Rupees	Rupees
SOURCES OF FUNDS				
SHARE HOLDERS' FUNDS				
Share Capital	A	141,963,050		141,963,050
Reserves & Surplus	B	121,684,414		110,474,585
			263,647,464	252,437,635
LOAN FUNDS				
Secured Loans	C	51,609,048		57,949,303
UnSecured Loans	D	42,500,000		-
			94,109,048	57,949,303
DEFERRED TAX LIABILITY	G		-	1,511,520
TOTAL FUNDS EMPLOYED			357,756,512	311,898,458
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	E		91,377,614	110,272,026
Less: Depreciation		43,820,352		52,517,703
Lease Adjustment A/c		19,949,566		20,301,986
			63,769,918	72,819,689
Net Block			27,607,696	37,452,337
INVESTMENTS	F		259,621,265	253,301,406
DEFERRED TAX ASSET	G		136,231	-
CURRENT ASSETS, LOANS & ADVANCES				
Sundry Debtors	H	797,775		1,756,336
Cash and Bank Balances	I	1,564,719		1,214,937
Loans and Advances	J	96,763,977		50,006,139
		99,126,471		52,977,412
Less: CURRENT LIABILITIES AND PROVISIONS				
Liabilities	K	5,556,974		7,156,930
Provisions	L	23,178,177		24,675,767
		28,735,151		31,832,697
NET CURRENT ASSETS			70,391,320	21,144,715
TOTAL ASSETS			357,756,512	311,898,458

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

K Rajasekhar
Partner
Secunderabad
24th April, 2008

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

		31st March 2008 Rupees	31st March 2007 Rupees
INCOME			
Hire Rentals		7,037,723	9,029,085
Debts Written off realised		1,454,547	9,852,649
Interest on Deposits, Loans & Advances		4,359,425	5,534,400
(Tax Deducted Rs.680,503/- Previous year Rs625,058 /-)			
Profit on Sale of Investments		2,420,311	739,291
Dividends		10,741,498	9,459,771
Provision for non performing assets no longer required written back		768,811	85,471
Other Income		6,306,331	2,669,175
(Tax Deducted Rs. 163,835 /- Previous year Rs100,980/-)			
		33,088,646	37,369,842
EXPENDITURE			
Personnel Expenses	M	4,234,831	3,540,424
Administrative Expenses	N	4,451,623	3,326,789
Interest	O	7,184,617	6,417,805
Depreciation	E	6,876,575	7,278,084
		22,747,646	20,563,102
Profit before Tax		10,341,000	16,806,740
Provision for Tax			
Current		820,000	3,425,000
Deferred		(1,659,355)	(932,756)
Fringe Benefit Tax		31,568	36,840
Income tax relating to earlier years		(38,508)	1,115,987
Profit after Tax		11,187,295	13,161,669
Balance Brought Forward From Previous Year		57,930,348	47,418,679
Transferred to Reserve Fund		2,300,000	2,650,000
Balance Carried to Balance Sheet		66,817,643	57,930,348
Earnings per Share (Basic/Diluted)		0.87	1.02
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

K Rajasekhar
Partner
Secunderabad
24th April, 2008

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	31st March 2008 RUPEES	31st March 2007 RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	10,341,000	16806740
Adjustments for:		
Depreciation	6,876,575	7278084
Loss on sale of assets	1,418,064	--
Profit on sale of Investments	(2,420,311)	(739291)
Dividend	(10,741,498)	(9459771)
Operating profit before working capital changes	5,473,830	13885762
Adjustments for:		
Trade and other Receivables	(50,129,277)	(851358)
Trade payables	(3,644,368)	(1439241)
Tax Paid	(32,100)	(936840)
Cash generated from operations	(48,531,915)	10658323
Net Cash (used in) / from operating Activities	(48,531,915)	10658323
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	1,550,002	--
Purchase of Investments	(9,270,816)	(11276608)
Sale of Investments	5,371,268	2307134
Loans	4,330,000	(4800001)
Dividend received	10,741,498	9459771
Net cash used in investing activities	12,721,952	(4309704)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term Borrowings	42,500,000	--
Repayment of long Term Borrowing	(6,340,255)	(8736967)
Net cash (used in)/ from Financing Activites	36,159,745	(8736967)
Net Increase in cash and equivalents	349,782	(2388348)
Cash and cash equivalents as at		
Beginning of the year	1,214,937	3603558
End of the year	1,564,719	1214937

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

For and on behalf of the Board

K Rajasekhar
Partner

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

Secunderabad
24th April, 2008

SCHEDULES TO ACCOUNTS

		31st March 2008 Rupees	31st March 2007 Rupees
A	SHARE CAPITAL		
	AUTHORISED CAPITAL	<u>200,000,000</u>	<u>200,000,000</u>
	20,000,000 Equity Shares of Rs.10/- each		
	ISSUED CAPITAL	<u>160,000,000</u>	<u>160,000,000</u>
	16,000,000 Equity Shares of Rs.10/- each		
		<u>160,000,000</u>	<u>160,000,000</u>
	SUBSCRIBED & PAIDUP CAPITAL		
	12,872,493 Equity shares of	<u>128,724,930</u>	<u>128,724,930</u>
	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)		
	Add: Forfeited Shares	<u>13,238,120</u>	<u>13,238,120</u>
	(Amount Originally paid up)		
		<u>141,963,050</u>	<u>141,963,050</u>
B	RESERVES & SURPLUS		
	Share Premium		
	As per Last Balance Sheet	<u>163,086</u>	<u>163,086</u>
	General Reserve		
	Balance as per last Balance Sheet	35,196,151	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)	<u>22,534</u>	<u>-</u>
		<u>35,218,685</u>	<u>35,196,151</u>
	Reserve Fund (As per Section 45 -IC of		
	Reserve Bank of India Act,1934)		
	Balance as per last Balance Sheet	17,185,000	14,535,000
	Add: transferred during the year	<u>2,300,000</u>	<u>2,650,000</u>
		<u>19,485,000</u>	<u>17,185,000</u>
	Profit and loss account	<u>66,817,643</u>	<u>57,930,348</u>
		<u>121,684,414</u>	<u>110,474,585</u>
C	SECURED LOANS		
	Banks		
	Term Loans - Secured by Hypthecation of Trucks	<u>1,609,048</u>	<u>5,449,633</u>
	Others		
	Term Loans		
	-Secured by Hypothecation of Trucks	<u>-</u>	<u>2,499,670</u>
	-Secured By Pledge of Investments and		
	personal guarantee of director	<u>50,000,000</u>	<u>50,000,000</u>
	(from IL &FS Financial Services Ltd)		
		<u>51,609,048</u>	<u>57,949,303</u>
D	UNSECURED LOANS		
	Other Loans & Advances		
	From Others	<u>42,500,000</u>	<u>-</u>
		<u>42,500,000</u>	<u>-</u>

SCHEDULE -E FIXED ASSETS**SCHEDULE -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	FOR THE YEAR	ADJUST DURING THE YEAR	TOTAL	
(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
2	BUILDINGS	3,720,771	-	-	3,720,771	523,776	60,815	-	584,591	-	-	-	-	3,136,180
3	FURNITURE & FIXTURES	2,616,136	-	1,516,136	1,100,000	1,704,822	135,301	1,242,643	597,480	-	-	-	-	502,520
4	PLANT&MACHINERY	5,848,984	-	5,842,182	6,802	5,377,392	49,861	5,425,840	1,413	-	-	-	-	5,389
5	MOTORCARS	1,135,882	-	1,135,882	-	1,135,881	-	1,135,881	-	-	-	-	-	1
6	MOTOR TRUCKS	43,149,558	-	8,100,000	35,049,558	28,476,532	6,630,598	6,742,120	28,365,010	-	-	-	-	5,684,548
	SUB TOTAL	59,993,845	-	16,594,200	43,399,645	37,218,403	6,876,575	14,546,484	29,548,494	-	-	-	-	13,851,151
	II LEASED ASSETS													
1	PLANT&MACHINERY	41,761,751	-	-	41,761,751	11,368,548	-	-	11,368,548	18,719,560	-	-	18,719,560	11,673,643
2	MOTOR TRUCKS	2,334,830	-	1,828,612	506,218	1,169,481	-	881,042	288,439	535,793	-	318,014	217,779	529,556
3	COMPUTERS	6,181,600	-	471,600	5,710,000	2,761,271	-	146,400	2,614,871	1,046,633	-	34,406	1,012,227	2,082,902
	SUB TOTAL	50,278,181	-	2,300,212	47,977,969	15,299,300	-	1,027,442	14,271,858	20,301,986	-	352,420	19,949,566	14,676,895
	GRAND TOTAL	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
	PREVIOUS YEAR	110,265,226	6,800	-	110,272,026	45,239,619	7,276,084	-	52,517,703	20,301,986	-	-	20,301,986	37,452,337

SCHEDULE 'F' INVESTMENTS

LONG TERM INVESTMENTS (AT COST)					
NO OF SHARES		FACE VALUE	NAME OF THE COMPANY	31st March	31st March
31.03.2007	31.03.2008			2008	2007
				Rupees	Rupees
LISTED SHARES (QOTED)					
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
200	-	10	SER INDUSTRIES LTD	-	2,000
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
23,200	23,200	10	RITESH POLYESTERS LTD *	438,000	438,000
56,009	56,009	2.5	BHURUKA GASES LTD	1,624,261	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
4,900	-	10	TAMILNADU NEWSPRINT & PAPERS LTD	-	148,225
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
150	-	10	GUJARAT ALKALIES & CHEMICALS LTD	-	24,525
125	500	2	DECCAN CHRONICLE HOLDINGS LTD	98,364	21,544
1,000	1,000	10	ELBEE SERVICES LTD *	5,780	5,780
20,000	4,000	2	NRB BEARINGS LTD	70,087	350,436
1,600	850	2	SATYAM COMPUTERS LTD	173,612	173,612
1,000	-	10	J K INVESTO TRADE (INDIA) LTD	-	11,325
50	-	5	USHA MARTIN LTD	-	11,840
2,000	-	5	RELIANCE NATURAL RESOURCES LTD	-	47,722
250	1,000	10	RELIANCE PETROLEUM LTD	169,142	18,476
300	1,000	2	UNITECH LTD	372,261	123,913
20	-	10	HDFC BANK LTD	-	20,924
250	750	2	ALEMBIC CHEMICALS LIMITED	52,737	17,058
300	-	2	IVRCL INFRASTRUCTURES & PROJECTS LTD	-	104,572
50	225	2	INFOYSYS TECHNOLOGIES LIMITED	455,618	101,176
200	200	10	RELIANCE COMMUNICATION LIMITED	103,496	86,426
50	-	10	TECH MAHINDRA LIMITED	-	72,995
-	100	1	TATA CONSULTANCY SERVICES LIMITED	113,689	-
-	200	10	ELECTROTHERM (I) LIMITED	111,273	-
-	1,500	2	GUJARAT AMUBJA EXPORTS LIMITED	48,378	-
-	100	10	IPCA LABORATORIES LIMITED	78,922	-
-	200	10	SURYACHAKRA POWER CORPORATION LIMITED	9,222	-
-	1,500	10	POWER GRID CORPORATION LIMITED	173,186	-
-	500	10	GATEWAY DISTRI PARKS LIMITED	79,722	-
-	150	10	TATA MOTORS LIMITED	116,713	-
-	500	2	GMR INFRASTRUCTURE LIMITED	88,455	-
-	15	10	RELIANCE POWER LIMITED	6,750	-
				147,196,079	146,211,220

NO OF SHARES 31.03.2007 31.03.2008		FACE VALUE	NAME OF THE COMPANY	31st March 2008 Rupees	31st March 2007 Rupees
B. DEBENTURES (PARTLY PAID UP)					
10,900	10,900	10	PITTIE CEMENTS LIMITED *	354,250	354,250
				<u>354,250</u>	<u>354,250</u>
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
43,885	43,885	100	GIRI ROADLINES AND COMMERCIAL TRADING PVT LTD	163,425	163,425
10,314,100	10,314,100	10	AMRIT JAL VENTURES PVT LTD	108,000,000	103,000,000
-	33,000	1	BANGALORE STOCK EXCHANGE LIMITED	30,000	
-	5,000	10	ITAG INFRASTRUCTURE LIMITED	50,000	
				<u>108,712,935</u>	<u>103,632,935</u>
D. SUBSIDIARY					
	25,500	10	ITAG BUSINESS SOLUTIONS LIMITED	255,000	-
				<u>255,000</u>	<u>-</u>
E. PREFERENCE SHARES					
350,000	350,000	10	CAPITAL FORTUNES LIMITED 8% NON CUMULATIVE 15 YEAR REDEEMABLE	3,500,000	3,500,000
				<u>3,500,000</u>	<u>3,500,000</u>
F. GOVERNMENT SECURITIES					
3	3	1000	NATIONAL SAVINGS CERTIFICATES	3,000	3,000
				<u>3,000</u>	<u>3,000</u>
			Less: DIMUNITION IN VALUE OF INVESTMENTS	400,000	400,000
			TOTAL	<u>259,621,265</u>	<u>253,301,405</u>
			BOOK VALUE OF QUOTED INVESTMENTS	147,150,329	146,165,470
			MARKET VALUE OF QUOTED INVESTMENTS *	1,461,485,048	1,295,935,716
			* Book value has been taken in the absence of Stock Exchange quotations.		

31st March 2008
Rupees

31st March 2007
Rupees

G DEFERRED TAX ASSET/(LIABILITY)

As per Last Balance sheet	(1511520)	(2444276)	
(Add)/Less: Adjusted during the year	<u>1647751</u>	<u>(232756)</u>	
(Refer Note 5, Schedule Q)	136231		(1511520)
	<u>136231</u>		<u>(1511520)</u>

H SUNDRY DEBTORS

Outstanding for more than six months	441,566	468,767
Others	<u>797,775</u>	<u>1,756,336</u>
	1,239,341	2,225,103
Less: Provision for non performing assets	<u>441,566</u>	<u>468,767</u>
	<u>797,775</u>	<u>1,756,336</u>
Unsecured - Considered Good	797,775	1,756,336
- Considered doubtful	<u>441,566</u>	<u>468,767</u>
	<u>1,239,341</u>	<u>2,225,103</u>

I CASH & BANK BALANCES

Cash on Hand	4,585	2,940
Cheques on Hand	1,052,000	71,400
With Scheduled Banks - Current Accounts	418,602	985,151
Fixed deposits with banks*	<u>89,532</u>	<u>155,446</u>
	<u>1,564,719</u>	<u>1,214,937</u>

* Includes Rs 39532 (Previous Year Rs 105,446) deposited in Escrow account

J LOANS & ADVANCES

Unsecured - Considered Good		
Interest accrued on deposits and loans	1,197,360	1,758,985
Other receivables	293,202	439,902
Loans	24,400,000	28,730,000
Advance to Subsidiary	9,840,473	-
Advances recoverable in cash or in kind or for value to be received	49,537,609	8,672,992
Deposits	64,400	69,400
Advance Tax	<u>11,430,933</u>	<u>10,334,860</u>
	<u>96,763,977</u>	<u>50,006,139</u>

31st March 2008
Rupees

31st March 2007
Rupees

LIABILITIES

Sundry Creditors - dues to others	593,907	1,397,851
Security Deposits	4,542,849	5,524,449
Long Term Maturity Deposits* (Interest on interest accrued and due thereon and deposited in escrow account)	31,605	100,773
Other Liabilities	237,323	133,857
Interest accrued but not due on loans	151,290	--
	<u>5,556,974</u>	<u>7,156,930</u>

* Not due for transfer to Investors Education and protection fund.

PROVISIONS

Non-performing assets	13,140,874	13,882,404
Long Term Employee Benefits	162,020	154,830
Taxation	9,875,283	10,638,453
	<u>23,178,177</u>	<u>24,675,767</u>

PERSONNEL EXPENSES

Salaries, Allowances & Bonus	3,871,192	3,225,932
Other Long Term Employee Benefits	66,911	30,334
Staff Welfare Expenses	108,818	145,639
Contribution to Provident Fund	151,910	138,519
Contribution to Superannuation Fund	36,000	--
	<u>4,234,831</u>	<u>3,540,424</u>

ADMINISTRATIVE EXPENSES

Travelling Expenses	163,911	284,209
Conveyance	138,850	140,798
Office Maintenance	61,500	63,500
Telephone Expenses	96,944	93,844
Printing & Stationery	48,401	35,504
Postage	31,675	29,897
Insurance	57,662	698,486
Rates & Taxes	53,034	81,835
Legal & Professional Expenses	1,576,377	1,308,284
Listing Fees	79,000	97,100
Miscellaneous Expenses	454,121	310,590
Directors Fees	58,000	76,000
Loss on Sale of Assets	1,418,064	--
Remuneration to Auditors:		
Audit Fees	100,000	50,000
Other Services	90,000	45,000
Service Tax	23,484	11,742
	<u>4,451,623</u>	<u>3,326,789</u>

Interest

Interest		
Term Loans	7,184,617	6,417,805
	<u>7,184,617</u>	<u>6,417,805</u>

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

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.

Q. NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for in respect of:

- a Disputed income tax demands Rs.566,594 and sales tax demand Rs.63,661 (Previous year income tax demands Rs.5,308,336 and sales tax demand Rs.63,661).
- b Capital commitments not provided for Rs.88,340,000 net of advances Rs.47,800,000 (Previous year Rs.54,180,000 net of advances Rs.6,000,000)
- c Uncalled liability on partly paid shares/debentures Rs.1,062,750 (Previous year Rs.1,062,750)
- d Loan Management Fees liability of Rs.125,000 on account of term loan obtained from IL&FS Financial Services Ltd.

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. Outstanding fixed deposits of Rs.31,605 represent matured but unclaimed deposits . An equivalent amount has been deposited in an escrow account for meeting this liability.
4. 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:

Lease Debtors

Rs.768,811

5. 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 31.03.2007	Current Year	Total Rs.
Provision for non performing assets	4,877,990	(261,319)	4,616,671
Diminution in value of investments	135,960		135,960
Difference between book & tax depreciation	(6,525,470)	19,20,674	(4,604,796)
Due to transitional provision	-	(11,604)	(11,604)
Total	(1,511,520)	1,647,751	136,231

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

Earnings per Share	31.03.2008	31.03.2007
No.of Equity Shares Outstanding	12,872,493	12,872,493
Net profit after Tax Available to equity Shareholders	111,87,295	13,161,669
Basic and Diluted earnings Per share of Rs.10 each	0.87	1.02

8. Related Party Disclosures

Related parties

Associates

Gati Limited

Gati Intellects Systems Ltd

Bunny Investment and Finance Limited

Giri Roadlines Pvt Ltd

Jubilee Commercials & Trading Pvt Ltd

TCI Hi-Ways Pvt Ltd

Amrit Jal Ventures Pvt Ltd

Subsidiary

ITAG Business Solutions Limited

Related Party details		Associate								Total
Nature of Transaction	Gati Ltd		Gati Intellectuals Systems Limited		Giri Roadlines and Commercials Pvt. Ltd		Amrit Jal Ventures Private Limited		Associates	
	31.03.08	31.03.07	31.03.08	31.03.07	31.03.08	31.03.07	31.03.08	31.03.07		
Interest Income	-	-	-	-	-	-	-	-	-	-
Rent Received	632,700	478,800	-	-	-	-	-	-	-	1,615,945
Dividend Received	10659480	9,327,045	-	-	-	-	-	-	-	332,700
Hire Rentals Received	167,025	353,700	-	-	-	-	-	-	-	10,659,480
Office Maintenance	60,000	60,000	-	-	-	-	-	-	-	167,025
Interest Paid	195,616	-	-	-	-	-	-	-	-	60,000
Investment in Equity	-	-	-	-	-	-	-	-	-	95,616
Guarantee Charges	-	-	-	-	-	-	-	-	-	-
Loans Given (Net)	(42,651,290)	14,230	-	-	-	-	-	-	-	5,000,000
Balance at the year end	-	-	-	(130,105)	(1,253,327)	(18,267,262)	-	-	-	103,000,000
- Loans Given	-	-	-	-	-	-	-	-	-	-
- Loans Taken	42,651,290	-	-	-	-	-	-	-	-	-
Corporate Guarantee taken	1,609,048	7,949,303	-	-	-	-	-	-	-	14,230
										(43,504,617)
										(18,397,367)
										-
										1,253,327
										-
										1,609,048
										7,949,303

Nature of Transaction	Subsidiary Itag Business Solutions Ltd	
	31.03.2008	31.03.2007
Investment in Equity	255000	-
Advance Given	9840473	-
Balance at the year end	-	-
- Advance Given	9840473	-

- Consequent to the application of Accounting Standard (AS) 15 "Employee Benefits" all employee benefits have been determined in accordance with the Standard. In accordance with the transitional provisions, the liability as at 1st April 2007 has been recomputed and the difference with the liability existing as on 31st March, 2008 has been adjusted to the General Reserve.

(Amount in Rs.)

	Gratuity(funded)	Leave Encashment (unfunded)
Present Value of Defined Benefit Obligations	503712	162020
Fair Value of Plan Assets	1025269	-
Funded Status [Surplus/(Deficit)]	521557	-
Net Asset (Liability) recognized in the Balance Sheet	-	(162020)
Present Value of DBO at the beginning of the year	334104	120692
Current Service Cost	31363	-
Interest Cost	33237	-
Actuarial Losses / (Gains)	55008	-
Benefits paid	-	-
Present Value of DBO at the end of the year	503712	162020
Plan Assets at the beginning of the year	946742	-
Expected Return on Plan Assets	75739	-
Actuarial gain	2788	-
Benefits Paid	-	-
Plan Assets at the end of the year	1025269	-
Current Service Cost	31363	19320
Interest Cost	33267	10178
Expected Return on Plan Assets	(75739)	-
(Gain) / Actuarial Loss	52220	37413
Expense recognized in the Statement of Profit and Loss	-	66911
Actual Benefit Payments	-	-
Assumptions		
Discount Rate %	8%	8%
Expected Return on Plan Assets %	8%	8%
Salary Escalation %	6%	6%

10. Remuneration to Manager:

	31.03.08 Rs.	31.03.07 Rs.
Salaries & Allowances	1,102,275	1,035,675
Contribution to Provident / Superannuation Funds	80,532	42,552
Total	1,182,807	1,078,227

- The above does not include provision made for Gratuity and Leave Encashment as the same is provided on an overall basis.
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 associates as required to be disclosed pursuant to clause 32 of the listing Agreement

Name of the company	Balance as on 31.03.08 Rs.	Max balance during the year Rs.
Giri Roadlines & Commercial Trading Pvt Ltd	—	1,253,327
ITAG Business Solutions Ltd	9,840,473	9,840,473

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

Schedules A to Q referred to above form part of the Balance Sheet and Profit and Loss Account.

**SCHEDULE TO THE
BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY**

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

2007

(Rupees)

Particulars	Amount out-standing	Amount overdue
Liabilities side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Term Loans	94,109,048	--
(b) Public Deposits (Unclaimed)	31,605	31,605
Assets side :		
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured	--	
(b) Unsecured	34,240,473	
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		14,198,111
(a) Financial lease		
(b) Operating lease		
(ii) Stock on hire including hire charges under sundry debtors:		- Nil -
(a) Assets on hire		
(b) Repossessed Assets		
(iii) Other Loans Counting towards AFC activities		
(a) Loans where assets have been repossessed		
(b) Loans other than (a) above		
(4) Break-up of Investments :		- Nil -
<u>Current Investments</u> <u>Long Term investments</u> :		
1. <u>Quoted</u> :		
(i) Equity Shares		147,196,079
(ii) Debentures and Bonds		354,250
2. <u>Unquoted</u> :		
(i) (a) Equity Shares		108,967,935
(b) Preference		3,500,000

**SCHEDULE TO THE
BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY**

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	9,840,873	9,840,873
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	24,841,566	24,841,566
Total	-	34,682,439	34,682,439
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
1. Related Parties			
(a) Subsidiaries	255,000	255,000	
(b) Companies in the same group	-	-	
(c) Other related parties	1,407,662,060	230,952,082	
2. Other than related parties	166,038,923	28,414,182	
Total	1,573,955,983	259,621,264	
(7) Other information			
Particulars	Amount		
(i) Gross Non-Performing Assets			
(a) Related parties	-		
(b) Other than related parties	1,419,811		
(ii) Net Non-Performing Assets	-		
(a) Related parties	-		
(b) Other than related parties	615,671		
(iii) Assets acquired in satisfaction of debt	-		



[BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS

PROFILE AS PER PART IV, SCHEDULE VI OF THE COMPANIES ACT, 1956]

I. REGISTRATION DETAILS

Registration no	31293	State code	01
Balance Sheet Date			31.03.2008

II. CAPITAL RAISED DURING THE PERIOD (AMOUNT IN THOUSANDS)

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

III. Position of Mobilisation and Deployment of funds

(Amount in Rs. Thousands)

Total Liabilities	357756	Total Assets	357756
Source of Funds			
Paid up Capital	141,963	Reserves & Surplus	121684
Secured Loans	51609	Deferred Tax Liability	0
UnSecured Loans	42500		
Application of Funds			
Net Fixed Assets	27608	Investments	259621
Net Current Assets	70391	Deferred Tax Asset	136
Accumulated Losses	--		

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

Turnover	33089	Total Expenditure	22748
+Profit/(Loss) Before Tax	10341	+Profit/(Loss) After Tax	11187
Earning per share in Rs.	0.87	Dividend (%)	--

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

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

For and on behalf of the Board

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

Secunderabad
24th April, 2008

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

SL No.	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
1	ITAG Business Solutions Limited	March 31, 2008	25500 shares of Rs 10 each	51%	Nil	Loss of Rs 4,502,596

STATEMENT RELATING TO SUBSIDIARY COMPANY AS AT 31st MARCH 2008

S.No.	Name of the Subsidiary	Issued and Subscribed Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit / Loss Before Taxation	Provision for Taxation	Profit/Loss after Taxation	Proposed Dividend
1	ITAG Business Solutions Limited	500000	-	11,140,654	11,140,654	-	634,700	(8599800)	228819	(8,828,619)	-



AUDITORS' REPORT

THE BOARD OF DIRECTORS

TCI FINANCE LIMITED

1. We have audited the attached Consolidated Balance Sheet of TCI Finance Limited ('the Company') and its subsidiary and associates, (collectively referred as 'the Group') as at March 31, 2008 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.8,219,920 for the year ended March 31, 2008. 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, 2008;
 - (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

K Rajasekhar
Partner
Membership No. 23341

Secunderabad, July 23, 2008

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2008

	Schedule	Rupees	Rupees	31st March 2008 Rupees
SOURCES OF FUNDS				
SHARE HOLDERS' FUNDS				
Share Capital	A		141,963,050	
Share Application Money			600,000	
Reserves & Surplus	B		100,790,239	
				243,353,289
LOAN FUNDS				
Secured Loans	C		51,609,048	
Unsecured Loans	D		42,500,000	
				94,109,048
DEFERRED TAX LIABILITY	G			63,950
TOTAL FUNDS EMPLOYED				<u>337,526,287</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	E		93,694,082	
Less: Depreciation		44,031,670		
Lease Adjustment A/c		<u>19,949,566</u>		
			63,981,236	
Net Block				29,712,846
INVESTMENTS	F			247,055,708
CURRENT ASSETS, LOANS & ADVANCES				
Sundry Debtors	H		1,099,999	
Cash and Bank Balances	I		1,937,916	
Loans and Advances	J		87,010,748	
			<u>90,048,663</u>	
Less: CURRENT LIABILITIES AND PROVISIONS				
Liabilities	K		5,973,952	
Provisions	L		<u>23,316,978</u>	
			29,290,930	
NET CURRENT ASSETS				60,757,733
TOTAL ASSETS				<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

K Rajasekhar
Partner
Secunderabad
23rd July, 2008

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST March 2008

**31st March
2008**

Schedule Rupees Rupees

Income		7,057,728
Rentals		634,700
Consultancy Fees		
Tax Deducted Rs.15038/-)		1,454,547
Losses Written off realised		4,359,425
Interest on Deposits, Loans & Advances		
Tax Deducted Rs.680,503/-)		2,420,311
Profit on Sale of Investments		10,741,498
Other Income		768,811
Provision for non performing assets no longer required written back		6,306,331
Net Income		
Tax Deducted Rs. 163,835 /-)		33,723,346
EXPENDITURE		7,230,683
Personnel Expenses	M	10,087,654
Administrative Expenses	N	7,184,617
Interest	O	7,087,893
Depreciation	E	391,301
Contingent Expenses		31,982,148
Profit before Tax		1,741,198
Provision for Tax		820,000
Current		(1,459,174)
Deferred		60,206
Fringe Benefit Tax		(38,508)
Income tax relating to earlier years		2,358,674
Profit after Tax before share of results of Associates and Minority Interest		(8,219,920)
Share of loss of Associates		245,000
Minority Interest		(5,616,246)
Net Consolidated Loss		57,930,348
Balance Brought Forward From Previous Year		2,300,000
Transferred to Reserve Fund		50,014,102
Balance Carried to Balance Sheet		(0.44)

Earnings per Share (Basic/Diluted)

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

K Rajasekhar
Partner

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

Secunderabad
23rd July, 2008

SCHEDULES TO CONSOLIDATED ACCOUNTS
31st March 2008
Rupees

A	SHARE CAPITAL		
	AUTHORISED CAPITAL		200,000,000
	20,000,000 Equity Shares of Rs.10/- each		
	ISSUED CAPITAL		160,000,000
	16,000,000 Equity Shares of Rs.10/- each		
	SUBSCRIBED & PAIDUP CAPITAL		160,000,000
	12,872,493 Equity shares of		128,724,930
	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)		
	Add: Forfeited Shares		13,238,120
	(Amount Originally paid up)		
			141,963,050
B	RESERVES & SURPLUS		
	Share Premium		
	As per Last Balance Sheet		163,088
	General Reserve		
	Balance as per last Balance Sheet	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	
	Reserve Fund (As per Section 45 -IC of		31,128,049
	Reserve Bank of India Act, 1934)		
	Balance as per last Balance Sheet	17,185,000	
	Add: transferred during the year	2,300,000	19,485,000
	Profit and loss account		50,014,102
			100,790,239
C	SECURED LOANS		
	Banks		
	Term Loans - Secured by Hypthecation of Trucks		1,609,048
	Others		
	Term Loans		
	-Secured By Pledge of Investments and personal guarantee of Director		50,000,000
	(from IL &FS Financial Services Ltd)		
			51,609,048
D	UNSECURED LOANS		
	Other Loans & Advances		
	From Others		42,500,000
			42,500,000

SCHEDULE -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	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
I	OWNED ASSETS												
1	LAND	3,522,514	0	0	3,522,514	0	0	0	0	0	0	0	3,522,514
2	BUILDINGS	3,720,771	0	0	3,720,771	523,776	60,815	0	584,591	0	0	0	3,136,180
3	FURNITURE & FIXTURES	2,616,136	903,431	1,516,136	2,003,431	1,704,822	187,499	1,242,643	649,678	0	0	0	1,353,753
4	PLANT & MACHINERY	5,848,984	1,413,037	5,842,182	1,419,839	5,377,392	208,981	5,425,840	160,533	0	0	0	1,259,306
5	MOTOR CARS	1,135,882	0	1,135,882	0	1,135,881		1,135,881	0	0	0	0	0
6	MOTOR TRUCKS	43,149,558		8,100,000	35,049,558	28,476,532	6,630,598	6,742,120	28,365,010			0	6,684,548
	SUB TOTAL	59,993,845	2,316,468	16,594,200	45,716,113	37,218,403	7,087,893	14,546,484	29,759,912	0	0	0	15,956,301
II	LEASED ASSETS												
1	PLANT & MACHINERY	41,761,751	0		41,761,751	11,368,548			11,368,548	18,719,560	0	18,719,560	11,673,643
2	MOTOR TRUCKS	2,334,830	0	1,828,612	506,218	1,169,481	0	881,042	288,439	535,793	318,014	217,779	0
3	COMPUTERS	6,181,600	0	471,600	5,710,000	2,761,271	0	146,400	2,614,871	1,046,633	34,406	1,012,227	2,082,902
	SUB TOTAL	50,278,181	0	2,300,212	47,977,969	15,299,300	0	1,027,442	14,271,858	20,301,986	352,420	19,549,566	13,756,545
	GRAND TOTAL	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	19,549,566	29,712,846

SCHEDULE 'F' INVESTMENTS
LONG TERM INVESTMENTS (AT COST)

NO OF SHARES 31.03.2008	FACE VALUE	NAME OF THE COMPANY	31st March 2008 Rupees
EQUITY SHARES (QUOTED)			
13,324,350	2	GATI LIMITED	122,414,147
30,236	10	TCI INDUSTRIES LIMITED	2,128,390
600	10	BHIVANI VANASPATHI LIMITED *	6,000
2,500	10	ELECTO FLAME LIMITED *	35,000
62	10	GARWARE NYLON LIMITED *	1,043
200	10	INDO MAXWELL LIMITED *	2,000
8,400	10	KARNATAKA INVESTMENT & TRADERS LTD *	42,053
500	10	KEDIYA VANASPATHI LIMITED *	5,000
100	10	SANGHI POLYESTERS LIMITED	1,000
-	10	SER INDUSTRIES LTD	-
1,100	10	THE PIONEER LIMITED *	11,000
500	10	UNILITE INDUSTRIES LTD *	5,000
100	10	PATEL INTEGRATED LOGISTICS LTD	4,500
12,150	10	KARNATAKA BANK LTD	357,750
29,200	10	RITESH POLYESTERS LTD *	438,000
56,009	2.5	BHURUKA GASES LTD	1,624,261
10,000	10	ANDAMANS TIMBER INDUSTRIES LTD *	200,000
14,933	10	DHANLAXMI BANK	278,395
4,200	10	LLOYDS FINANCE LTD	2,310
1,300	10	ROADWAYS INDIA LTD *	16,668
-	10	TAMILNADU NEWSPRINT & PAPERS LTD	-
1,729,440	1	BHORUKA STEEL LTD	17,272,440
1,395	10	TRANSCORP INTERNATIONAL LTD	23,715
-	10	GUJARAT ALKALIES & CHEMICALS LTD	-
500	2	DECCAN CHRONICLE HOLDINGS LTD	98,364
1,000	10	ELBEE SERVICES LTD *	5,780
4,000	2	NRB BEARINGS LTD	70,087
850	2	SATYAM COMPUTERS LTD	173,612
-	10	J K INVESTO TRADE (INDIA) LTD	-
-	5	USHA MARTIN LTD	-
-	5	RELIANCE NATURAL RESOURCES LTD	-
1,000	10	RELIANCE PETROLEUM LTD	169,142
1,000	2	UNITECH LTD	372,261
-	10	HDFC BANK LTD	-
750	2	ALEMBIC CHEMICALS LIMITED	52,737
-	2	IVRCL INFRASTRUCTURES & PROJECTS LTD	-
225	2	INFOYSYS TECHNOLOGIES LIMITED	455,618
200	10	RELIANCE COMMUNICATION LIMITED	103,496
-	10	TECH MAHINDRA LIMITED	-
100	1	TATA CONSULTANCY SERVICES LIMITED	113,689
200	10	ELECTROTHERM (I) LIMITED	111,273
1,500	2	GUJARAT AMUBJA EXPORTS LIMITED	48,378
100	10	IPCA LABORATORIES LIMITED	78,922
200	10	SURYACHAKRA POWER CORPORATION LIMITED	9,222
1,500	10	POWER GRID CORPORATION LIMITED	173,186
500	10	GATEWAY DISTRI PARKS LIMITED	79,722
150	10	TATA MOTORS LIMITED	116,713
500	2	GMR INFRASTRUCTURE LIMITED	88,455
15	10	RELIANCE POWER LIMITED	6,750
			147,196,079

NO OF SHARES 31.03.2008	FACE VALUE	NAME OF THE COMPANY	31st March 2008 Rupees
C. DEBENTURES (PARTLY PAID UP) 10,900	10	PITTIE CEMENTS LIMITED	354,250 354,250
D. EQUITY SHARES (UNQUOTED) 1,000 9,500 27,451 43,865	100 10 10 100	GATI INTELLECT SYSTEMS LIMITED GATI SHIPPING P LTD TCI HI-WAYS PVT LTD GIRI ROADLINES AND COMMERCIAL TRADING PVT LTD Cost including Good will of Rs 163425 Less : Group share of Losses upto 31.03.08 AMRIT JAL VENTRUES PVT LTD Cost including Good will of Rs 1087211 Less : Group share of Losses upto 31.03.03 BANGALORE STOCK EXCHANGE LIMITED ITAG INFRASTRUCTURE LIMITED	100,000 95,000 274,510 163,425 163,425 - 108,000,000 12,147,131 95,852,869 30,000 50,000
			96,402,379
D. PREFERENCE SHARES 350,000	10	CAPITAL FORTUNES LIMITED 8% NON CUMULATIVE 15 YEAR REDEEMABLE	3,500,000 3,500,000
E. GOVERNMENT SECURITIES 3	1000	NATIONAL SAVINGS CERTIFICATES	3,000 3,000
		Less: DIMUNITION IN VALUE OF INVESTMENTS TOTAL	400,000 247,055,708
		BOOK VALUE OF QUOTED INVESTMENTS MARKET VALUE OF QUOTED INVESTMENTS *	147,150,329 1,461,485,048

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

31st March

2008

Rupees

DEFERRED TAX ASSETS/(LIABILITY)

As per Last Balance sheet
(Add)/Less: Adjusted during the year

(1511520)
1447570

(63950)

(63950)

H SUNDRY DEBTORS

Outstanding for more than six months
Others

475,086

1,066,499

Less: Provision for non performing assets

1,541,565

441,566

1,099,999

Unsecured -Considered Good

1,099,999

-Considered doubtful

441,566

1,541,565

I CASH & BANK BALANCES

Cash on Hand
Cheques on Hand
With Scheduled Banks - Current Accounts
Fixed deposits with banks*

9,826

1,052,000

786,558

89,532

1,937,916

* Includes Rs 39532 /- deposited in Escrow account.

J LOANS & ADVANCES

Unsecured - Considered Good
Interest accrued on deposits and loans
Other receivables
Loans
Advances recoverable in cash or in kind
or for value to be received
Deposits
Advance Tax

1,197,360

293,202

24,400,000

49,583,453

64,400

11,472,333

87,010,748

31st March
2008
Rupees

K	LIABILITIES .	
	Sundry Creditors -dues to others	942,909
	Security Deposits	4,542,849
	Unclaimed Matured Fixed Deposits* (including interest accrued and due thereon and deposited in escrow account)	31,605
	Other Liabilities	305,299
	Interest accrued but not due on loans	151,290
		<u>5,973,952</u>
	* Not due for transfer to Investors Education and protection fund.	
	PROVISIONS	
	Non performing assets	13,140,874
	Gratuity	59,322
	Long Term Employee Benefits	241,499
	Taxation	9,875,283
		<u>23,316,978</u>
M	PERSONNEL EXPENSES	
	Salaries, Allowances & Bonus	6,710,137
	Gratuity	59,322
	Other Long Term Employee Benefits	146,390
	Staff Welfare Expenses	126,924
	Contribution to Provident Fund	151,910
	Contribution to Superannuation Fund	36,000
		<u>7,230,683</u>
N	ADMINISTRATIVE EXPENSES	
	Rent	840,000
	Travelling Expenses	590,310
	Conveyance	297,352
	Office Maintenance	236,784
	Telephone Expenses	177,065
	Printing & Stationery	244,185
	Postage	39,565
	Insurance	57,662
	Rates & Taxes	53,034
	Legal & Professional Expenses	4,731,838
	Listing Fees	79,000
	Miscellaneous Expenses	967,040
	Directors Fees	58,000
	Loss on Sale of Assets	1,418,064
	Remuneration to Auditors:	
	Audit Fees	150,000
	Other Services	115,000
	Service Tax	32,754
		<u>10,087,654</u>
O	Interest	
	Interest	
	Term Loans	7,184,617
		<u>7,184,617</u>

P.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

- 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".
- 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

Consultancy fees 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.

Q. NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for in respect of:
 - a. Disputed income tax demands Rs.566,594 and sales tax demand Rs.63,661
 - b. Capital commitments not provided for Rs.88,340,000 net of advances Rs.47,800,000 .
 - c. ~~Unclaimed liability on partly paid shares/debentures Rs.1,082,750~~
 - d. Loan Management Fees liability of Rs.125,000 on account of term loan obtained from IL&FS Financial Services Ltd.
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. Outstanding fixed deposits of Rs.31,605 represent matured but unclaimed deposits . An equivalent amount has been deposited in an escrow account for meeting this liability.
4. 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:

Lease Debtors Rs.768,811

5. 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 31.03.2007	Current Year	Total Rs.
Provision for non performing assets	4,877,990	(261,319)	4,616,671
Diminution in value of investments	135,960		135,960
Difference between book & tax depreciation	(6,525,470)	17,20,493	(4,804,977)
Due to transitional provision	-	(11,604)	(11,604)
Total	(1,511,520)	1,447,570	(63,950)

6. Earning per Share	31.03.2008
No.of Equity Shares outstanding	12,872,493
Net loss after Tax available for equity shareholders	(5,616,246)
Basic and Diluted earnings Per share of Rs.10 each	(0.44)

7. Related Party Disclosures

Related parties with whom transactions have taken place during the year

Associates

Gati Limited
 Gati Intellectuals Systems Ltd
 Bunny Investment and Finance Limited
 Giri Roadlines Pvt Ltd
 Jubilee Commercials & Trading Pvt Ltd
 TCI Hi-Ways Pvt Ltd
 Amrit Jai Ventures Pvt Ltd

Related Party details				Particulars
Nature of Transaction	Associate			Total
	Gati Ltd	Giri Roadlines and Commercials Pvt. Ltd	Amrit Jal Ventures Private Limited	Associates
	31.03.08	31.03.08	31.03.08	31.03.08
Rent Received	632,700	-	632,700	-
Dividend Received	10659480	-	-	-
Hire Rentals Received	167,025	-	-	10,659,480
Office Maintenance	60,000	-	-	167,025
Interest Paid	195,616	-	-	60,000
Investment in Equity	-	-	-	195,616
Loans Given (Net)	(42,651,290)	(1,253,327)	5,000,000	5,000,000
Balance at the year end			-	(43,904,617)
-Loans Taken	42,651,290			
Corporate Guarantee taken	1,609,048			42,651,290
				1,609,048

8. Remuneration to the Manager:

31.03.08

Rs.

Salaries & Allowances
 Contribution to Provident / Superannuation Funds
 Total

1,102,275
 80,532
 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

Segment Revenue
 a. Non Banking financial Service 33,088,646
 b. Knowledge Process Outsourcing 634,700
 Total 33,723,346

2. Segment Results

Profits before tax and interest
 a. Non Banking financial Services 17,525,617
 b. Knowledge Process Outsourcing (8,599,800)
 Total 8,925,817
 Less Interest 7,184,617
 Total Profit Before Tax 1,741,198

3. Other Information

Segment Assets
 a. Non Banking Financial Services 319,180,888
 b. Knowledge Process Outsourcing 2,867,814
 Total Assets 322,048,702
 Segment Liabilities
 a. Non Banking Financial Services 122,844,199
 b. Knowledge Process Outsourcing 5,55,779
 Total Liabilities 123,399,978

10. The Group's associates are:

Name	Country of Incorporation	Percentage of Ownership interest as at 31 st March 2008
Amrit Jal Ventures Private Limited	India	37.64
Giri Roadlines and Commercial Trading Private Limited India	India	20.57

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 dated is NIL.

12. This being the first year of Consolidation of accounts, previous year figures are not applicable.
 Schedules A to Q referred to above form part of the Balance Sheet and Profit and Loss Account.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	(Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before tax and extra ordinary items	1741198
Adjustments for:	
Depreciation	7087893
Loss on sale of assets	1418064
Profit on sale of Investments	(2420311)
Dividend	(10741498)
Operating profit before working capital changes	(2914654)
Adjustments for	
Trade and other Receivables	(40651910)
Trade payables	(3288589)
Tax Paid	(87100)
Cash generated from operations	(46942252)
Net Cash (used in) / from operating Activities	(46942252)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed Assets	(2316468)
Sale of Fixed Assets	1550004
Purchase of Investments	(9015816)
Sale of Investments	5371268
Loans	4330000
Dividend received	10741498
Net cash use in investing activities	10660486
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of share capital	245000
Share Application money	600000
Proceeds from long term Borrowings	42500000
Repayment of long Term Borrowing	(6340255)
Net cash (used in)/ from Financing Activities	37004745
Net Increase in cash and equivalents	722979
Cash and cash equivalents as at	
Beginning of the year	1214937
End of the year	1937916

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

For and on behalf of the Board

K Rajasekhar
Partner

Secunderabad
23rd July, 2008

R K Modi
Company Secretary

O Swaminatha Reddy
Chairman

V T Pawar
Director

INTERNATIONALLY LEADING BANK



TCI FINANCE LIMITED

Register Office : 1-7-293, MG. Road, Secunderabad - 500 003.

PROXY FORM

Regd. Folio No. _____

DP ID No. _____

Client ID No. _____

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

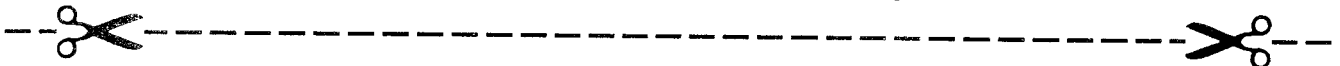
_____ in the district of _____
_____ or failing him / her _____ or _____
_____ of in the district of _____ as my/our proxy to vote for me / us on my behalf at the
34th Annual General Meeting of the company to be held at Hotel Nakshatra, 126, Jade Arcade, Paradise Circle,
M.G. Road, Secunderabad - 500 003 at 10.30 A.M. on Thursday, the 18th day of September, 2008 and at any
adjournment thereof.

Signed this _____ day of _____ 2008

Affix Re. 1/-
Revenue
Stamp

Signature.

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



TCI FINANCE LIMITED

Register Office : 1-7-293, MG. Road, Secunderabad - 500 003.

ATTENDANCE SLIP

34th Annual General Meeting :

Regd. Folio No. _____

DP ID No. _____

Client ID No. _____

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company. I hereby record my
presence at the 34th Annual general Meeting of the Company at Hotel Nakshatra, 126, Jade Arcade, Paradise Circle,
M.G. Road, Secunderabad - 500 003 at 10.30 A.M. on Thursday, the 18th day of September, 2008.

Member's / Proxy name
in BLOCK LETTERS

Member's / Proxy
Signature

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

**PRINTED MATTER
BOOK POST**

If Undelivered, please return to :

M/s Karvy Computer Share Private Limited

(Unit : TCI Finance Limited)

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

Email : mohsin@karvy.com

Tel : 040-23304703 / 23312454