

39th ANNUAL REPORT

2012 - 13



TCI FINANCE LTD.

www.tcifl.in

BOARD OF DIRECTORS

Mr. O. Swaminatha Reddy
Chairman

Mr. Mahendra Agarwal

Mr. R.S. Agarwala

Mr. S.M. Jalan

Dr. D.R. Agarwal

Mr. V.T. Pawar

MANAGER

Mr. Ramesh Sivaraman

COMPANY SECRETARY

Ms. T Deepthi

SUBSIDIARY

ITAG Business
Solutions Ltd.

AUDITORS

M/s. M Bhaskara Rao & Co
Chartered Accountants

REGISTRAR & TRANSFER AGENTS

M/s Karvy Computer Share Pvt. Ltd.
Plot No. 17-24,
Vittalrao Nagar, Madhapur,
Hyderabad - 500 081.
E-mail : mohsin@karvy.com
Tel: 040-44655000,
44655152,
Fax : 040-23420814

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REGISTERED OFFICE

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of the Members of the Company will be held on Tuesday 24th September 2013 at 10.30 A.M. at Hotel Minerva Grand, Sarojini Devi Road, Secunderabad- 500 003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of 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. S M Jalan, who retires by rotation as per Article 141 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. R S Agarwala, who retires by rotation as per Article 141 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

M/s. M. Bhaskara Rao & Co., statutory auditors of the Company have conveyed their willingness to be reappointed for the Financial year 2013-14.

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

"RESOLVED THAT pursuant to the provisions of Sections 224,225 and other applicable provisions, if any, of the Companies Act, 1956, M/s M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad be and are hereby reappointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration as may be decided by the Board."

By Order of the Board
for TCI FINANCE LIMITED

Deepthi T
Company Secretary

Place: Secunderabad
Date: May 07, 2013

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself. A proxy need not be a member of the Company.
2. The instrument appointing a proxy as enclosed, duly stamped and executed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Corporate Members intending to send their authorized representatives to the meeting are requested to send a certified copy of the Board resolution for attending and voting on their behalf at the meeting.
4. The Register of Members and Share Transfer Books shall remain closed from 23rd September 2013 to 24th September 2013(both days inclusive).
5. The members are requested to intimate any change in their address to the Company / Registrar and Share Transfer Agents M/s. Karvy Computershare Private Limited or their Depository Participants immediately. They are also requested to bring their copy of Annual Report to the meeting.
6. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN with their Depository Participants and the physical shareholders may submit the same to the Company / RTA.
7. Members who hold shares in De-materialised form are requested fill in their client Id and DP Id No. in the attendance slip for easy identification of attendance at the meeting.
8. The shares of the Company are at present listed on the following Stock Exchanges viz., The Bombay Stock Exchange Limited and National Stock Exchanges of India Limited The listing fee for the year 2013-14 has been paid to the Stock Exchange.
9. The shares of the Company have been dematerialised with effect from 06.09.2000 (ISIN NO.INE911B01018).
10. Green Initiative in Corporate Governance- The Ministry of Corporate Affairs, Government of India (vide its Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively) has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports etc. to the shareholders through electronic medium. In light of the above, the company will be sending Notices / Documents / Annual Reports etc. to the shareholders through email, wherever the email Id is available; and through other modes of service provided in Section 53 of the Companies Act where email addresses have not been registered. Accordingly Members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with the company's Registrar and Share Transfer Agents, M/s. Karvy Computershare Pvt. Ltd.
11. Appointment/Reappointment of Directors - At the ensuing Annual General Meeting, Mr. S M Jalan and Mr. R S Agarwala, Directors of the Company 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. S M Jalan	Mr. R S Agarwala
Experience in specific functional area	Mr. S M Jalan has more than 45 years of experience in the transport industry. He has been associated with the Company since inception and has been serving on the Board for the past 37 years with his rich functional expertise.	Mr. R S Agarwala is Fellow Member of the Institute of Chartered Accountants of India and is a Practicing Chartered Accountant. He has been serving on the Board of the Company for the past 23 years with his vast financial expertise
Shares held in the company as on 31.03.2013	1400	-

	Mr. S M Jalan	Mr. R S Agarwala
List of other Companies in which directorship held as on 31.03.2013	1. TCI Hi-Ways Pvt. Ltd (Managing Director) 2. Mukesh Textile Mills Ltd. 3. Mega Freight Movers Ltd. 4. Boruka Classic Finance Pvt. Ltd. 5. Vispra Developers Ltd. 6. Gati Infrastructure Pvt. Ltd. 7. Gati Kausar India Ltd.	1. Vikash Finco Pvt. Ltd. 2. ITAG Business Solutions Ltd.
Category	Independent and Non-Executive Director	Independent and Non-Executive Director
Relationship with other Directors	Not related to any of the Directors	Not related to any of the Directors

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

Place: Secunderabad
Date: May 07, 2013

Deepthi T
Company Secretary

DIRECTORS' REPORT

To,
Dear Members,

Your directors take pleasure in presenting the 39th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	STANDALONE	
	As at 31 st March 2013	As at 31 st March 2012
Income	1001.30	1122.34
Profit/(loss) before Interest, Depreciation & Taxation	913.47	1030.09
Financial Charges	849.91	1078.44
Depreciation	1.48	1.41
Profit/Loss before tax	62.08	(49.76)
Exceptional Items	--	100.00
Provision for tax:		
Current Tax	-	9.35
Deferred Tax	1.01	1.63
Income Tax relating to previous year	(2.75)	-
Profit/(Loss) after tax	63.83	39.25
Balance brought forward from previous year	719.16	687.75
Transferred to Reserve Fund	12.76	7.85
Balance Carried forward	770.22	719.16

DIVIDEND

Your Directors have not recommended payment of dividend for the financial year ended 31st March 2013 since it is proposed to retain the same in the business.

OPERATIONS REVIEW

Your Directors have not recommended payment of dividend for the financial year ended 31st March 2013 since it is proposed to retain the same in the business.

OPERATIONAL PERFORMANCE REVIEW:

During the year under review, your Company achieved a turnover of Rs. 1001.30 lakhs as against Rs 1122.34 Lakhs in the previous year. The profit/loss before tax stands at Rs. 62.08 Lakhs as against Rs. 50.23 Lakhs in the previous year.

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

The turnover of the Subsidiary Company M/s. ITAG Business Solutions Ltd is 109.91 lakhs as against Rs 108.30 Lakhs

in the previous year. The Company's profit after tax, net of discounted operations' revenues stood at ₹.1.02 Lakhs as against a loss of ₹.35.99 Lakhs in the previous year. A statement pursuant to Section 212 of the Companies Act, 1956 related to the accounts of the subsidiary forms part of this Annual Report.

Your directors are pleased to inform that trial runs are under progress for the 110 MW Chuzachen Hydro Power Project being implemented by Gati Infrastructure Pvt. Ltd (GIPL), one of the subsidiaries of Amrit Jal Ventures Pvt. Ltd (AJVPL). The synchronization of unit 1 and unit 2 took place on 20th April 2013 & 19th April 2013 respectively. The project is expected to be commissioned by 3rd week of May 2013. This is the first project among the three being implemented by AJVPL and the first Independent Power project to commence production in the state of Sikkim. The plant is directly connected to the Central Transmission Utility and will be able to deliver power across the country. Once it starts production, it shall be a remarkable milestone in the history of the Company and it will be the third group in India to successfully commission a Hydro power project with a capacity of more than 100MW. The other two projects in the pipeline are the 54 MW Bhasmey Hydro Electric Project (under construction) and 71 MW Sada Mangder Project, both in the state of Sikkim and are being implemented by two separate SPVs. The Company holds 10.19% shareholding in M/s. Amrit Jal Ventures Pvt. Ltd.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. R. S. Agarwala and Mr. S M Jalan, Directors of the Company are liable to retire by rotation and being eligible, offer themselves for re-appointment. The proposal regarding re-appointment is placed for your approval.

Brief profiles of the proposed appointees and other details form part of the Notice to the Annual general Meeting.

LISTING

The Company's shares are traded in the dematerialized form with nation-wide terminals on both Bombay Stock Exchange and National Stock Exchange. The particulars of Shareholding Pattern, Distribution of Shareholding and Share prices are mentioned separately in the Report on Corporate Governance.

INVESTMENT

The Company has not made any further investments during the year under review.

FIXED DEPOSITS

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

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, 2013, 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 & AUDITORS REPORT

The Statutory Auditors, M/s. M. Bhaskara Rao & Co, Chartered Accountants, Hyderabad have expressed their willingness to continue as auditors for the financial year 2013-14. The Board of Directors recommend their appointment for the financial year 2013-14, subject to the approval of the shareholders in the forthcoming Annual General Meeting of the Company.

The Notes to Accounts referred to in the Auditors Report are self explanatory and hence do not require further comments.

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

As the Company is not engaged in the manufacturing activity, the prescribed information regarding compliance of rules relating to conservation of Energy and Technology absorption pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with Rule – 2 of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is not provided.

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

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

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

ACKNOWLEDGEMENT :

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

**Secunderabad
May 07, 2013**

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

**O. Swaminatha Reddy
Chairman**

REPORT ON CORPORATE GOVERNANCE

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

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

1. Company's Philosophy

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

2. Board of Directors

The Board of Directors at present comprises of 6 directors. The Chairman being non-executive Director, half of the strength of the Board comprises of the Independent Directors.

Composition and category of Directors:

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

Attendance during the financial year 2012-13 of each Director at the Board Meetings, last Annual General Meeting and Number of other Directorships and Chairmanship/Membership of Committee of each Director in various companies:

<i>Name of the Director</i>	<i>Attendance Particulars</i>		<i>* No. of other directorships and committee membership/chairmanship</i>			
	Board Meetings	Last AGM	Chairman of the Board	Other Directorship	Committee Membership	Committee Chairmanship
Mr. O. Swaminatha Reddy	5	Yes	2	7	5	6
Mr. Mahendra Agarwal	5	Yes	1	5	1	1
Mr. R.S. Agarwala	5	Yes	-	1	--	--
Mr. V.T. Pawar	6	Yes	-	1	--	--
Mr. S.M. Jalan	4	No	-	4	--	--
Dr. D.R. Agarwal	3	No	-	2	--	--

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

Number of Board Meetings held and the dates on which held

During the financial year 2012-13, the Board of Directors met six times on the following dates:

- 26th May, 2012
- 6th October, 2012
- 1st February, 2013
- 8th August, 2012
- 18th October, 2012
- 28th March, 2013

The gap between the two consecutive meetings held on 24th January 2012 and 26th May, 2012 was 4 months and 2 days

Code of Conduct

- i. The Board of Directors of the Company has laid down a code of conduct for all Board Members and designated senior management of the Company. The code of conduct is available on the website of the Company (www.tcifl.in). All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Manager to this effect is enclosed at the end of this report.
- ii. The Reserve Bank of India vide its circular dated September, 2008 issued guidelines for all NBFCs to adopt Fair Practice Code. Your Company adopted the same which is available on the website of the Company (www.tcifl.in). Further, as per recent circular issued by RBI to incorporate suitable amendments in Fair Practice Code, the Board of Directors in their meeting adopted the amended Fair Practice Code and the same is available on the website of the Company.

3. Audit Committee

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

Meetings held during the year:

During the year the following Audit committee meetings were held:

- 26th May, 2012
- 7th August, 2012
- 17th October, 2012
- 1st February, 2013

Composition and attendance

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

Name of Director	Composition as on 31st March,2013	No. of Meetings Attended
Mr. R.S. Agarwala	Chairman	4
Mr. V.T.Pawar	Member	4
Mr. S.M. Jalan	Member	3

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.

4. Remuneration Committee

During the year one meeting of the Remuneration Committee was held on 22nd March 2013.

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

Name of Director	Composition as on 31st March,2013	No. of Meetings Attended
Mr. R.S. Agarwala,	Chairman	1
Mr. V.T.Pawar	Member	1
Mr. S.M. Jalan	Member	0
Mr. Mahendra Agarwal	Member	1

Terms of Reference

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

Remuneration Policy:

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

Details of Remuneration paid to the Directors for the financial year ended 31st March 2013:

Name of the Director	Remuneration (Rs.)	Sitting Fee (Rs.)	Total (Rs.)
Mr.O.Swaminatha Reddy	----	10,000	10,000
Mr.R.S.Agarwala	----	24,000	24,000
Mr.V.T.Pawar	----	22,000	22,000
Mr.S.M.Jalan	----	18,000	18,000
Dr. D R Agarwal	----	6,000	6,000
Total :	---	80,000	80,000

- ❖ None of the Non-Executive directors has any material pecuniary relationship or transactions with the company.
- ❖ Mr. Mahendra Agrawal , Non-Executive Director of the Company holds 11,96,619 equity shares (9.30% of the total equity Share Capital) of the Company as on 31st March,2013.
- ❖ No other Non-Executive directors hold any shares and convertible instruments of the Company.
- ❖ None of the Directors are related to each other.

5. Credit/Investment Committee**Composition**

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

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

Terms of reference

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

6. Share Holders / Investors' Grievance Committee**Composition**

The committee comprises of two directors as members viz.,

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

Terms of Reference:

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

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

S.No.	Nature of Complaint	Received	Disposed	Pending
1	Non-Receipt of dividend warrants	2	2	Nil
2	Non-receipt of share certificate sent for transfer	2	2	Nil
3	Non-receipt of duplicate share certificate	1	1	Nil
4	Non-receipt of endorsement sticker on fully paid-up shares	1	1	Nil
	Total	6	6	Nil

As on 31st March 2013, no request for dematerialization was pending.

Compliance Officer

Name and designation of the Compliance Officer : Ms. T. Deepthi, Company Secretary

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

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

8. General Body Meetings

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

Year	Date	AGM/EGM	Venue	Time	No. of Special Resolution Passed
2009-10	August 4, 2010	AGM	Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad - 500 003	10.30 A.M	NIL
2010-11	August 9, 2011	AGM	Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad - 500 003	10.30 A.M	1
2011-12	September 18, 2012	AGM	Hotel Nakshatra, 126, Jade Arcade, Paradise Circle, M G Road, Secunderabad - 500 003	10.30 A.M	1

No resolutions were required to be passed through postal ballot.

9 Disclosures

- 8.1 During the financial year under review, there were no materially significant related party transactions made by the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potentially conflict with the interest of the Company at large. Disclosures regarding related party transaction are disclosed in Note No. 26 of notes to accounts published elsewhere in this Annual Report.

TCIFINANCE LTD.

- 8.2 There are no instances of non-compliance by the Company, penalties, and strictures imposed on the company by the Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years
- 8.3 The Company affirms that no personnel has been denied access to the Audit Committee during the financial year ended 31st March, 2013.
- 8.4 The Company has complied to all the mandatory requirements of Clause 49 of the listing agreement.

10. Means of Communication of Results

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

News releases and presentation to Institutional Investors : Nil

11. Management Discussion and Analysis:

Management Discussion and Analysis forms part of the Annual Report.

12. General Information for Shareholders

a. Annual General Meeting : 24th September 2013 at 10.30 A.M.
Date, Time and Venue Hotel Minerva Grand, Sarojini Devi Road,
Secunderabad-500 003.

b. Financial Calendar for 2013-14(Tentative)

Annual General Meeting	August,2014
Results for the 1st quarter ended 30 th June 2013	First week of August,2013
Results for the 2nd quarter ended 30 th September 2013	First week of November,2013
Results for the 3rd quarter ended 31 st December 2013	First week of February,2014
Results for the 4th quarter ended 31 st March 2014	Last week of May,2014

c. Book Closure date : 23rd September 2013 & 24th September 2013
(both days inclusive)

d. Dividend Payment date : Not Applicable

e. Listing on stock exchanges

The Company's shares are listed on :

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

The listing fee for the year 2013-2014 has been paid to BSE and NSE.

f. Stock Code:

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

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

(Amount in ₹)

<i>Months</i>	<i>BSE</i>		<i>NSE</i>	
	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
April 2012	45.50	33.00	45.00	35.00
May 2012	37.90	26.80	38.25	27.50
June 2012	38.25	27.00	39.55	27.60
July 2012	43.35	28.65	39.95	29.45
August 2012	38.40	31.10	39.25	28.10
September 2012	45.45	32.50	42.50	34.00
October 2012	43.70	33.55	42.40	33.90
November 2012	42.00	32.05	39.75	30.10
December 2012	38.45	32.10	39.75	32.65
January 2013	38.05	29.00	42.70	28.80
February 2013	40.25	26.00	39.40	25.75
March 2013	35.00	22.00	33.45	22.00

h. Share price performance in comparison to broad based indices - CNX NIFTY & BSE Sensex

<i>PARTICULARS</i>	<i>TCI FINANCE SHARE PRICE V/S BSE</i>		
	Share Price(Rs.)	CNX NIFTY	BSE Sensex
As on 1 st April 2012	42.05	5317.90	17478.15
As on 31 st March 2013	25.50	5682.55	18835.77
% Change	(64.90)	6.86	7.77

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

j. Share transfer system:

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

k. Distribution of Shareholding as on 31st March 2013:

No. of shares	No. of shareholders	% of shareholders	Nos. of Shares	% of Total Shares
Upto - 5000	4,479	81.16	8482760	6.59
5001- 10000	491	8.90	4112700	3.19
10001- 20000	258	4.67	4007460	3.11
20001- 30000	67	1.21	1657950	1.29
30001- 40000	52	0.94	1883420	1.46
40001- 50000	37	0.67	1748600	1.36
50001-100000	63	1.14	4545130	3.53
100001 - Above	72	1.30	102286910	79.46
TOTAL	5519	100.00	128724930	100.00

Categories of shareholders as on 31st March 2013:

Category	No. of shares held	% Shareholding
Promoter and Promoter Group	74,93,674	58.21
Non-Resident Indians	1,88,167	1.46
Bodies Corporate & HUF	9,50,206	7.38
Resident Individuals	42,30,545	32.87
Clearing Members	5,482	0.04
TOTAL	12,872,493	100.00

I. Dematerialization of shares :

Over 90.74% of the total shares have been dematerialized up to 31st March, 2013. Trading in Equity Shares of the Company is permitted only in dematerialized form w. e. f. 28th August, 2000 as per the notification issued by the Securities and Exchange Board of India (SEBI).

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

n. Plant Locations: Not Applicable

o. Investors' Correspondence

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

11.15. Any Query on Annual Report:

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

ANNEXURE – II

CERTIFICATE ON CORPORATE GOVERNANCE

To.
The Members of

TCI FINANCE LIMITED

1. We have examined the compliance of conditions of Corporate Governance by TCI Finance Limited, for the year ended on March 31st, 2013, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the stock exchange(s).
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. 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 in all material aspects, the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Secunderabad
Date: May 07th, 2013

for D C Agarwal & Co.
Company Secretaries

Dulichand Agarwal
FCS 1105 ;CP No 3345

DECLARATION

As provided under clause 49 of the Listing Agreement with Stock Exchanges, the Board and Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended 31st March, 2013.

For **TCI FINANCE LIMITED**

Secunderabad
May 07, 2013

Ramesh Sivaraman
Manager - Chief Executive

CHIEF EXECUTIVE OFFICER (CEO) / MD CERTIFICATION

I have reviewed the financial statements, read with the cash flow statement of TCI Finance Limited for the year ended March 31, 2013 and that to the best of my knowledge and belief, I state that:

a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of my knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or in violation of the company's Code of Conduct.

c) I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and audit committee that there are no deficiencies in the design or operation of internal control.

d) I have indicated to the auditors and audit committee:

(i) There are no significant changes in internal control over financial reporting during the year;

(ii) Significant changes in accounting policies made during the year and that the same haven disclosed suitably in the notes to the financial statements; and

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

For TCI Finance Limited

**Ramesh Sivaraman
Manager-Chief Executive**

**Place: Secunderabad
Date : May 07, 2013**

MANAGEMENT DISCUSSION & ANALYSIS

Business Environment

The estimated growth rate for the fiscal 2013-14 stands at 6.1-6.7% and inflation at 6.2-6.6% and projects recovery for both the global and domestic economies, which have faced a major slowdown in the preceding years. However, despite this slowdown, the annual growth rate for gross domestic product (GDP) at factor cost, over the decade ending 2012-13 is 7.9% with a decreasing fiscal deficit.

It is interesting to point out that the gross NPA ratio of NBFCs has been declining consistently in the past decade with banks struggling to control them at the same point. NBFCs continue to maintain a stable outlook despite the more stringent regulatory norms envisaged and continue to grow profitably while maintaining reasonable asset quality and prudent level of leveraging. Funding costs are estimated to hike up and net-interest margin is estimated to drop to 5.9%.

Opportunities

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

Threats

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

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

Segment-wise or product-wise performance of the Company

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

Future Strategies

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

The Company plans to diversify its lending activities once the existing investments begin to yield returns.

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

Risks and concerns

The NBFC industry in general faces the risk of re-entry and new entry of players and existence of several unorganized regional players increasing the competition which mainly affects the asset quality. This is further characterized by captive NBFCs floated by other business houses. The ever existing systemic and delinquency risks and fluctuations in interest rates and risk weight make the companies more vulnerable. Deployment of funds in sensitive and volatile sectors increases the risk exposure while concentration risk increases dependency.

Internal Control Systems and their adequacy

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

Business Overview financial performance

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

The Company's total earnings during the year were Rs. 945.07 lakhs and the net profit after tax is Rs. 63.82 lakhs as against 39.25 lakhs in the previous year.

Human Resources

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

The employee relations have continued to be harmonious throughout the year. The Company has 6 permanent employees as on 31st March 2013.

Cautionary Statement

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

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INDEPENDENT AUDITORS' REPORT

To
The Members of
TCI Finance Limited

Report on Financial Statements

We have audited the accompanying financial statements of TCI Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

M. V. Ramana Murthy
Partner
Membership No.206439

Secunderabad, May 07, 2013

Re: TCI Finance Limited

Annexure to the Auditors' Report

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all the fixed assets other than Leased Assets have been physically verified by the management during the year in accordance with programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification. Leased Assets have not been physically verified by the Management during the year.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute 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. Having regard to the nature of the Company's business, para 4(ii) of the Order is not applicable.
- iii. (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly paragraphs (b), (c) and (d) of para 4(iii) of this Order are not applicable.
- (b) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly paragraphs (e), (f) and (g) of para 4(iii) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered in to the register maintained under section 301 of the Act.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, the provisions of para 4(vi) of the Order is not applicable.
- vii. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- viii. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 for the activities of the Company.
- ix. (a) According to the information and explanations given to us, the Company is 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, and any other material statutory dues applicable to it with the appropriate authorities during the year.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.
- (c) Details of dues of Sales tax / income tax / custom tax / wealth tax / service tax / excise duty / cess which have not been deposited as on 31st March, 2013 on account of dispute are given below:

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

- x. The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions and debenture holders except in respect of delay in redemption of debentures and interest dues as detailed below:

Particulars	Amount (Rs)	No of Days
Dues to Debenture Holders	28,00,00,000	122
Interest on Term Loans	63,42,329	Range from 7 to 29
Interest to Debenture Holders	1,10,88,219	Range from 2 to 22

- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of para 4 (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is not a Chit fund/ Nidhi/ Mutual benefit fund/ Society. Accordingly, the provisions of para 4 (xiii) of the Order is not applicable.
- xiv. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of its dealing in share securities, debentures and other investments and timely entries have been made. The above said securities have been held by the Company in its own name.
- xv. According to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loans taken by others are not prima facie prejudicial to the interest of the Company.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which they were obtained.
- xvii. 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 for long term investment.
- xviii. According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us and the records examined by us, securities / charges have been created in respect of debentures issued and term loans taken from banks and financial institutions.
- xx. During the year covered by our audit, the Company has not raised any monies by public issues.

xxi. During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instance of fraud on or by the Company was reported during the year, nor have we been informed of such case by the management.

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

Secunderabad, May 07, 2013

M. V. Ramana Murthy
Partner
Membership No.206439

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TCI FINANCE LIMITED
Balance Sheet as at 31st March, 2013

Particulars	Note No.	As at 31 st March, 2013	As at 31 st March, 2012
EQUITY AND LIABILITIES		₹	₹
Shareholders' Funds			
(a) Share Capital	3	141,963,050	141,963,050
(b) Reserves and Surplus	4	135,391,840	129,009,173
		277,354,890	270,972,223
Non-Current Liabilities			
(a) Long-Term Borrowings	5	3,000,000	-
(b) Long-Term Provisions	6	14,049,034	14,077,604
		17,049,034	14,077,604
Current Liabilities			
(a) Trade Payables	7	826,436	740,436
(b) Other Current Liabilities	8	535,388,873	562,373,150
(c) Short Term Provisions	9	7,693	37,600
		536,223,002	563,151,186
TOTAL		830,626,926	848,201,013
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10A	19,986,096	20,088,789
(ii) Intangible Assets	10B	21,565	26,920
(b) Non-Current Investments	11	293,269,226	293,269,226
(c) Deferred Tax Assets (Net)	24.2	558,994	659,809
(d) Long-Term Loans and Advances	12	3,000,000	-
(e) Other Non-Current Assets	13	108,430	103,784
		316,944,311	314,148,528
Current Assets			
(a) Trade Receivables	14	-	-
(b) Cash and Bank Balances	15	120,907	215,753
(c) Short-Term Loans and Advances	16	489,570,393	512,212,082
(d) Other Current Assets	17	23,991,315	21,624,650
		513,682,615	534,052,485
TOTAL		830,626,926	848,201,013
Corporate Information and Significant Accounting Policies	1 & 2		

Accompanying notes form an integral part of the Financial Statements
As per our report of even date attached.

For M.Bhaskara Rao & Co.
Chartered Accountants

M.V.Ramana Murthy
Partner
Secunderabad, 7th May, 2013

For and on behalf of the Board

O.Swaminatha Reddy
Chairman

V.T.Pawar
Director

Deepthi.T
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No.	2012- 13	2011-12
		₹	₹
Income			
Revenue from Operations	18	94,507,450	98,733,298
Other Income	19	5,623,436	13,500,724
Total Revenue		100,130,886	112,234,022
Expenses			
(a) Employee Benefits Expense	20	6,501,530	6,334,696
(b) Finance Costs	21	84,991,145	107,844,110
(c) Depreciation and Amortisation	10	148,048	141,954
(d) Other Expenses	22	2,328,681	3,070,018
(e) Provision for Standard Assets		(47,000)	(180,000)
Total Expenses		93,922,404	117,210,778
Profit / (Loss) Before Exceptional Item and Tax		6,208,482	(4,976,756)
Exceptional items	23.1	-	10,000,000
Profit Before Tax		6,208,482	5,023,244
Tax Expense:			
(a) Current Tax		-	935,000
(b) Adjustments relating to earlier years		(275,000)	-
(c) Deferred Tax		100,815	162,792
		(1,74,185)	1,097,792
Profit After Tax		6,382,667	3,925,452
Earnings per Equity Share of ₹10/- each			
Basic and Diluted	24.1	0.50	0.30
Corporate Information and Significant Accounting Policies	1 & 2		

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For M.Bhaskara Rao & Co.

Chartered Accountants

M.V.Ramana Murthy

Partner

Secunderabad, 7th May, 2013

For and on behalf of the Board

O.Swaminatha Reddy

Chairman

V.T.Pawar

Director

Deepthi.T

Company Secretary

TCI FINANCE LTD.

Cash Flow Statement for the year ended 31st March, 2013

Particulars	2012-13	2011-12
	₹	₹
A. Cash Flow From Operating Activities		
Net profit before tax and extra ordinary items	6,208,482	5,023,244
Adjustments for:		
Depreciation and Amortisation	148,048	141,954
Profit on sale of Motor Trucks	(90,000)	(202,500)
Profit on Relinquishment of Land Ownership	-	(10,000,000)
Dividend (Long term Investments)	(15,000,456)	(6,969,922)
	(8,733,926)	(12,007,224)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Short Term Loans and Advances	654	1,027
Other Current Assets	(2,366,665)	(10,704,140)
Other Non-Current Assets	(4,646)	(43,444)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	86,000	(445,250)
Other Current Liabilities	3,515,723	(1,927,230)
Short-Term Provisions	(29,907)	30,924
Long-Term Provisions	(28,570)	(150,679)
Cash used in Operations	(7,561,337)	(25,246,016)
Net Income Tax Paid	(883,964)	(9,459,312)
Net Cash From Operations	(8,445,301)	(34,705,328)
Loans Repaid / (Disbursed) (Net)	21,100,000	76,600,000
Net Cash from/ (used in) operating Activities (A)	12,654,699	41,894,672
B. Cash Flow From Investing Activities		
Proceeds from Relinquishment of Land Ownership	-	86,000,000
Proceeds from Sale of Motor Trucks	90,000	202,500
Repayment from (Advance to) Subsidiary	(300,000)	7,050,000
Purchase of Assets	(40,000)	-
Dividend received (Long term Investments)	15,000,456	6,969,922
Net cash from / (used in) investing activities (B)	14,750,456	100,222,422
C. Cash Flow From Financing Activities		
Proceeds from Long Term Borrowings	22,500,000	-
Repayment of Long Term Borrowings	(50,000,000)	(145,000,000)
Net cash from Financing Activities (C)	(27,500,000)	(145,000,000)
Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)	(94,846)	(2,882,906)
Cash and Cash Equivalents at the beginning of the year	215,753	3,098,659
Cash and Cash Equivalents at the end of the year	120,907	215,753

The Cash Flow Statement is prepared in accordance with the indirect method stated in Accounting Standard 3 on Cash Flow Statement and presents the cash flows by operating, investing and financing activities.

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For M.Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Secunderabad,
7th May, 2013

For and on behalf of the Board

O.Swaminatha Reddy
Chairman

V.T.Pawar
Director

Deepthi.T
Company Secretary

Notes forming part of the Financial Statements for the year ended 31st March, 2013

Note	Particulars
1	Corporate information
	TCI Finance Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is a "Loan company" engaged in the business of Non Banking Financial Institution as defined in section 45l(a) of the Reserve Bank of India Act, 1934.
2	Significant Accounting Policies
2.1	Basis of accounting and preparation of financial statements
	The Financial Statements are prepared under historical cost convention on the basis of going concern and as per Accounting Standards notified under Section 211(3C) of the Companies Act, 1956. The Company follows Accrual System of Accounting and Prudential Norms prescribed by Reserve Bank of India consistently from year to year.
2.2	Use of Estimates
	The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.
2.3	Cash Flow Statement
	The Cash flow statement is prepared under "Indirect method" as set out in Accounting Standard- 3 on Cash Flow Statements notified in section 211(3C) of the Companies Act, 1956, whereby Profit / (Loss) Before Extraordinary Items and Tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
2.4	Revenue Recognition
2.4.1	Lease Income
	(i) The income from lease transactions is recognized on accrual basis after netting off the lease equalization charges as recommended by the Institute of Chartered Accountants of India in its Guidance Note - "Accounting for Leases".
	(ii) The Lease Equalization charge (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.
2.4.2	Interest Income
	Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.
2.4.3	Other Income
	Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established. Income from Services is recognised on accrual basis.
2.5	Fixed Assets:
	Tangible fixed assets
	Assets are stated at cost less accumulated depreciation after adjustment of the Lease Terminal Adjustment Account.
	Intangible assets
	Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.
2.6	Depreciation and Amortisation
	Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on addition/deductions is calculated on prorata from the date of addition/deduction.

Notes forming part of the Financial Statements for the year ended 31st March, 2013

2.7	Investments Long-term investments are carried individually at cost less provision for diminution in value, other than temporary in the value of such investments.
2.8	Employee Benefits (i) Provident fund is a defined contribution plan and the contributions as required by the statute to Employees Provident Fund Organisation are charged to Statement of Profit and Loss when due. (ii) Gratuity liability is defined benefit obligation and is wholly funded. The Company accounts for liability for future gratuity benefits based on actuarial valuation. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. (iii) Compensated Absences - The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service.
2.9	Segment Reporting The Company is mainly engaged in financing activities which constitute a single business segment. There are no separate geographical segments.
2.10	Reserve Bank of India Prudential Norms The Company follows the guidelines issued by the Reserve Bank of India, in respect of income recognition, asset classification and valuation of investments. Provision for standard assets is made in terms of the notification DNBS.222/CGM(US)-2011 dated 17th January, 2011 issued by Reserve Bank of India.
2.11	Taxes on income
2.11.1	Current Tax : Provision for Current Tax is made based on the taxable income computed for the year under the Income Tax Act, 1961.
2.11.2	Deferred Tax : Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred Tax Assets are recognised and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.
2.12	Earnings Per Share Basic Earnings Per Share is computed by dividing the Profit / (Loss) After Tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.
2.13	Provision, Contingent Liabilities and Contingent Assets Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

3 Share Capital

Particulars	31 st March, 2013		31 st March, 2012	
	No. of shares	₹	No. of shares	₹
Authorised Equity shares of ₹ 10/- each	20,000,000	200,000,000	20,000,000	200,000,000
Issued Equity shares of ₹ 10/- each	16,000,000	160,000,000	16,000,000	160,000,000
Subscribed and fully paid up Equity shares of ₹ 10/- each	12,872,493	128,724,930	12,872,493	128,724,930
Add : Forfeited Shares (Amount Originally paid up)	-	13,238,120	-	13,238,120
Total		141,963,050		141,963,050

Notes forming part of the Financial Statements for the year ended 31st March, 2013

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

	31 st March, 2013		31 st March, 2012	
	No. of Shares	₹	No. of Shares	₹
Equity Shares of ₹10/- each				
At the beginning of the year	12,872,493	141,963,050	12,872,493	141,963,050
Add : Issued during the year	-	-	-	-
Outstanding at the end of the year	12,872,493	141,963,050	12,872,493	141,963,050

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

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

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

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

Name of Shareholder	31 st March 2013		31 st March 2012	
	No of Shares	% Shareholding	No of Shares	% Shareholding
Equity Shares of ₹10/- each				
Gati Limited	1,600,300	12.43	1,600,300	12.43
Jubilee Commercial & Trading Private Limited	1,593,347	12.38	1,593,347	12.38
Mahendra Investment Advisors Private Limited	1,440,000	11.19	1,440,000	11.19
Mahendra Kumar Agarwal	1,196,619	9.30	1,191,636	9.26
Neera Agarwal	950,265	7.38	950,265	7.38

4 Reserves and Surplus

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
(a) Securities Premium Account		
Opening Balance	163,086	163,086
(b) General Reserve		
Opening Balance	35,218,685	35,218,685
(c) Reserve Fund (As per Section 45 IC of Reserve Bank of India Act, 1934)		
Opening Balance	21,711,090	20,926,000
Add: Transferred from surplus in Statement of Profit and Loss	1,276,533	785,090
	22,987,623	21,711,090
(d) Surplus in Statement of Profit and Loss		
Opening Balance	71,916,312	68,775,950
Add: Profit After Tax for the year	6,382,667	3,925,452
Less : Amount transferred to Reserve Fund	1,276,533	785,090
	77,022,446	71,916,312
Total	135,391,840	129,009,173

Notes forming part of the Financial Statements for the year ended 31st March, 2013

5 Long-Term Borrowings - Secured

Particulars	Non-current		Current	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	₹	₹	₹	₹
Debentures				
28 No's (31 st March, 2012: 35 No's) 13% Non-Convertible Redeemable Debentures of ₹ 1,00,00,000/- each (Refer (ii) and (iv) below)	-	-	280,000,000	330,000,000
Term Loans				
From Others (Refer (iii) below)	3,000,000	-	249,500,000	230,000,000
Total	3,000,000	-	529,500,000	560,000,000

(i) Current maturities of Long-Term Borrowings have been disclosed under the head " Other Current Liabilities" (Refer Note No. 8)

(ii) Debentures

13% Redeemable Non-Convertible debentures are redeemable at par in two installments within 2 years from date of allotment viz., 28th November, 2010, i.e., ₹ 7,00,00,000/- on 29th November, 2011 and ₹ 28,00,00,000/- on 29th November, 2012. There has been an increase in interest rate to 14% from 28th November, 2011. These Debentures are secured by pledge of investments, personal guarantee of a director and pledge of third party investments and property.

(iii) Term Loans from Others

(a) Term loan from Others amounting to ₹ 23,00,00,000/- carries interest rate which is Corporate Prime Lending Rate (CPLR) minus 125 basis points, currently 16.25% p.a and is repayable at the end of 2 years from date of loan viz., 15th December, 2010. The loan is secured by pledge of investments, personal guarantee of a director and pledge of third party investments and property.

The facility has been renewed for a further period w.e.f. 27th December, 2012 and it shall now mature on 27th June, 2013. However, the same has been repaid on 30th April, 2013.

(b) Term loan from Others amounting to ₹ 2,25,00,000/- carries interest rate which is linked to Vijaya Bank base rate of 10.45%, currently 16% p.a and is repayable in 10 instalments after a moratorium of eight months from the date of loan agreement i.e, 8th October, 2012 and 29th December, 2012. The loan is secured by pledge of investments, personal guarantee of a director and pledge of third party investments .

(iv) The Company has defaulted in repayment of debentures in respect of the following :

Particulars	31 st March, 2013		31 st March 2012	
	Period of Default	₹	Period of Default	₹
Debentures				
Principal	122 days	280,000,000	124 days	50,000,000

6 Long Term Provisions

Particulars	31 st March, 2013		31 st March, 2012	
	₹		₹	
Provision for employee benefits:				
(i) Provision for compensated absences		269,497		251,067
Provision - Others:				
(i) Contingent Provision against Standard Assets		1,248,000		1,295,000
(ii) Non Performing Assets		12,531,537		12,531,537
Total		14,049,034		14,077,604

7 Trade Payables

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Trade Payables other than Acceptances (Refer Note No. 7.1 below)	826,436	740,436
Total	826,436	740,436

(Includes ₹1,83,387/- (Previous Year ₹ 2,39,934/-) payable towards Managerial Remuneration (Refer Note No. 25))

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

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

8 Other Current Liabilities

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Current Maturities of Long-Term Borrowings (Refer Note No. 5)	529,500,000	560,000,000
Interest Accrued but not Due	3,650,872	400,476
Other Payables		
(i) Statutory Payables	1,000,252	644,925
(ii) Security Deposits	1,237,749	1,327,749
Total	535,388,873	562,373,150

9 Short-Term Provisions

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Provision for Employee Benefits:		
Provision for Compensated Absences	7,693	37,600
Total	7,693	37,600

Notes Forming Part of the financial statements for the year ended 31st March, 2013
10 Fixed Assets

(Amt. in ₹)

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				LEASE ADJUSTMENT				NET BLOCK	
		AS AT 01.04.2012	ADDITIONS	DELETIONS	AS AT 31.03.2013	AS ON 01.04.2012	FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2013	AS ON 01.04.2012	ADJUSTMENT	UPTO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012	
A	TANGIBLE ASSETS														
I	OWNED ASSETS														
1	Land -Freehold	3,522,514	-	-	3,522,514	-	-	-	-	-	-	3,522,514	3,522,514		
2	Buildings	4,040,826	-	-	4,040,826	65,866	-	912,591	-	-	-	3,128,235	3,194,101		
3	Furniture and Fixtures	1,100,000	-	-	1,100,000	876,000	69,630	945,630	-	-	-	154,370	224,000		
4	Plant and Machinery	6,802	-	-	6,802	5,823	979	6,802	-	-	-	-	979		
5	Motor Trucks	6,828,039	-	900,000	5,928,039	6,828,039	900,000	5,928,039	-	-	-	-	-		
6	Computer	40,000	40,000	-	40,000	-	6,218	6,218	-	-	-	33,782	-		
	Total	15,498,181	40,000	900,000	14,638,181	8,556,587	142,693	7,799,280	900,000	-	-	6,838,901	6,941,594		
II	Leased Assets														
1	Plant and Machinery	40,318,442	-	-	40,318,442	11,005,989	-	11,005,989	18,248,160	-	18,248,160	11,064,293	11,064,293		
2	Motor Trucks	506,218	-	-	506,218	288,439	-	288,439	217,779	-	217,779	-	-		
3	Computers	5,710,000	-	-	5,710,000	2,614,871	-	2,614,871	1,012,227	-	1,012,227	2,082,902	2,082,902		
	Total	46,534,660	-	-	46,534,660	13,909,299	-	13,909,299	19,478,166	-	19,478,166	13,147,195	13,147,195		
	Total Tangible Assets	62,032,841	40,000	900,000	61,172,841	22,465,886	142,693	21,708,579	19,478,166	900,000	19,478,166	19,986,096	20,088,789		
	Previous Year	64,282,841	-	2,250,000	62,032,841	24,579,287	136,599	22,465,886	19,478,166	2,250,000	19,478,166	20,088,789	20,225,388		
B	INTANGIBLE ASSETS														
1	Computer Software	33,038	-	-	33,038	6,118	5,355	11,473	-	-	-	21,565	26,920		
	Total Intangible Assets	33,038	-	-	33,038	6,118	5,355	11,473	-	-	-	21,565	26,920		
	Previous Year	33,038	-	-	33,038	763	5,355	6,118	-	-	-	26,920	32,275		

Notes forming part of the Financial Statements for the year ended 31st March, 2013

11 Non Current Investments

NON TRADE INVESTMENTS (AT COST)			(Amt. in ₹)		
NO OF SHARES		FACE VALUE	NAME OF THE COMPANY	31 st March, 2013	31 st March, 2012
31.03.2012	31.03.2013				
A EQUITY SHARES (QUOTED)					
13,324,350	13,324,350	2	Gati Limited #	122,414,147	122,414,147
30,236	30,236	10	TCI Industries Limited	2,128,390	2,128,390
600	600	10	Bhivani Vanaspathi Limited *	-	6,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(6,000)
			Net	-	-
2,500	2,500	10	Electro Flame Limited *	-	35,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(35,000)
			Net	-	-
62	62	10	Garware Nylon Limited *	-	1,043
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(1,043)
			Net	-	-
200	200	10	Indo Maxwell Limited *	-	2,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(2,000)
			Net	-	-
8,400	8,400	10	Karnataka Investment & Traders Ltd *	-	42,053
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(42,053)
			Net	-	-
500	500	10	Kediya Vanaspathi Limited *	-	5,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(5,000)
			Net	-	-
1,100	1,100	10	The Pioneer Limited *	-	11,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(11,000)
			Net	-	-
500	500	10	Unilite Industries Ltd *	-	5,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(5,000)
			Net	-	-
4,860	4,860	10	Karnataka Bank Ltd	413,100	413,100
10,000	10,000	10	ATI Ltd	200,000	200,000
			Less: Provision for decline, other than temporary, in the value of long term investments	(86,206)	(86,206)
			Net	113,794	113,794
4,200	4,200	10	Lloyds Finance Ltd	2,310	2,310
1,300	1,300	10	Roadways India Ltd *	-	16,668

NO OF SHARES		FACE	NAME OF THE COMPANY	31 st March, 2013	31 st March, 2012
31.03.2011	31.03.2012	VALUE			
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(16,668)
			Net	-	-
1,000	1,000	2	Deccan Chronicle Holdings Ltd	173,956	173,956
1,000	1,000	10	Elbee Services Ltd *	-	5,780
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(5,780)
			Net	-	-
850	850	2	Satyam Computers Ltd	173,612	173,612
124	124	10	Reliance Industries Ltd	168,087	168,087
1,450	1,450	2	Unitech Ltd	482,411	482,411
200	200	10	Reliance Communication Limited	103,496	103,496
200	200	10	Electrotherm (I) Limited	111,273	111,273
200	200	10	Suryachakra Power Corporation Limited	9,222	9,222
1,500	1,500	10	Power Grid Corporation Limited	173,186	173,186
1,000	1,000	2	GMR Infrastructure Limited	88,455	88,455
24	24	10	Reliance Power Limited	6,750	6,750
			Total	126,562,189	126,562,189
B DEBENTURES (PARTLY PAID UP)					
10,900	10,900	10	Pittie Cements and Industries Limited *	-	354,250
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(354,250)
			Total	-	-
C EQUITY SHARES (UNQUOTED)					
1,000	1,000	100	Gati Intellect Systems Limited	100,000	100,000
9,500	9,500	10	Gati Shipping P Ltd	95,000	95,000
27,451	27,451	10	TCI Hi-Ways Pvt Ltd	274,510	274,510
42,000	42,000	100	Giri Roadlines And Commercial Trading Pvt Ltd	157,527	157,527
15,014,100	15,014,100	10	Amrit Jal Ventures Ltd	150,000,000	150,000,000
30,000	30,000	1	Bangalore Stock Exchange Limited	30,000	30,000
5,000	5,000	10	ITAG Infrastructure Limited	50,000	50,000
			Total	150,707,037	150,707,037
D SUBSIDIARY - EQUITY SHARES					
1,250,000	1,250,000	10	ITAG Business Solutions Limited	12,500,000	12,500,000
			Total	12,500,000	12,500,000
E. PREFERENCE SHARES					
350,000	350,000	10	Capital Fortunes Limited	3,500,000	3,500,000
			8% Non Cumulative 15 Year Redeemable		
			Total	3,500,000	3,500,000
			Grand Total	293,269,226	293,269,226
			Book Value Of Quoted Investments	126,562,189	126,562,189
			Market Value Of Quoted Investments *	385,625,819	446,855,432

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

Equity Shares pledged with lenders as security for Term Loans / Debentures (Refer Note No.5 (ii) and (iii))

12 Long term Loans and Advances

Particulars	31st March 2013	31st March 2012
	₹	₹
Inter Corporate Loans (Refer Note No.23.4)	3,000,000	-
Total	3,000,000	-
13 Other Non-Current Assets		
	31st March 2013	31st March 2012
	₹	₹
Interest accrued on deposits	8,430	3,784
Fixed Deposit with original maturity more than 12 months	50,000	50,000
Security Deposit - Unsecured, considered good	50,000	50,000
Total	108,430	103,784
14 Trade Receivables - Unsecured		
	31st March 2013	31st March 2012
	₹	₹
Receivables outstanding over six months		
Considered doubtful	441,566	441,566
Less: Provision for doubtful debts	(441,566)	(441,566)
Total	-	-
15 Cash and Bank Balances		
	31st March 2013	31st March 2012
	₹	₹
Cash and Cash Equivalents		
Cash on hand	4,153	14,412
Balances with Banks		
In Current Accounts	116,754	201,341
Total	120,907	215,753
16 Short-Term Loans and Advances - Unsecured, considered good		
	31st March 2013	31st March 2012
	₹	₹
Loans and advances to Subsidiary (Refer Note No.25)	2,341,500	2,041,500
Inter corporate Loans (Refer Note No.23.4)	469,800,000	493,900,000
Advance Tax (Net of Provision ₹ 9,35,000/- (As at 31 st Mar. 12 ₹ 12,10,000/-)	17,276,567	16,117,602
Other Advances recoverable in cash or kind	152,326	152,980
Total	489,570,393	512,212,082

Notes forming part of the Financial Statements for the year ended 31st March, 2013		
17 Other Current Assets		
	31st March, 2013	31st March, 2012
	₹	₹
Interest accrued on Short Term Loans and Advances	23,697,315	21,624,650
Contractually Reimbursable Expenses	294,000	-
Total	23,991,315	21,624,650
Note 18 Revenue from Operations		
Particulars	2012-13	2011-12
	₹	₹
Interest Income (Refer Note No. 18.1)	77,756,955	84,676,701
Other Operating Revenue (Refer Note No. 18.2)	16,750,495	14,056,597
Total	94,507,450	98,733,298
18.1 Interest Income		
Particulars	2012-13	2011-12
	₹	₹
Interest on Loans and Advances	77,756,955	84,676,701
Total	77,756,955	84,676,701
18.2 Other Operating Revenue		
Particulars	2012-13	2011-12
	₹	₹
Hire Rental	29,475	186,675
Upfront Fee	-	6,900,000
Debts Written off earlier, realised	1,720,564	-
Dividend income from long-term investments	15,000,456	6,969,922
Total	16,750,495	14,056,597
19 Other Income		
Particulars	2012-13	2011-12
	₹	₹
Rental Income	984,000	8,134,000
Other Non-Operating Income (Refer Note No. 19.1)	4,639,436	5,366,724
Total	5,623,436	13,500,724
19.1 Other Non-Operating Income		
Particulars	2012-13	2011-12
	₹	₹
Profit on sale of Motor Trucks	90,000	202,500
Consultancy Fee	-	2,850,000
Miscellaneous income	4,549,436	2,314,224
Total	4,639,436	5,366,724

Notes forming part of the Financial Statements for the year ended 31st March, 2013

20 Employee Benefits Expense		
Particulars	2012-13	2011-12
	₹	₹
Salaries and wages	6,167,198	5,974,867
Contributions to provident and other funds (Refer Note No. 20.1)	311,475	286,978
Staff welfare expenses	22,857	72,851
Total	6,501,530	6,334,696

20.1 Employee Benefit Plans

a. Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 2,16,975/- (As at 31st March, 2012 ₹ 1,99,978/-) for Provident Fund contributions and ₹ 94,500/- (As at 31st March, 2012 ₹ 87,000/-) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b. Defined benefit plans

Consequent to the application of Accounting Standard (AS) 15 "Employee Benefits" all employee benefits have been determined in accordance with the Standard. The gratuity liability as per Actuarial Valuation has been deposited with the group gratuity Fund before March 31, 2013.

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
	Gratuity (Funded)	Gratuity (Funded)
Present Value of Defined Benefit Obligation	1,172,658	1,081,132
Fair Value of Plan Assets	1,332,422	1,236,535
Funded Status [Surplus/(Deficit)]	159,764	155,403
Net Asset / (Liability) recognized in the Balance Sheet	-	-
Present Value of DBO at the beginning of the year	1,081,132	923,009
Current Service Cost	55,851	79,116
Interest Cost	89,193	78,456
Actuarial Losses / (Gains)	(53,518)	109,751
Benefits paid	-	(109,200)
Present Value of DBO at the end of the year	1,172,658	1,081,132
Plan Assets at the beginning of the year	1,236,535	1,256,781
Expected Return on Plan Assets	98,923	100,542
Actuarial Gain / (Loss)	(3,036)	(11,588)
Benefits Paid	-	-
Plan Assets at the end of the year	1,332,422	1,236,535
Current Service Cost	55,851	79,116
Interest Cost	89,193	78,456
Expected Return on Plan Assets	(98,923)	(100,542)
Actuarial Loss / (Gains)	(50,482)	121,339
Expense recognized in the Statement of Profit and Loss	(4,361)	-
Actual Benefit Payments	-	-
Experience History		
(1) Defined Benefit Obligation at end of the period	1,172,658	1,081,132
(2) Plan Assets at end of the period	1,332,422	1,236,535
(3) Surplus / (Deficit)	159,764	155,403
(4) Experience (Gain) / Loss adjustments on plan liabilities	(81,968)	137,427
(5) Experience Gain / (Loss) adjustments on plan assets	(3,036)	(11,588)
Division of Defined Benefit Obligation (Current/Non Current)		
(1) Current Defined Benefit Obligation at end of the period	32,040	55,965
(2) Non Current Defined Benefit Obligation at end of the period	1,140,618	1,025,167
(3) Total Defined Benefit Obligation at end of the period	1,172,658	1,081,132
Best Estimate of Contribution During Next year	-	(48,425)
Assumptions		
Discount Rate %	8.25%	8.50%
Expected Return on Plan Assets %	8.00%	8.00%
Salary Escalation %	6.00%	6.00%
Mortality	LIC -94-96 Ultimate	LIC -94-96 Ultimate
Attrition rate	2.00%	2.00%
The major categories of plan assets as a percentage of total plan - Funded with LIC	76.60%	75.63%

As a matter of prudence, the balance of fund of ₹ 1,59,764/- of planned assets over gratuity liability is not recognised.

Notes forming part of the Financial Statements for the year ended 31st March, 2013

21 Finance Costs

	2012-13	2011-12
Particulars	₹	₹
Interest expense on:		
(i) Debentures	44,317,124	50,764,247
(ii) Term Loans	38,777,946	48,181,312
Other borrowing costs	1,896,075	8,898,551
Total	84,991,145	107,844,110

22 Other Expenses

	2012-13	2011-12
Particulars	₹	₹
Rates and taxes	13,444	12,267
Travelling and conveyance	240,289	298,331
Printing and stationery	191,883	191,528
Legal and professional	962,803	1,244,598
Auditors' Remuneration (Refer Note No. 22.1)	215,544	209,570
Listing Fee	178,091	107,543
Demat charges	22,833	261,002
Investments Written off	483,794	-
Provision for diminution in value of Investments Written back	(483,794)	-
Miscellaneous	503,794	745,179
Total	2,328,681	3,070,018

22.1 Auditors' Remuneration

	2012-13	2011-12
Particulars	₹	₹
Fee towards		
Statutory Audit	100,000	100,000
Limited Review	90,000	90,000
Service Tax	25,544*	19,570
Total	215,544	209,570

* Inclusive of Service Tax ₹ 2,060/- relating to previous year

23 Additional information to the Financial Statements

- 23.1 In the earlier years, the Company had given an advance of ₹ 7,60,00,000/- towards purchase of land at Chennai and disclosed as advance pending registration. During the previous year, the Company's right in the land was relinquished and the resultant profit of ₹ 1,00,00,000/- has been disclosed as exceptional item in the Statement of Profit and Loss.

Notes forming part of the Financial Statements for the year ended 31st March, 2013

23.2	Contingent liabilities and commitments (to the extent not provided for)	31 st March, 2013	31 st March, 2012
		₹	₹
	Contingent liabilities		
	(a) Disputed Sales Tax demand	63,661	63,661
	(b) Guarantees	300,000,000	300,000,000
	The Company has provided Guarantee for redemption / buyback of the Optionally convertible Debentures subscribed by IFCI Venture Capital Funds Limited in Amrit Jal Ventures Limited		
	(c) Uncalled liability on partly paid debentures	-	1,062,750

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

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

Name of the party	Relationship	Amount outstanding as at 31 st March, 2013	Maximum balance outstanding during the year
		₹	₹
ITAG Business Solutions Limited	Subsidiary	2,341,500 (2,041,500)	2,041,500 (9,091,500)
Note: Figures in bracket relate to the previous year.			

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

24 Other Disclosures under Accounting Standards

	2012-13	2011-12
	₹	₹
24.1 Earnings per share		
Net profit for the year attributable to the equity shareholders(₹)	6,382,667	3,925,452
Weighted average number of equity shares	12,872,493	12,872,493
Face value per share(₹)	10	10
Earnings per share - Basic and Diluted (₹)	0.50	0.30
24.2 Deferred Tax (Liability) / Asset		
Tax effect of items constituting deferred tax liability :		
On difference between book balance and tax balance of fixed assets	3,835,327	3,749,034
Tax effect of items constituting deferred tax liability	3,835,327	3,749,034
Tax effect of items constituting deferred tax assets :		
Provision for Standard assets	385,632	400,154
Provision for Non performing assets	4,008,689	4,008,689
Tax effect of items constituting deferred tax assets	4,394,321	4,408,843
Net Deferred Tax - Asset	558,994	659,809

Notes forming part of the Financial Statements for the year ended 31st March, 2013

25	Disclosures under Accounting Standards (contd.)			
25.1	Related party transactions			
	Details of related parties:			
	Description of relationship	Names of related parties		
	Subsidiary	ITAG Business Solutions Limited		
	Key Management Personnel (KMP)			
	Executive Director (upto 15 th May, 2012)	Mr. J P Khemka		
	Manager	Mr. Ramesh Sivaraman		
25.2	Note: Related parties have been identified by the Management.			
	Details of related party transactions during the year ended 31st March, 2013 and balances outstanding as at 31st March, 2013:			
		<i>(Amt in ₹)</i>		
	Particulars	Subsidiaries	KMP	Total
	Transactions during the year			
	Advance Given	1,000,000	-	1,000,000
		-	-	-
	Advance Recovered	700,000	-	700,000
		(7,050,000)	-	(7,050,000)
	Managerial Remuneration			
	Executive Director	-	310,131	310,131
		-	(1,161,290)	(1,161,290)
	Manager	-	2,332,453	2,332,453
		-	(1,855,876)	(1,855,876)
	Balances at the year end			
	Advance Given	2,341,500	-	2,341,500
		(2,041,500)	-	(2,041,500)
	Managerial Remuneration Payable	-	183,387	183,387
		-	(239,934)	(239,934)
	Note: Figures in bracket relates to the previous year			
26	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.			

Notes forming part of the Financial Statements for the year ended 31st March, 2013

27	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) :		
		<i>(Amt in ₹)</i>	
	Particulars	Amount outstanding	Amount Overdue
27.1	Liabilities Side:		
	Loans and advances availed by the Non- Banking Financial Company inclusive of interest accrued thereon but not paid:		
	a. Debentures	283,650,872	280,000,000
	b. Term Loans	252,500,000	-
	c. Public Deposits	-	-
	Total	536,150,872	280,000,000
27.2	Assets Side:		
	Break-up of Loans and Advances including bills receivables (Other than those included in (4) below:		Amount outstanding
	a. Secured		
	b. Unsecured		498,847,245
27.3	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:		
	(i) Lease assets including lease rentals under sundry debtors:		
	a. Financial Lease		13,588,761
	b. Operating Lease		-
	(ii) Stock on hire including hire charges under Sundry Debtors:		
	a. Assets on hire		-
	b. Repossessed Assets		-
	(iii) Other Loans Counting towards AFC Activities		
	a. Loans where assets have been repossessed		-
	b. Loans other than (a) above		-
27.4	Break up of Investments:		
	Current Investments		-
	Long Term Investments:		
	1. Quoted:		
	(i) Equity Shares		126,562,189
	(ii) Debentures and Bonds		-
	2. Un Quoted:		
	(i) Equity Shares		163,207,037
	(ii) Preference		3,500,000
27.5	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	-	2,341,500
	(b) Companies in the same Group	-	-
	2. Other than Related parties	-	510,094,506
	Total	-	512,436,006

Notes forming part of the Financial Statements for the year ended 31st March, 2013

27.6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value/Breakup or Fair value or NAV	Book Value (Net of Provisions)
	1. Related parties		
	(a) Subsidiaries	12,500,000	12,500,000
	(b) Companies in the same Group	-	-
	(c) Other Related parties	-	-
	2. Other than related parties	539,832,856	280,769,226
	Total	552,332,856	293,269,226
27.7	Other Information		
	Particulars		Amount
	(i) Gross Non-Performing assets		
	(a) Related parties		-
	(b) Other than related parties		13,588,761
	(ii) Net Non-Performing assets		
	(a) Related parties		-
	(b) Other than related parties (No provision required as security deposit is lying with the company)		615,658
	(ii) Assets acquired in satisfaction of debt		-
	Signatures to Notes "1 to 27"		
	 For and on behalf of the Board 		
	O.Swaminatha Reddy Chairman		V.T.Pawar Director
	 Deepthi.T Company Secretary		

INDEPENDENT AUDITORS' REPORT

TO
The Members of
TCI FINANCE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TCI FINANCE LIMITED (the "Company"), its subsidiary (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

M. V. Ramana Murthy
Partner
Membership No.206439

Secunderabad, May 07, 2013

TCI FINANCE LIMITED

Consolidated Balance Sheet as at 31st March, 2013

Particulars	Note No.	As at 31 st March, 2013	As at 31 st March, 2012
EQUITY AND LIABILITIES		₹	₹
Shareholders' Funds			
(a) Share Capital	3	141,963,050	141,963,050
(b) Reserves and Surplus	4	127,498,104	121,013,042
		269,461,154	262,976,092
Non-current liabilities			
(a) Long-Term Borrowings	5	3,000,000	-
(b) Long-Term Provisions	6	14,154,923	14,318,712
		17,154,923	14,318,712
Current Liabilities			
(a) Trade Payables	7	2,789,331	2,032,950
(b) Other Current Liabilities	8	536,405,991	563,589,645
(c) Short Term Provisions	9	9,489	49,933
		539,204,811	565,672,528
TOTAL		825,820,888	842,967,332
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10A	21,371,832	21,724,803
(ii) Intangible Assets	10B	21,565	26,920
(b) Non-Current Investments	11	280,769,226	280,769,226
(c) Deferred Tax Assets (Net)	24.4	412,166	463,565
(d) Long-Term Loans and Advances	12	3,000,000	-
(e) Other Non-Current Assets	13	108,430	103,784
		305,683,219	303,088,298
Current assets			
(a) Trade Receivables	14	6,652,209	3,490,370
(b) Cash and Bank Balances	15	228,314	2,147,219
(c) Short-Term Loans and Advances	16	489,262,571	512,571,363
(d) Other Current Assets	17	23,994,575	21,670,082
		520,137,669	539,879,034
TOTAL		825,820,888	842,967,332
Corporate Information and Significant Accounting Policies	1 & 2		

Accompanying notes form an integral part of the Financial Statements
As per our report of even date attached.

For M.Bhaskara Rao & Co.
Chartered Accountants

M.V.Ramana Murthy
Partner
Secunderabad, 7th May, 2013

For and on behalf of the Board

O.Swaminatha Reddy
Chairman
Deepthi.T
Company Secretary

V.T.Pawar
Director

TCI FINANCE LIMITED**Consolidated Statement of Profit and Loss for the year ended 31st March, 2013**

Particulars	Note No.	2012-13	2011-12
		₹	₹
Continuing Operations :			
Income			
Revenue from Operations	18	105,207,361	109,519,371
Other Income	19	5,914,549	13,544,318
Total Revenue		111,121,910	123,063,689
Expenses			
(a) Employee Benefits Expense	20	9,023,380	9,605,381
(b) Finance Costs	21	84,991,145	107,844,110
(c) Depreciation and Amortisation	10	494,092	467,277
(d) Other Expenses	22	11,148,760	15,055,755
(e) Provision for Standard Assets		(47,000)	(180,000)
Total Expenses		105,610,377	132,792,523
Profit / (Loss) Before Exceptional Item and Tax		5,511,533	(9,728,834)
Exceptional Items	23.1	-	10,000,000
Profit Before Tax		5,511,533	271,166
Tax Expense:			
(a) Current Tax		-	935,000
(b) Adjustments relating to earlier years		(425,219)	-
(c) Deferred Tax		51,399	153,388
		(373,820)	1,088,388
Profit / (Loss) After Tax from Continuing Operations		5,885,353	(817,222)
Discontinuing Operations			
Profit from Discontinuing Operations Before Tax	24.5	599,709	1,120,502
Add / (Less): Tax Expense of Discontinuing Operations			
Deferred Tax on Ordinary Activities attributable to Discontinuing Operations		-	(23,148)
Profit After Tax from Discontinuing Operations		599,709	1,143,650
Total Operations			
Profit After Tax		6,485,062	326,428
Earnings per Equity Share of ₹10/- each			
Basic and Diluted			
(i) Continuing Operations	24.3	0.46	(0.06)
(ii) Total Operations	24.3	0.50	0.03
Corporate Information and Significant Accounting Policies	1 & 2		

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For M.Bhaskara Rao & Co.

Chartered Accountants

M.V.Ramana Murthy

Partner

Secunderabad, 7th May, 2013

For and on behalf of the Board

O.Swaminatha Reddy

Chairman

Deepthi.T

Company Secretary

V.T.Pawar

Director

Consolidated Cash Flow Statement for the year ended 31st March, 2013

	2012-13	2011-12
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	6,111,242	1,391,668
Adjustments for:		
Depreciation and Amortisation	494,092	492,286
Profit on sale of Motor Trucks	(90,000)	(202,500)
Profit on Relinquishment of Land Ownership	-	(10,000,000)
Dividend (Long term Investments)	(15,000,456)	(6,969,922)
Liabilities / Provisions no longer required Written Back	(638,403)	(43,505)
Interest Income	(30,917)	(97,818)
Sundry Debtors Written Off	-	387,930
	(9,154,442)	(15,041,861)
Changes in Working Capital:		
Adjustments for (increase) / Decrease in Operating Assets:		
Trade Receivables	(3,161,839)	14,095,395
Short-Term Loans and Advances	(94,147)	324,396
Other Current Assets	(2,324,493)	(10,744,719)
Other Non-Current Assets	(4,646)	(43,444)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	1,394,784	(6,724,576)
Other Current Liabilities	3,316,346	(3,794,537)
Short-Term Provisions	(40,444)	40,325
Long-Term Provisions	(163,789)	(198,872)
Cash used in Operations	(10,232,671)	(22,087,893)
Net Income Tax Paid	228,159	(10,291,137)
Net Cash From Operations	(10,004,512)	(32,379,030)
Loans (Disbursed) / Repaid (Net)	21,100,000	76,600,000
Net Cash from/ (used in) Operating Activities (A)	11,095,488	44,220,970
B. Cash Flow From Investing Activities		
Proceeds from Relinquishment of Land Ownership	-	86,000,000
Proceeds from Sale of Fixed Assets	90,000	536,346
Purchase of Assets	(135,766)	(180,208)
Interest Received- Others	30,917	97,818
Dividend received (Long term Investments)	15,000,456	6,969,922
Net cash from / (used in) investing activities (B)	14,985,607	93,423,878
C. Cash Flow From Financing Activities		
Proceeds from Long Term Borrowings	22,500,000	-
Repayment of Long Term Borrowings	(50,000,000)	(145,000,000)
Loans Given	(500,000)	
Net cash (used in) / from Financing Activities (C)	(28,000,000)	(145,000,000)
Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)	(1,918,905)	(7,355,152)
Cash and Cash Equivalents at the Beginning of the Year	2,147,219	9,502,371
Cash and Cash Equivalents at the End of the Year	228,314	2,147,219

The Cash Flow Statement is prepared in accordance with the indirect method stated In Accounting Standard 3 on Cash Flow Statement and presents the cash flows by operating, investing and financing activities.

Accompanying notes form an integral part of the Financial Statements
As per our report of even date attached.

For M.Bhaskara Rao & Co.
Chartered Accountants

M.V.Ramana Murthy
Partner

Secunderabad, 7th May, 2013

For and on behalf of the Board

O.Swaminatha Reddy
Chairman

Deepthi.T
Company Secretary

V.T.Pawar
Director

TCI FINANCE LIMITED**Notes forming part of the Consolidated Financial Statements for year ended 31st March, 2013**

Note	Particulars
1.	<p>Corporate information</p> <p>Principles of Consolidation</p> <p>The Consolidated Financial Statements of TCI Finance Limited ("the Company") and its Subsidiary Company ("the Group") have been prepared in accordance with the consolidation procedures laid down in Accounting Standard 21 - "Consolidated Financial Statements" notified by the Companies (Accounting Standard) Rules, 2006.</p> <p>The consolidated Financial Statements have been prepared on the following basis:</p> <p>The financial statement of the Company and its Subsidiary Company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions.</p> <p>TCI Finance Limited subsidiary details are as follows:</p> <p>Name of the Entity : ITAG Business Solutions Limited</p> <p>Country of Incorporation : India</p> <p>Percentage of holding : 100% (Previous year:100%)</p>
2	<p>Significant Accounting Policies</p>
2.1	<p>Basis of Accounting and Preparation of Financial Statements</p> <p>The Financial Statements are prepared under historical cost convention on the basis of going concern and as per Accounting Standards notified under Section 211(3C) of the Companies Act, 1956. The Company follows the Accrual System of Accounting and Prudential Norms prescribed by Reserve Bank of India consistently from year to year.</p>
2.2	<p>Use of Estimates</p> <p>The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.</p>
2.3	<p>Cash Flow Statement</p> <p>The Cash flow statement is prepared under "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statements notified in section 211(3C) of the Companies Act ,1956, whereby Profit / (Loss) Before Extraordinary Items and Tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
2.4	<p>Revenue Recognition</p>
2.4.1	<p>Lease Income</p> <p>(i) The income from lease transactions is recognized on accrual basis after netting off the lease equalization charges as recommended by the Institute of Chartered Accountants of India in its Guidance Note - "Accounting for Leases".</p> <p>(ii) The Lease Equalization charge (debit or credit as the case may be in any particular year) represent the difference between the Depreciation as per Schedule XIV and that which is chargeable so as to write off the asset over the primary lease period.</p>
2.4.2	<p>Interest Income</p> <p>Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.</p>
2.4.3	<p>Consultancy income</p> <p>Consultancy Revenue is recognized on accrual basis.</p>
2.4.4	<p>Sponsorship and Delegate Fee Income</p> <p>Revenue from sponsorship and delegate fees is recognised on accrual basis.</p>

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2013

2.4.5	<p>Other Income Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established. Income from Services is recognised on accrual basis.</p>
2.5	<p>Fixed Asset: Tangible fixed assets Assets are stated at cost less accumulated depreciation after adjustment of the Lease Terminal Adjustment Account. Intangible assets Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.</p>
2.6	<p>Depreciation and Amortisation Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on addition/deductions is calculated on prorata from the date of addition/ deduction.</p>
2.7	<p>Investments Long-term investments are carried individually at cost less provision for diminution in value, other than temporary in the value of such investments.</p>
2.8	<p>Employee Benefits (i) Provident fund is a defined contribution plan and the contributions as required by the statute to Employees Provident Fund Organisation are charged to Statement of Profit and Loss when due. (ii) Gratuity liability is defined benefit obligation and is wholly funded. The Company accounts for liability for future gratuity benefits based on actuarial valuation. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. (iii) Compensated Absences - The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service.</p>
2.9	<p>Reserve Bank of India Prudential Norms The Company follows the guidelines issued by the Reserve Bank of India, in respect of income recognition, asset classification and valuation of investments. Provision for standard assets is made in terms of the notification DNBS.222/CGM(US)-2011 dated 17th January, 2011 issued by Reserve Bank of India.</p>
2.10	<p>Foreign currency transactions Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date, are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement / translation of monetary assets and liabilities are recognized in the Statement of Profit and Loss.</p>
2.11	<p>Taxes on Income</p>
2.11.1	<p>Current Tax : Provision for Current Tax is made based on the taxable income computed for the year under the Income Tax Act, 1961.</p>
2.11.2	<p>Deferred Tax : Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred Tax Assets are recognised and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.</p>
2.12	<p>Earnings per share Basic Earnings Per Share is computed by dividing the Profit / (Loss) After Tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.</p>
2.13	<p>Provision, Contingent Liabilities and Contingent Assets Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.</p>

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2013

3 Share Capital

Particulars	31 st March, 2013		31 st March, 2012	
	No. of shares	₹	No. of shares	₹
Authorised				
Equity Shares of ₹ 10/- each	20,000,000	200,000,000	20,000,000	200,000,000
Issued				
Equity Shares of ₹ 10/- each	16,000,000	160,000,000	16,000,000	160,000,000
Subscribed and Fully Paid Up				
Equity Shares of ₹ 10/- each	12,872,493	128,724,930	12,872,493	128,724,930
Add : Forfeited Shares				
(Amount Originally paid up)	-	13,238,120	-	13,238,120
Total	12,872,493	141,963,050	12,872,493	141,963,050

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

	31 st March, 2013		31 st March, 2012	
	No. of shares	₹	No. of shares	₹
Equity Shares of ₹ 10/- each				
At the beginning of the year	12,872,493	141,963,050	12,872,493	141,963,050
Add : Issued during the year	-	-	-	-
At the end of the year	12,872,493	141,963,050	12,872,493	141,963,050

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

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

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

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

Name of Shareholder	31 st March 2013		31 st March 2012	
	No of Shares	% Shareholding	No of Shares	% Shareholding
Equity Shares of ₹10/- each				
Gati Limited	1,600,300	12.43	1,600,300	12.43
Jubilee Commercial & Trading Private Limited	1,593,347	12.38	1,593,347	12.38
Mahendra Investment Advisors Private Limited	1,440,000	11.19	1,440,000	11.19
Mahendra Kumar Agarwal	1,196,619	9.30	1,191,636	9.26
Neera Agarwal	950,265	7.38	950,265	7.38

4 Reserves and Surplus

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
(a) Securities Premium Account		
Opening Balance	163,088	163,088
(b) General Reserve		
Opening Balance	31,128,049	31,128,049
(c) Reserve Fund (As per Section 45 IC of Reserve Bank of India Act, 1934)		
Opening Balance	21,711,090	20,926,000
Add : Transferred from surplus in Statement of Profit and Loss	1,276,533	785,090
	22,987,623	21,711,090
(d) Surplus in Statement of Profit and Loss		
Opening Balance	68,010,815	68,469,477
Add: Profit After Tax for the year	6,485,062	326,428
Less : Amount transferred to Reserve Fund	1,276,533	785,090
	73,219,344	68,010,815
Total	127,498,104	121,013,042

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2013

5 Long-Term Borrowings - Secured

Particulars	Non-current		Current	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Debentures 28 No's (31 st March, 2012: 35 No's) 13% Non-Convertible Redeemable Debentures of ₹ 1,00,00,000 each (Refer (ii) and (iv) below) -	₹	₹	₹	₹
		-	280,000,000	330,000,000
Term Loans From Others (Refer (iii) below)	3,000,000	-	249,500,000	230,000,000
Total	3,000,000	-	529,500,000	560,000,000

(i) **Current maturities of Long-Term Borrowings have been disclosed under the head " Other Current Liabilities" (Refer Note No. 8)**

(ii) **Debentures**

13% Redeemable Non-Convertible debentures are redeemable at par in two installments within 2 years from date of allotment viz., 28th November, 2010, i.e., ₹ 7,00,00,000/- on 29th November, 2011 and ₹ 28,00,00,000/- on 29th November, 2012. There has been an increase in interest rate to 14% from 28th November, 2011. These Debentures are secured by pledge of investments, personal guarantee of a director and pledge of third party investments and property.

(iii) **Term Loans from Others**

(a) Term loan from Others amounting to ₹ 23,00,00,000/- carries interest rate which is Corporate Prime Lending Rate (CPLR) minus 125 basis points, currently 16.25% p.a and is repayable at the end of 2 years from date of loan viz., 15th December, 2010. The loan is secured by pledge of investments, personal guarantee of a director and pledge of third party investments and property.

The facility has been renewed for a further period w.e.f. 27th December, 2012 and it shall now mature on 27th June, 2013. However, the same has been repaid on 30th April, 2013.

(b) Term loan from Others amounting to ₹ 2,25,00,000/- carries interest rate which is linked to Vijaya Bank base rate of 10.45%, currently 16% p.a and is repayable in 10 instalments after a moratorium of eight months from the date of loan agreements i.e, 8th October, 2012 and 29th December, 2012. The loan is secured by pledge of investments, personal guarantee of a director and pledge of third party investments.

(iv) The Company has defaulted in repayment of debentures in respect of the following :

Particulars	31 st March 2013		31 st March 2012	
	Period of Default	₹	Period of Default	₹
Debentures				
Principal	122 days	280,000,000	124 days	50,000,000

6 Long-Term Provisions

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Provision for Employee Benefits:		
(i) Provision for Compensated Absences	269,497	251,067
(ii) Provision for Gratuity	105,889	241,108
Provision - Others:		
(i) Contingent Provision against Standard Assets	1,248,000	1,295,000
(ii) Non Performing Assets	12,531,537	12,531,537
Total	14,154,923	14,318,712

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2013

7 Trade Payables

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Trade Payables other than Acceptances (Refer Note No. 7.1 below)	2,789,331	2,032,950
Total	2,789,331	2,032,950

(Includes ₹ 6,74,295/- (Previous Year ₹ 1,98,597/-) payable to Related Party. (Refer Note No.24.2))

(Includes ₹ 1,83,387/- (Previous Year ₹ 2,39,934/-) payable towards Managerial Remuneration (Refer Note No. 24.2))

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

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

8 Other Current Liabilities

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Current maturities of long-term Borrowings (Refer Note No. 5)	529,500,000	560,000,000
Interest accrued but not due	3,650,872	400,476
Other payables		
(i) Statutory Payables	1,236,652	1,436,420
(ii) Security Deposits	1,237,749	1,327,749
(iii) Other Liabilities	780,718	425,000
Total	536,405,991	563,589,645

9 Short-Term Provisions

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Provision for Employee Benefits:		
(i) Provision for Compensated Absences	7,693	37,600
(ii) Provision for Gratuity	1,796	12,333
Total	9,489	49,933

TCI Finance Limited														
Notes forming part of the Consolidated Financial Statements for the year ended 31 st March, 2013														
Note 10 Fixed assets														
(Amt. in ₹)														
S.No	PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			LEASE ADJUSTMENT			NET BLOCK			
		AS AT 01.04.2012	ADDITIONS	DELETIONS	AS AT 31.03.2013	AS ON 01.04.2012	FOR THE YEAR	ADJUST MENT	UPTO 31.03.2013	AS ON 01.04.2012	ADJUST MENT	UPTO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
A	TANGIBLE ASSETS													
I	Owned Assets													
	Land -Freehold	3,522,514	-	-	3,522,514	-	-	-	-	-	-	-	3,522,514	3,522,514
	Buildings	4,040,826	-	-	4,040,826	65,866	-	-	912,591	-	-	-	3,128,235	3,194,101
	Furniture and Fixtures	2,192,436	20,966	-	2,213,402	134,725	-	-	1,382,508	-	-	-	830,894	944,653
	Plant and Machinery	6,802	-	-	6,802	979	-	-	6,802	-	-	-	-	979
	Motor Trucks	6,828,039	-	900,000	5,928,039	6,828,039	900,000	-	5,928,039	-	-	-	-	-
	Office Equipment&Compl	2,061,124	114,800	-	2,175,924	1,145,763	-	-	1,432,930	-	-	-	742,994	915,361
	Total	18,651,741	135,766	900,000	17,887,507	10,074,133	900,000	9,662,870	10,074,133	488,737	9,662,870	-	8,224,637	8,577,608
	Leased Assets													
	Plant and Machinery	40,318,442	-	-	40,318,442	11,005,989	-	-	11,005,989	-	-	-	18,248,160	11,064,293
	Motor Trucks	506,218	-	-	506,218	288,439	-	-	288,439	-	-	-	217,779	-
	Computers	5,710,000	-	-	5,710,000	2,614,871	-	-	2,614,871	-	-	-	1,012,227	2,082,902
	Total	46,534,660	-	-	46,534,660	13,909,299	-	-	13,909,299	488,737	13,909,299	19,478,166	13,147,195	13,147,195
	Total Tangible Assets	65,186,401	135,766	900,000	64,422,167	23,983,432	900,000	23,572,169	23,572,169	488,737	23,572,169	19,478,166	21,371,832	21,724,803
	Previous Year	67,634,955	180,208	2,628,762	65,186,401	25,791,417	2,294,916	23,983,432	23,983,432	486,931	23,983,432	19,478,166	21,724,803	22,365,372
B	INTANGIBLE ASSETS													
	Computer Software	33,038	-	-	33,038	6,118	-	-	11,473	5,355	-	-	21,565	26,920
	Total Intangible Assets	33,038	-	-	33,038	6,118	-	-	11,473	5,355	-	-	21,565	26,920
	Previous Year	-	-	-	33,038	763	-	-	6,118	5,355	-	-	26,920	32,275

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2013

11 Non Current Investments

NON TRADE INVESTMENTS (AT COST)

NO. OF SHARES		FACE VALUE	NAME OF THE COMPANY	31 st March, 2013	31 st March, 2012
31.03.2012	31.03.2013			₹	₹
A EQUITY SHARES (QUOTED)					
13,324,350	13,324,350	2	Gati Limited #	122,414,147	122,414,147
30,236	30,236	10	TCI Industries Limited	2,128,390	2,128,390
600	600	10	Bhiwani Vanaspathi Limited *	-	6,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(6,000)
			Net	-	-
2,500	2,500	10	Electro Flame Limited *	-	35,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(35,000)
			Net	-	-
62	62	10	Garware Nylon Limited *	-	1,043
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(1,043)
			Net	-	-
200	200	10	Indo Maxwell Limited *	-	2,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(2,000)
			Net	-	-
8,400	8,400	10	Karnatak Investment and Traders Ltd *	-	42,053
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(42,053)
			Net	-	-
500	500	10	Kediya Vanaspathi Limited *	-	5,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(5,000)
			Net	-	-
1,100	1,100	10	The Pioneer Limited *	-	11,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(11,000)
			Net	-	-
500	500	10	Unilite Industries Ltd *	-	5,000
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(5,000)
			Net	-	-
4,860	4,860	10	Karnataka Bank Ltd	413,100	413,100
10,000	10,000	10	ATI Ltd	200,000	200,000
			Less: Provision for decline, other than temporary, in the value of long term investments	(86,206)	(86,206)
			Net	113,794	113,794
4,200	4,200	10	Lloyds Finance Ltd	2,310	2,310

NO. OF SHARES		FACE VALUE	NAME OF THE COMPANY	31 st March, 2013	31 st March, 2012
31.03.2012	31.03.2013			₹	₹
1,300	1,300	10	Roadways India Ltd *	-	16,668
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(16,668)
			Net	-	-
1,000	1,000	2	Deccan Chronicle Holdings Ltd	173,956	173,956
1,000	1,000	10	Elbee Services Ltd *	-	5,780
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(5,780)
			Net	-	-
850	850	2	Satyam Computers Ltd	173,612	173,612
124	124	10	Reliance Industries Ltd	168,087	168,087
1,450	1,450	2	Unitech Ltd	482,411	482,411
200	200	10	Reliance Communication Limited	103,496	103,496
200	200	10	Electrotherm (I) Limited	111,273	111,273
200	200	10	Suryachakra Power Corporation Limited	9,222	9,222
1,500	1,500	10	Power Grid Corporation Limited	173,186	173,186
1,000	1,000	2	GMR Infrastructure Limited	88,455	88,455
24	24	10	Reliance Power Limited	6,750	6,750
			Total	126,562,189	126,562,189
B DEBENTURES (PARTLY PAID UP)					
10,900	10,900	10	Pittie Cements and Industries Limited *	-	354,250
			Less: Provision for decline, other than temporary, in the value of long term investments	-	(354,250)
			Total	-	-
C EQUITY SHARES (UNQUOTED)					
1,000	1,000	100	Gati Intellect Systems Limited	100,000	100,000
9,500	9,500	10	Gati Shipping P Ltd	95,000	95,000
27,451	27,451	10	TCI Hi-Ways Pvt Ltd	274,510	274,510
42,000	42,000	100	Giri Roadlines And Commercial Trading Pvt Ltd	157,527	157,527
15,014,100	15,014,100	10	Amrit Jal Ventures Ltd	150,000,000	150,000,000
30,000	30,000	1	Bangalore Stock Exchange Limited	30,000	30,000
5,000	5,000	10	ITAG Infrastructure Limited	50,000	50,000
			Total	150,707,037	150,707,037
D. PREFERENCE SHARES					
350,000	350,000	10	Capital Fortunes Limited	3,500,000	3,500,000
			8% Non Cumulative 15 Year Redeemable		
			Total	3,500,000	3,500,000
			Grand Total	280,769,226	280,769,226
			Book Value Of Quoted Investments	126,562,189	126,562,189
			Market Value Of Quoted Investments *	385,625,819	446,855,432

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

Equity Shares pledged with lenders as security for Term Loans / Debentures (Refer Note No.5 (ii) and (iii))

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2013

12 Long Term Loans and Advances - Unsecured, considered good

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Inter Corporate Loans (Refer Note No.23.4)	3,000,000	-
Total	3,000,000	-

13 Other Non-Current Assets

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Interest Accrued on deposits	8,430	3,784
Fixed Deposit with original maturity more than 12 months	50,000	50,000
Security Deposit - Unsecured, considered good	50,000	50,000
Total	108,430	103,784

14 Trade Receivables - Unsecured

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Receivables outstanding over six months		
Considered good	2,700,016	1,924,516
Considered doubtful	441,566	441,566
	3,141,582	2,366,082
Less: Provision for doubtful debts	(441,566)	(441,566)
	2,700,016	1,924,516
Others		
Considered good	3,952,193	1,565,854
Total	6,652,209	3,490,370

15 Cash and Bank Balances

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Cash & Cash Equivalents		
Cash on hand	7,612	20,575
Balances with banks		
In current accounts	220,702	2,126,644
Total	228,314	2,147,219

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

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Inter Corporate Loans	470,300,000	493,900,000
Advance Tax (Net of Provision ₹ 9,35,000/- (As at 31 st March, 2012 ₹ 3,142,000/-))	18,677,465	18,480,404
Advances recoverable in cash or kind	285,106	190,959
Total	489,262,571	512,571,363

17 Other Current Assets

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Interest accrued	23,700,575	21,670,082
Others		
(i) Contractually Reimbursable Expenses	294,000	-
(ii) Other Advances recoverable in cash or kind-unsecured (Refer Note No. 23.3)	3,302,693	3,302,693
Less: Provision for doubtful loans and advances	(3,302,693)	(3,302,693)
	-	-
Total	23,994,575	21,670,082

18 Revenue from Operations

Particulars	2012-13	2011-12
	₹	₹
Interest Income (Refer Note No.18.1)	77,756,955	84,676,701
Consultancy Fees	4,711,876	5,878,541
Other Operating Revenue (Refer Note No.18.2)	22,738,530	18,964,129
Total	105,207,361	109,519,371

18.1 Interest Income

Particulars	2012-13	2011-12
	₹	₹
Interest on Loans and Advances	77,756,955	84,676,701
Total	77,756,955	84,676,701

18.2 Other Operating Revenue

Particulars	2012-13	2011-12
	₹	₹
Hire Rental	29,475	186,675
Upfront Fee	-	6,900,000
Debts Written off earlier, realised	1,720,564	-
Dividend income from long-term investments	15,000,456	6,969,922
Sponsorship and Delegate Fees	5,988,035	4,907,532
Total	22,738,530	18,964,129

19 Other Income

Particulars	2012-13	2011-12
	₹	₹
Rental Income	984,000	8,134,000
Other Non-Operating Income (Refer Note No.19.1)	4,829,818	5,410,318
Gain on Foreign Currency Transaction	100,731	-
Total	5,914,549	13,544,318

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2013

19.1 Other Non-Operating Income

Particulars	2012-13	2011-12
	₹	₹
Profit on sale of Motor Trucks	90,000	202,500
Consultancy Fee	-	2,850,000
Miscellaneous income	4,739,818	2,357,818
Total	4,829,818	5,410,318

20 Employee Benefits Expense

Particulars	2012-13	2011-12
	₹	₹
Salaries and wages	8,641,771	9,217,835
Contributions to provident and other funds	311,475	286,978
Staff welfare expenses	70,134	100,568
Total	9,023,380	9,605,381

21 Finance Costs

Particulars	2012-13	2011-12
	₹	₹
Interest expense on:		
(i) Debentures	44,317,124	50,764,247
(ii) Term Loans	38,777,946	48,181,312
Other borrowing cost	1,896,075	8,898,551
Total	84,991,145	107,844,110

22 Other Expenses

Particulars	2012-13	2011-12
	₹	₹
Rent	720,000	870,000
Rates and taxes	708,345	1,081,499
Office maintenance	282,287	361,939
Legal and Professional	2,375,851	2,808,944
Travelling and Conveyance	807,174	811,278
Telephone and Communication Expenses	240,235	258,262
Electricity	127,860	144,036
Printing and Stationery	276,377	255,286
Postage and Telegrams	14,262	60,047
Software Expenses	28,669	72,398
Conferences and Seminars	4,214,193	3,139,823
Subscription and Membership	28,400	12,180
Listing Fee	178,091	107,543
Demat charges	22,833	261,002
Auditors' Remuneration (Refer Note No.22.1)	240,544	259,570
Bad debts Written off	-	387,930
Provision for Bad and Doubtful Advances	-	3,302,693
Investments Written off	483,794	-
Provision for diminution in value of Investments Written back	(483,794)	-
Loss on Foreign Currency Transaction	-	5,676
Miscellaneous expenses	883,639	855,649
Total	11,148,760	15,055,755

22.1 Auditors' Remuneration

Particulars	2012-13	2011-12
	₹	₹
Fee towards		
Statutory Audit	125,000	150,000
Limited Review	90,000	90,000
Service Tax	25,544*	19,570
Total	240,544	259,570

* Inclusive of Service Tax ₹ 2,060/- relating to previous year

23 Additional information to the Financial Statements

23.1 Exceptional Item:

In the earlier years, the Company had given an advance of ₹ 7,60,00,000/- towards purchase of land at Chennai and disclosed as advance pending registration. During the previous year, the Company's right in the land was relinquished and the resultant profit of ₹ 1,00,00,000/- has been disclosed as exceptional item in the Statement of Profit and Loss.

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
23.2 Contingent liabilities and commitments (to the extent not provided for)		
Contingent Liabilities		
(a) Disputed sale tax demand	63,661	63,661
(b) Guarantees	300,000,000	300,000,000
The company has provided Guarantee for redemption / buyback of the Optionally convertible Debentures subscribed by IFCI Venture Capital Funds Limited in Amrit Jal Ventures Limited		
(c) Uncalled liability on partly paid debentures	-	1,062,750

23.3 During the previous year, a fraud, aggregating to ₹ 33,02,693/- (including ₹ 9,02,500/- relating to the financial year 2010-11) in the nature of embezzlement of cash and fraudulent encashment of the Company's cheques by an employee was identified in the Knowledge Process Outsourcing (KPO) Division of the Company. The Company filed a First Information Report (FIR) on 13th October, 2011 against the employee with the designated police authority and has initiated legal proceedings. The amount of ₹ 33,02,693/- is included under "Other Current Assets" and has been provided for.

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

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2013**24 Disclosures under Accounting Standards****24.1 Segment Reporting:**

The Parent Company has identified three primary business segments namely, Non Banking Financial Services, Knowledge Process Outsourcing- Intellectual Property Services and HR Outsourcing Services which in the context of Accounting Standard-17 "Segment Reporting" constitute reportable segments.

Particulars	31st March, 2013	31st March, 2012
	₹	₹
1. Segment Revenue		
a. Non Banking Financial Services	100,130,886	112,234,022
b. Knowledge Process Outsourcing	10,991,024	10,829,667
c. HR Outsourcing	669,320	2,971,073
Total	111,791,230	126,034,762
2. Segment Results		
Profits Before Tax and Interest		
a. Non Banking Financial Services	91,199,627	112,867,354
b. Knowledge Process Outsourcing	(696,949)	(4,752,078)
c. HR Outsourcing	599,709	1,120,502
Total	91,102,387	109,235,778
Less Interest	84,991,145	107,844,110
Total Profit / (Loss) Before Tax	6,111,242	1,391,668
3. Other Information		
Segment Assets		
a. Non Banking Financial Services	815,638,597	833,463,270
b. Knowledge Process Outsourcing	9,480,653	7,221,012
c. HR Outsourcing	701,637	2,283,050
Total Assets	825,820,887	842,967,332
Segment Liabilities		
a. Non Banking Financial Services	553,125,208	577,032,546
b. Knowledge Process Outsourcing	3,234,526	2,306,583
c. HR Outsourcing	-	652,111
Total Liabilities	556,359,734	579,991,240

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

Description of relationship	Names of related parties
Key Management Personnel (KMP) Executive Director (Upto 15 th May, 2012) Manager Director of Subsidiary	Mr. J P Khemka Mr. Ramesh Sivaraman Dr. D R Agarwal
Partnership firm over which KMP is able to exercise significant influence.	Agarwal Maheswari & Co
Enterprise over which the Director of Subsidiary is able to exercise significant influence	Kumpepar Construction Pvt Ltd. Institute of International Trade

Note: Related parties have been identified by the Management.

b. Details of related party transactions during the year ended 31st March, 2013 and balances outstanding as at 31st March, 2013: (Amt in ₹)

	Enterprise over which Director of Subsidiary is able to exercise significant influence	KMP	Total
Transactions during the year			
Managerial remuneration*			
Executive Director	-	310,131	310,131
	-	(1,161,290)	(1,161,290)
Manager	-	2,332,453	2,332,453
	-	(1,855,876)	(1,855,876)
Consultancy Fee	1,200,000	-	1,200,000
	(1,283,892)	-	(1,283,892)
Rent Paid	-	720,000	720,000
	(150,000)	(720,000)	(870,000)
Balance Outstanding at the end of the year			
Payables	566,295	108,000	674,295
	(198,597)	-	(198,597)
Receivables	-	-	-
	(61,000)	-	(61,000)
Managerial Remuneration Payable	-	183,387	183,387
	-	(239,934)	(239,934)

Note: Figures in bracket relates to the previous year

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

Particulars	2012-13	2011-12
	₹	₹
24.3 Earnings Per Share		
<u>Continuing Operations:</u>		
Basic Net Profit/(Loss) for the year attributable to the equity shareholders(₹)	5,885,353	(817,222)
Weighted average number of equity shares	12,872,493	12,872,493
Par value per share (₹)	10	10
Earnings Per Share - Basic and Diluted (₹)	0.46	(0.06)
<u>Total operations</u>		
Net Profit for the year attributable to the equity shareholders (₹)	6,485,062	326,428
Weighted average number of equity shares	12,872,493	12,872,493
Par value per share (₹)	10	10
Earnings per share from total operations - Basic and Diluted (₹)	0.50	0.03

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2013

Particulars	2012-13	2011-12
	₹	₹
24.4 Deferred tax (Liability) / Asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	3,982,155	3,945,278
Tax effect of items constituting deferred tax liability	3,982,155	3,945,278
Tax effect of items constituting deferred tax assets		
Provision for Standard assets	385,632	400,154
Provision for Non performing assets	4,008,689	4,008,689
Tax effect of items constituting deferred tax assets	4,394,321	4,408,843
Net Deferred Tax - Asset	412,166	463,565

24.5 Discontinuing Operations

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

(Amt in ₹)

Particulars	Continuing Operations		Discontinued Operations in respect of HR Division		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Total Income*	111,121,910	133,063,689	669,320	2,971,073	111,791,230	136,034,762
Less : Operating Expenses	20,619,232	24,948,413	69,611	1,850,571	20,688,843	26,798,984
Pre-tax profit from operating activities	90,502,678	108,115,276	599,709	1,120,502	91,102,387	109,235,778
Less : Interest expenses	84,991,145	107,844,110	-	-	84,991,145	107,844,110
Profit before Tax	5,511,533	271,166	599,709	1,120,502	6,111,242	1,391,668
Less : Taxation	(373,820)	1,088,388	-	(23,148)	(373,820)	1,065,240
Profit / (Loss) After Tax from operating activities	5,885,353	(817,222)	599,709	1,143,650	6,485,062	326,428

*Total Income from Continuing Operations includes Exceptional item ₹ Nil during the year ended 31st March, 2013 (Previous year ₹ 1,00,00,000/- (Refer Note No. 23.1))

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

Particulars	31 st March, 2013	31 st March, 2012
	₹	₹
Carrying amount of assets as at the Balance Sheet date	701,637	4,215,050
Carrying amount of liabilities as at the Balance Sheet date	-	2,584,111

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

Particulars	2012-13	2011-12
	₹	₹
Cash flows from operating activities	208,692	3,421,063
Cash flows from investing activities	-	333,846
Cash flows from financing activities	(1,200,000)	(8,550,000)

Signatures to Notes "1 to 24"

For and on behalf of the Board

O. Swaminatha Reddy
Chairman

V.T.Pawar
Director

Deepthi.T
Company Secretary

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

No.	Particulars	Amount (in ₹)
1	Capital -	
a)	Authorised Capital	20,000,000
b)	Paid-up Capital	12,500,000
2	Reserves	(7,893,736)
3	Total Assets	10,182,290
4	Total Liabilities	10,182,290
5	Detail Of Investment(Except In case of Investment in the Subsidiaries)	Nil
6	Turnover	10,699,911
7	Loss Before Taxation	(696,949)
8	Provision for Taxation (Including Deffered Tax and Tax relating to earlier years)	(199,635)
9	Profit From Discontinuing Operations	599,709
10	Profit After Taxation	102,395
11	Proposed Dividend	Nil

INTENTIONALLY LEFT BLANK

TCI FINANCE LIMITED

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

PROXY FORM

39th Annual General Meeting

Regd. Folio No. _____

DP ID No. _____

Client ID No. _____

I/We _____ in the district of _____

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

_____ in the district of _____

_____ or failing him / her _____ or _____

_____ of in the district of _____ as my / our proxy to vote for me / us on my behalf at the 39th Annual

General Meeting of the company to be held at Hotel Minerva Grand, Sarojini Devi Road, Secunderabad - 500 003 at 10.30

A.M.Tuesday 24th September 2013 and at any adjournment thereof.

Signed this _____ day of _____ 2013.



Signature _____

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

TCI FINANCE LIMITED

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

ATTENDANCE SLIP

39th 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 39th Annual General Meeting of the company at Hotel Minerva Grand, Sarojini Devi Road, Secunderabad - 500 003. at 10.30 A.M.Tuesday 24th September 2013.

Member's / Proxy Name
in BLOCK LETTERS

Member's / Proxy
Signature

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

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