

# 42<sup>nd</sup> ANNUAL REPORT 2015 - 16



# TCI FINANCE LTD.

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



**BOARD OF DIRECTORS**

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

**KEY MANAGERIAL PERSONNEL**

Mr. Ramesh Sivaraman,  
Manager  
Ms. Lakshmi Sharma,  
Company Secretary and  
Compliance officer

**BOARD COMMITTEES:****Audit**

Mr. S M Jalan-Chairman  
Mr. R S Agarwala-Member  
Mr. Hemant Kaul-Member

**Nomination & Remuneration**

Mr. S M Jalan-Chairperson  
Mr. Mahendra Agarwal-  
Member  
Mr. Hemant Kaul-Member  
Mr. R S Agarwala- Member

**Stakeholders Relationship**

Mr. S M Jalan-Chairman  
Dr. D R Agarwal-Member

**Corporate Social Responsibility**

Mr. S M Jalan- Chairperson  
Mr. R S Agarwala- Member  
Dr. D R Agarwal- Member

**AUDITORS**

M/s. M Bhaskara Rao & Co  
Chartered Accountants

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**REGISTERED OFFICE**

Plot no-20, Survey no-12, 4th  
Floor, Kothaguda, Kondapur,  
Hyderabad-500 084,  
Tel: +91 40 71204284  
Fax: +91 40 23112318  
Email:investors\_tcif@gati.com  
CIN: L65910TG1973PLC031293

**REGISTRAR & TRANSFER AGENTS**

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



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 42<sup>nd</sup> Annual General Meeting (AGM) of the Members of TCI Finance Limited (the Company) will be held on Friday, the 5th day of August, 2016 at 11 am at Plot no.20, Survey no.12, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt
  - a) The audited financial statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; and
  - b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2016.
2. To appoint a Director in place of Mr. Radhe Shyam Agarwala, (DIN: 00368733) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any of the Companies Act, 2013 and the rules framed there under, as amended from time to time, consent is accorded to ratify the re-appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants (Firm Registration No.000459 S) as Statutory Auditors of the Company, who was appointed at the 40<sup>th</sup> Annual General Meeting to hold office from the conclusion of 40<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 45<sup>th</sup> Annual General Meeting (AGM) of the Company to be held in the year 2019, at such remuneration as may be decided by the Board of Directors of the Company.”

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

**CIN:** L65910TG1973PLC031293  
**Website:** www.tcifl.in  
**Email:** investors\_tcif@gati.com

**Lakshmi Sharma**  
Company Secretary  
(MNo. A32617)  
Hyderabad,  
April 28, 2016

**Registered Office:**  
Plot No.20, Survey No.12, 4th Floor,  
Kothaguda, Kondapur,  
Hyderabad-84,  
Tel: +91 040-7120 4284  
Fax: +91 040-2311 2318

**NOTES:**

1. A member entitled to attend and vote at the annual general meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.  

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The instrument appointing the proxy, duly completed, must be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting (on or before August 3, 2016, 10 a.m. IST). A proxy Form is annexed to this Report. Proxies submitted on behalf of Companies, Societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 20. The Company will also send communication relating to e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
5. Shareholders are requested to bring their copy of annual report to the Meeting. In accordance with the provisions of the Companies Act, 2013 & Securities and Exchange Board of India (SEBI) Guidelines, only abridged standalone and consolidated annual accounts for the financial year ended March 31, 2016 are circulated. Any member desirous of having a copy of detailed accounts may apply to the Company and copies thereof will be available for reference at the venue of the Meeting.
6. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking re-appointment at the Annual General Meeting is furnished as annexure to the Notice.
7. The Register of Members and Share Transfer Books will remain closed from July 29, 2016 to August 5, 2016 (both days inclusive).
8. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
9. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the meeting.
11.
  - a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to the Registrar & Share Transfer Agent.
  - b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.
12. Non-Resident Indian Members are requested to inform Karvy Computershare Private Limited, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
13. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish a copy of their PAN card to the Company / RTAs for registration of such transfer of shares.

14. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s. Karvy Computershare Pvt. Ltd.
15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'Shareholder Registration Form' available on the website of the Company www.tcifl.in to M/s. Karvy or secretarial department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
16. The shares of the Company are at present listed on the following Stock Exchanges viz., The BSE Limited, and National Stock Exchanges of India Limited. The listing fee for the year 2016-17 has been paid to the Stock Exchanges.
17. The Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. are being sent in electronic mode to Members whose email address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the Meeting.
18. A Route Map showing direction to reach the venue of 42<sup>nd</sup> Annual General Meeting is given in the Annual Report as per the requirement of the Secretarial Standard – 2 on General Meeting.
19. **Voting through electronic means**
  - a) In Compliance with provisions of Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to the members to exercise their right to vote at the 42<sup>nd</sup> AGM by electronic means and the business shall be transacted through e-voting services provided by M/s Karvy Computershare Private Limited (Karvy).
  - b) The e-voting facility will be available during the following period:  
Commencement of e-voting: From 9.00 a.m. (IST) on Saturday, July 30, 2016  
End of e-voting: Up to 5.00 p.m. (IST) on Thursday, August 4, 2016
  - c) The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.
  - d) The company has appointed M/s dvm gopal & associates, Practicing Company Secretaries, Hyderabad as Scrutinizer for conducting the e-voting process and voting process at the meeting (including voting through Ballot Form) in a fair and transparent manner.
  - e) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. July 29, 2016. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to vote.
  - f) The login ID and password for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.

- g) The facility for voting through ballot / polling paper shall be made available at the Meeting, to all the members attending the Meeting, who have not opted evoting facility. Further, the members who have opted evoting facility may also attend the Meeting but shall not be entitled vote again. Kindly note that members can opt for only one form of voting i.e. either by Ballot Forms or through e-voting. If members are opting for e-voting then they should not vote by Ballot Forms and vice-versa.

However, in case members casting their vote both by e-voting and Ballot Forms, then voting done through e-voting shall prevail and voting done by Physical Ballot shall be treated as invalid.

- h) Any person who become members of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Friday, July 29, 2016, may obtain the User ID and password for e-voting by sending email intimating DP ID and Client ID / Folio No. at [evoting@karvy.com](mailto:evoting@karvy.com) with a copy to [investors\\_tcif@gati.com](mailto:investors_tcif@gati.com). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- i) The Chairman shall, at the meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the help of scrutinizer, by use of 'Ballot Paper' for all those members, who are present at the meeting, but have not cast their vote by availing e-voting facility.
- j) The Scrutinizer, after scrutinising the votes cast at the meeting (Poll) and through e-voting, will, within stipulated time, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e. [www.tcifl.in](http://www.tcifl.in) and on the website of M/s Karvy i.e. [www.karvy.com](http://www.karvy.com). The results shall simultaneously be communicated to the Stock Exchanges.
- k) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Friday, August 5, 2016.

## 20. Instructions and other information relating to e-voting:

I. The instructions for e-voting are as under:

- i) Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
- ii) Enter the login credentials (i.e., user-id & password). Your folio / DP ID - Client ID will be your User ID.

User ID	For Members holding shares in demat form: a) For NSDL: 8-character DP ID followed by 8-digit Client ID, b) For CDSL: 16-digit beneficiary ID For Members holding shares in physical form: Event number, followed by Folio Number registered with the Company
Password	Your unique password is printed on the form / forwarded via email through the electronic notice
Captcha	Enter the verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) After entering these details appropriately, click on 'LOGIN'.
- iv) Members holding shares in demat / physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through M/s Karvy Computershare Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt to select the 'Event' i.e., 'Company Name'.
- vii) If you are holding shares in demat form and had logged on to <https://evoting.karvy.com> and cast your vote earlier for any company, then your existing login id and password are to be used.



- viii) On the voting page, you will see Resolution description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not want to cast your vote, select 'ABSTAIN'.
- ix) After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly, modify your vote.
- x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xi) Corporate / Institutional Members (Corporate / FIs / FII's / Trusts / Mutual Funds / Banks, etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to [dvmgopal@gmail.com](mailto:dvmgopal@gmail.com) with copy to [investors\\_tcif@gati.com](mailto:investors_tcif@gati.com). The file scanned image of the Board resolution should be in the naming format 'Corporate Name\_ Event number'.
- xii) If you are already registered with M/s Karvy Computershare Private Limited for e-voting, then you can use your existing user ID and password for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- xiii) Please contact Karvy Computershare Pvt. Ltd.'s toll-free number 1-800-34-54-001 for any further clarifications.
- xiv) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of the e-voting website of M/s. Karvy Computershare Private Limited <https://evoting.karvy.com>.
21. Details of the Director proposed to be re-appointed at the AGM Scheduled to be held on August 5, 2016, (Pursuant to Clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

<b>Name of Director</b>	<b>Mr. Radhe Shyam Agarwala</b>
Resume, nature of expertise in specific functional area	Mr. R S Agarwala is Fellow Member of the Institute of Chartered Accountants of India and is a Practising Chartered Accountant. He has been serving on the Board of the Company for the past 26 years with his vast financial expertise.
Details of shares held in the Company as on 31.03.2016	NIL
Listed Companies in which Directorships held as on 31.03.2016	TCI Finance Limited
Chairman / Member of the Committees of Listed Companies in which he is a Director as on 31.03.2016	Member of Audit Committee, Nomination & Remuneration committee and Corporate Social Responsibility Committee of TCI Finance Ltd.
Relationship with other Directors	Not related to any of the Director

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

**CIN:** L65910TG1973PLC031293  
**Website:** [www.tcifl.in](http://www.tcifl.in)  
**Email:** [investors\\_tcif@gati.com](mailto:investors_tcif@gati.com)

**Lakshmi Sharma**  
Company Secretary  
(MNo. A32617)  
Hyderabad, April 28, 2016

**Registered Office:**  
Plot No.20, Survey No.12, 4th Floor, Kothaguda, Kondapur,  
Hyderabad-84, Tel: +91 040-7120 4284  
Fax: +91 040-2311 2318

## DIRECTORS' REPORT

Dear Members,

Your directors take pleasure in presenting the 42<sup>nd</sup> Annual Report of the Company along with the Audited Accounts for the year ended March 31, 2016.

**FINANCIAL HIGHLIGHTS**

(Standalone)

(₹ in Lakhs)

Particulars	STANDALONE	
	As at March 31, 2016	As at March 31, 2015
Income	1146.31	1372.67
Profit/(loss) before Interest, Depreciation & Taxation	1035.64	1312.39
Financial Charges	803.92	493.58
Depreciation	2.91	1.21
Profit/(Loss) before tax	228.81	817.59
Exceptional Items	--	--
Provision for tax:		
Current Tax	32.00	134.97
Deferred Tax	(1.33)	4.68
	--	--
Profit/(Loss) after tax	198.14	677.93
Balance brought forward from previous year	1759.40	1217.35
Transferred to Reserve Fund	39.63	135.58
<b>Balance Carried forward</b>	<b>1917.91</b>	<b>1759.40</b>

**DIVIDEND**

Your Directors have not recommended payment of dividend for the financial year ended March 31, 2016 since it is proposed to retain the same in the business.

**FIXED DEPOSITS**

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

**OPERATIONAL PERFORMANCE REVIEW**

During the year under review, your Company achieved a turnover of ₹ 1146.31 lakhs as against ₹ 1372.67 lakhs in the previous year. The profit before tax stands at ₹ 228.81 lakhs as against ₹ 817.59 lakhs in the previous year.

**SUBSIDIARY (ITAG BUSINESS SOLUTION)**

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

The turnover of the Subsidiary Company M/s. ITAG Business Solutions Ltd is ₹ 142.71 lakhs as against ₹ 128.26 lakhs in the previous year. Profit before tax stood at ₹ (4.76) lakhs as against ₹ 3.88 lakhs in the previous year. A statement

pursuant to Section 129 of the Companies Act, 2013 related to the accounts of the subsidiary forms part of this Annual Report.

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

## RESERVE

As per section 45IC of RBI Act 1934, the Company has transferred Rs39.63 Lakhs in reserve fund i.e aggregating of 20% of its net profit.

## CONSOLIDATED FINANCIAL STATEMENTS (CFS)

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) – 21, Consolidated Financial Statements is provided in the Annual Report. The CFS should therefore be read in conjunction with the directors' reports, financial notes, cash flow statements and the individual auditor report of the subsidiary.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Radhe Shyam Agarwala retire by rotation and being eligible, has offered himself for re-appointment.

The brief profile of the director who is to be re-appointed forms part of the notes and explanatory statement to the notice of the ensuing Annual General Meeting.

During the year under review there is no change in Key Managerial Personnel of the Company.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

- i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16 are as under:**

Non-Executive Directors (Refer Note-1)	Ratio to median remuneration	% increase in remuneration in the financial year
Mr. Hemant Kaul, Chairman	-	-
Mr. Mahendra Agarwal, Promoter & Director	-	-
Mr. R S Agarwala, Director	-	-
Mr. S M Jalan, Independent Director	-	-
Mr. D R Agarwal, Director	-	-
Ms. Meera Madhusudan Singh, Director	-	-
Executive Directors/ KMP		
Mr. Ramesh Sivaraman, Manager-Chief Executive	2.33:1	10.10%
Ms. Lakshmi Sharma, Company Secretary	0.38:1	7.10%

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

**TCI FINANCE LTD.**

- ii) the percentage increase in the median remuneration of employees in the financial year: 15%
- iii) the number of permanent employees on the rolls of company: 4
- iv) the explanation on the relationship between average increase in remuneration and company performance

The Profit before Tax for the financial year ended March 31, 2016 decreased by 72% whereas the increase in median remuneration was 15%.

- v) comparison of the remuneration of the Key Managerial Personnel against the performance of the company

The total remuneration of Key Managerial Personnel increased by 10% from ₹ 43.41 Lakhs in 2015-16 to ₹ 39.59 Lakhs in 2014-15 whereas the Profit before Tax decreased by 72% to ₹ 2.29 Crore in 2015-16 (₹ 8.17 Crore in 2014-15).

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

The Market Capitalisation of the Company as on 31<sup>st</sup> March, 2016 was ₹ 2497 Lakhs as compared to ₹ 4267.23 Lakhs as on 31<sup>st</sup> March, 2015. The price earnings ratio of the Company was 12.59 as at 31<sup>st</sup> March, 2016 and was 6.29 as at 31<sup>st</sup> March, 2015. The closing share price of the Company at NSE Limited on 31<sup>st</sup> March, 2016 being ₹ 19.40 per equity share of face value of ₹ 10/- each has reduced 0.65 times since the last right issue made in the year 1995 (Offer Price was ₹ 30/- per equity share of face value of ₹ 10/- each).

- vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 13 % whereas the increase in the managerial remuneration for the same financial year was 10.10%.

- viii) Comparison of remuneration of each KMP against the performance of the company

Particulars	Mr. Ramesh Sivaraman, Manager-Chief Executive	Ms. Lakshmi Sharma, Company Secretary
Remuneration in financial year 2016 (₹ in Lakhs)	37.26	6.15
Revenue (₹ in Lakhs)	1146.30	1146.30
Remuneration as % of Revenue	3.25	0.54
Profit Before Tax (PBT) (₹ in Lakhs)	228.81	228.81
Remuneration (as % of PBT)	16.28	2.69

- ix) The key parameters for the variable component of remuneration availed by the key managerial personnel and other employees, recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable;
- xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

**DECLARATION FROM INDEPENDENT DIRECTORS**

The Company has received necessary declaration from Mr. Hemant Kaul and Mr. S M Jalan Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

## REMUNERATION POLICY

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

The Remuneration Policy is stated in the Corporate Governance Report.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained hereunder.

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

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

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

## CORPORATE SOCIAL RESPONSIBILITY

During the year, your Company decided to provide Desks / Benches to the school students at Government High School, Miyapur, Hyderabad as a part of its CSR activities. Further, your company proposed to spend ₹ 8 lakhs for the aforesaid activity. The Company has placed order for procuring the Desks/Benches. The expenses would be accounted after the receipt of the Desks/Benches on payment in it FY 2016-17. Details of activity under CSR is given in **Annexure-A**.

## RELATED PARTY TRANSACTION

The main business of the Company is financing activities and all loans granted to related party (if any) are in the ordinary course of business. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly Form AOC-2 is not applicable to the Company.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its approval .

Your Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. This Policy was considered and approved by the Board has been uploaded on the website at: <http://www.tcifl.in/pdf/RelatedPartyTransactionPolicy.pdf>

## MEETINGS

During the year Four Board Meetings and Four Audit Committee Meetings were convened and held. The details of the meeting along with the attendance of the director are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, CSR Committee, Stakeholders Relationship Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms part of this Report.

There have been no situations where the Board has not accepted any recommendation of the Audit Committee.

### **VIGIL MECHANISM**

The Company has Vigil Mechanism policy with a view to provide a mechanism for employees of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee of the Company. The Vigil Mechanism Policy has been uploaded on the website of the Company at: <http://www.tcifl.in/pdf/VigilMechanismPolicy.pdf>. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Pursuant to SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

Accordingly, the Company has arranged a technical session on January 21, 2016 to familiarize the Independent Directors about their roles, responsibilities and duties as Independent Directors. The details of the familiarization programme has been disclosed on the website of the Company at: <http://tcifl.in/pdf/ProgrammesforIDs21012016.pdf>

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- ❖ that in the preparation of the Annual Accounts for the year ended March 31, 2016, 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.
- ❖ that the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- ❖ that the systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

### **ACCOUNTS OF SUBSIDIARY**

Copies of these annual accounts and related information will be made available on the Company's website at [www.tcifl.in](http://www.tcifl.in) and also on request. The annual accounts of the subsidiary company will be made available at the registered office of the company and also at the venue during 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.



## Internal Financial Controls

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the same and the work performed by the internal auditors, statutory auditors and external agencies and the reviews performed by management team and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2015-16.

The Board of Directors, to the best of their knowledge and ability, confirm that:

Your Company has laid down internal financial controls to be followed and that such internal financial controls are adequate and were generally operating effectively; and

Your Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## AUDITORS

### a) Statutory Auditors

The Statutory Auditors of the Company M/s. Bhaskara Rao & Co, Chartered Accountants, Hyderabad hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter to the effect that the re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. As required under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Pursuant to Companies Act, 2013, the Company has appointed the statutory auditors to hold office from the conclusion of the 40th Annual General Meeting till the conclusion of the 45th Annual General Meeting, subject to ratification at the every Annual General Meeting of the Company.

### b) Secretarial Audit

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

### c) Internal Auditor

Internal auditor submits his report to the audit committee every quarter.

## EXTRACT OF ANNUAL RETURN

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

## CORPORATE GOVERNANCE

The Company has complied with the provisions pertaining to Corporate Governance as per the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 requirements of the Stock Exchanges and necessary disclosures have been made in this regard in the Report on Corporate Governance is annexed as **Annexure-D** along with a certificate from a Practicing Company Secretary confirming compliance of the same.

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

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**

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

**GENERAL**

- i. During the year under review there is no change in nature of business.
- ii. There is no material changes and commitment affecting the financial position of the Company between the end of financial year and the date of the report.
- iii. During the year under review no significant or material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future
- iv. During the year under review there were no cases filed pursuant to the Sexual Harassment of women at workplace (prevention, Prohibition and Redressal )Act, 2013

**ACKNOWLEDGEMENT**

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

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

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

Hyderabad  
April 28, 2016



**Annexure – A**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**  
**ACTIVITIES FOR THE FY 2015-16**

**CSR POLICY**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus CSR is not charity or mere donations. The main objective of this CSR Policy is to lay down guidelines and also make CSR as one of the key business drivers for sustainable development of the environment and the society in which TCIF operates in particular and the overall development of the global community at large.</p> <p>The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at <a href="http://www.tcifl.in">www.tcifl.in</a>.</p>
2. The Composition of the CSR Committee	<ol style="list-style-type: none"> <li>1. Mr S M Jalan Chairman (Independent Director)</li> <li>2. Mr. R S Agarwala</li> <li>3. Dr. D R Agarwal</li> </ol>
3. Average net profit/ loss of the Company for last three financial years.	₹ 411.89 Lakhs
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 8.23 Lakhs
5. Details of CSR spent during the financial year 2015-16: a. Total amount to be spent for the financial year 2015-16 b. Amount unspent, if any	<p>₹ 8.23 Lakhs</p> <p>Rs. 8.23 lakhs (Refer director's report)</p>

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Providing desk and benches at Government School located at Hyderabad	Promoting education	Hyderabad	₹ 8.23 Lakhs	Nil	₹ 11.08 Lakhs	Direct spend

**D R Agarwal**  
 Director  
 DIN:00322861

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

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

**Annexure – B**  
**SECRETARIAL AUDIT REPORT**  
For The Financial Year Ended 31st March 2016

**FORM NO MR 3**

Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s. TCI Finance Limited (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended on 31st March 2016 complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ending 31st March, 2016 (“Audit Period”) and we report that the Company has complied with the relevant provisions of the Acts, Rules, and Standards there under:
  - 1.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made there under;
  - 1.2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
  - 1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - 1.4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - 1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
    - 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - 1.5.3. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - 1.5.4. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with the National Stock Exchange of India Limited and the BSE Limited.
- 1.6. Secretarial Standards on the Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.
2. The Company is a “loan company” engaged in the business of Non-Banking Financial Institution as defined in Section 45I (a) of the Reserve Bank of India Act, 1934. Accordingly, Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms shall be considered as Industry Specific Act as applicable

to the Company, in view of the Management and as per the Guidance Note issued by the ICSI. During our audit, we did not find any material irregularities or discrepancies in the compliance of the said Norms and Regulations applicable to the Company.

3. We further report that:
- 3.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.
  - 3.2 Adequate Notice is given to all the Directors to schedule the Board Meetings along with agenda and detailed notes on agenda were sent at least 7 days in advance.
  - 3.3 There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
  - 3.4 Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
  - 3.5 Mr Ramesh Sivaraman, who is as Manager of the Company was also designated as Chief Financial Officer of the Company under Section 203 of the Companies Act 2013.
  - 3.6 It is to be noted that for the Audit period the following Acts/Regulations are not applicable:
    - (i) SEBI (ICDR) Regulations, 2009.
    - (ii) SEBI (ESOS & ESOP) Guidelines, 1999.
    - (iii) SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
    - (iv) SEBI (Delisting of Equity Shares) Regulations, 2009.
    - (v) SEBI (Buyback of Securities) Regulations, 1998.
    - (vi) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under;
    - (vii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  - 3.7 There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **dvm gopal & associates**  
Company Secretaries

Place: **Hyderabad**

Date: **28.04.2016**

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

**Note:** This Report is to be read with our letter of even date, which is annexed, and form an integral part of this report.

ANNEXURE

To  
The Members,  
M/s. TCI Finance Limited  
Hyderabad.

Our Report of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For dvmgopal & associates**  
Company Secretaries

Place : Hyderabad  
Date : 28.04.2016

**DVM Gopal**  
Proprietor  
**M No: F 6280**  
**CP No: 6798**

## Annexure – C

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN****As on the financial year ended March 31, 2016**

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

**I. REGISTRATION AND OTHER DETAILS**

- i) CIN : L65910TG1973PLC031293
- ii) Registration Date : November 29, 1973
- iii) Name of the Company : TCI Finance Limited
- iv) Category / Sub-Category of the Company : Company having share capital,  
Indian Non Government Company
- v) Address of the Registered Office and Contact details : Plot no. 20, Sy. 12, 4th Floor, Kothaguda, Kondapur,  
Hyderabad - 500 084. Tel. No. 040-71204284,  
Fax:040- 23112318, Email: investors\_tcif@gati.com  
Web: www.tcifl.in
- vi) Whether listed Company : Yes,  
a) BSE Limited &  
b) National Stock Exchange of India Limited
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Karvy Computershare Private Limited  
Karvy Selenium Tower B Plot 31-32, Gachibowli  
Financial District, Nanakramguda, Hyderabad – 32.  
Tel No: 040 6716 2222,  
Email:mohsin.mohd@karvy.com

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

S.No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1)	Non Banking Financial Activity	0807	100%

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

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

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

i) Category-wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year(March 31, 2015)				No. of shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A Promoters</b>									
(1) Indian									
a) Individual / HUF	1621634	-	1621634	12.60	1621634	-	1621634	12.60	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2847040	-	2847040	22.12	3191904	-	3191904	24.80	-2.68
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Trusts)	258123	-	258123	2.01	550006	-	550006	4.27	-2.27
<b>Sub-Total (A) (1)</b>	<b>4726797</b>	<b>-</b>	<b>4726797</b>	<b>36.72</b>	<b>5363544</b>	<b>-</b>	<b>5363544</b>	<b>41.67</b>	<b>-4.95</b>
(2) Foreign									
a) NRI - Individual	-	-	-	-	-	-	-	-	-
b) Other - Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of promoter (A) =(A)(1) + (A)(2)</b>	<b>4726797</b>	<b>-</b>	<b>4726797</b>	<b>36.72</b>	<b>5363544</b>	<b>-</b>	<b>5363544</b>	<b>41.67</b>	<b>-4.95</b>
<b>B Public Shareholding</b>									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-

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

## i) Category-wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year(March 31, 2015)				No. of shares held at the end of the year (March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>Sub-Total (B) (1)</b>	0	0	0	0	0	0	0	0	-
<i>(2) Non-Institutional</i>									
<i>a) Bodies Corporate</i>									
<i>i) Indian</i>	2177057	503605	2680662	20.82	1723195	503605	2226800	17.30	3.51
<i>ii) Overseas</i>	-	-	-	-	-	-	-	-	-
<i>b) Individuals</i>									
<i>i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh</i>	2121461	639281	2760742	21.45	1970609	624076	2594685	20.16	1.29
<i>ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh</i>	2380273	-	2380273	18.49	2406855	-	2406855	18.70	-0.21
<i>c) NBFCs registered with RBI</i>	-	-	-	-	2190	-	2190	0.02	-0.02
<i>d) Others (specify)</i>									
<i>Foreign Nationals</i>	-	-	-	-	-	-	-	-	-
<i>Foreign Bodies</i>	-	-	-	-	-	-	-	-	-
<i>Director and their relatives</i>	2319	500	2819	0.02	2,319	500	2,819	0.02	-
<i>Non Resident Indians</i>	286731	-	286731	2.23	2,60,054	-	2,60,054	2.02	0.21
<i>Clearing Members</i>	34469	-	34469	0.27	15546	-	15546	0.12	0.15
<i>Trusts</i>	-	-	-	-	-	-	-	-	-
<i>Qualified Foreign Investor</i>	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2)</b>	7002310	1143386	8145696	63.28	6380768	1128181	7508949	58.33	4.95
<b>Total Public shareholding</b>									
<b>(B) = (B)(1) + (B)(2)</b>	7002310	1143386	8145696	63.28	6380768	1128181	7508949	58.33	4.95
<i>C Shares held by Custodian for GDRs &amp; ADRs</i>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	11729107	1143386	12872493	100.00	11744312	1128181	12872493	100.00	-

## ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged / encumbered to the total shares	
Gati Limited	1600300	12.43	Nil	1600300	12.43	Nil	Nil
Mahendra Kumar Agarwal	1196619	9.30	Nil	1196619	9.30	Nil	Nil
Mahendra investment advisors pvt ltd	682000	5.30	Nil	682000	5.30	Nil	Nil
Bunny Investments & Finance Pvt. Ltd.	527322	4.10	Nil	554856	4.31	Nil	0.21
Jubilee Commercial & Trading Pvt. Ltd.	3347	0.03	Nil	320677	2.49	Nil	-2.46
Dhruv Agarwal Benefit Trust	141500	1.10	Nil	308829	2.40	Nil	-1.30
Dhruv Agarwal	296675	2.30	Nil	296675	2.30	Nil	Nil
Mahendra Kumar Agarwal (HUF)	128265	1.00	Nil	128265	1.00	Nil	Nil
Manish Agarwal Benefit Trust	116623	0.91	Nil	241177	1.87	Nil	-0.96
Giri Roadlines and Commercial Trading Pvt Ltd	19171	0.15	Nil	19171	0.15	Nil	Nil
Gati Intellect Systems Ltd.	14900	0.12	Nil	14900	0.12	Nil	Nil
Manish Agarwal	75	0.00	Nil	75	0.00	Nil	Nil
<b>TOTAL</b>	<b>4726797</b>	<b>36.72</b>	<b>Nil</b>	<b>5363544</b>	<b>41.67</b>	<b>Nil</b>	<b>-4.95</b>

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

Shareholders Name	Shareholding at the beginning of the year		Date wise increase / (decrease) in promoter shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
<i>Gati Limited</i>	1600300	12.43	Nil	Nil	Nil	1600300	12.43
<i>Mahendra Kumar Agarwal</i>	1196619	9.3	Nil	Nil	Nil	1196619	9.30
<i>Mahendra investment advisors Pvt ltd</i>	682000	5.3	Nil	Nil	Nil	682000	5.30
<i>Bunny Investments &amp; Finance Pvt. Ltd.</i>	527322	4.1	25.08.2015 to 26.08.2015	27534	Transfer/Buy	554856	4.31
<i>Dhruv agarwal</i>	296675	2.3	Nil	Nil	Nil	296675	2.30
<i>Dhruv Agarwal Benefit Trust</i>	141,500	1.1	06.05.2015 to 07.05.2015	14247 52,000	Transfer/Buy Transfer/Buy	155,747 207,747	1.21 1.61
			27.05.2015 to 29.05.2015	97,440	Transfer/Buy	305,187	2.37
<i>Mahendra Kumar Agarwal (HUF)</i>	128,625	1	14.12.2015	3642	Transfer/Buy	308,829	2.40
<i>Manish Agarwal Benefit Trust</i>	116,623	0.91	05.05.2015	9500	Transfer/Buy	126,123	0.98
			06.05.2015	19979	Transfer/Buy	146,102	1.13
			19.08.2015 to 21.08.2015	85375	Transfer/Buy	231,477	1.80
			14.12.2015	9700	Transfer/Buy	241,177	1.87
<i>Giri Roadlines and Commercial Trading Pvt Ltd</i>	19171	0.15	Nil	Nil	Nil	19171	0.15
<i>Gati Intellect Systems Ltd.</i>	14900	0.12	Nil	Nil	Nil	14900	0.12
<i>Jubilee Commercial &amp; Trading Pvt. Ltd.</i>	3347	0.03	16.06.2015 to 18.06.2015	61950	Transfer/Buy	65297	0.51
			24.06.2015 to 26.06.2015	95000	Transfer/Buy	160297	1.25
			21-08.2015 to 24.08.2015	27280	Transfer/Buy	187577	1.46
			02.09.2015 to 04.09.2015	77700	Transfer/Buy	265277	2.06
			14.12.2015	55400	Transfer/Buy	320677	2.49
<i>Manish Agarwal</i>	75	0	Nil	Nil	Nil	75	0



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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	'GREEN INDIA VENTURE FUND	1523436	11.83	22.01.2016	(4896)	Transfer/Sale	1518540	11.80
				29.01.2016	(25769)	Transfer/Sale	1492771	11.60
				05.02.2016	(123417)	Transfer/Sale	1369354	10.64
				12.02.2016	(20089)	Transfer/Sale	1349265	10.48
				19.02.2016	(7672)	Transfer/Sale	1341593	10.42
				26.02.2016	(62464)	Transfer/Sale	1279129	9.94
				04.03.2016	(19687)	Transfer/Sale	1259442	9.78
				11.03.2016	(58083)	Transfer/Sale	1201359	9.33
				18.03.2016	(19553)	Transfer/Sale	1181806	9.18
				25.03.2016	(18547)	Transfer/Sale	1163259	9.04
				31.03.2016	(36050)	Transfer/Sale	1127209	8.76
2	NEERAAGARWAL	9,50,265	7.38	--	Nil	Nil	9,50,265	7.38
3	ALKA JAIN	--	--	04.03.2016	78106	Transfer/Buy	78106	0.61
				18.03.2016	25131	Transfer/Buy	103237	0.80
4	T GARG AND COMPANY PVT LTD	92903	0.72	-	-	-	92903	0.72
5	SHOBHIT KUMAR GARG	88,677	0.69	24.07.2015	60	Transfer/Buy	88737	0.69
6	ASHOK KUMARAGARWAL	79,338	0.62	27.11.2015	11762	Transfer/Buy	91,100	0.71
				25.12.2015	3000	Transfer/Buy	94,100	0.73
				29.01.2016	15900	Transfer/Buy	1,10,000	0.85
				19.02.2016	6957	Transfer/Buy	1,16,957	0.91
7	KARVY STOCK BROKING LTD- F-O MARGIN	48600	0.38	03.04.2015	2591	Transfer/Buy	51,191	0.40
				03.04.2015	(2591)	Transfer/Sale	48600	0.38
				10.04.2015	5061	Transfer/Buy	53661	0.42
				10.04.2015	(7261)	Transfer/Sale	46400	0.36
				17.04.2015	1	Transfer/Buy	46401	0.36
				17.04.2015	(237)	Transfer/Sale	46164	0.36
				24.04.2015	5	Transfer/Buy	46169	0.36
				24.04.2015	(205)	Transfer/Sale	45964	0.36
				01.05.2015	1601	Transfer/Buy	47565	0.37
				01.05.2015	(1601)	Transfer/Sale	45964	0.36
				08.05.2015	839	Transfer/Buy	46803	0.36
				08.05.2015	(339)	Transfer/Sale	46464	0.36
				15.05.2015	(700)	Transfer/Sale	45764	0.36
				22.05.2015	(9181)	Transfer/Sale	36583	0.28
				29.05.2015	89	Transfer/Buy	36672	0.28
				29.05.2015	(89)	Transfer/Sale	36583	0.28
				05.06.2015	(500)	Transfer/Sale	36083	0.28
				12.06.2015	370	Transfer/Buy	36453	0.28
				19.06.2015	32	Transfer/Buy	36485	0.28

				19.06.2015	(132)	Transfer/Sale	36353	0.28
				03.07.2015	(5)	Transfer/Sale	36348	0.28
				10.07.2015	(62)	Transfer/Sale	36286	0.28
				07.08.2015	50	Transfer/Buy	36336	0.28
				14.08.2015	1000	Transfer/Buy	37336	0.29
				28.08.2015	405	Transfer/Buy	37741	0.29
				04.09.2015	321	Transfer/Buy	38062	0.30
				04.09.2015	(471)	Transfer/Sale	37591	0.29
				11.09.2015	380	Transfer/Buy	37971	0.29
				18.09.2015	6	Transfer/Buy	37977	0.29
				18.09.2015	(14)	Transfer/Sale	37963	0.29
				25.09.2015	(1000)	Transfer/Sale	36963	0.29
				09.10.2015	(360)	Transfer/Sale	36603	0.28
				16.10.2015	5009	Transfer/Buy	41612	0.32
				23.10.2015	3728	Transfer/Buy	45340	0.35
				30.10.2015	5000	Transfer/Buy	50340	0.39
				06.11.2015	1	Transfer/Buy	50341	0.39
				06.11.2015	(1)	Transfer/Sale	50340	0.39
				27.11.2015	430	Transfer/Buy	50770	0.39
				04.12.2015	(2330)	Transfer/Sale	48440	0.38
				11.12.2015	1740	Transfer/Buy	50180	0.39
				18.12.2015	(1716)	Transfer/Sale	48464	0.38
				25.12.2015	570	Transfer/Buy	49034	0.38
				25.12.2015	(1468)	Transfer/Sale	47566	0.37
				31.12.2015	(356)	Transfer/Sale	47210	0.37
				08.01.2016	(192)	Transfer/Sale	47018	0.37
				15.01.2016	(18)	Transfer/Sale	47000	0.37
				29.01.2016	58	Transfer/Buy	47058	0.37
				29.01.2016	(41)	Transfer/Sale	47017	0.37
				05.02.2016	19962	Transfer/Buy	66979	0.52
				05.02.2016	(259)	Transfer/Sale	66720	0.52
				12.02.2016	9700	Transfer/Buy	76420	0.59
				19.02.2016	(200)	Transfer/Sale	76220	0.59
				26.02.2016	106	Transfer/Buy	76326	0.59
				04.03.2016	900	Transfer/Buy	77226	0.60
				11.03.2016	30	Transfer/Buy	77256	0.60
				18.03.2016	475	Transfer/Buy	77731	0.60
				31.03.2016	(24)	Transfer/Sale	77707	0.60
8	'RAJIV JIVANLAL GOLANI	72,000	0.56	-	-	-	72,000	0.56
9	PACE STOCK BROKING SERVICES PVT LTD	71229	0.55	-	-	-	-	-
				05.06.2015	200	Transfer/Buy	71429	0.56
				19.06.2015	(3433)	Transfer/Sale	67996	0.53
				26.06.2015	(16971)	Transfer/Sale	51025	0.40
				30.06.2015	(5184)	Transfer/Sale	45841	0.36
				31.07.2015	(1,000)	Transfer/Sale	44841	0.35
				07.08.2015	(11,000)	Transfer/Sale	33841	0.26
				14.08.2015	(32,525)	Transfer/Sale	1316	0.01
				11.09.2015	(16)	Transfer/Sale	1300	0.01
10	STANLY JOHN	65,100	0.51	24.04.2015	100	Transfer/Buy	65,200	0.51
				15.05.2015	100	Transfer/Buy	65,300	0.51

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
				22.05.2015	45	Transfer/Buy	65,345	0.51
				05.06.2015	32	Transfer/Buy	65,377	0.51
				19.06.2015	33	Transfer/Buy	65410	0.51
				26.06.2015	40	Transfer/Buy	65450	0.51
				03.07.2015	20	Transfer/Buy	65470	0.51
				10.07.2015	50	Transfer/Buy	65520	0.51
				17.07.2015	45	Transfer/Buy	65565	0.51
				24.07.2015	26	Transfer/Buy	65591	0.51
				31.07.2015	4	Transfer/Buy	65595	0.51
				07.08.2015	19	Transfer/Buy	65614	0.51
				14.08.2015	5	Transfer/Buy	65619	0.51
				21.08.2015	20	Transfer/Buy	65639	0.51
				28.08.2015	15	Transfer/Buy	65654	0.51
				04.09.2015	1	Transfer/Buy	65655	0.51
				11.09.2015	2	Transfer/Buy	65657	0.51
				18.09.2015	63	Transfer/Buy	65720	0.51
				25.09.2015	5	Transfer/Buy	65725	0.51
				30.09.2015	2	Transfer/Buy	65727	0.51
				02.10.2015	2	Transfer/Buy	65729	0.51
				09.10.2015	25	Transfer/Buy	65754	0.51
				16.10.2015	8	Transfer/Buy	65762	0.51
				23.10.2015	8	Transfer/Buy	65770	0.51
				30.10.2015	3	Transfer/Buy	65773	0.51
				06.11.2015	1	Transfer/Buy	65774	0.51
				20.11.2015	3	Transfer/Buy	65777	0.51
				27.11.2015	5	Transfer/Buy	65782	0.51
				04.12.2015	9	Transfer/Buy	65791	0.51
				11.12.2015	24	Transfer/Buy	65815	0.51
				18.12.2015	3	Transfer/Buy	65818	0.51
				25.12.2015	1	Transfer/Buy	65819	0.51
				31.12.2015	3	Transfer/Buy	65822	0.51
				08.01.2016	5	Transfer/Buy	65827	0.51
				15.01.2016	9	Transfer/Buy	65836	0.51
				22.01.2016	1	Transfer/Buy	65837	0.51
				29.01.2016	2	Transfer/Buy	65839	0.51
				05.02.2016	1	Transfer/Buy	65840	0.51
				19.02.2016	2	Transfer/Buy	65842	0.51
				26.02.2016	1	Transfer/Buy	65843	0.51
				04.03.2016	1	Transfer/Buy	65844	0.51
				31.03.2016	1	Transfer/Buy	65845	0.51

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

**TCI FINANCE LTD.**

## iv) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each the Directors and KMP	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	Mr. Hemant Kaul	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Mr. Mahendra Kumar Agarwal	1196619	9.30	Nil	Nil	Nil	1196619	9.30
3	Mr. Radheshyam Agarwala	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Mr. Sanwar Mal Jalan	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Dr. Dhanpat Ram agarwal	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6.	Ms. Meera Madhusudan Singh	14532	0.11	20.11.2015	11244	Transfer/ Sale	3288	0.03
				18.12.2015	3288	Transfer/ Sale	Nil	Nil
7	Mr. Ramesh Sivaraman	960	0.00	Nil	Nil	Nil	960	0.00
8	Ms. Lakshmi Sharma	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<i>Indebtedness at the beginning of the financial Year</i>				
i) Principal Amount	5211.17	Nil	Nil	5211.17
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>5211.17</b>	<b>Nil</b>	<b>Nil</b>	<b>5211.17</b>
<i>Change in Indebtedness during the financial year</i>				
Addition	1525.00	1400.00	Nil	2925.00
Reduction	2110.61	125.00	Nil	2235.61
Net Change	(585.61)	1275.00	Nil	689.39
<i>Indebtedness at the end of the financial Year</i>				
i) Principal Amount	4625.56	1275.00	Nil	5900.56
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	18.93	29.07	Nil	48.00
<b>Total (i+ii+iii)</b>	<b>4644.49</b>	<b>1304.07</b>	<b>Nil</b>	<b>5948.56</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration of Managing Director, Whole-time Directors and Manager

(₹ in Lakhs)

Sl. No	Particular of Remuneration	Mr. Ramesh Sivaraman Manager-Chief Executive
1	Gross Salary (Rs.)	37.40
2	Stock Option (no.)	-
3	Sweat Equity	-
4	Commission	-
5	Others, please specify	-
	Total (A)	37.40
	Ceiling as per the Act	Remuneration as approved by central government.

## B. Remuneration to other Directors

No	Particular of Remuneration	Other Directors						Total
		Hemant Kaul	Mahendra Agarwal	R S Agarwala	S M Jalan	D R Agarwal	Meera Madhusudan Singh	
1	<b>Independent Directors</b>							
	(a) Fee for attending board / committee meetings	8,000	--	--	16,000	--	--	24,000
	(b) Commission	--	--	--	--	--	--	--
	(c) Others, please specify	--	--	--	--	--	--	--
	<b>Total (1)</b>	<b>8,000</b>	<b>--</b>	<b>--</b>	<b>16,000</b>	<b>--</b>	<b>--</b>	<b>24,000</b>
2	<b>Other Non-Executive Directors</b>							
	(d) Fee for attending board / committee meetings	--	--	16,000	--	6,000	6,000	28,000
	(e) Commission	--	--	--	--	--	--	--
	(f) Others, please specify	--	--	--	--	--	--	--
	<b>Total (2)</b>	<b>--</b>	<b>--</b>	<b>16,000</b>	<b>--</b>	<b>6,000</b>	<b>6,000</b>	<b>28,000</b>
	<b>Total B = (1+2)</b>	<b>8,000</b>	<b>--</b>	<b>16,000</b>	<b>16,000</b>	<b>6,000</b>	<b>6,000</b>	<b>52,000</b>

Over all ceiling as per Act : The Company had paid only sitting fees to the Directors. Apart from sitting fees there is no other remuneration paid to the Non-Executive Directors.

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

(₹ in Lakhs)

Particular of Remuneration	Key Managerial Personnel		Total Amount
	Ramesh Sivaraman- Manager- Chief Executive	Lakshmi Sharma Company Secretary	
1 <b>Gross Salary</b>			
(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	33.18	5.34	38.52
(b) Value of perquisites u/s 17 (2) Income tax Act, 1961	1.30	-	1.30
(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961			
2. <b>Stock Option (nos.)</b>	--	--	-
3. <b>Sweat Equity</b>	-	--	-
4. <b>Commission</b>	-	--	-
as % of profit	-	--	-
others, specify	-	--	-
5. <b>others, please specify</b>	-	--	-
<b>Total</b>	<b>34.48</b>	<b>5.34</b>	<b>39.82</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

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

## Annexure - D

### REPORT ON CORPORATE GOVERNANCE

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

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

The Companies Act, 2013 and SEBI Listing Regulations have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the new law and listing regulations

#### Company's Philosophy

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

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

#### Board of Directors

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

The Chairman being non-executive Director, one third of the strength of the Board comprises of the Independent Directors. The composition of the Board is in conformity with the SEBI (LODR) Regulations, 2015.

The number of other directorships, committee chairmanships/memberships held in other companies by each of the Directors is tabled below:

Name*	Designation	No. of other Directorships**	Committee ***	
			Other Directorship	Membership
Mr. Hemant Kaul	Chairman	6	2	1
Mr. Mahendra Agarwal	Member	8	1	-
Mr. Radhe Shyam Agarwala	Member	2	1	-
Dr.Dhanpat Ram Agarwal	Member	5	2	-
Mr.Sanwar Mal Jalan	Member	7	2	2
Ms.Meera Madhusudhan Singh	Member	1	-	-

\*None of the above Directors are related to each other.

\*\*Other directorships do not include Section 8 Companies and companies incorporated outside India.

\*\*\*Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

The composition of Board/Committees is available on the website of the Company i.e. <http://www.tcifl.in>

Each Director informs the Company on an annual basis about the Board and Board Committee positions he occupies in other companies including Chairmanships and notifies changes periodically and regularly during the term of their directorship in the Company. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors.



**Meetings of the Board**

The Board of Directors must meet at least four times a year, with a maximum time gap of 120 days between two Board meetings. During the financial year 2015-16, the Board met Four times: April 29, 2015, July 28, 2015, November 3, 2015 and January 21, 2016. The necessary quorum was present at all the meetings

The below table gives the composition of the Board, their attendance at the board meetings held during the year and at the previous Annual General Meeting held on July 28, 2015 and also the shareholding.

Name	Category and Designation	Attendance particulars		No. of Equity shares
		Board meetings	Last AGM	
Mr. Hemant Kaul	Independent Director-Chairman	4	Yes	--
Mr. Mahendra Agarwal	Promoter and Non Executive Director	4	Yes	11,96,619
Mr. Radhe Shyam Agarwala	Non Executive Director	4	Yes	--
Mr. Sanwar Mal Jalan	Independent Director	4	Yes	--
Dr. Dhanpat Ram Agarwal	Non Executive Director	4	Yes	--
Ms. Meera Madhusudhan Singh	Non Executive Director	4	Yes	--

The Companies Act, 2013 read with relevant Rules made there under, facilitates the participation of the Director in the Board/ Committee meetings through video conferencing or other audio mode. However none of the Directors have availed such a facility.

**Information given to the Board:**

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

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

**Declaration by Independent Directors**

The independent directors of the Company have submitted the declaration satisfying all criteria of Independent Director under the Companies Act, 2013 and SEBI Regulation.

During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

**Disclosure of relationships between directors inter-se**

None of the above Directors are related to each other.

**Familiarisation programmes to Independent directors**

The web link where details of familiarisation programmes imparted to Independent directors as disclosed in the website of the Company is: <http://www.tcifl.in/pdf/ProgrammesforIDs21012016.pdf>



### Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on January 21, 2016, inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

### Committees of the Board

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

#### The Company has five Board-level Committees, namely:

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

### Audit Committee

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

The primary responsibilities of the Audit Committee are to:

1. Supervise the financial reporting process
2. Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements
3. Review the plan, scope and performance of the internal audit function
4. Discuss with management, the Company's major policies with respect to risk assessment and risk management.
5. Hold discussions with statutory auditors on the nature and scope of audits and any views that they have about the financial control and reporting processes
6. Ensure compliance with accounting standards and with listing requirements with respect to the financial statements
7. Recommend the appointment and removal of statutory auditors and their fees
8. Review related party transactions

All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, strategy and management. The Audit Committee invites such of the executives, as it considers appropriate Statutory Auditors and Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

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The Chairman of the Audit Committee was present at Annual General Meeting to answer shareholder queries. The Company Secretary acts as the secretary to the committee.

During the financial year 2015-16, the Audit Committee met four times viz., on April 29, 2015, July 28, 2015, November 3, 2015 and January 21, 2016. The below table gives the composition and attendance record of the Audit Committee.

S.No	Name	Position	Number of meetings during the year 2015-16	
			Held	Attended
1	Mr. S M Jalan	Chairman	4	4
2	Mr. R S Agarwala	Member	4	4
3	Mr. Hemant Kaul	Member	4	4

**Nomination & Remuneration Committee:**

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

S.No	Name	Position	Number of meetings during the year 201516	
			Held	Attended
1	Mr. S M Jalan	Chairman	-	-
2	Mr. Mahendra Agarwal	Member	-	-
3	Mr. R S Agarwala	Member	-	-
4.	Mr. Hemant Kaul	Member	-	-

During the financial year 2015-16, the Committee did not meet. .

**Performance evaluation criteria of Independent Directors**

The performance evaluation criteria of Independent Directors forms part of Directors report.

**Remuneration policy:**

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

**1. Criteria of Selection of Non-Executive Directors**

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the criteria of independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director.
  - a) Qualification, expertise and experience of the Directors in their respective fields;
  - b) Personal, Professional or business standing;
  - c) Diversity of the Board.

- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

## 2. Remuneration

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

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

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

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

## 4. Remuneration for the CEO & Managing Director

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

## 5. Remuneration Policy for the Senior Management Employees

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:
  - i. the relationship of remuneration and performance benchmark is clear;
  - ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
  - iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

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

**Non-Executive Directors: -**

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

The details of sitting fee paid to the Non-Executive Directors during the financial year 2015-16 are as follows:

Name	Sitting fee
	(₹)
Mr. Hemant Kaul	8,000
Mr. Mahendra Agarwal	Nil
Mr. R.S. Agarwala	16,000
Mr. S.M. Jalan	16,000
Dr. D.R. Agarwal	6,000
Ms. Meera Madhusudhan Singh	6000
<b>TOTAL</b>	<b>52,000</b>

The Company did not propose commission or stock options during the financial year 2015-16

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

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

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

The Committee consists of two Directors, headed by Mr. S M Jalan, Chairman of the Committee, who is an Independent Director. During the financial year 2015-16, the Investors' Grievance Committee met four times viz., on April 29, 2015, July 28, 2015, November 3, 2015 and January 21, 2015 and all the members were present for the meeting.

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

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

An analysis of the investor complaints received and redressed during the financial year 2015-16 is given below:

S.No.	Nature of Complaint	Received	Disposed	Pending	No. of not solved to the satisfaction of shareholders
1	Non receipt of Annual Report	04	04	NIL	NIL
2	Non receipt of Duplicate Share Certificate	01	01	NIL	NIL
3	Non receipt of fully paid stickers against payment of allotment money	02	02	NIL	NIL
	<b>Total</b>	<b>7</b>	<b>7</b>	<b>NIL</b>	<b>NIL</b>

**As on 31st March 2016, no request for dematerialization was pending.**

**Name, designation and address of Compliance Officer:**

Ms. Lakshmi Sharma  
 Company Secretary,  
 Investor Relations & Compliance Officer  
 Email: investors\_tcif@gati.com  
 Address for correspondence

**Regd. & Corporate Office:**

Plot no.20, Survey no.12, 4th Floor,  
 Kothaguda, Kondapur,  
 Hyderabad – 500 084  
 Tel: +91 040 7120 4284  
 Fax: +91 040 2311 2316

**Credit/Investment Committee**

**Composition**

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

Mr R S Agarwala            Chairman  
 Mr. S M Jalan            Member

**Terms of reference**

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

**Corporate Social Responsibility**

The new Act has mandated the Corporate Social Responsibility to the applicable Companies. To be in conformity with the new Companies Act, 2013 and as a step towards the transformation, a CSR policy is framed.

During the financial year the committee met once i.e., on January 21, 2016.

The below table gives the composition and attendance record of the Corporate Social Responsibility Committee:

SI No	Name	Designation	No. of meetings during the year 2015-16	
			Held	Attended
1	Mr. S M Jalan	Chairman	1	1
2	Mr. R S Agarwala	Member	1	1
3	Dr. D R Agarwal	Member	1	1

**Code of Conduct**

The Board of Directors of the Company has laid down a code of conduct for all Board Members and designated senior management of the Company. The Code of Conduct has also incorporated the duties of Independent Directors as laid down in the Companies Act; 2013. The code of conduct is available on the website of the Company ([www.tcifl.in](http://www.tcifl.in)). All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Manager to this effect is enclosed at the end of this report.

- i. The Reserve Bank of India vide its circular dated September, 2008 issued guidelines for all NBFCs to adopt Fair Practice Code. Your Company adopted the same and is available on the website of the Company ([www.tcifl.in](http://www.tcifl.in)). 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.

**General Body Meetings****(a) Annual General Meeting:**

<b>Date of AGM</b>	<b>Time</b>	<b>Venue</b>	<b>No. of Special resolutions passed</b>
September 24, 2013	10.30 A.M	Hotel Minerva Grand, Sarojini Devi Road, Secunderabad - 500 003	--
September 25, 2014	11.00 A.M	Plot no-20, Survey no-12, Opp. Of CII building, Kothaguda, Kondapur, Hyderabad-500081	1
July 28, 2015	11.00 A.M	Plot no.20, Survey no.12, Ground Floor, Kothaguda, Kondapur, Hyderabad-500081	3

**(b) Extraordinary General Meeting:**

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

**Postal Ballot:**

During the year and last year the Company has not transacted any business through postal ballot. Further, as on date of the report, no special resolution is proposed to be conducted through postal ballot.

**Means of Communication Results**

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

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

**Nil**

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

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

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

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

**E-voting**

Pursuant to the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.

## Additional Shareholders' Information

**Annual General Meeting:**

Date: August 5, 2016

Time: 11.00 a.m

Venue: Plot no.20, Survey no.12, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084

**Financial Calendar**

<b>Tentative calendar for declaration of financial results in FY 2016-17</b>	
Results for the quarter ended June 30, 2015	July /on or before 14th August, 2016
Results for the quarter ended September 30, 2015	October /on or before 14th November, 2016
Results for the quarter ended December 31, 2015	January / on or before 14th February, 2017
Results for the year ended March 31, 2016	April / on or before 30th May, 2017

**Book Closure dates:** The dates for book closure are from July 29, 2016 to August 5, 2016 (both days inclusive).

**Listing on Stock Exchanges**

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

**Stock Code:**

- a) Trading scrip code on Bombay Stock Exchange : 501242  
 b) Trading scrip code on National Stock Exchange : TCIFINANCE

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

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

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

(Amount in ₹)

<b>Months</b>	<b>NSE</b>		<b>BSE</b>	
	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
Apr-2015	39.50	33.55	43.75	33.55
May-2015	44.40	33.75	41.85	34.20
Jun-2015	41.45	34.15	39.50	34.50
Jul-2015	38.80	34.60	37.75	34.15
Aug-2015	40.40	32.50	39.30	32.00
Sep-2015	39.60	29.60	38.85	29.30
Oct-2015	36.10	27.45	36.90	28.50
Nov-2015	31.85	27.10	31.80	27.00
Dec-2015	38.80	29.50	37.80	29.75
Jan-2016	35.00	24.25	35.95	24.35
Feb-2016	27.40	19.35	27.60	19.25
Mar-2016	22.00	19.05	23.75	18.10



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

<b>PARTICULARS</b>	<b>TCIF Share price v/s NSE</b>		<b>TCIF Share price v/s BSE</b>	
	Share Price(₹)	NSE NIFTY	Share Price (₹)	BSE Sensex
As on April 1, 2015	33.35	8483.70	33.55	27954.86
As on March 31, 2016	19.40	7738.40	19.80	25341.86

**Share Transfer System**

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

**Karvy Computershare Private Limited**

(Unit: TCI Finance Limited)

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel. No: 040 44655000-152

E-mail: mohsin.mohd@karvy.com

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

**Dematerialization of Shares**

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

91.24% of the total shares have been dematerialized upto March 31, 2016. Dematerialization of shares is done through Karvy Computershare Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

<b>Particulars</b>	<b>Shares on March 31, 2016</b>	<b>%</b>
Physical Shares	1128181	8.76
NSDL	10574086	82.15
CDSL	1170226	9.09
<b>Total</b>	<b>12872493</b>	<b>100</b>

**Secretarial Audit**

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



**Distribution Schedule as on March 31, 2016:**

No. of shares		No. of Shareholders	% of total Shareholders	No. of shares	% to Total Capital
Upto	5000	4793	80.58	903655	7.02
5001	10,000	547	9.20	460596	3.58
10,001	20,000	253	4.25	397363	3.09
20,001	30,000	100	1.68	261058	2.03
30,001	40,000	49	0.82	176598	1.37
40,001	50,000	57	0.96	274397	2.13
50,001	1,00,000	62	1.04	445430	3.46
1,00,001	And above	87	1.46	9953396	77.32
<b>TOTAL</b>		<b>5948</b>	<b>100.00</b>	<b>12872493</b>	<b>100.00</b>

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

No.	Category	No. of shares held	% Shareholding
1	Promoter and Promoter Group	5363544	41.67
2	Non-Resident Indians	260054	2.02
3	Bodies Corporate, NBFC & HUF	2304142	17.90
4	Resident Individuals	4926388	38.27
5	Clearing Members	15546	0.12
6	Directors and relatives	2819	0.02
	<b>TOTAL</b>	<b>12,872,493</b>	<b>100.00</b>

**Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity-Not Applicable**

**Plant location: None**

**Unclaimed Shares:**

The Company is in the process of sending reminders to the shareholders whose shares were lying with the Company unclaimed/undelivered. These will be transferred to the Demat Suspense Account /unclaimed suspense account as required in accordance with the procedural requirements of the SEBI (LODR) Regulations, 2015.

**Investor Correspondence**

**For queries relating to shares:**

**Karvy Computershare Pvt. Ltd.**

(Unit TCI Finance Limited)

Karvy Selenium Tower B

Plot 31-32, Gachibowli

Financial District, Nanakramguda

Hyderabad – 500 032

Tel: +91 040 4465 5000- 152

Fax: +91 040 4465 5024

E-mail: mohsin.mohd@karvy.com

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

**TCI Finance Limited**

Secretarial Department

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

Kothaguda, Kondapur

Hyderabad – 500 084.

Tel: +91 040 7120 4284

Fax: +91 040 2311 2316

Email: investors\_tcif@gati.com

**Other Disclosures**

- i) During the financial year under review, there were no materially significant related party transactions made by the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potentially conflict with the interest of the Company at large. Disclosures regarding related party transaction are disclosed in Note No. 25.2 of notes to accounts published elsewhere in this Annual Report.
- ii) There are no instances of non-compliance by the Company, penalties, and strictures imposed on the company by the Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years
- (iii) The Company has complied with all mandatory requirements of SEBI LODR Regulations, 2015.
- (iv) The Company is preparing its financial statements in line with the accounting standards issued by the Institute of Chartered Accountants of India and the company has not raised any fresh funds from the public or through Right or Preferential Issue.

**Vigil Mechanism**

The Company has put in place a mechanism of reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee A Policy of vigil Mechanism is available on the website of the Company <http://www.tcifl.in/pdf/VigilMechanismPolicy.pdf>

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

The Company affirms that no personnel have been denied access to the audit committee during the financial year 2015-16.

**Disclosure of commodity price risks and commodity hedging activities:** Not Applicable.

**CEO and CFO Certification:**

The Chief Executive Officer and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board as required under regulation 17(8) of SEBI LODR Regulations, 2015.

**Code of Conduct for prohibition of Insider trading**

Your company had adopted a Code of conduct as per SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. During the year under review, the Company had made due compliance with SEBI (Prohibition of Insider trade) Regulations, 2015.

**Risk management**

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

**Details of compliance with mandatory requirements**

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clause(b) to (i) of sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Non-Mandatory Requirements**

Company has also ensured implementation of non mandatory items such as :

- Separate posts of Chairman and Managing Director/CEO and reimbursement of expenses in the performance of duties.
- Unmodified audit opinion/ reporting.

- The Internal auditor reports directly to the Audit Committee

Details of the shareholders' rights in this regard are given in the section 'General Shareholder information'.

**Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India.**

The Institute of Company Secretaries of India (ICSI), one of the India's premier professional bodies has issued Secretarial Standards on important aspects like Board Meetings, and General Meetings under series SS-1 and SS-2 which came into force from 1st July, 2015 upon endorsement of the same by Ministry of Corporate Affairs by notification and your company adheres to these standards where ever applicable. The other standards like , Maintenance of Registers an Records, Transmission of Shares, Passing of resolutions by Circulation, Affixing of Common Seal and Board's report which are as on date of report Recommendatory in nature are also adhered to voluntarily.

**Management Discussion and Analysis:**

Management Discussion and Analysis forms part of the Annual Report.

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## **CERTIFICATE ON CORPORATE GOVERNANCE**

To.

The Members of TCI Finance Limited,

We have examined the compliance of conditions of Corporate Governance by TCI Finance Limited (“the company”) for the year ended March 31, 2016, as stipulated in clause 49 of the Listing Agreement (“Listing Agreement”) of the Company with the Stock Exchanges for the period April 01, 2015 to November 30, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) for the period December 01, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

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

**For dvmgopal & associates**  
Company Secretaries

Place: Hyderabad  
Date: April 28, 2016

**dvm gopal**  
Proprietor  
CP no. 6798  
FCS no. 6280

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### **Declaration**

As provided under regulation 26(3) of the SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2016.

**for TCI FINANCE LIMITED**

Place: Hyderabad  
Date: April 28, 2016

**Ramesh Sivaraman**  
Manager-Chief Executive

## CHIEF EXECUTIVE OFFICER (CEO) / MD CERTIFICATION

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief.

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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

(1) significant changes in internal control over financial reporting during the year.

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For TCI Finance Limited

Ramesh Sivaraman  
Manager-Chief Executive

Place: Hyderabad  
Date : April 28, 2016

## MANAGEMENT DISCUSSION & ANALYSIS

### **Business Environment**

Global growth, currently estimated at 3.1 percent in 2015, is projected at 3.4 percent in 2016 and 3.6 percent in 2017. The pickup in global activity is projected to be more gradual than in the October 2015 World Economic Outlook (WEO), especially in emerging market and developing economies.

The Indian economy expanded by 7.6 per cent in 2015-16 to log the fastest growth among larger countries, also outpacing China. While this was also the fastest growth it is generally perceived as an indication of economic recovery gaining momentum.

As per International Monetary Fund, growth is projected to notch up to 7.5 percent in 2016–17, as forecast in October. Growth will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth.

The Index of Industrial Production (IIP), for the entire 2015-16 fiscal, grew at 2.4 percent, down from 2.8 percent in the previous fiscal. The IIP decelerated in financial year 2015-16, mainly pulled down by weak manufacturing in an environment of subdued investment demand and weak rural consumption.

### **Industry Developments**

The NBFCs saw moderation in rate of asset growth, rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalisation levels and conservative liquidity management, continues to provide comfort to the credit profile of well run NBFCs inspite of the impact on profitability.

The revised regulatory framework released in November, 2014 by the RBI focuses on strengthening the structural profile of the NBFC sector. These changes have to be implemented for systematically implemented NBFC's in a phased manner by March 31, 2018. Some of the key changes are:

- I. Classification of loan NPAs for NBFCs has also been brought in line with banks.  
NPA recognition will change in a phased manner to 90 days overdue from the current 180 days overdue for loans and 360 days for hire purchase assets.
- II. Increase in Tier I CAR (core CAR) will increase in a phased manner to 10% for NBFC - D and NBFC - ND - SI, thereby increasing loan absorbing capacity and long term capital requirement.
- III. Stringent Corporate governance and disclosure norms for accountability, transparency and trust in NBFC sector IV. Standard asset provisioning will stand increased from 0.25% to 0.40%

### **Opportunities**

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

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

### **Threats**

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

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

### **Segment-wise or product-wise performance of the Company**

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

### **Future Strategies**

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

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

### **Risks and concerns**

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

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

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

### **Business Overview financial performance**

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

The Company's total Revenue from Operations during the year were ₹1126 lakhs and the net profit after tax is ₹ 198 lakhs as against ₹ 1324 lakhs and ₹ 678 lakhs respectively in the previous year.

### **Human Resources**

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

The employee relations have continued to be harmonious throughout the year. The Company has 4 permanent employees as on March 31, 2016.

### **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.



# INDEPENDENT AUDITORS' REPORT

To  
**The Members of  
TCI Finance Limited**

## **Report on the Standalone Financial Statements**

We have audited the accompanying Standalone Financial Statements of TCI Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information ("here after referred to as "financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 Standalone Financial Statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its Profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our report in 'Annexure A'; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No 23.1 to the financial statements;
  - ii. The Company did not have any material foreseeable losses relating to long term contracts including derivative contracts; and
  - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**D. Bapu Raghavendra**  
Partner  
Membership No.213274

Hyderabad, April 28, 2016

**Re: TCI Finance Limited**

**Annexure A to the Independent Auditors' report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TCI Finance Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk whether a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**D. Bapu Raghavendra**  
Partner  
Membership No.213274

Hyderabad, April 28, 2016

**Re: TCI Finance Limited****Annexure B to the Independent Auditors' Report**

(Referred to in paragraph '2' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all the fixed assets have been physically verified by the management during the year in accordance with programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of the immovable properties are held in the name of the Company.
- ii. Having regard to the nature of the Company's business, paragraph 3(ii) of the Order relating to inventory is not applicable.
- iii. In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013.
  - a. The term and conditions of the loans granted by the Company to two parties covered in the register maintained Section 189 of the Companies Act, 2013 is amounting to ₹ 3,012.50 Lakhs and the balance outstanding as at March 31, 2016 is ₹ 2,737.50 Lakhs are not prejudicial to the interests of the Company.
  - b. Schedule of repayment of principal and payment of interest has been stipulated by the Company. The Company is in regular receipt of principal and interest from the parties mentioned as per the register 189 of the Companies Act, 2013.
  - c. There are no over dues towards principal and interest for more than ninety days.
- iv. In our opinion and according to the information and explanations given to us, there are no transactions which attracts Section 185 and Section 186 of the Companies Act 2013. Hence, reporting under the provisions of paragraph 3(iv) of the Order does not arise. Refer Note No 23.3 of the financial statements.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Accordingly, the provisions of paragraph 3(v) of the Order does not arise.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for the activities of the Company.
- vii. (a) According to the information and explanations given to us and based on the examination of records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Sales-tax, Service Tax, Customs duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year.
- (b) Details of dues of Income Tax, Sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2016 on account of disputes are as below:

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

- viii. In our opinion and according to the information and explanations given to us and based on the examination of records of the Company, the Company has not defaulted in repayment of dues to financial institutions.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans availed by the Company during the year were, prima facie, applied by the Company for the purposes for which they were obtained.

**TCI FINANCE LTD.**

- x. 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 material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi. In our opinion and according to the information and explanations given to us and based on the examination of records of the Company, the managerial remuneration has been paid is in accordance with the Section 198 read with the Schedule V of the Companies Act, 2013.
- xii. According to the information and explanations given to us and based on our examination of the records, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on the examination of records of the Company, all the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv. According to the information and explanations given to us and based on the examination of records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly Convertible debentures during the year. Hence, reporting under the provisions of paragraph 3(xiv) of the Order does not arise.
- xv. According to the information and explanations given to us and based on the examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- xvi. The Company is a Non Banking Financial Institutions as per Section 45I(a) of the Reserve Bank of India Act, 1934 and obtained the Certificate of Registration.

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

**D. Babu Raghavendra**  
Partner  
Membership No.213274

Hyderabad, April 28, 2016

**TCI FINANCE LIMITED**  
**Balance Sheet as at March 31, 2016**

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>		₹	₹
<b>Shareholders' Funds</b>			
(a) Share Capital	3	141,963,050	141,963,050
(b) Reserves and Surplus	4	278,861,033	259,046,476
		<b>420,824,083</b>	<b>401,009,526</b>
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	207,710,154	215,712,410
(b) Long Term Provisions	6	1,514,214	1,202,123
		<b>209,224,368</b>	<b>216,914,533</b>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	7	375,000,000	300,000,000
(b) Trade Payables	8		
(A) Micro, Small, Medium Enterprises (MSMEs)		-	-
(B) Other than MSMEs		1,010,573	311,300
(c) Other Current Liabilities	9	14,043,747	6,699,462
(d) Short Term Provisions	10	7,912	2,990,942
		<b>390,062,232</b>	<b>310,001,704</b>
<b>TOTAL</b>		<b>1,020,110,683</b>	<b>927,925,763</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11A	7,288,698	7,863,859
(ii) Intangible Assets	11B	1,644	1,644
(b) Non-Current Investments	12	494,923,004	495,304,321
(c) Deferred Tax Assets (Net)	24.2	237,784	104,291
(d) Long Term Loans and Advances	13	11,760,397	-
(e) Other Non-Current Assets	14	-	120,265
		<b>514,211,527</b>	<b>503,394,380</b>
<b>Current Assets</b>			
(a) Cash and Cash Equivalents	15	964,652	43,319,122
(b) Short Term Loans and Advances	16	473,961,367	356,625,000
(c) Other Current Assets	17	30,973,137	24,587,261
		<b>505,899,156</b>	<b>424,531,383</b>
<b>TOTAL</b>		<b>1,020,110,683</b>	<b>927,925,763</b>
Corporate Information and Significant Accounting Policies	1 & 2		

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

As per our report of even date attached.

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

For and on behalf of the Board

**D. Babu Raghavendra**  
Partner

**Hemant Kaul**  
Chairman  
DIN No : 00551588

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

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

**Ramesh Sivaraman**  
Manager - Chief Executive

Hyderabad, April 28, 2016



**Statement of Profit and Loss for the year ended March 31, 2016**

Particulars	Note No.	2015- 16	2014-15
		₹	₹
<b>Income</b>			
Revenue from Operations	18	112,550,348	132,360,010
Other Income	19	2,080,525	4,907,007
<b>Total Revenue</b>		<b>114,630,873</b>	<b>137,267,017</b>
<b>Expenses</b>			
(a) Employee Benefits Expense	20	7,637,255	6,281,773
(b) Finance Costs	21	80,392,134	49,357,892
(c) Depreciation and Amortisation	11C	291,686	121,051
(d) Other Expenses	22	3,107,733	2,556,597
(e) Provision for Standard Assets / Non-Performing Assets	23.4	321,000	(2,810,000)
<b>Total Expenses</b>		<b>91,749,808</b>	<b>55,507,313</b>
<b>Profit Before Tax</b>		<b>22,881,065</b>	<b>81,759,704</b>
<b>Tax Expense:</b>			
(a) Current Tax		3,200,000	13,497,415
(b) Deferred Tax		(133,492)	468,391
		<b>3,066,508</b>	<b>13,965,806</b>
<b>Profit After Tax</b>		<b>19,814,557</b>	<b>67,793,898</b>
<b>Earnings per Equity Share of ₹ 10/- each</b>			
Basic and Diluted	24.1	1.54	5.27
Corporate Information and Significant Accounting Policies	1 & 2		

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

As per our report of even date attached.

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

For and on behalf of the Board

**D. Bapu Raghavendra**  
Partner

**Hemant Kaul**  
Chairman  
DIN No : 00551588

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

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

**Ramesh Sivaraman**  
Manager - Chief Executive

Hyderabad, April 28, 2016



## TCI FINANCE LTD.

## Cash Flow Statement for the year ended March 31, 2016

Particulars	2015-16	2014-15
	₹	₹
<b>A. Cash Flow From Operating Activities</b>		
Net profit before tax and extra ordinary items	22,881,065	81,759,704
<b>Adjustments for:</b>		
Depreciation and Amortisation	291,686	121,051
Profit on sale of Investments	(4,662,916)	(25,108,654)
Profit on sale of assets	(1,816,525)	(595,300)
Dividend received (Long Term Investments)	(6,913,541)	(11,826,784)
	9,779,769	44,350,017
<b>Changes in working capital: Adjustments for (increase) / decrease in operating assets:</b>		
Short Term Loans and Advances	413,633	(625,000)
Other Current Assets	(6,385,876)	(2,118,590)
Other Non-Current Assets	120,265	(6,665)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade Payables	699,273	(70,327)
Other Current Liabilities	5,403,637	(1,062,316)
Short Term Provisions	(281)	1,403
Long Term Provisions	312,091	(2,727,897)
Cash used in Operations	10,342,511	37,740,624
Net Income Tax Refunded	(17,943,146)	(145,664)
Net Cash used in Operations	(7,600,635)	37,594,960
Loans Repaid / (Disbursed) (Net)	(118,750,000)	(318,000,000)
<b>Net Cash from / (used in) Operating Activities (A)</b>	<b>(126,350,635)</b>	<b>(280,405,040)</b>
<b>B. Cash Flow from Investing Activities</b>		
Proceeds from Sale of assets	2,100,000	595,300
Repayment from / (Advance to) Subsidiary	1,000,000	901,430
Purchase of Assets	-	(1,317,729)
Sale of Long Term Investments	5,044,233	30,629,704
Purchase of Long Term Investments	-	-
Dividend received (Long term Investments)	6,913,541	11,826,784
<b>Net cash from / (used in) Investing Activities (B)</b>	<b>15,057,774</b>	<b>42,635,489</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Short Term Borrowings	75,000,000	300,000,000
Repayment of Long Term Borrowings	(6,061,608)	(21,175,293)
<b>Net cash from Financing Activities (C)</b>	<b>68,938,392</b>	<b>278,824,707</b>
<b>Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(42,354,469)</b>	<b>41,055,157</b>
Cash and Cash Equivalents at the beginning of the year	43,319,122	2,263,965
<b>Cash and Cash Equivalents at the end of the year</b>	<b>964,652</b>	<b>43,319,122</b>

Accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

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

**For and on behalf of the Board**

**D.Bapu Raghavendra**  
Partner

**Hemant Kaul**  
Chairman  
DIN No : 00551588

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

Hyderabad, April 28, 2016

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

**Ramesh Sivaraman**  
Manager - Chief Executive

**Notes forming part of the Financial Statements for the year ended March 31, 2016**

<b>1</b>	<b>Corporate information</b> <p>TCI Finance Limited ("the Company") is a public company domiciled in India. Its shares are listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is a "Loan company" engaged in the business of Non Banking Financial Institution as defined in section 45I(a) of the Reserve Bank of India Act, 1934.</p>
<b>2</b>	<b>Significant Accounting Policies</b>
<b>2.1</b>	<b>Basis of accounting and preparation of financial statements</b> <p>The financial statements of the Company are prepared on accrual basis, under historical cost convention. The Financial Statements of the Company have been prepared in accordance with G.A.A.P in India ("Indian GAAP") to comply with accounting standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Act/ the Companies Act, 1956, as applicable.</p> <p>The accounting policies adopted in the preparation of financial statements are consistent with those of the preceding year.</p>
<b>2.2</b>	<b>Use of Estimates</b> <p>The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.</p>
<b>2.3</b>	<b>Cash Flow Statement</b> <p>The Cash Flow Statement is prepared under "Indirect method" in accordance with Accounting Standard-3 on Cash Flow Statements notified in section 133 of the Companies Act, 2013. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
<b>2.4</b>	<b>Revenue Recognition</b>
<b>2.4.1</b>	<b>Interest Income</b> <p>Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.</p>
<b>2.4.2</b>	<b>Other Income</b> <p>Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established. Income from Services is recognised on accrual basis.</p>
<b>2.5</b>	<b>Fixed Assets:</b>
	<b>2.5.1 Tangible Assets:</b> Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.
	<b>2.5.2 Intangible Assets:</b> Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.
<b>2.6</b>	<b>Depreciation and Amortisation</b> <p>Depreciable amount of assets is the cost of an asset, or other amount substituted for cost less its estimated residual value.</p> <p>Depreciation on tangible fixed assets has been provided on the straight line method as per the useful lives prescribed in schedule II to the Companies Act, 2013 .</p> <p>Intangible assets are amortised, on the straight line method on the useful lives prescribed in schedule II to the Companies Act, 2013 .</p>
<b>2.7</b>	<b>Investments</b> <p>Investments are classified as Long term and Current. Long term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.</p>

## Notes forming part of the Financial Statements for the year ended March 31, 2016

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

**3 Share Capital**

	March 31, 2016		March 31, 2015	
	No. of shares	₹	No. of shares	₹
<b>Authorised</b> Equity shares of ₹ 10/- each	20,000,000	200,000,000	20,000,000	200,000,000
<b>Issued</b> Equity shares of ₹ 10/- each	16,000,000	160,000,000	16,000,000	160,000,000
<b>Subscribed and fully paid up</b> Equity shares of ₹ 10/- each	12,872,493	128,724,930	12,872,493	128,724,930
Add : Forfeited Shares <i>(Amount Originally paid up)</i>	-	13,238,120	-	13,238,120
<b>Total</b>		<b>141,963,050</b>		<b>141,963,050</b>

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

	March 31, 2016		March 31, 2015	
	No. of Shares	₹	No. of Shares	₹
<b>Equity Shares of ₹10/- each</b>				
At the beginning of the year	12,872,493	141,963,050	12,872,493	141,963,050
Add : Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>12,872,493</b>	<b>141,963,050</b>	<b>12,872,493</b>	<b>141,963,050</b>

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

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

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

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

Name of Shareholder	March 31, 2016		March 31, 2015	
	No of Shares	% Shareholding	No of Shares	% Shareholding
<b>Equity Shares of ₹ 10/- each</b>				
Gati Limited	1,600,300	12.43	1,600,300	12.43
Mahendra Kumar Agarwal	1,196,619	9.30	1,196,619	9.30
Green India Venture Fund	1,127,209	8.76	1,523,436	11.83
Neera Agarwal	950,265	7.38	950,265	7.38
Mahendra Investment Advisors Private Limited	682,000	5.30	682,000	5.30

**4 Reserves and Surplus**

	March 31, 2016	March 31, 2015
	₹	₹
(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	47,724,674	34,165,894
Add: Transferred from surplus in Statement of Profit and Loss	3,962,911	13,558,780
	51,687,585	47,724,674
(d) Surplus in Statement of Profit and Loss		
Opening Balance	175,940,031	121,735,531
<b>Less</b> : Depreciation adjustment on account of Companies Act, 2013 (net of deferred tax of ₹ 13,688/-)	-	(30,618)
<b>Add</b> : Profit After Tax for the year	19,814,557	67,793,898
<b>Less</b> : Amount transferred to Reserve Fund	3,962,911	13,558,780
	191,791,677	175,940,031
<b>Total</b>	<b>278,861,033</b>	<b>259,046,476</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2016

## 5. Long Term Borrowings - Secured

	Non-current		Current	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	₹	₹	₹	₹
<b>Term Loans</b>				
From Others (Refer Note No (ii) below)	207,710,154	215,712,410	7,346,180	5,405,532
<b>Total</b>	<b>207,710,154</b>	<b>215,712,410</b>	<b>7,346,180</b>	<b>5,405,532</b>

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

## (ii) Term Loans from Others

Term loan from Others carries interest at a variable rate based on the lender Retail Prime Lending Rate (RPLR), of 13.90% p.a and is repayable in 180 instalments from date of loan viz., April 28, 2013. Presently, the loan carries rate of interest of 13.80%. The loan is secured by pledge of certain investments of the Company, personal guarantee of a director, pledge of property and Investments of a director and pledge of third party investments property.

## 6 Long Term Provisions

	March 31, 2016	March 31, 2015
	₹	₹
Provision for Employee Benefits:		
(i) Provision for Compensated Absences	298,214	307,123
Provision - Others:		
(i) Contingent Provision against Standard Assets	1,216,000	895,000
<b>Total</b>	<b>1,514,214</b>	<b>1,202,123</b>

## 7 Short Term Borrowings

	March 31, 2016	March 31, 2015
	₹	₹
<b>Secured:</b>		
From Others (Refer Note No 7.1 below)	247,500,000	300,000,000
<b>Unsecured:</b>		
From Others	127,500,000	-
<b>Total</b>	<b>375,000,000</b>	<b>300,000,000</b>

## 7.1 The details of the security are as below:

Name of the lender	Security - Pledge of Gati Limited Shares
Sun Pharma Laboratories Limited	6,000
SKS Fin Cap Private Limited	1,802,246
Anand Rathi Global Finance Ltd	2,057,000
Godavari Commercial Services Pvt Ltd	1,100,000

**8 Trade Payables**

	March 31, 2016	March 31, 2015
	₹	₹
Trade Payables other than Acceptances (Refer Note No. 8.1below)		
(A) Micro, Small, Medium Enterprises (MSMEs)	-	-
(B) Other than MSMEs	1,010,573	311,300
<b>Total</b>	<b>1,010,573</b>	<b>311,300</b>

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

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

	As At March 31, 2016	As At March 31, 2015
a) Principal amount remaining unpaid	Nil	Nil
b) Interest due thereon	Nil	Nil
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payments made to the supplier beyond the appointed day during the year	Nil	Nil
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
e) Interest accrued and remaining unpaid	Nil	Nil
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

**9 Other Current Liabilities**

	March 31, 2016	March 31, 2015
	₹	₹
Current Maturities of Long Term Borrowings (Refer Note No. 5)	7,346,180	5,405,532
Interest Accrued and Not Due	4,801,201	-
Other Payables		
(i) Statutory Payables	1,371,830	736,799
(ii) Security Deposits	186,666	186,666
(iii) Others (Refer Note No 9.1 & 25.2)	337,870	370,465
<b>Total</b>	<b>14,043,747</b>	<b>6,699,462</b>

9.1 Includes ₹ 122,684/- (Previous year: ₹ 163,610/-) payable towards Managerial Remuneration.

**10 Short Term Provisions**

	March 31, 2016	March 31, 2015
	₹	₹
Provision for Employee Benefits:		
Provision for Compensated Absences	7,912	8,193
Provision for Tax (Net of Advance tax Previous year ₹ 21,342,001/-)	-	2,982,749
<b>Total</b>	<b>7,912</b>	<b>2,990,942</b>

Notes forming part of the Financial Statements for the year ended March 31, 2016  
11 Fixed Assets

₹

No	PARTICULARS	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION			NET BLOCK			
		As At 01.04.2015	Additions	Deletions	As At 31.03.2016	Upto 01.04.2015	For the year	Charge to opening reserves/ Deletions	Upto 31.03.2016	As at 31.03.2016	As At 31.03.2015
<b>A</b>	<b>TANGIBLE ASSETS</b>										
<b>i</b>	<b>Owned Assets</b>										
1	Land - Freehold	3,522,514	-	-	3,522,514	-	-	-	-	3,522,514	3,522,514
2	Buildings	4,040,826	-	320,055	3,720,771	1,041,691	59,749	36,580	1,064,860	2,655,911	2,999,135
3	Furniture and Fixtures	1,100,000	-	-	1,100,000	1,045,000	-	-	1,045,000	55,000	55,000
4	Plant and Machinery	6,802	-	-	6,802	6,802	-	-	6,802	-	-
5	Vehicles	1,170,599	-	-	1,170,599	7,617	185,345	-	192,962	977,637	1,162,982
6	Computer	187,130	-	-	187,130	62,902	46,592	-	109,494	77,636	124,228
	<b>Total Tangible Assets</b>	<b>10,027,871</b>	<b>-</b>	<b>320,055</b>	<b>9,707,816</b>	<b>2,164,012</b>	<b>291,686</b>	<b>36,580</b>	<b>2,419,118</b>	<b>7,288,698</b>	<b>7,863,859</b>
	Previous Year	1,46,38,181	1,317,729	5,928,039	10,027,871	7,941,260	121,051	5,957,779	2,164,012	7,863,859	6,696,921
<b>B</b>	<b>INTANGIBLE ASSETS</b>										
1	Computer Software	33,038	-	-	33,038	31,394	-	-	31,394	1,644	1,644
	<b>Total Intangible Assets</b>	<b>33,038</b>	<b>-</b>	<b>-</b>	<b>33,038</b>	<b>31,394</b>	<b>-</b>	<b>-</b>	<b>31,394</b>	<b>1,644</b>	<b>1,644</b>
	Previous Year	33,038	-	-	33,038	16,828	-	14,566	31,394	1,644	16,210

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

	2015-16	2014-15
	₹	₹
Tangible Assets	291,686	121,051
Intangible Assets	-	-
<b>Total</b>	<b>291,686</b>	<b>121,051</b>



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

₹

NAME OF THE COMPANY	March 31, 2016			March 31, 2015		
	No. of shares	Face value	Amount	No. of shares	Face value	Amount
<b>A EQUITY SHARES (QUOTED)</b>						
<i>Gati Limited (Refer Note No. 12.1)</i>	8,103,205	2	90,456,661	8,133,205	2	90,837,978
<i>TCI Industries Limited</i>	30,236	10	2,128,390	30,236	10	2,128,390
<i>Karnataka Bank Limited</i>	4,860	10	413,100	4,860	10	413,100
<i>ATI Limited</i>	10,000	10	200,000	10,000	10	200,000
<i>Less: Provision for decline, other than temporary, in the value of long term investments</i>			(86,206)			(86,206)
<b>Net</b>			113,794			113,794
<i>Lloyds Finance Limited</i>	4,200	10	2,310	4,200	10	2,310
<i>Tech Mahindra Limited (Refer Note No. 12.2)</i>	400	5	173,612	400	5	173,612
<b>Total</b>			93,287,867			93,669,184
<b>B EQUITY SHARES (UNQUOTED)</b>						
<i>Gati Intellect Systems Limited</i>	1,000	100	100,000	1,000	100	100,000
<i>Coast-To-Coast Shipping Limited</i>	9,500	10	95,000	9,500	10	95,000
<i>TCI Hi-Ways Private Limited</i>	27,451	10	274,510	27,451	10	274,510
<i>Giri Roadlines and Commercial Trading Private Limited</i>	42,000	100	157,527	42,000	100	157,527
<i>Amrit Jal Ventures Private Limited</i>	15,014,100	10	150,000,000	15,014,100	10	150,000,000
<i>Bangalore Stock Exchange Limited</i>	32,500	1	30,000	30,000	1	30,000
<i>ITAG Infrastructure Limited</i>	5,000	10	50,000	5,000	10	50,000
<b>Total</b>			150,707,037			150,707,037
<b>C SUBSIDIARY - EQUITY SHARES (UNQUOTED)</b>						
<i>ITAG Business Solutions Limited</i>	1,250,000	10	12,500,000	1,250,000	10	12,500,000
<b>Total</b>			12,500,000			12,500,000
<b>D PREFERENCE SHARES (UNQUOTED)</b>						
<i>Capital Fortunes Limited</i>	350,000	10	3,500,000	350,000	10	3,500,000
<i>8% Non Cumulative 15 Year Redeemable</i>						
<b>Total</b>			3,500,000			3,500,000
<b>E DEBENTURES (OPTIONALLY CONVERTIBLE) (UNQUOTED)</b>						
<i>14.50% - Amrit Jal Ventures Private Limited</i>	2,349,281	100	234,928,100	2,349,281	100	234,928,100
<b>Total</b>			234,928,100			234,928,100
<b>Grand Total</b>			494,923,004			495,304,321
<b>Book Value Of Quoted Investments</b>			93,287,867			93,669,184
<b>Market Value Of Quoted Investments (Refer Note No. 12.3)</b>			921,445,366			1,798,019,758

12.1. 5,615,246 (March 31, 2015: 4,354,546) Equity Shares pledged with lenders as security for Long and Short Term Borrowings (Refer Note No.5 (ii) and 7.1), 805,000 (Previous year: 1,085,000) (Shares pledged with IFCI Venture capital limited towards loan availed by M/s Amrit Jal Ventures Private Limited and 1,580,000 (Previous year : Nil) shares pledged with IDFC Bank Limited for loan availed by Gati Infrastructure Private Limited.)

12.2. 396 shares (Previous Year : 396 shares) pledged with Bangalore Stock Exchange.

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

## Notes forming part of the Financial Statements for the year ended March 31, 2016

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

	March 31, 2016	March 31, 2015
	₹	₹
Advance Tax (Net of provision of ₹ 19,707,890/-)	11,760,397	-
<b>Total</b>	<b>11,760,397</b>	<b>-</b>

**14 Other Non-Current Assets**

	March 31, 2016	March 31, 2015
	₹	₹
Interest accrued on deposits	-	3,267
Fixed Deposit with original maturity more than 12 months	-	66,998
Security Deposit - Unsecured, considered good	-	50,000
<b>Total</b>	<b>-</b>	<b>120,265</b>

**15 Cash and Bank Balances**

	March 31, 2016	March 31, 2015
	₹	₹
Balances with Banks		
In Current Accounts	953,443	43,302,362
Cash on hand	11,209	16,760
<b>Total</b>	<b>964,652</b>	<b>43,319,122</b>

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

	March 31, 2016	March 31, 2015
	₹	₹
Loans and advances to Subsidiary (Refer Note No.25.2)	-	1,000,000
Inter corporate Loans (Refer Note No.23.3)	473,750,000	355,000,000
Other Advances recoverable in cash or kind	211,367	625,000
<b>Total</b>	<b>473,961,367</b>	<b>356,625,000</b>

**17 Other Current Assets**

	March 31, 2016	March 31, 2015
	₹	₹
Interest accrued on Debentures	17,554,721	17,470,955
Interest accrued on Short Term Loans and Advances	12,495,196	1,692,602
Other Receivables	923,220	-
Claims Receivables	-	5,129,704
Contractually Reimbursable Expenses	-	294,000
<b>Total</b>	<b>30,973,137</b>	<b>24,587,261</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2016**
**18 Revenue from Operations**

	2015-16	2014-15
	₹	₹
Interest Income (Refer Note No. 18.1)	99,405,901	92,551,969
Other Operating Revenue (Refer Note No. 18.2)	13,144,447	39,808,041
<b>Total</b>	<b>112,550,348</b>	<b>132,360,010</b>

**18.1 Interest Income**

	2015-16	2014-15
	₹	₹
<b>Interest Income from:</b>		
(i) Banks	3,912	6,765
(ii) Loans and Advances	65,337,403	23,453,029
(iii) Un recognised income of earlier year, now received and recognised	-	35,027,592
(iv) Investments	34,064,586	34,064,583
<b>Total</b>	<b>99,405,901</b>	<b>92,551,969</b>

**18.2 Other Operating Revenue**

	2015-16	2014-15
	₹	₹
Upfront Fee / Guarantee Commission	1,567,990	2,872,603
Profit on sale of Long Term Investments	4,662,916	25,108,654
Dividend income from Long Term Investments	6,913,541	11,826,784
<b>Total</b>	<b>13,144,447</b>	<b>39,808,041</b>

**19 Other Income**

	2015-16	2014-15
	₹	₹
Rental Income	264,000	804,000
Other Non-Operating Income (Refer Note No. 19.1)	1,816,525	4,103,007
<b>Total</b>	<b>2,080,525</b>	<b>4,907,007</b>

**19.1 Other Non-Operating Income**

	2015-16	2014-15
	₹	₹
Profit on sale of Fixed Assets	1,816,525	595,300
Liabilities no longer required written back	-	76,526
Miscellaneous income	-	1,730,609
Interest on IT Refund	-	1,700,572
<b>Total</b>	<b>1,816,525</b>	<b>4,103,007</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2016

**20 Employee Benefits Expense**

	2015-16	2014-15
	₹	₹
Salaries and wages	7,333,973	5,977,896
Contributions to provident and other funds (Refer Note No. 20.1)	303,282	303,877
<b>Total</b>	<b>7,637,255</b>	<b>6,281,773</b>

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

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 1,95,282/- (As at March 31, 2015 ₹ 1,95,985/-) for Provident Fund contributions and ₹ 1,08,000/- (As at March 31, 2015 ₹ 1,08,000/-) 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, 2016.

**INTENTIONALLY LEFT BLANK**

**Notes forming part of the Financial Statements for the year ended March 31, 2016**

Particulars	March 31, 2016	March 31, 2015
	₹	₹
	Gratuity (Funded)	Gratuity (Funded)
Present Value of Defined Benefit Obligation	1,723,297	1,479,588
Fair Value of Plan Assets	1,733,929	1,582,979
Funded Status [Surplus/(Deficit)]	10,632	103,391
Net Asset / (Liability) recognized in the Balance Sheet	-	-
Present Value of DBO at the beginning of the year	1,479,588	1,119,782
Current Service Cost	76,747	61,593
Interest Cost	115,408	100,780
Actuarial Losses / (Gains)	51,554	197,433
Benefits paid	-	-
<b>Present Value of DBO at the end of the year</b>	<b>1,723,297</b>	<b>1,479,588</b>
Plan Assets at the beginning of the year	1,582,979	1,446,338
Expected Return on Plan Assets	126,638	115,707
Actuarial Gain / (Loss)	24,312	20,934
Benefits Paid	-	-
<b>Plan Assets at the end of the year</b>	<b>1,733,929</b>	<b>1,582,979</b>
Current Service Cost	76,747	61,593
Interest Cost	115,408	100,780
Expected Return on Plan Assets	(126,638)	(115,707)
Actuarial Loss / (Gains)	27,242	176,499
Expense recognized in the Statement of Profit and Loss	92,759	223,165
Actual Benefit Payments	-	-
<b>Experience History</b>		
(1) Defined Benefit Obligation at end of the period	1,723,297	1,479,588
(2) Plan Assets at end of the period	1,733,929	1,582,979
(3) Surplus / (Deficit)	10,632	103,391
(4) Experience (Gain) / Loss adjustments on plan liabilities	51,554	82,960
(5) Experience Gain / (Loss) adjustments on plan assets	24,312	20,934
<b>Division of Defined Benefit Obligation (Current / Non-Current)</b>		
(1) Current Defined Benefit Obligation at end of the period	42,154	36,728
(2) Non-Current Defined Benefit Obligation at end of the period	1,681,143	1,442,860
(3) Total Defined Benefit Obligation at end of the period	1,723,297	1,479,588
<b>Best Estimate of Contribution During Next year</b>	-	-
<b>Assumptions</b>		
Discount Rate %	7.80%	7.80%
Expected Return on Plan Assets %	8.00%	8.00%
Salary Escalation %	6.00%	6.00%
Mortality	<i>IALM 06-08 Ultimate</i>	<i>IALM 06-08 Ultimate</i>
Attrition rate	2.00%	2.00%
The major categories of plan assets as a percentage of total plan - Funded with LIC	77.82%	85.24%

As a matter of prudence, the balance of fund of ₹ 10,632/- (Previous Year : ₹ 1,03,391/- ) of planned assets over gratuity liability is not recognised.

## Notes forming part of the Financial Statements for the year ended March 31, 2016

**21 Finance Costs**

	2015-16	2014-15
	₹	₹
Interest expense on:		
Term Loans	77,669,116	46,441,423
Other borrowing costs	2,723,018	2,916,469
<b>Total</b>	<b>80,392,134</b>	<b>49,357,892</b>

**22 Other Expenses**

	2015-16	2014-15
	₹	₹
Rates and taxes	34,834	18,553
Service tax and Cess paid	180,146	-
Travelling and conveyance	265,870	371,248
Printing and stationery	258,166	194,158
Legal and professional	660,904	414,110
Rent Paid	235,200	-
Auditors' Remuneration (Refer Note No. 22.1)	251,493	264,046
Listing Fee and Demat charges	482,803	392,826
CSR Expenses	-	285,075
Miscellaneous	738,317	616,581
<b>Total</b>	<b>3,107,733</b>	<b>2,556,597</b>

**22.1 Auditors' Remuneration**

	2015-16	2014-15
	₹	₹
Fee towards		
Statutory Audit	125,000	125,000
Limited Review	90,000	90,000
Certification	5,000	20,000
Service Tax	31,493	29,046
<b>Total</b>	<b>251,493</b>	<b>264,046</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2016**
**23 Additional information to the Financial Statements**

23.1	Contingent liabilities and commitments (to the extent not provided for)	March 31, 2016	March 31, 2015
		₹	₹
	Contingent liabilities		
	(a) Disputed Sales Tax demand	63,661	63,661
	(b) Corporate Guarantees	2,557,166,935	1,966,766,935
	The Company has provided Guarantee for A) redemption / buyback of the Optionally convertible Debentures subscribed by IFCI Venture Capital Funds Limited in Amrit Jal Ventures Private Limited, B) To the lenders of Gati Infrastructure Bhasmey Power Private Limited and C) Pledge of Gati Ltd shares held by the Company to IFCI Venture Capital Funds Limited for loan availed by Amrit Jal Ventures Private Limited. D) Pledge of Gati Ltd shares held by the Company to IDFC Bank Ltd for facility availed by Gati Infrastructure Pvt Ltd		

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

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

Name of the party	Relationship	Amount outstanding as at March 31, 2016	Maximum balance outstanding during the year
		₹	₹
ITAG Business Solutions Limited	Subsidiary	- (1,000,000)	1,000,000 (1,901,430)

Note: Figures in bracket relate to the previous year.

23.3 Inter-Company loans/deposits given by the Company are on the basis that one of the main objects of the Company is to act as financiers. Accordingly, the Company has been advised that Section 186 of the Companies Act, 2013 is not applicable to the Company.

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

Particulars	March 31, 2016	March 31, 2015
	₹	₹
Provision for Standard Assets	321,000	890,000
Provision For Non - Performing Assets - Loans	-	(3,700,000)
<b>Total</b>	<b>321,000</b>	<b>(2,810,000)</b>

**24 Other Disclosures under Accounting Standards**

24.1	Earnings per share	2015-16	2014-15
		₹	₹
	Net profit for the year attributable to the equity shareholders (₹)	19,814,557	67,793,898
	Weighted average number of equity shares	12,872,493	12,872,493
	Face value per share (₹)	10	10
	<b>Earnings per share - Basic and Diluted (₹)</b>	<b>1.54</b>	<b>5.27</b>



## Notes forming part of the Financial Statements for the year ended March 31, 2016

	2015-16	2014-15
	₹	₹
<b>24.2 Deferred Tax (Liability) / Asset</b>		
Tax effect of items constituting deferred tax liability :		
On difference between book balance and tax balance of fixed assets	137,961	172,264
Tax effect of items constituting deferred tax liability	137,961	172,264
Tax effect of items constituting deferred tax assets :		
Provision for Standard assets	375,744	276,555
Provision for Non-Performing assets	-	-
Tax effect of items constituting deferred tax assets	375,744	276,555
<b>Net Deferred Tax - Asset /(Liability)</b>	<b>237,783</b>	<b>104,291</b>

**25 Disclosures under Accounting Standards (contd.)****25.1 Related party transactions ( Disclosures as required by AS 18 - Related Party Dsiclosures)****Details of related parties:**

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

Note: Related parties have been identified by the Management.

**25.2 Details of related party transactions during the year ended March 31, 2016 and balances outstanding as at March 31, 2016 :**

Particulars	Subsidiaries	KMP	Total
<b>Transactions during the year</b>			
Advance Given	-	-	-
	(500,000)	(-)	(500,000)
Advance Recovered	1,000,000	625,000	1,625,000
	(1,401,430)	(-)	(1,401,430)
Managerial Remuneration			
Manager	-	3,740,576	3,740,576
	(-)	(2,622,814)	(2,622,814)
Staff Advance Given	-	-	-
	(-)	(625,000)	(625,000)
Interest Expense	-	-	-
	(223,695)	(-)	(223,695)
Balances at the year end			
Advance Given	-	-	-
	(1,000,000)	-	(1,000,000)
Other current liabilities - Others			
Managerial Remuneration Payable	-	122,684	122,684
	(-)	(163,610)	(163,610)

Note: Figures in bracket relates to the previous year

**26 Schedule to the Balance sheet of a Non Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2015):**

₹

Particulars		Amount outstanding	Amount Overdue
<b>26.1</b>	<b>Liabilities Side:</b>		
	Loans and advances availed by the Non- Banking Financial Company inclusive of interest accrued thereon but not paid:		
	a. Debentures	-	-
	b. Term Loans	215,056,334	-
	c. Inter Corporate loans and borrowings \$	379,801,201	-
	<b>Total</b>	<b>594,857,535</b>	<b>-</b>
<b>26.2</b>	<b>Assets Side:</b>		
	<b>Break-up of Loans and Advances including bills receivables (Other than those included in (4) below:)</b>		<b>Amount outstanding</b>
	a. Secured		-
	b. Unsecured#		486,245,196
<b>26.3</b>	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:</b>		
	(i) Lease assets including lease rentals under sundry debtors:		
	a. Financial Lease		-
	b. Operating Lease		-
	(ii) Stock on hire including hire charges under Sundry Debtors:		
	a. Assets on hire		-
	b. Repossessed Assets		-
	(iii) Other Loans Counting towards AFC Activities		
	a. Loans where assets have been repossessed		-
	b. Loans other than (a) above		-
<b>26.4</b>	<b>Break up of Investments:</b>		
	Current Investments		-
	Long Term Investments:		
	1. Quoted:		
	(i) Equity Shares		93,287,867
	(ii) Debentures and Bonds		-
	2. Un Quoted:		
	(i) Equity Shares		163,207,037
	(ii) Preference		3,500,000
	(iii) Debentures and Bonds		252,482,821*

\$ includes ₹ 4,801,201/- towards Interest accrued and due on Secured and Unsecured short term borrowings

# includes ₹ 12,495,196/- towards Interest accrued on advances.

\* includes ₹ 17,554,721/- towards Interest accrued on Investments

## Notes forming part of the Financial Statements for the year ended March 31, 2016

## 26.5 Borrower group-wise classification of assets financed as in 26.2 and 26.3 above:

₹

	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same Group	-	-	-
	2. Other than Related parties	-	485,029,196	485,029,196
	<b>Total</b>	-	<b>485,029,196</b>	<b>485,029,196</b>

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

	Category	Market Value/Breakup or Fair value or NAV ₹	Book Value (Net of Provisions) ₹
	1. Related parties		
	(a) Subsidiaries	12,500,000	12,500,000
	(b) Companies in the same Group	920,639,185	92,585,051
	(c) Other Related parties	-	-
	2. Other than related parties	407,496,039*	407,392,674*
	<b>Total</b>	<b>1,340,635,224</b>	<b>512,477,725</b>

\* includes ₹ 17,554,721/- towards Interest accrued on Investments

26.7	Other Information	₹
	<b>Particulars</b>	
	(i) Gross Non-Performing assets	-
	(a) Related parties	-
	(b) Other than related parties	-
	(ii) Net Non-Performing assets	-
	(a) Related parties	-
	(b) Other than related parties	-
	(iii) Assets acquired in satisfaction of debt	-

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

## Signatures to Notes "1 to 27"

For and on behalf of the Board

**Hemant Kaul**  
Chairman  
DIN No : 00551588

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

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

**Ramesh Sivaraman**  
Manager - Chief Executive

To  
**The Members of  
TCI FINANCE LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of TCI FINANCE LIMITED (the "Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2016, 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 (herein referred to as "the Consolidated Financial Statements").

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

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

**Auditors' Responsibility**

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 23.1 to the Consolidated Financial Statements.
    - ii. The Group did not have any material foreseeable losses relating to long-term contracts including derivative contracts.
    - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

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

**D. Bapu Raghavendra**  
Partner  
Membership No.213274

Hyderabad, April 28, 2016

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of TCI Finance Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of directors of the Holding Company, its subsidiary company which is incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk whether a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, its subsidiary Company which is incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**D. Babu Raghavendra**  
Partner  
Membership No.213274

Hyderabad, April 28, 2016



Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>		<b>₹</b>	<b>₹</b>
<b>Shareholders' Funds</b>			
(a) Share Capital	3	141,963,050	141,963,050
(b) Reserves and Surplus	4	271,561,144	252,188,404
		413,524,194	394,151,454
<b>Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	207,710,154	215,712,410
(b) Long Term Provisions	6	1,655,872	1,428,348
		<b>209,366,026</b>	<b>217,140,758</b>
<b>Current Liabilities</b>			
(a) Short Term Borrowings	5A	375,000,000	300,000,000
(b) Trade Payables	7		
(A) Micro, Small, Medium Enterprises (MSMEs)		-	-
(B) Other than MSMEs		1,747,530	1,573,450
(c) Other Current Liabilities	8	14,669,438	7,528,502
(d) Short Term Provisions	9	8,938	2,995,021
		<b>391,425,906</b>	<b>312,096,973</b>
<b>TOTAL</b>		<b>1,014,316,126</b>	<b>923,389,185</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10A	8,114,469	8,918,418
(ii) Intangible Assets	10B	1,644	1,644
(b) Non-Current Investments	11	482,423,004	482,804,321
(c) Deferred Tax Assets (Net)	24.4	326,349	158,140
(d) Long Term Loans and Advances	12	12,235,076	196,135
(e) Other Non-Current Assets	13	-	120,265
		<b>503,100,542</b>	<b>492,198,923</b>
<b>Current Assets</b>			
(a) Trade Receivables	14	2,890,157	3,193,601
(b) Cash and Cash Equivalents	15	2,962,302	47,444,057
(c) Short Term Loans and Advances	16	474,345,705	355,860,470
(d) Other Current Assets	17	31,017,420	24,692,134
		<b>511,215,584</b>	<b>431,190,262</b>
<b>TOTAL</b>		<b>1,014,316,126</b>	<b>923,389,185</b>
Corporate Information and Significant Accounting Policies	1 & 2		

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

As per our report of even date attached.

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

**D. Bapu Raghavendra**  
Partner

Hyderabad, April 28, 2016

**For and on behalf of the Board**

**Hemant Kaul**  
Chairman  
DIN No : 00551588

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

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

**Ramesh Sivaraman**  
Manager - Chief Executive

**TCI FINANCE LIMITED****Consolidated Statement of Profit and Loss for the year ended March 31, 2016**

Particulars	Note No.	2015-16	2014-15
		₹	₹
<b>Continuing Operations :</b>			
<b>Income</b>			
Revenue from Operations	18	126,436,716	144,218,645
Other Income	19	2,465,144	5,650,776
<b>Total Revenue</b>		<b>128,901,860</b>	<b>149,869,421</b>
<b>Expenses</b>			
(a) Employee Benefits Expense	20	10,223,241	8,940,635
(b) Finance Costs	21	80,400,167	49,380,269
(c) Depreciation and Amortisation	10C	725,689	445,923
(d) Other Expenses	22	14,827,233	11,764,385
(e) Provision for Standard Assets / Non-Performing Assets	23.3	321,000	(2,810,000)
<b>Total Expenses</b>		<b>106,497,330</b>	<b>67,721,212</b>
<b>Profit Before Exceptional Item and Tax</b>		<b>22,404,530</b>	<b>82,148,209</b>
<b>Profit Before Tax</b>		<b>22,404,530</b>	<b>82,148,209</b>
<b>Tax Expense:</b>			
(a) Current Tax		3,200,000	13,571,566
(b) Deferred Tax		(168,209)	369,884
		<b>3,031,791</b>	<b>13,941,450</b>
<b>Profit After Tax</b>		<b>19,372,739</b>	<b>68,206,759</b>
<b>Earnings per Equity Share of ₹ 10/- each</b>			
<b>Basic and Diluted</b>			
(i) Continuing Operations	24.3	1.50	5.30
(ii) Total Operations	24.3	1.50	5.30
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

**D. Babu Raghavendra**  
Partner

Hyderabad, April 28, 2016

**Hemant Kaul**  
Chairman  
DIN No : 00551588**Lakshmi Sharma**  
Company Secretary  
M.No: A32617**For and on behalf of the Board****S M Jalan**  
Director  
DIN No : 00324182**Ramesh Sivaraman**  
Manager - Chief Executive

**Consolidated Cash Flow Statement for the year ended March 31, 2016**

	<b>2015-16</b>	<b>2014-15</b>
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extra ordinary items	22,404,530	82,148,209
Adjustments for:		
Depreciation and Amortisation	725,689	445,922
Profit on sale of assets	(1,816,525)	(595,300)
Profit on sale of Long Term Investments	(4,662,916)	(25,108,654)
Dividend received (Long term Investments)	(6,913,541)	(11,826,784)
Liabilities / Provisions no longer required Written Back	87,620	-
Interest Income	180,335	(442,707)
Sundry Debtors Written Off	334,358	-
	<b>10,339,550</b>	<b>44,620,686</b>
<b>Changes in Working Capital:</b>		
<b>Adjustments for (increase) / decrease in Operating Assets:</b>		
Trade Receivables	(30,915)	507,512
Short Term Loans and Advances	264,765	(520,832)
Other Current Assets	(6,325,286)	(2,193,174)
Other Non-Current Assets	120,265	(6,665)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade Payables	86,462	(550,858)
Other Current Liabilities	5,200,288	(3,120,449)
Short Term Provisions	(3,334)	2,076
Long Term Provisions	227,524	(2,620,996)
Cash used in Operations	9,879,319	36,117,301
Net Income Tax Paid	(18,221,691)	1,615,770
Net Cash from / (used in) Operations	(8,342,372)	37,733,071
Loans (Disbursed) / Repaid (Net)	(118,750,000)	(318,000,000)
<b>Net Cash from / (used in) Operating Activities (A)</b>	<b>(127,092,372)</b>	<b>(280,266,929)</b>
<b>B. Cash Flow from Investing Activities</b>		
Proceeds from Sale of Fixed Assets	2,100,000	595,300
Purchase of Assets	(205,215)	(1,506,449)
Sale of Long Term Investments	5,044,233	30,629,704
Interest Received - Others	(180,335)	218,742
Dividend received (Long term Investments)	6,913,541	11,826,784
<b>Net cash from / (used in) Investing Activities (B)</b>	<b>13,672,224</b>	<b>41,764,081</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	75,000,000	300,000,000
Repayment of Long Term Borrowings	(6,061,608)	(21,175,293)
Interest Income Received	-	223,965
<b>Net cash (used in) / from Financing Activities (C)</b>	<b>68,938,392</b>	<b>279,048,672</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(44,481,754)</b>	<b>40,545,824</b>
Cash and Cash Equivalents at the beginning of the year	47,444,056	6,898,232
<b>Cash and Cash Equivalents at the end of the year</b>	<b>2,962,302</b>	<b>47,444,056</b>

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

As per our report of even date attached.

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

Chartered Accountants

**D. Babu Raghavendra**

Partner

Hyderabad, April 28, 2016

**For and on behalf of the Board**

**Hemant Kaul**

Chairman

DIN No : 00551588

**Lakshmi Sharma**

Company Secretary

M.No: A32617

**S M Jalan**

Director

DIN No : 00324182

**Ramesh Sivaraman**

Manager - Chief Executive

**TCI FINANCE LIMITED****Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016**

<b>1</b>	<b>Corporate information</b>
	<b>Principles of Consolidation</b>
	TCI Finance Limited ("the Company") is a public company domiciled in India. Its shares are listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is a "Loan company" engaged in the business of Non Banking Financial Institution as defined in section 45I(a) of the Reserve Bank of India Act, 1934.
<b>2</b>	<b>Significant Accounting Policies</b>
<b>2.1</b>	<b>Basis of Accounting and Preparation of Financial Statements</b>
	The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") /Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.
<b>2.2</b>	<b>Principles of Consolidation</b>
	The consolidated financial statements have been prepared on the following basis:
<b>a)</b>	The financial statements of the Company and its wholly owned subsidiary company (Itag Business Solutions Ltd) has been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting and unrealised profits or losses on intra-group transactions as per Accounting Standard (AS) 21 - "Consolidated Financial Statements" specified under Section 133 of Companies Act, 2013.
<b>b)</b>	The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2016.
<b>c)</b>	Intra-group balances and intra-group transactions and resulting unrealised profits / loss has been eliminated.
<b>d)</b>	The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.
<b>2.2.1</b>	<b>Use of Estimates</b>
	The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
<b>2.3</b>	<b>Cash Flow Statement</b>
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
<b>2.4</b>	<b>Revenue Recognition</b>
<b>2.4.1</b>	<b>Interest Income</b>
	Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.
<b>2.4.2</b>	<b>Consultancy income</b>
	Consultancy Revenue is recognized on accrual basis.
<b>2.4.3</b>	<b>Sponsorship and Delegate Fee Income</b>
	Revenue from sponsorship and delegate fees is recognised on accrual basis.
<b>2.4.4</b>	<b>Other Income</b>
	Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established. Income from Services is recognised on accrual basis.
<b>2.5</b>	<b>Fixed Assets:</b>
<b>2.5.1</b>	<b>Tangible Assets:</b> Fixed Assets are carried at cost less accumulated depreciation/amortization and impairment losses, if any. The cost of fixed assets comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016**

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

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

## 3 Share Capital

	March 31, 2016		March 31, 2015	
	No. of shares	₹	No. of shares	₹
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	20,000,000	200,000,000	20,000,000	200,000,000
<b>Issued</b>				
Equity Shares of ₹ 10/- each	16,000,000	160,000,000	16,000,000	160,000,000
<b>Subscribed and Fully Paid Up</b>				
Equity Shares of ₹ 10/- each	12,872,493	128,724,930	12,872,493	128,724,930
Add : Forfeited Shares (Amount Originally paid up)	-	13,238,120	-	13,238,120
<b>Total</b>	<b>12,872,493</b>	<b>141,963,050</b>	<b>12,872,493</b>	<b>141,963,050</b>

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

	March 31, 2016		March 31, 2015	
	No. of shares	₹	No. of shares	₹
<b>Equity Shares of ₹ 10/- each</b>				
At the beginning of the year	12,872,493	141,963,050	12,872,493	141,963,050
Add : Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>12,872,493</b>	<b>141,963,050</b>	<b>12,872,493</b>	<b>141,963,050</b>

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

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

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

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

Name of Shareholder	March 31, 2016		March 31, 2015	
	No of Shares	%Shareholding	No of Shares	%Shareholding
<b>Equity Shares of ₹ 10/- each</b>				
Gati Limited	1,600,300	12.43	1,600,300	12.43
Mahendra Kumar Agarwal	1,196,619	9.30	1,196,619	9.30
Green India Venture Fund	1,127,209	8.76	1,523,436	11.83
Neera Agarwal	950,265	7.38	950,265	7.38
Mahendra Investment Advisors Private Limited	682,000	5.30	682,000	5.30

## 4 Reserves and Surplus

	March 31, 2016	March 31, 2015
	₹	₹
(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	47,724,674	34,165,894
Add : Transferred from surplus in Statement of Profit and Loss	3,962,911	13,558,780
	<b>51,687,585</b>	<b>47,724,674</b>
(d) Surplus in Statement of Profit and Loss		
Opening Balance	173,172,593	118,753,047
Less : Depreciation adjustment on account of Companies Act, 2013 (net of deferred tax of ₹ 102,147/-)	-	(228,433)
Add: Profit After Tax for the year	19,372,739	68,206,759
Less : Amount transferred to Reserve Fund	(3,962,911)	(13,558,780)
	<b>188,582,421</b>	<b>173,172,593</b>
<b>Total</b>	<b>271,561,144</b>	<b>252,188,404</b>



**5 Long-Term Borrowings - Secured**

	Non-current		Current	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Term Loans</b>				
From Others (Refer (ii.a) below)	207,710,154	215,712,410	7,346,180	5,405,532
<b>Total</b>	<b>207,710,154</b>	<b>215,712,410</b>	<b>7,346,180</b>	<b>5,405,532</b>

- (i) Current maturities of Long Term Borrowings have been disclosed under the head "Other Current Liabilities" (Refer Note No. 8)
- (ii) **Term Loans from Others**
- (a) Term loan from Others carries interest at a variable rate based on the lender Retail Prime Lending Rate (RPLR), of 13.90% p.a and is repayable in 180 instalments from date of loan viz., April 28, 2013. Presently, the loan carries rate of interest of 13.80%. The loan is secured by pledge of certain investments of the Company, personal guarantee of a director, pledge of property and Investments of a director and pledge of third party property.

**5A Short-Term Borrowings**

	March 31, 2016	March 31, 2015
	₹	₹
Secured:		
From Others (Refer Note 5A.1 below)	247,500,000	300,000,000
Unsecured:		
From Others	127,500,000	-
<b>Total</b>	<b>375,000,000</b>	<b>300,000,000</b>

**5A.1 The details of the security is as mentioned below:**

Name of the lender	Security - Pledge of Gati Limited Shares
Sun Pharma Laboratories Limited	6,000
SKS Fin Cap Private Limited	1,802,246
Anand Rathi Global Finance Ltd	2,057,000
Godavari Commercial Services Pvt Ltd	1,100,000

**6 Long Term Provisions**

	March 31, 2016	March 31, 2015
	₹	₹
Provision for Employee Benefits:		
(i) Provision for Compensated Absences	298,214	307,123
(ii) Provision for Gratuity	141,658	226,225
Provision - Others:		
(i) Contingent Provision against Standard Assets	1,216,000	895,000
<b>Total</b>	<b>1,655,872</b>	<b>1,428,348</b>



## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

## 7 Trade Payables

Particulars	March 31, 2016	March 31, 2015
	₹	₹
Trade Payables other than Acceptances (Refer Note No. 7.1 and 7.2 below)		
(A) Micro, Small, Medium Enterprises (MSMEs)	-	
(B) Other than MSMEs	1,747,530	1,573,450
<b>Total</b>	<b>1,747,530</b>	<b>1,573,450</b>

7.1 Includes ₹ 54,000/- (March 31, 2015 ₹ 71,125/-) payable to Related Party. (Refer Note No.24.2)

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

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

	As At March 31, 2016	As At March 31, 2015
a) Principal amount remaining unpaid	Nil	Nil
b) Interest due thereon	Nil	Nil
c) Interest paid by the Company in terms of Section 16 of Micro Small and Medium Enterprises Development Act, 2006 along with the amount of payments made to the supplier beyond the appointed day during the year	Nil	Nil
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
e) Interest accrued and remaining unpaid	Nil	Nil
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

## 8 Other Current Liabilities

	March 31, 2016	March 31, 2015
	₹	₹
Current maturities of Long Term Borrowings (Refer Note No. 5)	7,346,180	5,405,532
Interest accrued and due	4,801,201	-
Other payables		
(i) Statutory Payables	1,392,096	950,218
(ii) Security Deposits	186,666	186,666
(iii) Others (Refer Note No. 8.1)	943,295	986,086
<b>Total</b>	<b>14,669,438</b>	<b>7,528,502</b>

8.1 Includes ₹ 122,684/- (March 31, 2015: ₹ 163,610/-) payable towards Managerial Remuneration (Refer Note No. 24.2)

## 9 Short Term Provisions

	March 31, 2016	March 31, 2015
	₹	₹
Provision for Employee Benefits:		
(i) Provision for Compensated Absences	7,912	8,193
(ii) Provision for Gratuity	1,026	4,079
(iii) Provision for Tax (net of Advance tax ₹ 21,342,001/-)	-	2,982,749
<b>Total</b>	<b>8,938</b>	<b>2,995,021</b>

**TCI Finance Limited**  
**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016**  
**10. Fixed Assets**

₹

No	PARTICULARS	GROSS BLOCK (At Cost)			DEPRECIATION / AMORTISATION			NET BLOCK			
		As At 01.04. 2015	Additions	Deletions	As At 31.03. 2016	Upto 01.04.2015	For the year	Charge to opening Reserves/Deletions	Upto 31.03.2016	As at 31.03.2016	As At 31.03.2015
<b>A</b>	<b>TANGIBLE ASSETS</b>										
<b>I</b>	<b>Owned Assets</b>										
1	Land - Freehold	3,522,514	-	-	3,522,514	-	-	-	-	3,522,514	3,522,514
2	Buildings	4,040,826	-	320,055	3,720,771	1,041,691	59,749	36,580	1,064,860	2,655,911	2,999,135
3	Furniture and Fixtures	2,383,161	39,500	-	2,422,661	1,723,458	174,676	-	1,898,134	524,527	659,703
4	Plant and Machinery	6,802	-	-	6,802	6,802	-	-	6,802	-	-
5	Motor Trucks	1,170,599	-	-	1,170,599	7,617	185,344	-	192,961	977,638	1,162,982
6	Office Equipment and Computers	2,688,348	165,715	-	2,854,063	2,114,264	305,920	-	2,420,184	433,879	574,084
	<b>Total</b>	<b>13,812,250</b>	<b>205,215</b>	<b>320,055</b>	<b>13,697,410</b>	<b>4,893,832</b>	<b>725,689</b>	<b>36,580</b>	<b>5,582,941</b>	<b>8,114,469</b>	<b>8,918,418</b>
	<b>Previous Year</b>	<b>18,233,840</b>	<b>1,506,449</b>	<b>5,928,039</b>	<b>13,812,250</b>	<b>10,059,935</b>	<b>445,923</b>	<b>6,244,052</b>	<b>4,893,832</b>	<b>8,918,418</b>	<b>8,173,905</b>
<b>B</b>	<b>INTANGIBLE ASSETS</b>										
1	Computer Software	33,038	-	-	33,038	31,394	-	-	31,394	1,644	1,644
	<b>Total Intangible Assets</b>	<b>33,038</b>	<b>-</b>	<b>-</b>	<b>33,038</b>	<b>31,394</b>	<b>-</b>	<b>-</b>	<b>31,394</b>	<b>1,644</b>	<b>1,644</b>
	<b>Previous Year</b>	<b>33,038</b>	<b>-</b>	<b>-</b>	<b>33,038</b>	<b>16,828</b>	<b>-</b>	<b>14,566</b>	<b>31,394</b>	<b>1,644</b>	<b>16,210</b>

**C Depreciation / Amortisation charged to Statement of Profit and Los**

	2015-16	2014-15
	₹	₹
Tangible Assets	725,689	445,923
Intangible Assets	-	-
<b>Total</b>	<b>725,689</b>	<b>445,923</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2016

## 11 Non-Current Investments

## NON TRADE INVESTMENTS (AT COST)

₹

NAME OF THE COMPANY	March 31, 2016			March 31, 2015		
	No. of shares	Face value	Amount	No. of shares	Face value	Amount
<b>A EQUITY SHARES (QUOTED)</b>						
<i>Gati Limited (Refer Note No. 11.1)</i>	8,103,205	2	90,456,661	8,133,205	2	90,837,978
<i>TCI Industries Limited</i>	30,236	10	2,128,390	30,236	10	2,128,390
<i>Karnataka Bank Limited</i>	4,860	10	413,100	4,860	10	413,100
<i>ATI Limited</i>	10,000	10	200,000	10,000	10	200,000
<i>Less: Provision for decline, other than temporary, in the value of long term investments</i>			(86,206)			(86,206)
<b>Net</b>			113,794			113,794
<i>Lloyds Finance Limited</i>	4,200	10	2,310	4,200	10	2,310
<i>Tech Mahindra Limited (Refer Note No. 11.2)</i>	400	5	173,612	400	10	173,612
<b>Total</b>			93,287,867			93,669,184
<b>B EQUITY SHARES (UNQUOTED)</b>						
<i>Gati Intellect Systems Limited</i>	1,000	100	100,000	1,000	100	100,000
<i>Coast-To-Coast Shipping Limited</i>	9,500	10	95,000	9,500	10	95,000
<i>TCI Hi-Ways Private Limited</i>	27,451	10	274,510	27,451	10	274,510
<i>Giri Roadlines and Commercial Trading Private Limited</i>	42,000	100	157,527	42,000	100	157,527
<i>Amrit Jal Ventures Private Limited</i>	15,014,100	10	150,000,000	15,014,100	10	150,000,000
<i>Bangalore Stock Exchange Limited</i>	30,000	1	30,000	30,000	1	30,000
<i>ITAG Infrastructure Limited</i>	5,000	10	50,000	5,000	10	50,000
<b>Total</b>			150,707,037			150,707,037
<b>C PREFERENCE SHARES (UNQUOTED)</b>						
<i>Capital Fortunes Limited</i>	350,000	10	3,500,000	350,000	10	3,500,000
<i>8% Non Cumulative 15 Year Redeemable</i>						
<b>Total</b>			3,500,000			3,500,000
<b>D DEBENTURES (OPTIONALLY CONVERTIBLE) (UNQUOTED)</b>						
<i>14.50% - Amrit Jal Ventures Private Limited</i>	2,349,281	100	234,928,100	2,349,281	100	234,928,100
			-			-
<b>Total</b>			234,928,100			234,928,100
<b>Grand Total</b>			482,423,004			482,804,321
<b>Book Value Of Quoted Investments</b>			93,287,867			93,669,184
<b>Market Value Of Quoted Investments (Refer Note No. 11.3)</b>			921,445,366			1,798,019,758

11.1 5,615,246 (March 31, 2015: 4,354,546) Equity Shares pledged with lenders as security for Long and Short Term Borrowings (Refer Note No.5 (ii.a) and 5.A.1), 805,000 (March 31, 2015: 1,085,000) Shares pledged with IFCI Venture capital limited towards loan availed by M/s Amrit Jal Ventures Private Limited and 1,580,000 (March 31, 2015 : Nil) shares pledged with IDFC Bank Limited for loan availed by Gati Infrastructure Private Limited.

11.2 396 shares (March 31, 2015 : 396 shares) pledged with Bangalore Stock Exchange.

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

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

	March 31, 2016	March 31, 2015
	₹	₹
Advance Tax (Net of Provision ₹ 19,782,890/- ) (As at March 31, 2015 ₹ 75,000/-)	12,235,076	196,135
<b>Total</b>	<b>12,235,076</b>	<b>196,135</b>

**13 Other Non-Current Assets**

	March 31, 2016	March 31, 2015
	₹	₹
Interest Accrued on deposits	-	3,267
Fixed Deposit with original maturity more than 12 months	-	66,998
Security Deposit - Unsecured, considered good	-	50,000
<b>Total</b>	<b>-</b>	<b>120,265</b>

**14 Trade Receivables - Unsecured**

	March 31, 2016	March 31, 2015
	₹	₹
Debts outstanding over six months	2,747,493	2,903,802
Others	142,664	289,799
<b>Total</b>	<b>2,890,157</b>	<b>3,193,601</b>

**15 Cash and Bank Balances**

	March 31, 2016	March 31, 2015
	₹	₹
Balances with banks		
In current accounts	1,289,138	43,397,267
In deposit accounts	1,600,000	4,000,000
Cash on hand	73,164	46,790
<b>Total</b>	<b>2,962,302</b>	<b>47,444,057</b>

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

	March 31, 2016	March 31, 2015
	₹	₹
Inter Corporate Loans	473,750,000	355,000,000
Advances recoverable in cash or kind	595,705	860,470
<b>Total</b>	<b>474,345,705</b>	<b>355,860,470</b>

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

## 17 Other Current Assets

	March 31, 2016	March 31, 2015
	₹	₹
Interest accrued on debentures	17,554,721	17,575,828
Interest accrued on Short Term Loan and Advances	12,539,479	1,692,602
Others		
(i) Contractually Reimbursable Expenses	-	294,000
(ii) Other Receivables	923,220	5,129,704
(iii) Advances recoverable in cash or kind -unsecured, considered good	-	-
(iv) Other Advances recoverable in cash or kind-Unsecured (Refer Note No. 17.1)	3,302,693	3,302,693
Less: Provision for doubtful loans and advances	(3,302,693)	(3,302,693)
	-	-
<b>Total</b>	<b>31,017,420</b>	<b>24,692,134</b>

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

## 18 Revenue from Operations

	2015-16	2014-15
	₹	₹
Interest Income (Refer Note No.18.1)	99,405,901	92,551,969
Consultancy Fees	592,002	1,069,435
Other Operating Revenue (Refer Note No.18.2)	26,438,813	50,597,241
<b>Total</b>	<b>126,436,716</b>	<b>144,218,645</b>

## 18.1 Interest Income

	2015-16	2014-15
	₹	₹
Interest on Loans and Advances		
(i) Banks	3,912	6,765
(ii) Loans and Advances	65,337,403	23,453,029
(iii) Un recognised income of earlier year, now received and recognised	-	35,027,592
(iv) Investments	34,064,586	34,064,583
<b>Total</b>	<b>99,405,901</b>	<b>92,551,969</b>

## 18.2 Other Operating Revenue

	2015-16	2014-15
	₹	₹
Upfront Fee / Guarantee Commission	1,567,990	2,872,603
Profit on sale of Long Term Investments	4,662,916	25,108,654
Dividend income from Long Term Investments	6,913,541	11,826,784
Sponsorship and Delegate Fees	13,294,366	10,789,201
<b>Total</b>	<b>26,438,813</b>	<b>50,597,242</b>

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016****19 Other Income**

	2015-16	2014-15
	₹	₹
Rental Income	264,000	804,000
Other Non-Operating Income (Refer Note No.19.1)	2,201,144	4,727,938
Gain on Foreign Currency Transaction	-	118,838
<b>Total</b>	<b>2,465,144</b>	<b>5,650,776</b>

**19.1 Other Non-Operating Income**

	2015-16	2014-15
	₹	₹
Profit on sale of Fixed Assets	1,816,525	595,300
Liabilities no longer required written back	204,284	395,619
Miscellaneous income	-	1,736,377
Interest Income	180,335	176,127
Interest on IT refund	-	1,824,514
<b>Total</b>	<b>2,201,144</b>	<b>4,727,937</b>

**20 Employee Benefits Expense**

	2015-16	2014-15
	₹	₹
Salaries and wages	9,894,381	8,498,007
Contributions to provident and other funds	303,282	411,451
Staff welfare expenses	25,578	31,177
<b>Total</b>	<b>10,223,241</b>	<b>8,940,635</b>

**21 Finance Costs**

	2015-16	2014-15
	₹	₹
Interest expense on:		
(i) Term Loans	77,669,116	46,440,747
(ii) Interest on delayed payment of TDS	8,033	23,053
Other borrowing cost	2,723,018	2,916,469
<b>Total</b>	<b>80,400,167</b>	<b>49,380,269</b>

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

## 22 Other Expenses

	2015-16	2014-15
	₹	₹
Rent	955,200	720,000
Rates and taxes	76,451	19,553
Service tax and Cess paid	180,146	
Office maintenance	460,391	575,613
Legal and Professional	2,185,440	1,795,815
Travelling and Conveyance	1,608,835	869,471
Telephone and Communication Expenses	350,763	367,252
Electricity	251,968	216,558
Printing and Stationery	292,010	235,968
Postage and Telegrams	136,320	119,756
Software Expenses	19,669	-
Conferences and Seminars	6,461,395	5,365,402
Subscription and Membership	157,720	80,273
Listing Fee	482,803	247,192
Demat charges	-	145,634
Auditors' Remuneration (Refer Note No.22.1)	276,493	292,061
Bad debts Written off	334,358	
CSR Expenses	-	285,075
Loss on Foreign Currency Transaction	1,959	-
Miscellaneous expenses	595,311	428,762
<b>Total</b>	<b>14,827,233</b>	<b>11,764,385</b>

## 22.1 Auditors' Remuneration

	2015-16	2014-15
	₹	₹
Fee towards		
Statutory Audit	150,000	150,000
Limited Review	90,000	90,000
Certification	5,000	19,000
Service Tax	31,493	33,061
<b>Total</b>	<b>276,493</b>	<b>292,061</b>

## 23 Additional information to the Financial Statements

	March 31, 2016	March 31, 2015
	₹	₹
<b>23.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
Contingent Liabilities		
(a) Disputed sale tax demand	63,661	63,661
(b) Corporate Guarantees	2,557,166,935	1,966,766,935
The Company has provided Guarantee for A. redemption / buyback of the Optionally convertible Debentures subscribed by IFCI Venture Capital Funds Limited in Amrit Jal Ventures Private Limited, B. To the lenders of Gati Infrastructure Bhasmey Power Private Limited and C. Pledge of Gati Ltd shares held by the Company to IFCI Venture Capital Funds Limited for loan availed by Amrit Jal Ventures Private Limited. D. Pledge of Gati Ltd shares held by the Company to IDFC Bank Ltd for facility availed by Gati Infrastructure Pvt Ltd.		



**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016**

**23.2** Inter-Company loans/deposits given by the Company are on the basis that one of the main objects of the Parent Company is to act as financiers. Accordingly, the Company has been advised that Section 186 of the Companies Act, 2013 is not applicable to the Company.

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

Particulars	March 31, 2016	March 31, 2015
	₹	₹
Provision for Standard Assets	321,000	890,000
Provision For Non - Performing Assets- Loans	-	(3,700,000)
<b>Total</b>	<b>321,000</b>	<b>(2,810,000)</b>

**24 Disclosures under Accounting Standards**

**24.1 Segment Reporting:**

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

Particulars	March 31, 2016	March 31, 2015
	₹	₹
<b>1. Segment Revenue</b>		
a. Non Banking Financial Services	114,630,873	137,267,016
b. Knowledge Process Outsourcing	14,270,987	12,602,405
<b>Total</b>	<b>128,901,860</b>	<b>149,869,421</b>
<b>2. Segment Results</b>		
Profits Before Tax and Interest		
a. Non Banking Financial Services	103,273,199	131,117,595
b. Knowledge Process Outsourcing	(468,503)	410,883
<b>Total</b>	<b>102,804,696</b>	<b>131,528,478</b>
<b>Less Interest</b>	<b>80,400,167</b>	<b>49,380,269</b>
<b>Total Profit Before Tax</b>	<b>22,404,530</b>	<b>82,148,209</b>
<b>3. Other Information</b>		
<b>Segment Assets</b>		
a. Non Banking Financial Services	1,007,610,681	914,425,762
b. Knowledge Process Outsourcing	6,705,445	8,963,423
<b>Total Assets</b>	<b>1,014,316,126</b>	<b>923,389,185</b>
<b>Segment Liabilities</b>		
a. Non Banking Financial Services	599,286,600	526,916,239
b. Knowledge Process Outsourcing	1,505,332	2,321,492
<b>Total Liabilities</b>	<b>600,791,932</b>	<b>529,237,731</b>

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

## 24 Disclosures under Accounting Standards (contd.)

## 24.2 Related party transactions (Disclosures as required by AS 18 - Related Party Disclosures)

## a. Details of related parties:

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

Note: Related parties have been identified by the Management.

**b. Details of related party transactions during the year ended March 31, 2016 and balances outstanding as at March 31, 2016:**

Particulars	Enterprise over which Director of Subsidiary is able to exercise significant influence	KMP	Total
<b>Transactions during the year</b>			
Managerial remuneration* Manager	- (-)	3,740,576 (2,622,814)	3,740,576 (2,622,814)
Advance Recovered	- (-)	625,000 (-)	625,000 (-)
Staff Advance Given	- (-)	- (625,000)	- (625,000)
Consultancy Fee	1,200,000 (1,200,000)	- (-)	1,200,000 (1,200,000)
Rent Paid	- (-)	720,000 (720,000)	720,000 (720,000)
Conference Management Fee	1,329,313 (1,035,000)	- (-)	1,329,313 (1,035,000)
<b>Balance Outstanding at the end of the year</b>			
Payables	- (-)	54,000 (71,125)	54,000 (71,125)
Managerial Remuneration Payable	- (-)	122,684 (163,610)	122,684 (163,610)

Note: Figures in bracket relates to the previous year

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

24 Disclosures under Accounting Standards (contd.)

		2015-16	2014-15
		₹	₹
24.3	<b>Earnings Per Share</b>		
	<b>Continuing Operations:</b>		
	Basic		
	Net Profit for the year attributable to the equity shareholders(₹)	19,372,739	68,206,759
	Weighted average number of equity shares	12,872,493	12,872,493
	Par value per share (₹)	10	10
	<b>Earnings Per Share - Basic and Diluted (₹)</b>	<b>1.50</b>	<b>5.30</b>
	<b>Total operations</b>		
	Net Profit for the year attributable to the equity shareholders (₹)	19,372,739	68,206,759
	Weighted average number of equity shares	12,872,493	12,872,493
Par value per share (₹)	10	10	
<b>Earnings per share from total operations - Basic and Diluted (₹)</b>	<b>1.50</b>	<b>5.30</b>	

		2015-16	2014-15
		₹	₹
24.4	<b>Deferred tax (Liability) / Asset</b>		
	Tax effect of items constituting deferred tax liability :		
	On difference between book balance and tax balance of fixed assets	137,961	189,579
	Tax effect of items constituting deferred tax liability	137,961	189,579
	Tax effect of items constituting deferred tax assets :		
	On difference between book balance and tax balance of fixed assets	44,477	-
	Provision for employee benefits - Gratuity	44,089	71,164
	Provision for Standard assets	375,744	276,555
	Provision for Non-Performing assets	-	-
	Tax effect of items constituting deferred tax assets	464,310	347,719
<b>Net Deferred Tax - Asset</b>	<b>326,349</b>	<b>158,140</b>	

Deferred Tax Asset of the Parent Company for the current year is not recognised on business losses, as a measure of prudence.

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

**25 Disclosures under Accounting Standards (contd.)**

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

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹)	As % of Consolidated profit or loss	Amount (₹)
Parent: TCI Finance Limited	98.74	408,324,081	102.28	19,814,556
<b>Subsidiaries</b>				
ITAG Business Solutions Limited	1.26	5,200,113	(2.28)	(441,817)

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

**Signatures to Notes “1 to 26”**

For and on behalf of the Board

**Hemant Kaul**  
Chairman  
DIN No : 00551588

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

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

**Ramesh Sivaraman**  
Manager - Chief Executive

Hyderabad, April 28, 2016

## Form AOC-I

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

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

## Part "A": Subsidiaries

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

1	Sl. No.	1
2	Name of the subsidiary	ITAG Business Solutions Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Same as Holding Company
5	Share capital	
	a) Authorised Capital	20,000,000
	b) Paid-up Capital	12,500,000
2	Reserves	(7,299,887)
3	Total Assets	6,705,445
4	Total Liabilities	6,705,445
5	Detail of Investment(Except In case of Investment in the Subsidiaries)	Nil
6	Turnover	13,886,368
7	Profit Before Taxation	(476,534)
8	Provision for Taxation ( Including Deffered Tax and Tax relating to earlier years)	(34,717)
9	Profit After Taxation	(441,817)
10	Proposed Dividend	Nil

# TCI FINANCE LIMITED

CIN: L65910TG1973PLC031293

Registered office: Plot no. 20, Survey no.12, 4th Floor, Kothaguda, Kondapur, Hyderabad – 500 084.

Email: investors\_tcif@gati.com, Website: www.tcifl.in, Tel:040 71204284, Fax:040 23112318

## PROXY FORM

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

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

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42<sup>nd</sup> Annual General Meeting of the Company, to be held on August 5, 2016 at 11.00 am at Plot no.20, Survey no.12, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

	Resolutions	For	Against
	<b>Ordinary business:</b>		
1.	Consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended March 31, 2016 and the Reports of the Directors and Auditors thereon.		
2.	Re-appointment of Mr. Radhe Shyam Agarwala (DIN: 00368733) who retire by rotation		
3.	Ratification of re-appointment of Statutory Auditor		

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of shareholder

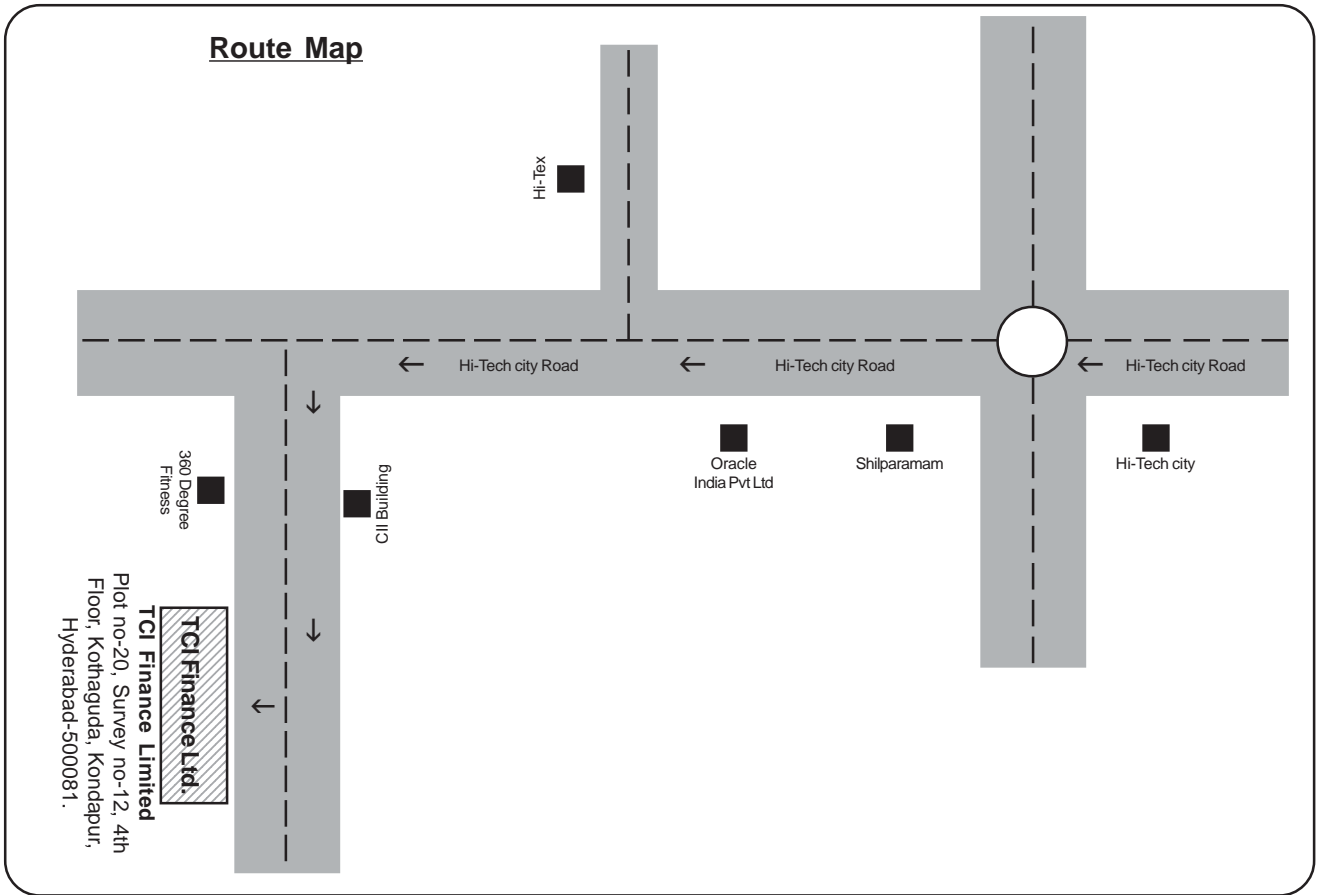
Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

### Notes:

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



*If Undelivered, please return to :*

**M/s Karvy Computershare Private Limited**

(Unit: TCI Finance Limited)

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel: +91 040 67162222

E-mail: mohsin.mohd@karvy.com