TCI FINANCE LTD.
money matters

16.07.2018

To
The Secretary,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

To
The Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051.

Sub: Intimation of 44th Annual General Meeting, E-voting Information and Book Closure
Ref: Scrip Code 501242 (BSE); TCIFINANCE (NSE)

This is to inform you that, pursuant to Section 96 of the Companies Act, 2013, the 44th Annual General Meeting ("AGM") of the Company will be held on Friday, August 10, 2018, at 11:00 a.m., at Plot no.20, Survey no.12, Ground Floor, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084

We also hereby inform you that pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of Securities and Exchange Board of India(Listing Obligation and Disclosure Requirements) Regulations, 2015, the Share Transfer books and Register of Members of the Company will be closed from Friday, August 3, 2018 to Friday, August 10, 2018 (both days inclusive) for the purposes of AGM.

Further, e-voting facility has been made available to all the members of the Company. The details of e-voting are as follows:

a) Date and time of commencement of e-voting : From 9.00 a.m. (IST) on Sunday, August 5, 2018

b) Date and time of end of e-voting : Up to 5.00 p.m. (IST) on Thursday, August 9, 2018

c) Cut-off date for determining the eligibility to vote by electronic means or in the AGM : Thursday, August 2, 2018

A copy of annual report for the FY 2017-18 including the Notice convening the meeting is attached.

Kindly take the same on your records and acknowledge.

Thanking You

Yours Faithfully
For **TCI Finance Limited**

Lakshmi Sharma
Company Secretary

TCI Finance Limited Hyderabad

44th ANNUAL REPORT
2017 - 18

TCI FINANCE LTD.
money matters

TCI FINANCE LTD.

www.tcifl.in

BOARD OF DIRECTORS
Dr. D.R. Agarwal - Chairman
Mr. Mahendra Agarwal
Mr. R.S. Agarwala
Mr. S.M. Jalan
Ms. Meera Madhusudan Singh

KEY MANAGERIAL PERSONNEL
Mr. Ramesh Sivaraman, Manager and CFO
Ms. Lakshmi Sharma, Company Secretary and Compliance officer

BOARD COMMITTEES:
Audit
Mr. S M Jalan-Chairman
Mr. R S Agarwala-Member
Dr. D.R. Agarwal-Member

Nomination & Remuneration
Mr. S M Jalan - Chairman
Mr. Mahendra Agarwal-Member
Dr. D.R. Agarwal-Member

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

Corporate Social Responsibility
Ms. Meera Madhusudan Singh - Chairperson
Mr. S M Jalan- 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 4465 6000-152
Fax : 91 040 2300 1153

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 44th Annual General Meeting (AGM) of the Members of TCI Finance Limited (the Company) will be held on Friday, the 10th day of August, 2018 at 11.00 am at Plot no.20, Survey no.12, Ground Floor, 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, 2018, 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, 2018.
2. To appoint a Director in place of Mr. Mahendra Agarwal, (DIN: 00179779) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditors and in this regard, to consider and if thought fit, to pass 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 40th Annual General Meeting to hold office from the conclusion of 40th Annual General Meeting (AGM) till the conclusion of the 45th 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."

SPECIAL BUSINESS:

4. To appoint Dr. Dhanpat Ram Agarwal as Chairman & Independent Director and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and pursuant to a declaration from Dr. Dhanpat Ram Agarwal (DIN: 00322861), a Non-Executive Director of the Company, that he meets the criteria for independence as provided in Section 149(6) of the Act and also being eligible for appointment, consent of members of the Company be and is hereby accorded to appoint him as chairman and an Independent Director of the Company holding office for a term of five years, effective from the date of appointment i.e. May 9, 2018 to May 8, 2023 and shall not be liable to retire by rotation."

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

Lakshmi Sharma
Company Secretary
(M. No. A32617)

Hyderabad
May 28, 2018

Registered Office:
Plot No.20, Survey No.12,
4th Floor, Kothaguda,
Kondapur, Hyderabad-500084
Tel: +91 040-7120 4284
Fax: +91 040-2311 2318

CIN: L65910TG1973PLC031293
Website: www.tcifl.in

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. Profile of Dr. Dhanpat Ram Agarwal being appointed as chairman and an Independent Director is given in the Explanatory Statement.
3. 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. The holder of proxy shall prove his identity at the time of attending the meeting.
4. 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.
5. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
6. 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. 21. 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.
7. Brief profile and other required information about the directors proposed to be appointed/re-appointed, at the Annual General Meeting as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secreatrial Standard on General Meetings issued by the Central Government is furnished as annexure to the Notice.
8. The Register of Members and Share Transfer Books will remain closed from August 3, 2018 to August 10, 2018 (both days inclusive).
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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.

15. 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.

16. 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 Computershare Pvt. Ltd 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.

17. The shares of the Company are at present listed on the following Stock Exchanges viz., The Bombay Stock Exchange Limited, and National Stock Exchange of India Limited.

18. 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.

19. A Route Map showing direction to reach the venue of 44th Annual General Meeting is given in the Annual Report as per the requirement of the Secretarial Standard – 2 on General Meeting.

20. 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 44th 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 August 5, 2018

End of e-voting: Up to 5.00 p.m. (IST) on August 9, 2018

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 & Associates LLP, 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. August 2, 2018. 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 e-voting facility. Further, the members who have opted e-voting 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. August 2, 2018, 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 with a copy to 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 and on the website of M/s. Karvy Computershare Private Limited i.e. 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. August 10, 2018.

21. 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: i) For NSDL: 8-character DP ID followed by 8-digit Client ID ii) 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., '"TCI Finance Limited".

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'. 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.

ix) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

x) Corporate / Institutional Members (Corporate / FIs / FIIs / Trusts / Mutual Funds / Banks, etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to ansu@dvmgopalandassociates.in with copy to investors_tcif@gati.com. The file scanned image of the Board resolution should be in the naming format 'Corporate Name_ Event number'.

xi) 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).

xii) Please contact M/s. Karvy Computershare Pvt. Ltd's toll-free number 1-800-34-54-001 for any further clarifications.

xiii) 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.

22. Details of the Director proposed to be re-appointed/appointed at the AGM Scheduled to be held on August 10, 2018 as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secreatrial Standard on General Meetings issued by the Central Government is given below:

Name	Mr. Mahendra Agarwal	Dr. Dhanpat Ram Agarwal
Age	64 Years	59 Years
Qualifications	B.E Mechanical Engineering and Masters in Business Administration	B.Com, Chartered Accountant, LLB and PH.D
Experience (including expertise in specific functional area) Brief Resume	Mr. Mahendra Agarwal is the Founder & CEO of Gati Ltd. – leader and pioneer in Express Distribution and Supply Chain Solutions. He established Gati in 1989 with an aim to redefine the logistics industry. Mr. Agarwal is the driving force behind Gati's journey to its leadership position. Under his visionary leadership, Gati has evolved into a major ILSP (Integrated Logistics Service Provider). Mr. Agarwal is an avid speaker and has been invited to many symposia and forums, leading corporates and prestigious institutes including the IIMs and ISB. In June 2008, he was awarded "Best Entrepreneur of the Year" by Hyderabad Management Association. In September 2010, he received the Lifetime Achievement Award at the 4th Express Logistics & Supply Chain Conclave held at Mumbai. In the same year he was also conferred with the	"Dr. Dhanpat Ram Agarwal is the founder director of ITAG Business Solutions Ltd an organization catering to the IPR needs of Research, Scientific and other organization by creating awareness and serving its clients seamlessly for the last 10 years. His present field of specialization is WTO and IPR Laws. He is also founder trustee of IITRADE a research based institute, engaged in the field of research, training and education on International Trade Management and Intellectual Property Management with various e-learning programmes. He regularly participates in National & International Seminars on WTO Centric topics and has written several articles and presented papers at different forums. He was recently invited by Japan Government as International Research Scholar for conducting research for three months in the field of IPR on the topic of

	Lifetime Achievement Award from ASBM. In 2012, he was honoured with two more awards – 'Executive of the Year' Award (Logistics) by Indian Chamber of Commerce (ICC) for his contribution to the Indian Supply Chain & Logistics Industry and "Logistics Promoter Award" at the Logistics Talent Hunt 2012 International Conference. In October 2015, he was presented with the prestigious NITIE Empresario "Most Inspiring Entrepreneur of the Year" award at the NITIE Campus in Mumbai for his contributions to the Indian Logistics Industry. A leader, thinker and philosopher, Mr. Agarwal is an institution by himself. Apart from being on the Board of several Indian companies, Mr. Agarwal is also the founder member of Supply Chain & Logistics Group (SCLG) India (in addition to being a member of the international board of advisors for SCLG Global), member of CII National Council, Special Invitee to CII Southern Region Council, Chairman of CII National Committee of Logistics, member of CII Institute of Logistics Advisory Council, FICCI's Civil Aviation Committee & FICCI's Logistics Forum.	"International Exhaustion of Patent Rights and Parallel Imports"-A Comparative Study between India and Japan. His earlier publications include "Monograph on World Trade Organisation" and "Global Meltdown-Road Ahead" .He has organized several conferences and seminars and delivered talks on various burning issues such as GM Food, Brexit ,GST and has been organizing an International Conference on Intellectual Property Rights(IPR) which is known as Global Intellectual Property Convention (GIPC) consecutively for the past 10 years. He is Independent director in several listed companies including Andrew Yule & Co Ltd, a public sector enterprise. He is also the founder trustee of Swadeshi Research Institute and he believes in Swadeshi Economics with his open approach towards globalization in the present era of knowledge and technology. His major thrust area of research is exchange rate and Intellectual Property Right, the two pillars which he believes can move India ahead as a strong nation in the World.
Terms and conditions of re-appointment/ appointment	Non-Executive, Non Independent Director, liable retire by rotation	Independent Director for a period of 5 years, not liable retire by rotation.
Remuneration last drawn (including sitting fees, if any)	Nil	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the FY 2017-18
Remuneration proposed to be paid	Nil	As per resolution at item no-4 of the notice convening this meeting read with explanatory statement thereto.
Date of first appointment on the board	November 22, 1991	March 14, 1992
Shareholding in the Company as on March 31, 2018	11619 Equity Shares	Nil
Relationship with other Directors/Key Managerial Personnel	Not related to any Director/ Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Number of meetings attended during the financial year (2017-18)	4	3

Directorship of other boards as on March 31, 2018	TCI Industries Ltd. Gati Ltd. Deccan Enterprises Ltd. Amrit Jal Ventures Pvt. Ltd. Mahendra Investment Advisors Pvt. Ltd. Gati-Kintetsu Express Pvt. Ltd. Gati Kausar India Ltd. TCI Telenet Solutions Pvt. Ltd.	Barak Valley Cements Ltd. ITAG Business Solutions Ltd. Lucas Financial Services Pvt. Ltd. Kumpepar Construction Pvt. Ltd. Style Investment & Properties Pvt. Ltd. Andrew Yule & Co Ltd.
Membership/ Chairmanship of Committees of other boards as on March 31, 2018	**Gati Ltd** Stakeholder Relationship Committee- Member Corporate Social Responsibility Committee- Member **Deccan Enterprises Ltd.** Audit Committee- Chairman Nomination & Remuneration Committee- Member **Amrit Jal Ventures Pvt. Ltd.** Audit Committee - Member Nomination & Remuneration Committee- Member Share/Debenture Allotment and Transfer Committee- Member **TCI Industries Ltd.** Nomination & Remuneration Committee- Member	**Barak Valley Cements Ltd.** Stakeholder Relationship Committee - Member Nomination & Remuneration Committee- Member **Andrew Yule & Co Ltd.** Audit Committee- Chairman Stakeholder Relationship Committee- Chairman

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

The following Statement sets out all material facts relating to the Business mentioned in the accompanying Notice:

Item No. 4:

The Company has received a declaration from Dr. Dhanpat Ram Agarwal that he meets the criteria of independence as prescribed both under Section 149(6) of the the Companies Act, 2013 and Securities and Exchnage Board of India (SEBI) (Listing Obligations and Disclosures Requirements) Regulations, 2015. In the opinion of the Board Dr. Dhanpat Ram Agarwal fulfills the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Independent Director. Dr. Dhanpat Ram Agarwal, existing director was appointed as Chairman of the Board of Directors of the Company. He shall be paid remuneration by way of fee for attending meetings of the Board or Commiittees thereof and reimbursement of expenses for participating in the board and other meetings.

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

None of the Directors or KMP or relatives of Directors and KMP, except Dr. Dhanpat Ram Agarwal, are in any way concerned with or interested, financially or otherwise, in the said resolution.

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

The Board has recommended the appointment of Dr. Dhanpat Ram Agarwal as Independent Directors for a period of 5 years effective from the date of appoint i.e. May 9, 2018 to May 8, 2023. A brief profile of Dr. Dhanpat Ram Agarwal is given in note no-22.

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

Lakshmi Sharma
Company Secretary
(MNo. A32617)

Hyderabad

May 28, 2018

Registered Office:
Plot No.20, Survey No.12,
4th Floor, Kothaguda, Kondapur,
Hyderabad-500084
Tel: +91 040-7120 4284
Fax: +91 040-2311 2318

CIN: L65910TG1973PLC031293

Website: www.tcifl.in
Email: investors_tcif@gati.com

DIRECTORS' REPORT

Dear Members,

Your directors take pleasure in presenting the 44th Annual Report of the Company along with the Audited Accounts for the year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	STANDALONE	
	As at March 31, 2018	**As at March 31, 2017**
Income	1178.15	1409.54
Profit/(loss) before Interest, Depreciation & Taxation	1068.11	1285.09
Financial Charges	859.90	855.57
Depreciation	2.14	2.77
Profit/(Loss) before tax	206.07	426.75
Exceptional Items	–	–
Provision for tax:		
Current Tax	36.50	68.42
Deferred Tax	0.96	(4.25)
Tax relating to earlier years	-	2.18
Profit/(Loss) after tax	168.61	360.40
Balance brought forward from previous year	2206.24	1917.91
Transferred to Reserve Fund	33.72	72.08
Balance Carried forward	**2341.13**	**2206.23**

DIVIDEND

Your Directors have not recommended payment of dividend for the financial year ended March 31 2018 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, 2014.

OPERATIONAL PERFORMANCE REVIEW

During the year under review, your Company achieved a turnover of ₹ 1178.15 lakhs as against ₹ 1409.54 lakhs in the previous year. The profit before tax stands at ₹ 206.07 lakhs as against ₹ 426.75 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 ₹ 127.23 lakhs as against ₹ 144.36 lakhs in the previous year. Profit before tax stood at ₹ (1.22) lakhs as against profit of ₹ 4.14 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 subsidiary of the Company is available on the website of the Company https://www.tcifl.in/pdf/Policyonmaterialsubsidiaries.pdf.

RESERVE

As per section 45IC of RBI Act 1934, the Company has transferred ₹ 33.72 Lakhs to reserve fund i.e 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 reports of the subsidiary.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Mahendra Agarwal retires by rotation and being eligible, has offered himerself for re-appointment. The brief profile of the director who is to be re-appointed form part of the notes and explanatory statement to the notice of the ensuing Annual General Meeting.

Mr. Hemant Kaul, Chairman and Director of the Company had resigned w.e.f February 10, 2018. After resignation of Mr. Hemant Kaul, Chairman of the Company, the board of directors has only one independent director viz: i.e. Mr. S M Jalan. To comply with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Dr. Dhanpat Ram Agarwal is appointed as an independent director for a period of five years and also Chairman of the Company. Dr. Dhanpat Ram Agawal is already a director on the board. Further as declaration is received that he meets the criteria for appointment, as an independent director on the Board of the Company under section 149 (6) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A brief profile is a forms part of the notes and explanatory statement to the notice of the ensuing Annual General Meeting.

Mr. Ramesh Sivaraman, Manager- Chief Executive of the Company is also heading finance function since many years. Pursuant to the provision 203 of the Companies Act, 2013 every listed company shall mandatorily have designated Chief Financial Officer (CFO), therefore to comply with the provisions, Mr. Ramesh Sivaraman is appointed as CFO of the Company w.e.f August 14, 2017.

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 thefinancial year 2017-18, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 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 and CFO	2.97:1	8%
Ms. Lakshmi Sharma, Company Secretary	0.47:1	9%

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.

ii) the percentage increase in the median remuneration of employees in the financial year: (14.7%)

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

iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 7% whereas the increase in the managerial remuneration for the same financial year was 8%.

v) 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.

As per ministry of corporate affairs notification no: G.S.R. 646(E) regarding amendment of the companies (Appointment and Remuneration of Managerial Personnel) in rule 5 sub rule (2), the statement containing particulars of top ten employees in terms of remuneration drawn as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given below:

a) Name of the employee;	**Ramesh Sivaraman**	**Laxmi Narain Kumawat**	**Lakshmi Sharma**	**Sandeep Gurram**
b) Designation of the employee;	Manager and CFO	Assistant General Manager	Company Secretary	Associate-Operation
c) Remuneration received; (₹ in lakhs)	33.05	20.34	6.00	0.43
d) Nature of employment, whether contractual or otherwise;	Permanent	Permanent	Permanent	Permanent
e) Qualification an experience of the employee;	CA	MCOM	CS	MBA
f) Date of commencement of employment;	22-Oct-1996	01-Sep-1978	01-Dec-2012	01-Jan-2018
g) Age of such employee;	50	58	29	26
h) Last employment held by such employee before joining the company;	Manager, Asia Pacific Investment Ltd.	Manager Gati Ltd.	Assistant Manager Gati KWE	Associate Gati Accademy
i) % of equity shares held by the employee in the company;	0	0.07	Nil	Nil
j) Whether any such employee is a relative of any director, and if so, name of such director or manager	No	No	No	No

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from Mr. S M Jalan and Dr. Dhanpat Ram Agarwal 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 evaluation iss 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.

A separate meeting of Independent Directors was also held during the financial year for the evaluation of the performance of Non Independent Director performance of the board as whole and that of the Chairman.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The company being a NBFC therefore section 186 of Companies Act, 2013 is exempted therefore details of Loans, Guarantees and Investments are given in the notes to the Financial Statement.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Further earlier years Company had spend 2% of average profit as prescribed in the act.
In FY 2016-17 Company decided to install the solar panel 6 KWP(2 nos of 3 KWP) Solar PV plant at two Government School at Hyderabad as a part of its CSR activities and proposed to spend Rs.9 lakhs for the aforesaid activity. The Company had placed order for installation of solar panel and decided that expenses would be accounted after the installation of the solar panel and on payment in FY 2017-18.

Due to non availability of funds Company could not spend the amount towards CSR activities for the FY 2016-17 and as well as 2017-18. It was also informed to the members that profit in the earlier years was higher basically due to profit on sale of investment and due to invocation by lenders to whom the shares were pledged against borrowings and guarantees given. The sale of shares has not resulted in any cash flow in the hands of the company and got appropriated towards the dues or guarantees. Therefore the obligation to spend towards CSR could not be met.

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.

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: https://www.tcifl.in/pdf/Policyonmaterialsubsidiaries.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.

Board Committees

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 a 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: https://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 February 5, 2018 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: https://tcifl.in/wp-content/uploads/2018/06/Famailarisation-Programme 2017-18.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, 2018, 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 judgment 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 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(if required) 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 2017-18.

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 ratification for re-appointment. The Company has received letter to the effect that the ratification for 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.

During the year under review there is no qualifications/observations raised by the auditors.

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 and associates LLP, 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.**

Pursuant to the observations of the secretarial auditor in his report, the Company is in the process of filling form MGT 14 for approval of Board's report for the financial year 2016-17 under Section 117 of the Act.

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 with the Stock Exchanges and necessary disclosures have been made in this regard in the Report on Corporate Governance is annexed as **Annexure-D** along with a certificate from a Practicing Company Secretary confirming compliance of the same.

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

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

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 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 filled 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**

Hyderabad

May 28, 2018

Dhanpat Ram Agarwal
Chairman

DIN: 00322861

Annexure – A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY 2017-18

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	CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus CSR is not charity or mere donations. The main objective of this CSR Policy is to lay down guidelines and also make CSR as one of the key business drivers for sustainable development of the environment and the society in which TCIF operates in particular and the overall development of the global community at large. The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at www.tcifl.in.
2. The Composition of the CSR Committee	1. Ms. Meera Madhusudan Singh, Chairman 2. Mr. S M Jalan, Member 3. Dr. D R Agarwal, Member
3. Average net profit/ loss of the Company for last three financial years.	₹ 360.84 Lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 7.21 Lakhs
5. Details of CSR spent during the financial year 2017-18: a. Total amount to be spent for the financial year 2017-18 b. Amount unspent, if any	₹ 7.21 Lakhs (FY 2017-18, Refer director's report) ₹ 16.98 lakhs (include unspent amount for FY 2016 -17 and refer director's report of FY 2017-18)

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity Identified**	**Sector in which the Project is covered**	**Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or Programs Subheads: (1)Direct expenditure on projects or Programs. (2) Overheads:**	**Cumulative expenditure upto to the reporting period**	**Amount spent: Direct or through implementing agency**
1.	Installation of solar panel at School located at Hyderabad	Promoting education	Hyderabad	₹ 9.00 Lakhs	Nill	₹ 10.85 Lakhs	Direct* spend

* Activities identified in sl no-1 is related to FY 2016-17, for details refer Director's report.

S M Jalan
Director
DIN:00324182

Meera Madhusudan Singh
Chairperson of Committee
DIN:00415866

Ramesh Sivaraman
Manager and CFO

Annexure – B

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2018

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,
M/s. TCI Finance Limited
Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on 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 2018** 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 Ended **31st March, 2018** ("Audit Period") according to the provisions of:

   1.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made thereunder;

   1.2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

   1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

   1.4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

      1.4.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      1.4.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      1.4.3. 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;

      1.4.4. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   1.5. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.

2. We report that during the period under review the Company:

   2.1 Has substantially complied with Secretarial Standards on Board issued by the Institute of Company Secretaries of India.

   2.2 Is in the process of filing of form MGT 14 for approval of Board's report for the financial year 2016-17 under Section 117 of the Act.

3. 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.

4. We further report that:

4.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and a Women Director. Mr. Hemant Kaul resigned as Independent Director of the Company on 10.02.2018 and Dr. Dhanpat Ram Agarwal, an existing Director of the Company was designated in the category of Independent Director of the Company w.e.f 09.05.2018.

4.2 Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors electronically to schedule the Board Meetings.

4.3 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.

4.4 Decisions at the meetings of the Board of Directors and Committees of the Board of the Company were taken unanimously.

4.5 The Company has appointed Mr. Ramesh Sivaraman as Chief Financial Officer of the Company as per Section 203 of the Companies Act 2013 effective from 14.08.2017.He was also holding the position of Manager and designated as Key Managerial Personnel under Section 203 of the Companies Act 2013.

4.6 Company has informed that all the Related Party Transactions existing and entered by the Company during the Financial Year under review was are arms length and there were no material details of related party transaction that has to be disclose in the Directors Report.

4.7 The Company is regularly carrying its CSR activities. Company is providing reasons for not spending full amount in the Directors Report.

4.8 The Company has confirmed that Green India Venture Fund and Karvy Stock Broking Limited, who holds/acquired shares during the financial year,were neither Insiders nor Connected Persons as per the SEBI (Prohibition of Insider Trading) Regulations, 2015.

4.9 It is to be noted that for the Audit Period the following acts are not applicable:

i. SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

ii. SEBI (Delisting of Equity Shares) Regulations, 2009.

iii. SEBI (Buyback of Securities) Regulations, 1998.

iv. SEBI (Issue of capital and disclosure requirements) Regulations, 2009

v. SEBI (Share Based Employee Benefits) Regulations, 2014

vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;

4.10 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.

5. 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.

For **DVM & Associates LLP**

Company Secretaries

L2017KR002100

Place: Hyderabad

Date: 28.05.2018

Ansu Thomas

Partner

M No: 8994

CP No: 16696

Note: This letter 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 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.

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 **DVM & Associates LLP**
Company Secretaries
L2017KR002100

Place: Hyderabad
Date: 28.05.2018

Ansu Thomas
Partner
M No: 8994
CP No:16696

Annexure – C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2018

[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 - 44656000-152 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 Solutions Ltd.	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, 2017)				No. of shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A Promoters									
(1) Indian									
a) Individual / HUF	436634	-	436634	3.39	436634	-	436634	3.39	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2009904	-	2009904	15.61	2009904	-	2009904	15.61	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Trusts)	702006	-	702006	5.45	735822	-	735822	5.72	0.26
Sub-Total (A) (1)	**3148544**	**-**	**3148544**	**24.46**	**3182360**	**-**	**3182360**	**24.72**	**0.26**
(2) Foreign									
a) NRI - Individual	-	-	-	-	-	-	-	-	-
b) Other - Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of promoter (A) =(A)(1) + (A)(2)	**3148544**	**-**	**3148544**	**24.46**	**3182360**	**-**	**3182360**	**24.72**	**0.26**
B Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	83	-	83	0.00	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt									
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
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, 2017)				No. of shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Sub-Total (B) (1)	-	-	-	-	83	-	83	-	-
Non-Institutional									
Bodies Corporate									
i) Indian	2600502	503605	3164107	24.58	1426432	503605	1929837	14.99	(9.59)
ii) Overseas	-	-	-	-	-	-	-	-	-
Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	3076542	617276	3693818	28.70	4172232	597676	4769908	37.06	8.36
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	2520181	-	2510181	19.58	2759004	-	2759004	21.43	1.86
C. Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Foreign Bodies	-	-	-	-	-	-	-	-	-
Director and their relatives	2319	500	2819	0.02	2319	500	2819	0.02	-
Non Resident Indians	220479	-	220479	1.71	119190	-	119190	0.93	(0.79)
NRI Non Repatriation	36759	-	36759	0.29	26279	-	26279	0.20	(0.08)
Clearing Members	82436	-	82436	0.64	83013	-	83013	0.64	-
NBFC	3350	-	3350	0.03	-	-	-	-	(0.03)
Trusts	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	**8602568**	**1121381**	**9723949**	**75.54**	**8588469**	**1101581**	**9690050**	**75.28**	**(0.26)**
Total Public shareholding									
(B) = (B)(1) + (B)(2)	**8602568**	**1121381**	**9723949**	**75.54**	**8588552**	**1101581**	**9690133**	**75.28**	**(0.26)**
C Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**11751112**	**1121381**	**12872493**	**100.00**	**11770912**	**1101581**	**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	-	1600300	12.43	-	-
Mahendra Kumar Agarwal	11619	0.09	-	11619	0.09	-	-
Bunny Investments & Finance Pvt. Ltd.	54856	0.43	-	54856	0.43	-	-
Jubilee Commercial & Trading Pvt. Ltd.	320677	2.49	-	320677	2.49	-	-
Dhruv Agarwal Benefit Trust	350829	2.73	-	355479	2.76	-	0.03
Dhruv Agarwal	296675	2.30	-	296675	2.30	-	-
Mahendra Kumar Agarwal Sons and HUF	128265	1.00	-	128265	1.00	-	-
Manish Agarwal Benefit Trust	351177	2.73	-	380343	2.95	-	0.23
Giri Roadlines and Commercial Trading Pvt Ltd.	19171	0.15	-	19171	0.15	-	-
Gati Intellect Systems Ltd.	14900	0.12	-	14900	0.12	-	-
Manish Agarwal	75	0.00	-	75	0.00	-	-
TOTAL	**3148544**	**24.46**	**-**	**3182360**	**24.72**	**-**	**0.26**

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
Gati Limited	1600300	12.43	-	-	-	1600300	12.43
Mahendra Kumar Agarwal	11619	0.09	-	-	-	11619	0.09
Bunny Investments & Finance Pvt. Ltd.	54856	0.43	-	-	-	54856	0.43
Dhruv agarwal	296675	2.30	-	-	-	296675	2.30
Dhruv Agarwal Benefit Trust	350829	2.73	30.08.2017	4650	Transfer/Buy	355479	2.76
Mahendra Kumar Agarwal Sons and HUF	128625	1.00	-	-	-	128625	1.00
Manish Agarwal Benefit Trust	351177	2.73	29.08.2017	15066	Transfer/Buy	366243	2.85
			30.08.2017	14100		380343	2.95
Giri Roadlines and Commercial Trading Pvt Ltd.	19171	0.15	-	-	-	19171	0.15
Gati Intellect Systems Ltd.	14900	0.12	-	-	-	14900	0.12
Jubilee Commercial & Trading Pvt. Ltd.	320677	2.49	-	-	-	320677	2.49
Manish Agarwal	75	0.00	-	-	-	75	0.00

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	1664314	12.93	07/04/2017	(46869)	Transfer/Sale	1617445	12.57
				14/04/2017	(6818)	Transfer/Sale	1610627	12.51
				21/04/2017	(170000)	Transfer/Sale	1440627	11.19
				28/04/2017	(130046)	Transfer/Sale	1310581	10.18
				05/05/2017	(100000)	Transfer/Sale	1210581	9.40
				12/05/2017	(122524)	Transfer/Sale	1088057	8.45
				19/05/2017	(114740)	Transfer/Sale	973317	7.56
				26/05/2017	(47589)	Transfer/Sale	925728	7.19
				02/06/2017	(90055)	Transfer/Sale	835673	6.49
				09/06/2017	(48690)	Transfer/Sale	786983	6.11
				16/06/2017	(49314)	Transfer/Sale	737669	5.73
				23/06/2017	(28494)	Transfer/Sale	709175	5.51
				30/06/2017	(3664)	Transfer/Sale	705511	5.48
				07/07/2017	(40811)	Transfer/Sale	664700	5.16
				14/07/2017	(60993)	Transfer/Sale	603707	4.69
				21/07/2017	(78502)	Transfer/Sale	525205	4.08
				28/07/2017	(51447)	Transfer/Sale	473758	3.68
				04/08/2017	(38223)	Transfer/Sale	435535	3.38
				11/08/2017	(11265)	Transfer/Sale	424270	3.30
				25/08/2017	(10634)	Transfer/Sale	413636	3.21
				01/09/2017	(58359)	Transfer/Sale	355277	2.76
				08/09/2017	(121249)	Transfer/Sale	234028	1.82
				15/09/2017	(30942)	Transfer/Sale	203086	1.58
				22/09/2017	(74034)	Transfer/Sale	129052	1.00
				29/09/2017	(20956)	Transfer/Sale	108096	0.84
				06/10/2017	(31599)	Transfer/Sale	76497	0.59
				13/10/2017	(59305)	Transfer/Sale	17192	0.13
				20/10/2017	(15998)	Transfer/Sale	1194	0.01
				27/10/2017	(1194)	Transfer/Sale	-	0.00
				31/03/2018	-	Closing Balance	-	0.00
2	NEERA AGARWAL	950265	7.38	-	-	Closing Balance	950265	7.38
3	CAMPBELL ADVERTISING PVT LTD	-	-	29/12/2017	110000	Transfer/Buy	110000	0.85
				09/02/2018	(110000)	Transfer/Sale	-	0.00
				02/03/2018	30000	Transfer/Buy	30000	0.23
				30/03/2018	170000	Transfer/Buy	200000	1.55
				31/03/2018	-	Closing Balance	200000	1.55
4	ASHOK KUMAR AGARWAL	133000	1.03	31/03/2018	-	Closing Balance	133000	1.03
5	KARVY STOCK BROKING LTD- F-O MARGIN	122675	0.95	07/04/2017	(158)	Transfer/Sale	122517	0.95
				14/04/2017	55	Transfer/Buy	122572	0.95
				14/04/2017	(1200)	Transfer/Sale	121372	0.94
				21/04/2017	16275	Transfer/Buy	137647	1.07
				28/04/2017	725	Transfer/Buy	138372	1.07
				28/04/2017	(100)	Transfer/Sale	138272	1.07
				05/05/2017	1390	Transfer/Buy	139662	1.08
				12/05/2017	6111	Transfer/Buy	145773	1.13
				12/05/2017	(201)	Transfer/Sale	145572	1.13
				19/05/2017	4062	Transfer/Buy	149634	1.16
				26/05/2017	1445	Transfer/Buy	151079	1.17
				26/05/2017	(1000)	Transfer/Sale	150079	1.17
				02/06/2017	49	Transfer/Buy	150128	1.17

				02/06/2017	(448)	Transfer/Sale	149680	1.16
				09/06/2017	3262	Transfer/Buy	152942	1.19
				16/06/2017	13497	Transfer/Buy	166439	1.29
				16/06/2017	(13241)	Transfer/Sale	153198	1.19
				23/06/2017	1200	Transfer/Buy	154398	1.20
				23/06/2017	(13747)	Transfer/Sale	140651	1.09
				30/06/2017	100	Transfer/Buy	140751	1.09
				07/07/2017	3596	Transfer/Buy	144347	1.12
				07/07/2017	(400)	Transfer/Sale	143947	1.12
				14/07/2017	1195	Transfer/Buy	145142	1.13
				14/07/2017	(1650)	Transfer/Sale	143492	1.11
				21/07/2017	1858	Transfer/Buy	145350	1.13
				21/07/2017	(2645)	Transfer/Sale	142705	1.11
				28/07/2017	2170	Transfer/Buy	144875	1.13
				28/07/2017	(2505)	Transfer/Sale	142370	1.11
				04/08/2017	1298	Transfer/Buy	143668	1.12
				04/08/2017	(7335)	Transfer/Sale	136333	1.06
				11/08/2017	250	Transfer/Buy	136583	1.06
				11/08/2017	(900)	Transfer/Sale	135683	1.05
				18/08/2017	100	Transfer/Buy	135783	1.05
				18/08/2017	(4352)	Transfer/Sale	131431	1.02
				25/08/2017	(1301)	Transfer/Sale	130130	1.01
				01/09/2017	4063	Transfer/Buy	134193	1.04
				01/09/2017	(551)	Transfer/Sale	133642	1.04
				08/09/2017	750	Transfer/Buy	134392	1.04
				08/09/2017	(2408)	Transfer/Sale	131984	1.03
				15/09/2017	1451	Transfer/Buy	133435	1.04
				15/09/2017	(499)	Transfer/Sale	132936	1.03
				22/09/2017	725	Transfer/Buy	133661	1.04
				22/09/2017	(74)	Transfer/Sale	133587	1.04
				29/09/2017	(1111)	Transfer/Sale	132476	1.03
				06/10/2017	50	Transfer/Buy	132526	1.03
				06/10/2017	(1050)	Transfer/Sale	131476	1.02
				13/10/2017	197	Transfer/Buy	131673	1.02
				13/10/2017	(77)	Transfer/Sale	131596	1.02
				20/10/2017	52	Transfer/Buy	131648	1.02
				20/10/2017	(800)	Transfer/Sale	130848	1.02
				27/10/2017	25	Transfer/Buy	130873	1.02
				27/10/2017	(788)	Transfer/Sale	130085	1.01
				31/10/2017	(100)	Transfer/Sale	129985	1.01
				03/11/2017	2011	Transfer/Buy	131996	1.03
				03/11/2017	(2411)	Transfer/Sale	129585	1.01
				10/11/2017	1464	Transfer/Buy	131049	1.02
				10/11/2017	(2004)	Transfer/Sale	129045	1.00
				17/11/2017	115	Transfer/Buy	129160	1.00
				17/11/2017	(15)	Transfer/Sale	129145	1.00
				24/11/2017	30	Transfer/Buy	129175	1.00
				24/11/2017	(115)	Transfer/Sale	129060	1.00
				01/12/2017	100	Transfer/Buy	129160	1.00
				01/12/2017	(3457)	Transfer/Sale	125703	0.98
				08/12/2017	21740	Transfer/Buy	147443	1.15
				08/12/2017	(10300)	Transfer/Sale	137143	1.07
				15/12/2017	(28043)	Transfer/Sale	109100	0.85
				22/12/2017	4100	Transfer/Buy	113200	0.88
				22/12/2017	(4756)	Transfer/Sale	108444	0.84
				29/12/2017	6	Transfer/Buy	108450	0.84
				29/12/2017	(3773)	Transfer/Sale	104677	0.81
				05/01/2018	36	Transfer/Buy	104713	0.81
				05/01/2018	(3955)	Transfer/Sale	100758	0.78
				12/01/2018	3204	Transfer/Buy	103962	0.81
				19/01/2018	900	Transfer/Buy	104862	0.81
				19/01/2018	(580)	Transfer/Sale	104282	0.81
				26/01/2018	1725	Transfer/Buy	106007	0.82

				26/01/2018	(840)	Transfer/Sale	105167	0.82
				02/02/2018	929	Transfer/Buy	106096	0.82
				02/02/2018	(3251)	Transfer/Sale	102845	0.80
				09/02/2018	4608	Transfer/Buy	107453	0.83
				09/02/2018	(1300)	Transfer/Sale	106153	0.82
				16/02/2018	986	Transfer/Buy	107139	0.83
				16/02/2018	(1104)	Transfer/Sale	106035	0.82
				23/02/2018	3426	Transfer/Buy	109461	0.85
				23/02/2018	(2194)	Transfer/Sale	107267	0.83
				02/03/2018	2805	Transfer/Buy	110072	0.86
				02/03/2018	(3019)	Transfer/Sale	107053	0.83
				09/03/2018	5739	Transfer/Buy	112792	0.88
				09/03/2018	(250)	Transfer/Sale	112542	0.87
				16/03/2018	343	Transfer/Buy	112885	0.88
				16/03/2018	(2992)	Transfer/Sale	109893	0.85
				23/03/2018	(496)	Transfer/Sale	109397	0.85
				30/03/2018	407	Transfer/Buy	109804	0.85
				30/03/2018	(291)	Transfer/Sale	109513	0.85
				31/03/2018	-	Closing Balance	109513	0.85
6	CHOICE EQUITY BROKING PRIVATE LIMITED	100	0.00	07/04/2017	(100)	Transfer/Sale	-	0.00
				21/04/2017	150	Transfer/Buy	150	0.00
				19/05/2017	2000	Transfer/Buy	2150	0.02
				26/05/2017	(2000)	Transfer/Sale	150	0.00
				09/06/2017	(150)	Transfer/Sale	0	0.00
				11/08/2017	570	Transfer/Buy	570	0.00
				18/08/2017	(570)	Transfer/Sale	0	0.00
				03/11/2017	1020	Transfer/Buy	1020	0.01
				10/11/2017	(770)	Transfer/Sale	250	0.00
				17/11/2017	(250)	Transfer/Sale	0	0.00
				24/11/2017	1000	Transfer/Buy	1000	0.01
				01/12/2017	(1000)	Transfer/Sale	0	0.00
				12/01/2018	1200	Transfer/Buy	1200	0.01
				19/01/2018	(1200)	Transfer/Sale	0	0.00
				16/02/2018	1300	Transfer/Buy	1300	0.01
				23/02/2018	(1300)	Transfer/Sale	0	0.00
				02/03/2018	362	Transfer/Buy	362	0.00
				09/03/2018	117683	Transfer/Buy	118045	0.92
				16/03/2018	(191)	Transfer/Sale	117854	0.92
				30/03/2018	(200)	Transfer/Sale	117654	0.91
				31/03/2018	-	Closing Balance	117654	0.91
7	T GARG & CO PRIVATE LIMITED	92903	0.72	31/03/2018	-	Closing Balance	92903	0.72
8	SHOBHIT KUMAR GARG	88737	0.69	05/05/2017	(2700)	Transfer/Sale	86037	0.67
				16/06/2017	(41541)	Transfer/Sale	44496	0.35
				23/06/2017	(33656)	Transfer/Sale	10840	0.08
				30/06/2017	(10840)	Transfer/Sale	-	-
				31/03/2018	-	Closing Balance	-	-
9	ANUJ SHANTILAL BADJATE	-	-	06/10/2017	25607	Transfer/Buy	25607	0.20
				13/10/2017	51122	Transfer/Buy	76729	0.60
				20/10/2017	30638	Transfer/Buy	107367	0.83
				27/10/2017	33137	Transfer/Buy	140504	1.09
				10/11/2017	(20000)	Transfer/Sale	120504	0.94
				22/12/2017	(10000)	Transfer/Sale	110504	0.86
				12/01/2018	(10000)	Transfer/Sale	100504	0.78
				02/02/2018	(55000)	Transfer/Sale	45504	0.35
				30/03/2018	40000	Transfer/Buy	85504	0.66
				31/03/2018	-	Closing Balance	85504	0.66
10	STANLY JOHN	65000	0.50	21/04/2017	(5000)	Transfer/Sale	60000	0.47
				19/05/2017	(10000)	Transfer/Sale	50000	0.39
				26/05/2017	(10000)	Transfer/Sale	40000	0.31
				09/06/2017	(10000)	Transfer/Sale	30000	0.23
				22/09/2017	(10000)	Transfer/Sale	20000	0.16
				31/03/2018	-	Closing Balance	20000	0.16

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

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 Agarwal	11619	0.09	Nil	Nil	Nil	11619	0.09
3	Mr. Radheshyam Agarwala	Nil	Nil	Nil	Ni	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	Nil	Nil	Nil	Nil	Nil	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

* Resigned w.e.f. February 10,2018

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
Indebtedness at the beginning of the financial Year				
i) Principal Amount	4,533.35	868.00	-	5,401.35
ii) Interest due but not paid	63.19	44.17	-	107.36
iii) Interest accrued but not due	23.70	-	-	23.70
Total (i+ii+iii)	**4,620.24**	**912.17**	**-**	**5,532.41**
Change in Indebtedness during the financial year				
Addition	250.00	-	-	250.00
Reduction	626.11	169.17	-	795.28
Net Change	(376.11)	(169.17)	-	(545.28)
Indebtedness at the end of the financial Year				
i) Principal Amount	4,244.13	743.00	-	4,987.13
ii) Interest due but not paid	135.86	73.65	-	209.51
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**4,379.99**	**816.65**	**-**	**5,196.64**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole time Director and/or Manager (₹ in Lakhs)

Sl. No	Particular of Remuneration	Mr. Ramesh Sivaraman Manager & CFO
1	Gross Salary (Rs.)	33.05
2	Stock Option (no.)	-
3	Sweat Equity	-
4	Commission	-
5	Others, please specify	-
	Total (A)	33.05
	Ceiling as per the Act	As approved by Shareholders

B. Remuneration to other Directors (Amount in ₹)

No	Particular of Remuneration	Other Directors						
		Hemant Kaul	Mahendra Agarwal	R S Agarwala	S M Jalan	D R Agarwal	Meera Madhusudan Singh	Total
1	**Independent Directors**							
	(a) Fee for attending board / committee meetings	68,000	--	--	53,000	--	--	1,21,000
	(b) Commission	--	--	--	--	--	--	--
	(c) Others, please specify	--	--	--	--	--	--	--
	Total (1)	**68,000**	**--**	**--**	**53,000**	**--**	**--**	**1,21,000**
2	**Other Non-Executive Directors**							
	(d) Fee for attending board / committee meetings	--	--	64,000	--	19,000	19,000	1,02,000
	(e) Commission	--	--	--	--	--		--
	(f) Others, please specify	--	--	--	--	--		--
	Total (2)	**--**	**--**	**64,000**	**--**	**19,000**	**19,000**	**1,02,000**
	Total = (1+2)	**68,000**	**--**	**64,000**	**53,000**	**19,000**	**19,000**	**2,23,000**

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
1 Gross Salary	**Lakshmi Sharma, Company Secretary**	
(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	5.75	5.75
(b) Value of perquisites u/s 17 (2) Income tax Act, 1961	-	
(c) Profits in lieu of salary under section 1 (3) Income-tax Act, 1961		
2 Stock Option (nos.)	**-**	
3 Sweat Equity	**-**	
4 Commission	**-**	
as % of profit	-	
others, specify	-	
5 others, please specify	**-**	
Total	**5.75**	**5.75**

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)
A. Company: Penalty Punishment Compounding			**None**		
B. Directors: Penalty Punishment Compounding			**None**		
C. Other officers in Default: 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 5 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	Chairmanship
Mr. Hemant Kaul*	Chairman	9	4	1
Dr. Dhanpat Ram Agarwal**	Chairman	6	4	3
Mr. Mahendra Agarwal	Member	8	2	-
Mr. Radhe Shyam Agarwala	Member	2	1	-
Mr. Sanwar Mal Jalan	Member	6	2	1
Ms. Meera Madhusudhan Singh	Member	2	-	-

*Mr. Hemnat Kaul has resigned w.e.f February 10, 2018

** Dr. Dhanpat Ram Agarwal, existing director appointed as Non Executive, Independent Director and chairman of the Company w.e.f May 9, 2018

None of the above Directors are related to each other. Other directorships do not include Section 8 Companies and companies incorporated outside India.

In accordance with Regulation 26 of the Listing Regulations, Membership(s)/ Chairmanship(s) of only Audit Committees and Stakeholder Relationship Committees in all public limited Companies have been considered.

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 2017-18, the Board met Four times: May 2, 2017, August 14, 2017, October 26, 2017 and February 5, 2018. 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 August 14, 2017 and also the shareholding.

Name	Category and Designation	Attendance particulars		No. of Equity shares
		Board meetings	Last AGM (August 14, 2017)	
Mr. Hemant Kaul*	Independent Director- Chairman*	4	Yes	–
Dr. Dhanpat Ram Agarwal**	Independent Director- Chairman**	3	Yes	–
Mr. Mahendra Agarwal	Promoter and Non Executive Director	4	Yes	11,619
Mr. Radhe Shyam Agarwala	Non Executive Director	3	No	–
Mr. Sanwar Mal Jalan	Independent Director	3	No	–
Ms. Meera Madhusudhan Singh	Non Executive Director	3	Yes	–

*Mr. Hemant Kaul has resigned w.e.f February 10, 2018.

** Dr. Dhanpat Ram Agarwal existing director appointed as Non Executive, Independent Director and chairman of the Company w.e.f May 9, 2018.

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. The proceeding of the meetings held through video conferencing are duly recorded by the company.

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

During the year 2017-18, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

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.

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: https://tcifl.in/wp-content/uploads/2018/06/Famailarisation-Programme-2017-18.pdf

Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on February 5, 2018, 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.

Board Evaluation

Details of methodology adopted for board evaluation have been provided in Director's Report.

Committees of the Board

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

The Company has five Board-level Committees, namely:

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

Audit Committee

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

The Members 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 2017-18, the Audit Committee met four times viz., on May 2, 2017, August 14, 2017, October 26, 2017 and February 5, 2018. The below table gives the composition and attendance record of the Audit Committee.

S.No	Name	Position	Number of meetings during the year 2017-18	
			Held	Attended
1	Mr. S M Jalan	Chairman	4	4
2	Mr. R S Agarwala	Member	4	3
3	Mr. Hemant Kaul*	Member	4	4

*Mr. Hemant Kaul has resigned w.e.f February 10, 2018.
Dr. Dhanpat Ram Agarwal, existing director appointed as Non Executive, Independent Director and chairman of the Company w.e.f May 9, 2018. The Company reconstitute Audit Committee in addition to nominate Dr. Dhanpat Ram Agarwal as member of Audit Committee.

Nomination and Remuneration Committee:

The Committee composition and terms of reference are in compliance with the provisions of the Companies, Act, 2013, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 2017-18	
			Held	Attended
1	Mr. S M Jalan	Chairman	1	1
2	Mr. Mahendra Agarwal	Member	1	1
3	Mr. Hemant Kaul*	Member	1	1

*Mr. Hemant Kaul has resigned w.e.f February 10, 2018.

Dr. Dhanpat Ram Agarwal, existing director appointed as Non Executive, Independent Director and chairman of the Company w.e.f May 9, 2018. The Company reconstitute Nomination & Remuneration Committee in addition to nominate Dr. Dhanpat Ram Agarwal as member of Nomination & Remuneration Committee.

During the financial year 2017-18, the Committee the company met once viz., on May 2, 2017.

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 retrial benefits. The variable component comprises performance bonus.

iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:

   a) the relationship of remuneration and performance benchmarks is clear;

   b) balance between fixed and incentive pay reflecting short and long term performance objectives,

appropriate to the working of the Company and its goals;

c) responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends;

d) the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

5. Remuneration Policy for the Senior Management Employees

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

i. the relationship of remuneration and performance benchmark is clear;

ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

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

Non-Executive Directors: -

The Sitting fee 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.

The details of sitting fee paid to the Non-Executive Directors during the financial year 2017-18 are as follows:

Name	Sitting fee (₹)
Mr. Hemant Kaul	68,000
Mr. Mahendra Agarwal	Nil
Mr. R.S. Agarwala	64,000
Mr. S.M. Jalan	53,000
Dr. D.R. Agarwal	19,000
Ms. Meera Madhusudhan Singh	19000
TOTAL	**2,23,000**

The Company did not propose commission or stock options during the financial year 2017-18.

Other than above, there are no pecuniary or business relationship between the Non-Executive Directors and company and also between all the Directors.

Stakeholders Relationship 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 Dr. D R Agarwal, Chairman of the Committee. During the financial year 2017-18, the Committee met one time viz., on May 2, 2017 and all the members were present for the meeting.

Composition

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

Dr. D R Agarwal Chairman

Mr. S M Jalan Member

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 2017-18 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	03	03	Nil	Nil
2	Non receipt of Dividend warrants	01	01	Nil	Nil
3	Non receipt of fully paid stickers against payment of allotment money	Nil	Nil	Nil	Nil
	Total	**4**	**4**	**Nil**	**Nil**

As on 31st March 2018, 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. During the year the company did not conduct any meeting.

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 Company met once i.e. May 2, 2017. The below table gives the composition and attendance record of the Corporate Social Responsibility Committee:

S No	Name	Designation	No. of meetings during the year 2017-18	
			Held	Attended
1.	Ms. Meera Madhusudan Singh	Chairperson	1	1
2.	Mr. S M Jalan	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). All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Manager and CFO to this effect is enclosed at the end of this report.

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

General Body Meetings

(a) Annual General Meeting:

Date of AGM	Time	Venue	No. of Special resolutions passed
July 28, 2015	11.00 A.M	Plot no-20, Survey no-12, Ground Floor, Kothaguda, Kondapur, Hyderabad-500081	3
August 5, 2016	11.00 A.M	Plot no.20, Survey no.12, Near Rainbow Children, Hospital, Kothaguda,Kondapur, Hyderabad- 500084.	-
August 14, 2017	11.00 A.M	Plot no.20, Survey no.12, Near Rainbow Children Hospital, Kothaguda,Kondapur, Hyderabad-500084.	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).

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, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre :

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, 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 10, 2018

Time: 11.00 a.m

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

Financial Calendar

Tentative calendar for declaration of financial results in FY 2018-19	
Results for the quarter ended June 30, 2018	July /on or before 14th August, 2018
Results for the quarter ended September 30, 2018	October /on or before 14th November, 2018
Results for the quarter ended December 31, 2018	January / on or before 14th February, 2019
Results for the year ended March 31, 2019	April / on or before 30th May, 2019

Book Closure dates: The dates for book closure are from August 3, 2018 to August 10, 2018 (both days inclusive).

Divined payment date : Not applicable

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 2017-18 has been paid to all the above stock exchanges.

Incase the securities are suspended from trading, the directors report shall explain the reason there of : Not applicable

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 ₹)

Months	*NSE*		*BSE*	
	High	*Low*	*High*	*Low*
Apr-2017	32.10	25.00	32.10	24.80
May-2017	30.70	23.45	30.45	23.75
Jun-2017	25.90	22.10	26.00	22.20
Jul-2017	25.90	22.50	25.85	22.50
Aug-2017	23.85	20.40	23.95	20.10
Sep-2017	25.90	20.60	25.95	20.40
Oct-2017	23.70	20.80	23.75	20.80
Nov-2017	27.50	22.10	27.00	22.25
Dec-2017	28.70	24.10	28.70	24.55
Jan-2018	36.90	25.75	36.70	25.65
Feb-2018	34.00	24.25	33.85	24.00
Mar-2018	30.80	23.50	30.70	22.30

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

PARTICULARS	*TCIF Share price v/s NSE*		*TCIF Share price v/s BSE*	
	Share Price(₹)	NSE NIFTY	Share Price (₹)	BSE Sensex
As on April 1, 2017	25.00	9220.6	24.80	29737.73
As on March 31, 2018	24.40	10113.7	24.80	32968.68

Share Transfer System

All queries and requests relating to share/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.

91.44% of the total shares have been dematerialized upto March 31, 2018. Dematerialization of shares is done through Karvy Computershare Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

Particulars	Shares on March 31, 2018	%
Physical Shares	1101581	8.56
NSDL	8755829	68.02
CDSL	3015083	23.42
Total	**12872493**	**100**

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, 2018

No. of shares		No. of Shareholders	% of total Shareholders	No. of shares	% to Total Capital
Upto	5000	6997	76.45	1341664	10.42
5001	10,000	1040	11.36	906998	7.05
10,001	20,000	495	5.41	789386	6.13
20,001	30,000	170	1.86	446664	3.47
30,001	40,000	101	1.10	372250	2.89
40,001	50,000	98	1.07	475825	3.70
50,001	1,00,000	130	1.42	962982	7.48
1,00,001	And above	121	1.32	7576724	58.86
TOTAL		**9152**	**100.00**	**12872493**	**100.00**

Distribution of Shareholding on the basis of ownership

No.	Category	No. of shares held	% Shareholding
1	Promoter and Promoter Group	3182360	24.72
2	Non-Resident Indians	145469	1.13
3	Bodies Corporate, Bank & HUF	2201598	17.10
4	Resident Individuals	7257234	56.38
5	Clearing Members	83013	0.64
6	Directors and relatives	2819	0.02
	TOTAL	**12,872,493**	**100.00**

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

Plant location: None

Unclaimed Shares:

As per the provisions of Clause 39 of the Listing Regulations, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special demat account held by the Company. Accordingly, unclaimed shares lying with the Company have been transferred and dematerialized in a `TCI Finance Limited - Unclaimed Suspense Account` of the Company. This Account is being held by the Company purely on behalf of the shareholders entitled for these shares.

It may also be noted that all the corporate benefits accruing on these shares like bonus, split etc., if any, shall also be credited to the said `Unclaimed Suspense Account` and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares. Shareholders who have not yet claimed their shares are requested to immediately approach the Share Department of the Company by forwarding a request letter duly signed by all the shareholders furnishing their complete postal address along with PIN code, a copy of PAN card & proof of address, and for delivery in demat form, a copy of Demat Account - Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

The status of equity shares lying in the Suspense Account as on March 31, 2018 is as under:

Sl No	Particulars	No. of shareholders	No. of equity shares held
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	30	3900
2	Number of shareholders who approached the Company(with complete documentation) for transfer of shares from the Unclaimed Suspense Account during the year	0	0
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year;	0	0
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	30	3900

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 2318
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. 24.2 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 statuary authority, on any matter related to capital markets, during the last three years.

(iv) The Company has complied with all mandatory requirements of SEBI LODR Regulations, 2015.

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

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 https://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 2017-18.

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

The Company has complied with all mandatory requirements of SEBI (LODR) Regulations, 2015.

Certificate under regulation 17(8) of SEBI LODR Regulations, 2015:

The manager and CFO who is also heading finance function 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 Manager 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.

Management Discussion and Analysis:

Management Discussion and Analysis forms part of the Annual Report.

CERTIFICATE ON CORPORATE GOVERNANCE

To.

The Members of TCI Finance Limited,

We have examined the compliance of conditions of Corporate Governance by M/s. TCI Finance Limited ("the company") for the year ended March 31, 2018, as per the provisions of regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 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.

Restrictions on Use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For DVM & Associates LLP
Company Secretaries
L2017KR002100

Ansu Thomas
Partner
M No: 8994
CP No:16696

Place: Hyderabad
Date: 28.05.2018

Declaration

As provided under Schedule V 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, 2018.

for TCI FINANCE LIMITED

Ramesh Sivaraman
Manager and CFO

Place: Hyderabad
Date: May 28, 2018

CHIEF EXECUTIVE OFFICER (CEO) / MD CERTIFICATION

A. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2018 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**

Place: Hyderabad
Date: May 28, 2018

Ramesh Sivaraman
Manager and CFO

MANAGEMENT DISCUSSION & ANALYSIS

Business Environment

Global growth for 2017 is now estimated at 3.7%, 0.1 percentage point higher than projected in the fall. Upside growth surprises were particularly pronounced in Europe and Asia but broad based, with outturns for both the advanced and the emerging market and developing economy groups exceeding the fall forecasts by 0.1 percentage point. The stronger momentum experienced in 2017 is expected to carry into 2018 and 2019, with global growth revised up to 3.9% for both years (0.2 percentage point higher relative to the fall forecasts).

For the two-year forecast horizon, the upward revisions to the global outlook result mainly from advanced economies, where growth is now expected to exceed 2% in 2018 and 2019. This forecast reflects the expectation that favorable global financial conditions and strong sentiment will help maintain the recent acceleration in demand, especially in investment with a noticeable impact on growth in economies with large exports. In addition, the U.S. tax reform and associated fiscal stimulus are expected to temporarily raise U.S. growth, with favorable demand spillovers for U.S. trading partners— especially Canada and Mexico—during this period.

It is worth taking a look at India's economic performance in FY 2017-18 over what has been quite an interesting period. While the first quarter of the year saw the impact of demonetization settling down, in the next quarter, introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. This did not take long, and from the third quarter onwards, signs of growth returning were evident.

As per the second advance estimates of national income released by the Central Statistics Office in February 2018, real Gross Domestic Product (GDP) at constant prices is estimated to grow at 6.6% for 2017-18. The Indian economy achieved an impressive growth rate of 7.2%, a five-quarter high during the third quarter (Oct-Dec) of FY18 as opposed to 6.5% in the second quarter. India also regained its tag of the fastest growing major economy in the third quarter. The strong growth registered in the third quarter was primarily on account of the good performance of the manufacturing and construction sectors.

The wheels of change continued to roll in the country with the launch of the Goods and Services Tax (GST) and the Real Estate Development and Regulation Act (RERA).While the GST would be a long-term positive for the economy, it had its initial implementation issues and the overall economy bore the brunt of the changes with traders and Medium and Small Scale Enterprises (MSME) getting adversely affected. The government as a result, had to revise the GDP growth estimates downward twice during the year from 7.40% to 6.60%.

The Reserve Bank of India (RBI) continued to keep an eye on the inflation and therefore did not lower the benchmark rates during the year. However, on account of the weak credit off take, banks continued to aggressively price their lending products, putting pressure on incremental spreads for the lenders. While the last quarter of the financial year under review witnessed some positive signs in terms of production, export growth and lower inflation, the rising Non Performing Assets (NPAs) levels and large scale financial scams in the banking sector dampened sentiments.

Industry Developments

The NBFC sector in India has undergone a significant transformation over the past few years. It has come to be recognised as one of the systemically important components of the financial system and has shown consistent year-on-year growth. NBFCs play a critical role in the core development of infrastructure, transport, employment generation, wealth creation opportunities, and financial support for economically weaker sections; they also make a huge contribution to state exchequer.

For a large and diverse country such as India, ensuring financial access to fuel growth and entrepreneurship is critical. With the launch of government-backed schemes (such as the Pradhan Mantri Jan-Dhan Yojana [PMJDY]), there has been a substantial increase in the number of bank accounts; however, a mere 15%, 5 of adults have reported using an account to make or receive payments. The government and regulatory bodies have taken decisive steps to increase this number (and subsequently financial access) by granting in principal licenses to as many as 21 players to establish specialty banks over the next 18 months. This is over and above the focused approach of the other industry bodies such as the National Payments Corporation of India (NCPI) to further strengthen and augment the payments ecosystem by launching the Unified Payment Interface (UPI) and Bharat Bill Payments System.

The introduction of such specialized players and systems will truly transform the banking value chain in its entirety. This presents a strategic opportunity for NBFCs to ensure sustainable growth over a long term. Partnerships with payments banks, bill payment providers and other financial institutions, such as insurance and asset management companies, will

help NBFCs offer the complete proposition—that is, from deposits to lending, investments and transactions. The reach of NBFCs, along with their strong understanding of the market, can help them position themselves as a better alternative to the traditional ways of banking.

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.

Opportunities

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

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

Threats

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

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

Segment-wise or product-wise performance of the Company

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

Future Strategies

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

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

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

Risks and concerns

The Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. The Company is a NBFC Company registered under RBI and categorized as loan Company. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks for the Company are financial risks, credit risk, liquidity risk, market risk etc.

Risk mitigation is also an exercise aiming to reduce the loss or injury arising out of various risk exposures. The Company adopts a systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations. The Company believes that this would ensure mitigating risks proactively and help to achieve stated objectives.

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 ₹1175 Lakhs and the net profit after tax is ₹168.61 Lakhs as against ₹ 1222 Lakhs and ₹ 360 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 31st March 2018.

Cautionary Statement

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

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INDEPENDENT AUDITORS' REPORT

To
The Members of

TCI Finance Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of TCI Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 "standalone 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, 2018 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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, 2016, 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 22.1 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.

iv. The Company has provided requisite disclosure in its Standalone Financial statements as to holding as well as dealing in specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained 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

V K Muralidhar
Partner
Membership No.201570

Hyderabad, May 28, 2018

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, 2018 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, 2018, 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

V K Muralidhar
Partner
Membership No.201570

Hyderabad, May 28, 2018

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 under Section 189 of the Companies Act, 2013 is amounting to ₹ 3,015.76 Lakhs and the balance outstanding as at March 31, 2018 is ₹ 2,787.34 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 22.3 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 except the following

S. No	The outstanding demand pertains to the AY	Demand Raised u/s	Demand Amount	Demand uploaded by
1	2015-2016	143(1a)	₹ 39,94,370	CPC

(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, 2018 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.

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 Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 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. Accordingly, paragraph 3(xv) of the order is not applicable.

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

V K Muralidhar
Partner
Membership No: 201570

Hyderabad, May 28, 2018

TCI FINANCE LIMITED
Balance Sheet as at March 31, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES		₹	₹
Shareholders' Funds			
(a) Share Capital	3	141,963,050	141,963,050
(b) Reserves and Surplus	4	331,762,724	314,901,481
		473,725,774	**456,864,531**
Non-Current Liabilities			
(a) Long Term Borrowings	5	163,440,658	198,897,566
(b) Long Term Provisions	6	1,535,038	1,553,520
		164,975,696	**200,451,086**
Current Liabilities			
(a) Short-Term Borrowings	7	322,300,000	331,800,000
(b) Trade Payables	8		
(A) Micro, Small, Medium Enterprises (MSMEs)		-	-
(B) Other than MSMEs		4,886,063	2,949,885
(c) Other Current Liabilities	9	37,577,250	25,493,073
(d) Short Term Provisions	10	138,750	9,990
		364,902,063	**360,252,948**
TOTAL		**1,003,603,533**	**1,017,568,565**
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11A	5,182,004	5,394,434
(ii) Intangible Assets	11B	-	1,644
(b) Non-Current Investments	12	494,704,856	495,133,004
(c) Deferred Tax Assets (Net)	24.2	566,353	662,389
(d) Long Term Loans and Advances	13	10,285,197	8,382,724
		510,738,410	**509,574,195**
Current Assets			
(a) Cash and Cash Equivalents	14	1,783,236	1,952,527
(b) Short Term Loans and Advances	15	469,323,667	452,201,028
(c) Other Current Assets	16	21,758,220	53,840,815
		492,865,123	**507,994,370**
TOTAL		**1,003,603,533**	**1,017,568,565**
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

V K Muralidhar
Partner

D R Agarwal
Chairman
DIN No : 00322861

S M Jalan
Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager and CFO

Hyderabad, May 28, 2018

TCI FINANCE LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note No.	2017- 18	2016-17
		₹	₹
Income			
Revenue from Operations	17	117,467,310	122,240,102
Other Income	18	347,600	18,714,063
Total Revenue		**117,814,910**	**140,954,165**
Expenses			
(a) Employee Benefits Expense	19	6,249,370	7,873,189
(b) Finance Costs	20	85,990,385	85,557,069
(c) Depreciation and Amortisation	11C	214,074	276,577
(d) Other Expenses	21	4,788,801	4,569,488
(e) Provision for Standard Assets / Non-Performing Assets	22.4	(35,000)	2,000
Total Expenses		**97,207,630**	**98,278,323**
Profit Before Tax		**20,607,279**	**42,675,842**
Tax Expense:			
(a) Current Tax		3,650,000	6,842,000
(b) Adjustments relating to earlier years		-	218,000
(c) Deferred Tax		96,036	(424,606)
		3,746,036	**6,635,394**
Profit After Tax		**16,861,243**	**36,040,448**
Earnings per Equity Share of ₹ 10/- each			
Basic and Diluted	23.1	1.31	2.80
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

V K Muralidhar
Partner

D R Agarwal
Chairman
DIN No : 00322861

S M Jalan
Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager and CFO

Hyderabad, May 28, 2018

TCI FINANCE LTD.

Cash Flow Statement for the year ended March 31, 2018

Particulars	2017-18	2016-17
	₹	₹
A. Cash Flow From Operating Activities		
Net profit before tax and extra ordinary items	20,607,279	42,675,842
Adjustments for:		
Depreciation and Amortisation	214,074	276,577
Profit on sale of Investments	(3,441,553)	-
Profit on sale of assets	-	(9,382,313)
Dividend received (Long Term Investments)	(4,918,396)	(8,528,010)
	12,461,405	**25,042,096**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Short Term Loans and Advances	21,000	(398,633)
Other Current Assets	32,082,595	(22,867,678)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	1,936,178	1,939,312
Other Current Liabilities	8,550,104	9,357,634
Short Term Provisions	128,760	2,078
Long Term Provisions	(18,482)	39,306
Cash used in Operations	55,161,560	13,114,115
Net Income Tax Refunded	(5,552,473)	(3,682,327)
Net Cash used in Operations	49,609,087	9,431,788
Loans Repaid / (Disbursed) (Net)	(17,143,639)	22,158,972
Net Cash from / (used in) Operating Activities (A)	**32,465,448**	**31,590,760**
B. Cash Flow from Investing Activities		
Proceeds from Sale of assets	-	11,000,000
Sale of Long Term Investments	3,869,701	-
Purchase of Long Term Investments	-	(210,000)
Dividend received (Long term Investments)	4,918,396	8,528,010
Net cash from / (used in) Investing Activities (B)	**8,788,097**	**19,318,010**
C. Cash Flow from Financing Activities		
Repayment of Short Term Borrowings	(34,500,000)	(60,000,000)
Proceeds from Short Term Borrowings	25,000,000	16,800,000
Repayment of Long Term Borrowings	(31,922,835)	(6,720,896)
Net cash from Financing Activities (C)	**(41,422,835)**	**(49,920,896)**
Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)	**(169,291)**	**987,874**
Cash and Cash Equivalents at the beginning of the year	1,952,527	964,652
Cash and Cash Equivalents at the end of the year	**1,783,236**	**1,952,527**

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

V K Muralidhar
Partner

Hyderabad, May 28, 2018

For and on behalf of the Board

D R Agarwal
Chairman
DIN No : 00322861

S M Jalan
Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager and CFO

TCI FINANCE LTD.

Notes forming part of the Financial Statements for the year ended March 31, 2018

1	**Corporate information**
	'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.
2	**Significant Accounting Policies**
2.1	**Basis of accounting and preparation of financial statements**
	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.
	The accounting policies adopted in the preparation of financial statements are consistent with those of the preceeding year.
2.2	**Use of Estimates**
	The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.
2.3	**Cash Flow Statement**
	The Cash Flow Statement is prepared under "Indirect method" 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.
2.4	**Revenue Recognition**
2.4.1	**Lease Income**
	(i) The income from lease transactions is recognized on accrual basis after netting off the lease equalization charges as recommended by the Institute of Chartered Accountants of India in its Guidance Note - "Accounting for Leases".
	(ii) The Lease Equalization charge (debit or credit as the case may be in any particular year) represent the difference between the Depreciation as per Schedule XIV and that which is chargeable so as to write off the asset over the primary lease period.
2.4.2	**Interest Income**
	Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.
2.5	**Fixed Assets:**
2.5.1	**Tangible Assets:** 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.
2.5.2	**Intangible Assets:** Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.
2.6	**Depreciation and Amortisation**
	Depreciable amount of assets is the cost of an asset, or other amount substituted for cost less its estimated residual value.
	Depreciation on tangible fixed assets has been provided on the straight line method as per the useful lives prescribed in schedule II to the Companies Act, 2013 .
	Intangible assets are amortised, on the straight line method on the useful lives prescribed in schedule II to the Companies Act, 2013
2.7	**Investments**
	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.

Notes forming part of the Financial Statements for the year ended March 31, 2018

2.8	**Employee Benefits**
	(i) Provident fund is a defined contribution plan and the contributions as required by the statute to Employees Provident Fund Organisation are charged to Statement of Profit and Loss when due.
	(ii) Gratuity liability is defined benefit obligation and is wholly funded. The Company accounts for liability for future gratuity benefits based on actuarial valuation. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred.
	(iii) Compensated Absences - The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service.
2.9	**Reserve Bank of India Prudential Norms**
	The Company follows the guidelines issued by the Reserve Bank of India, in respect of income recognition, asset classification and valuation of investments. Provision for standard assets is made in terms of the notification in Master Direction - DNBR (PD) 007/03.10.119/2016-17 - Updated as on 23.02.2018 issued by Reserve Bank of India.
2.10	**Taxes:**
2.10.1	**Current Tax:** Provision for current tax is made based on the taxable income computed for the year under the Income Tax Act, 1961.
2.10.2	**Deferred Taxes:** 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.
2.11	**Earnings Per Share:**
	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.
2.12	**Provisions, Contingent liabilities liabilities and Contingent Assets:**
	The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

3 Share Capital

	March 31, 2018		March 31, 2017	
	No. of shares	₹	No. of shares	₹
Authorised				
Equity shares of ₹ 10/- each	20,000,000	200,000,000	20,000,000	200,000,000
Issued				
Equity shares of ₹ 10/- each	16,000,000	160,000,000	16,000,000	160,000,000
Subscribed and fully paid up				
Equity shares of ₹ 10/- each	12,872,493	128,724,930	12,872,493	128,724,930
Add : Forfeited Shares (Amount Originally paid up)	-	13,238,120	-	13,238,120
Total		**141,963,050**		**141,963,050**

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

	March 31, 2018		March 31, 2017	
	No. of Shares	₹	No. of Shares	₹
Equity Shares of ₹10/- each				
At the beginning of the year	12,872,493	141,963,050	12,872,493	141,963,050
Add : Issued during the year	-	-	-	-
Outstanding at the end of the year	**12,872,493**	**141,963,050**	**12,872,493**	**141,963,050**

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

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

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, 2018		March 31, 2017	
	No of Shares	% Shareholding	No of Shares	% Shareholding
Equity Shares of ₹ 10/- each				
Gati Limited	1,600,300	12.43	1,600,300	12.43
Green India Venture Fund	-	-	1,664,314	12.93
Neera Agarwal	950,265	7.38	950,265	7.38

4 Reserves and Surplus

	March 31, 2018	March 31, 2017
	₹	₹
(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	58,895,673	51,687,585
Add: Transferred from surplus in Statement of Profit and Loss	3,372,249	7,208,089
	62,267,922	58,895,673
(d) Surplus in Statement of Profit and Loss		
Opening Balance	220,624,037	191,791,677
Add: Profit After Tax for the year	16,861,243	36,040,448
Less: Amount transferred to Reserve Fund	3,372,249	7,208,089
	234,113,031	220,624,037
Total	**331,762,724**	**314,901,481**

Notes forming part of the Financial Statements for the year ended March 31, 2018

5. Long Term Borrowings - Secured

	Non-current		Current	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	₹	₹	₹	₹
Term Loans				
From Non Banking Corporate Entities (Refer Note No (ii) below)	163,440,658	198,897,566	12,971,945	9,437,872
Total	**163,440,658**	**198,897,566**	**12,971,945**	**9,437,872**

(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 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 carriers rate of interest of 13.65%. The loan is secured by pledge of 650,000 Equity shares held by Company in Gati Limited, personal guarantee of a director, pledge of property and Investments of a director and pledge of third party investments and property.

6 Long Term Provisions

	March 31, 2018	March 31, 2017
	₹	₹
Provision for Employee Benefits:		
(i) Provision for Compensated Absences	220,270	335,520
(ii) Provision for gratuity (net) (Refer Note 24.1)	131,768	-
Provision - Others:		
(i) Contingent Provision against Standard Assets	1,183,000	1,218,000
Total	**1,535,038**	**1,553,520**

7 Short Term Borrowings

	March 31, 2018	March 31, 2017
	₹	₹
Secured:		
From Others (Refer Note No 7.1 below)	248,000,000	245,000,000
Unsecured:		
From Director	9,300,000	9,300,000
From Corporate Entities	65,000,000	77,500,000
Total	**322,300,000**	**331,800,000**

7.1 Security

Name of the lender	Security - Pledge of Shares held by the company in Gati Limited (Number)
SKS Fin Cap Private Limited	1,600,000
Anand Rathi Global Finance Limited	2,046,250
Godavari Commercial Services Private Limited (Refer Note No.22.5)	1,100,000
Total	**4,746,250**

Notes forming part of the Financial Statements for the year ended March 31, 2018

8 Trade Payables

	March 31, 2018	March 31, 2017
	₹	₹
Trade Payables other than Acceptances (Refer Note No. 8.1below)		
(A) Micro, Small, Medium Enterprises (MSMEs)	-	-
(B) Other than MSMEs	4,886,063	2,949,885
Total	**4,886,063**	**2,949,885**

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, 2018	As At March 31, 2017
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, 2018	March 31, 2017
	₹	₹
Current Maturities of Long Term Borrowings (Refer Note No. 5)	12,971,945	9,437,872
Interest Accrued and Not Due	20,951,280	10,736,235
Interest Accrued Due	-	2,369,816
Other Payables		
(i) Statutory Payables	2,893,752	2,024,991
(ii) Security Deposits	127,457	127,457
(iii) Others (Refer Note No 9.1)	632,816	796,702
Total	**37,577,250**	**25,493,073**

9.1 Includes ₹ 349,179/- (Previous year: ₹ 294,652/-) payable towards Managerial Remuneration.

10 Short Term Provisions

	March 31, 2018	March 31, 2017
	₹	₹
Provision for Employee Benefits:		
Provision for Compensated Absences	138,750	9,990
Total	**138,750**	**9,990**

Notes forming part of the Financial Statements for the year ended March 31, 2018

11 Fixed Assets

₹

Sl No	PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As At 01.04. 2017	Additions	Deletions	As At 31.03. 2018	Upto 01.04.2017	For the year	Deletions	Upto 31.03.2018	As at 31.03.2018	As At 31.03.2017
A	**TANGIBLE ASSETS**										
i	**Owned Assets**										
1	Land - Freehold	3,522,514	-	-	3,522,514	-	-	-	-	3,522,514	3,522,514
2	Buildings	1,602,000	-	-	1,602,000	553,417	5,397	-	558,814	1,043,186	1,048,583
3	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-
4	Plant and Machinery	6,802	-	-	6,802	6,802	-	-	6,802	-	-
5	Vehicles	1,170,599	-	-	1,170,599	378,307	185,345	-	563,652	606,947	792,292
6	Computer	187,130	-	-	187,130	156,085	21,688	-	177,773	9,357	31,045
	Total Tangible Assets	6,489,045	-	-	6,489,045	1,094,611	212,430	-	1,307,041	5,182,004	5,394,434
	Previous Year	9,707,816	-	3,218,771	6,489,045	2,419,118	276,577	1,601,084	1,094,611	5,394,434	7,288,698
B	**INTANGIBLE ASSETS**										
1	Computer Software	33,038	-	-	33,038	31,394	1,644	-	33,038	-	1,644
	Total Intangible Assets	**33,038**	**-**	**-**	**33,038**	**31,394**	**1,644**	**-**	**33,038**	**-**	**1,644**
	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

	2017-18	2016-17
	₹	₹
Tangible Assets	212,430	276,577
Intangible Assets	1,644	-
Total	**214,074**	**276,577**

Notes forming part of the Financial Statements for the year ended March 31, 2018

12 Non Current Investments

NON TRADE INVESTMENTS (AT COST) ₹

NAME OF THE COMPANY	March 31, 2018			March 31, 2017		
	No. of shares	Face value	Amount	No.of shares	Face value	Amount
A EQUITY SHARES (QUOTED)						
Gati Limited (Refer Note No. 12.1 and 22.5)	8,067,455	2	90,028,513	8,103,205	2	90,456,661
TCI Industries Limited	30,236	10	2,128,390	30,236	10	2,128,390
Karnataka Bank Limited	7,860	10	623,100	7,860	10	623,100
ATI Limited	10,000	10	200,000	10,000	10	200,000
Less: Provision for decline, other than temporary, in the value of long term investments			(86,206)			(86,206)
Net			**113,794**			**113,794**
Lloyds Finance Limited	4,200	10	2,310	4,200	10	2,310
Tech Mahindra Limited	400	5	173,612	400	5	173,612
Total			**93,069,719**			**93,497,867**
B EQUITY SHARES (UNQUOTED)						
Gati Intellect Systems Limited	1,000	100	100,000	1,000	100	100,000
Coast-To-Coast Shipping Limited	9,500	10	95,000	9,500	10	95,000
TCI Hi-Ways Private Limited	27,451	10	274,510	27,451	10	274,510
Giri Roadlines and Commercial Trading Private Limited	42,000	100	157,527	42,000	100	157,527
Amrit Jal Ventures Private Limited (Refer Note No. 12.2)	15,014,100	10	150,000,000	15,014,100	10	150,000,000
Bangalore Stock Exchange Limited	32,500	1	30,000	32,500	1	30,000
ITAG Infrastructure Limited	5,000	10	50,000	5,000	10	50,000
Total			**150,707,037**			**150,707,037**
C SUBSIDIARY - EQUITY SHARES (UNQUOTED)						
ITAG Business Solutions Limited	1,250,000	10	12,500,000	1,250,000	10	12,500,000
Total			**12,500,000**			**12,500,000**
D PREFERENCE SHARES (UNQUOTED)						
Capital Fortunes Limited	350,000	10	3,500,000	350,000	10	3,500,000
8% Non Cumulative 15 Year Redeemable						
Total			**3,500,000**			**3,500,000**
E DEBENTURES (OPTIONALLY CONVERTIBLE) (UNQUOTED)						
14.50% - Amrit Jal Ventures Private Limited (Refer Note No. 12.2)	2,349,281	100	234,928,100	2,349,281	100	234,928,100
Total			**234,928,100**			**234,928,100**
Grand Total			**494,704,856**			**495,133,004**
Book Value of Quoted Investments			**93,069,719**			**93,497,867**
Market Value of Quoted Investments (Refer Note No. 12.3)			**733,837,144**			**1,195,135,870**

12.1. Includes

a 5,396,250 (Previous year: 4,603,900) Equity Shares pledged with lenders of the Company as security for Long and Short Term Borrowings (Refer Note No.5 (ii) and 7.1),

b 805,000 (Previous year: 805,000) Equity Shares pledged with IFCI Venture capital limited towards loan availed by M/s Amrit Jal Ventures Private Limited (Refer Note No.22.5 (iii)) and

c 1,580,000 (Previous year : 1,580,000) shares pledged with IDFC Bank Limited for the loan availed by Gati Infrastructure Private Limited (Refer Note No.22.5 (ii))

12.2. Amrit Jal Ventures Private Limited (AJVPL), through its SPV's is executing three power projects aggregating to 243 MW in Sikkim which are under various stages of construction and completion.

Considering the stage of the projects and also the development towards entering into Power Purchase Agreement for 110MW Chuzhachen Project(one of the above said SPV) with State Discoms which is at the final stage, any diminution in the value of investment in AJVPL is temporary and no provision is considered necessary by the management.

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, 2018

13 Long Term Loans and Advances - Unsecured, considered good

	March 31, 2018	March 31, 2017
	₹	₹
Advance Tax (Net of provision of ₹ 29,192,890/- and Previous year ₹ 26,767,890)	10,285,197	8,382,724
Total	**10,285,197**	**8,382,724**

14 Cash and Cash Equivalents

	March 31, 2018	March 31, 2017
	₹	₹
Balances with Banks		
In Current Accounts	1,782,165	1,951,387
Cash on hand	1,071	1,140
Total	**1,783,236**	**1,952,527**

15 Short Term Loans and Advances - Unsecured, considered good

	March 31, 2018	March 31, 2017
	₹	₹
Inter corporate Loans (Refer Note No.22.3)	468,734,667	451,591,028
Other Advances recoverable in cash or kind	589,000	610,000
Total	**469,323,667**	**452,201,028**

16 Other Current Assets

	March 31, 2018	March 31, 2017
	₹	₹
Interest accrued on Debentures	17,470,933	17,470,725
Interest accrued on Short Term Loans and Advances	4,192,247	35,217,469
Other Receivables	95,040	1,152,621
Total	**21,758,220**	**53,840,815**

17 Revenue from Operations

	2017-18	2016-17
	₹	₹
Interest Income (Refer Note No. 17.1)	109,107,361	111,555,365
Other Operating Revenue (Refer Note No. 17.2)	8,359,949	10,684,737
Total	**117,467,310**	**122,240,102**

17.1 Interest Income

	2017-18	2016-17
	₹	₹
Interest Income from:		
(i) Banks	-	2,740
(ii) Loans and Advances	75,042,776	77,488,040
(iii) Investments	34,064,585	34,064,585
Total	**109,107,361**	**111,555,365**

17.2 Other Operating Revenue

	2017-18	2016-17
	₹	₹
Upfront Fee / Guarantee Commission	-	2,156,727
Profit on sale of Long Term Investments	3,441,553	-
Dividend income from Long Term Investments	4,918,396	8,528,010
Total	**8,359,949**	**10,684,737**

18 Other Income

	2017-18	2016-17
	₹	₹
Rental Income	264,000	264,000
Other Non-Operating Income (Refer Note No. 18.1)	83,600	18,450,063
Total	**347,600**	**18,714,063**

18.1 Other Non-Operating Income

	2017-18	2016-17
	₹	₹
Profit on sale of Fixed Assets	-	9,382,313
Liabilities no longer required written back	-	94,254
Miscellaneous income	83,600	7,604,121
Interest on IT Refund	-	1,369,375
Total	**83,600**	**18,450,063**

19 Employee Benefits Expense

	2017-18	2016-17
	₹	₹
Salaries and wages	5,802,331	7,527,369
Contributions to provident and other funds (Refer Note No. 19.1)	447,039	305,156
Staff welfare expenses	-	40,664
Total	**6,249,370**	**7,873,189**

19.1 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 ₹ 168,771/- (Previous year ₹ 197,155/-) for Provident Fund contributions and ₹ 146,500/- (Previous year ₹ 108,000/-) 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, 2018.

Notes forming part of the Financial Statements for the year ended March 31, 2018

Particulars	March 31, 2018	March 31, 2017
	₹	₹
	Gratuity (Funded)	Gratuity (Funded)
Present Value of Defined Benefit Obligation	2,075,675	1,834,856
Fair Value of Plan Assets	1,943,907	1,869,093
Funded Status [Surplus/(Deficit)]	(131,768)	34,237
Net Asset / (Liability) recognized in the Balance Sheet	-	-
Present Value of DBO at the beginning of the year	1,834,856	1,723,297
Current Service Cost	80,395	71,136
Interest Cost	133,027	134,417
Actuarial Losses / (Gains)	(83,630)	(93,994)
Benefits paid	111,027	-
Present Value of DBO at the end of the year	**2,075,675**	**1,834,856**
Plan Assets at the beginning of the year	1,869,093	1,733,929
Expected Return on Plan Assets	149,527	138,714
Actuarial Gain / (Loss)	(74,713)	(3,550)
Benefits Paid	-	-
Plan Assets at the end of the year	**1,943,907**	**1,869,093**
Current Service Cost	80,395	71,136
Interest Cost	133,027	134,417
Expected Return on Plan Assets	(149,527)	(138,714)
Actuarial Loss / (Gains)	(8,917)	(90,444)
Expense recognized in the Statement of Profit and Loss	(166,005)	(23,605)
Actual Benefit Payments	-	-
Experience History		
(1) Defined Benefit Obligation at end of the period	1,834,856	1,834,856
(2) Plan Assets at end of the period	2,075,675	1,869,093
(3) Surplus / (Deficit)	240,819	34,237
(4) Experience (Gain) / Loss adjustments on plan liabilities	(64,955)	(142,602)
(5) Experience Gain / (Loss) adjustments on plan assets	(74,713)	(3,550)
Division of Defined Benefit Obligation (Current / Non-Current)		
(1) Current Defined Benefit Obligation at end of the period	1,131,573	42,372
(2) Non-Current Defined Benefit Obligation at end of the period	944,102	1,792,484
(3) Total Defined Benefit Obligation at end of the period	2,075,675	1,834,856
Best Estimate of Contribution During Next year	**-**	**-**
Assumptions		
Discount Rate %	7.60%	7.25%
Expected Return on Plan Assets %	7.55%	8.00%
Salary Escalation %	6.00%	6.00%
Mortality	IALM 06-08	IALM 06-08 Ultimate
Attrition rate	2.00%	2.00%
The major categories of plan assets as a percentage of total plan - Funded with LIC	65.01%	72.20%

20 Finance Costs

	2017-18	2016-17
	₹	₹
Interest expense on:		
Term Loans	84,019,068	83,866,298
Other borrowing costs*	1,971,317	1,690,771
(* Includes ₹ 10,93,518/- towards settlement on certain litigation)		
Total	**85,990,385**	**85,557,069**

21 Other Expenses

	2017-18	2016-17
	₹	₹
Rates and taxes	42,664	52,038
Service tax and Cess paid	12,968	17,055
Travelling and conveyance	195,950	355,707
Printing and stationery	269,460	269,956
Legal and professional	2,109,332	1,186,070
Rent Paid	256,368	235,200
Auditors' Remuneration (Refer Note No. 21.1)	288,050	247,250
Listing Fee and Demat charges	616,781	611,500
CSR Expenses	-	800,000
Miscellaneous	997,228	794,712
Total	**4,788,801**	**4,569,488**

21.1 Auditors' Remuneration

	2017-18	2016-17
	₹	₹
Fee towards		
Statutory Audit	150,000	125,000
Limited Review	90,000	90,000
Certification	5,000	-
Service Tax / GST	43,050	32,250
Total	**288,050**	**247,250**

22 Additional information to the Financial Statements

22.1 Contingent liabilities and commitments (to the extent not provided for)	March 31, 2018	March 31, 2017
	₹	₹
Contingent liabilities		
(a) Disputed Sales Tax demand	63,661	63,661
(b) Corporate Guarantees	2,983,160,041	2,867,729,656
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, and B) To the lenders of Gati Infrastructure Bhasmey Power Private Limited.		

Notes forming part of the Financial Statements for the year ended March 31, 2018

22.2 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, 2018	Maximum balance outstanding during the year
		₹	₹
ITAG Business Solutions Limited	Subsidiary	- -	- -
Note: Figures in bracket relate to the previous year.			

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

22.4 The Provision for standard assets during the year is as below:

Particulars	March 31, 2018	March 31, 2017
	₹	₹
Provision (Reversal of Provision) for Standard Assets	(35,000)	2,000
Total	**(35,000)**	**2,000**

22.5 Investments - Sale of pledged shares by lendors

(i) During the year 2015-2016, the Company took a loan of Rs.5 Crores from Godavari Commercial Services Private Limited (Godavari) on the security of 1,000,000 equity shares of Gati Limited held by the Company as Investments. At the request of Godavari, the said shares were pledged with a third party. The said shares were invoked by the third party in the year 2016-2017 on default by Godavari without there being any default by the Company. The Company took necessary legal recourse for restoration of the pledged shares and in terms of the settlement arrived at, Godavari agreed to restore the said invoked shares. In view of the same, the said 1,000,000 equity shares in Gati Limited have been continued to be disclosed as "Long Term Investments".

(ii) During the year 2015-2016, the Company has pledged 1,580,000 shares of Gati Limited held by the Company as Investments in favour of IDFC Bank Limtied (IDFC) for facilities availed by M/s Gati Infrastructure Private Limited (GIPL) on receipt of Letter of Comfort from M/s Amrit Jal Ventures Private Limited (AJVPL) being the holding company of GIPL (Refer Note no 12.1.c). The said shares were invoked by IDFC in the year 2016-2017 due to default made by GIPL. The Company also has taken necessary legal recourse for the restoration of the invoked shares. AJVPL vide its Letter of Comfort informed that it would restore such invoked shares to the Company. In view of the above, the invoked 1,580,000 equity shares in Gati Limited have been continued to be disclosed as "Long Term Investments".

(iii) During the year 2014-2015, the Company has pledged 805,000 equity shares of Gati Limited held by the Company as Investments in favour of IFCI Ventures Limited (IFCIV) for facilities availed by M/s Amrit Jal Ventures Private Limited (AJVPL) (Refer Note 12.1.b). AJVPL had repaid the said loan, the Company had made request to IFCIV for release of pledged shares. However, during the year ended March 31,2018 IFCIV invoked the said shares in the and transfered the same to Green India Veutures Fund (GIVF) for certain dues payable by AJVPL. The Company has taken necessary legal recourse for the restoration of the invoked shares. In view of the above, the invoked 805,000 equity shares in Gati Limited have been continued to be disclosed as "Long Term Investments"

Notes forming part of the Financial Statements for the year ended March 31, 2018

23 Other Disclosures under Accounting Standards

		2017-18	2016-17
		₹	₹
23.1	**Earnings per share**		
	Net profit for the year attributable to the equity shareholders (₹)	16,861,243	36,040,448
	Weighted average number of equity shares	12,872,493	12,872,493
	Face value per share (₹)	10	10
	Earnings per share - Basic and Diluted (₹)	**1.31**	**2.80**

		2017-18	2016-17
		₹	₹
23.2	**Deferred Tax (Liability) / Asset**		
	Tax effect of items constituting deferred tax liability :		
	On difference between book balance and tax balance of fixed assets	-	-
	Tax effect of items constituting deferred tax liability	-	-
	Tax effect of items constituting deferred tax assets :		
	On difference between book balance and tax balance of fixed assets	261,730	286,027
	Provision for Standard assets	304,623	376,362
	Tax effect of items constituting deferred tax assets	566,353	662,389
	Net Deferred Tax - Asset /(Liability)	**566,353**	**662,389**

24 Disclosures under Accounting Standards (contd.)

24.1 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 Managerial Personnel (KMP) (Para 3 of AS 18)	
Manager	Mr. Ramesh Sivaraman

Note: Related parties have been identified by the Management.

24.2 Details of related party transactions during the period ended March 31, 2018 and balances outstanding as at March 31, 2018 :

₹

Particulars	Subsidiaries	KMP	Total
Transactions during the year			
Advance Recovered	-	-	-
	(-)	(-)	(-)
Managerial Remuneration			
Manager	-	3,305,817	3,305,817
	(-)	(3,366,164)	(3,366,164)
Balances at the year end			
Other current liabilities - Others			
Managerial Remuneration Payable	-	349,179	349,179
	(-)	(294,652)	(294,652)

Note: Figures in bracket relates to the previous year

Notes forming part of the Financial Statements for the year ended March 31, 2018

25 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) Master Directions 2015) :

₹

	Particulars	Amount outstanding	Amount Overdue
25.1	**Liabilities Side:**		
	Loans and advances availed by the Non- Banking Financial Company inclusive of interest accrued thereon but not paid:		
	a. Debentures	-	-
	b. Term Loans	176,412,603	-
	c. Inter Corporate loans and borrowings $	343,251,280	-
	Total	**519,663,883**	**-**
25.2	**Assets Side:**		
	Break-up of Loans and Advances including bills receivables (Other than those included in (4) below:)		**Amount outstanding**
	a. Secured		-
	b. Unsecured#		472,926,914
25.3	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:**		
	(i) Lease assets including lease rentals under sundry debtors:		
	a. Financial Lease		-
	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		-
25.4	**Break up of Investments:**		
	Current Investments		-
	Long Term Investments:		
	1. Quoted:		
	(i) Equity Shares **		93,069,719
	(ii) Debentures and Bonds		-
	2. Un Quoted:		
	(i) Equity Shares		163,207,037
	(ii) Preference		3,500,000
	(iii) Debentures and Bonds		252,399,033*

$ includes ₹ 20,951,280/- interest accured but not due on Secured and Unsecured short term borrowings and ₹ 9,300,000/- Loan from Director

includes ₹ 4,192,275/- towards Interest accrued on Advances.

*includes ₹ 17,470,933/- towards Interest accrued on Investments

** Refer Note No 22.5

Notes forming part of the Financial Statements for the year ended March 31, 2018

25.5 Borrower group-wise classification of assets financed as in 25.2 and 25.3 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	-	471,743,914	471,743,914
	Total	**-**	**471,743,914**	**471,743,914**

25.6 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	732,562,350	92,156,903
	(c) Other Related parties	-	-
	2. Other than related parties	407,880,864*	407,518,886*
	Total	**1,152,943,214**	**512,175,789**
	* includes ₹ 17,470,933/- towards Interest accrued on Investments		

25.7 Other Information ₹

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

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

Signature to note 1 to 26

For and on behalf of the Board

D R Agarwal
Chairman
DIN No : 00322861

S M Jalan
Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager and CFO

Hyderabad, May 28, 2018

INDEPENDENT AUDITORS' REPORT

To
The Members of
TCI FINANCE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of TCI FINANCE LIMITED (the "Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2018, 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, 2018, 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, 2018 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, 2018 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. TThereare noamountswhicharerequiredtobe transferredto the InvestorEducation andProtectionFund by the Company.

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

V K Muralidhar
Partner
Membership No. 201570

Hyderabad, May 28, 2018

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, 2018 in conjunction with our audit of the Consolidated 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, 2018, 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

V K Muralidhar
Partner
Membership No.201570

Hyderabad, May 28, 2018

TCI FINANCE LIMITED
Consolidated Balance Sheet as at March 31, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES		₹	₹
Shareholders' Funds			
(a) Share Capital	3	141,963,050	141,963,050
(b) Reserves and Surplus	4	324,722,352	307,986,234
		466,685,402	**449,949,284**
Non-Current Liabilities			
(a) Long Term Borrowings	5	163,440,658	198,897,566
(b) Long Term Provisions	7	1,703,318	1,716,365
		165,143,976	**200,613,931**
Current Liabilities			
(a) Short Term Borrowings	6	322,300,000	331,800,000
(b) Trade Payables	8		
(A) Micro, Small, Medium Enterprises (MSMEs)		-	-
(B) Other than MSMEs		6,303,753	4,276,668
(c) Other Current Liabilities	9	38,302,941	26,208,556
(d) Short Term Provisions	10	143,579	12,652
		367,050,273	**362,297,876**
TOTAL		**998,879,651**	**1,012,861,091**
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11A	5,672,650	6,083,933
(ii) Intangible Assets	11B	-	1,644
(b) Non-Current Investments	12	482,204,856	482,633,004
(c) Deferred Tax Assets (Net)	24.4	701,094	799,562
(d) Long Term Loans and Advances	13	10,864,556	8,836,624
		499,443,156	**498,354,767**
Current Assets			
(a) Trade Receivables	14	3,678,274	3,840,694
(b) Cash and Cash Equivalents	15	3,729,280	3,824,196
(c) Short Term Loans and Advances	16	470,240,747	452,967,053
(d) Other Current Assets	17	21,788,195	53,874,380
		499,436,495	**514,506,323**
TOTAL		**998,879,651**	**1,012,861,091**
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

V K Muralidhar
Partner

Hyderabad, May 28, 2018

For and on behalf of the Board

D R Agarwal, Chairman
DIN No : 00322861

S M Jalan, Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager and CFO

TCI FINANCE LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note No.	2017-18	2016-17
		₹	₹
Continuing Operations :			
Income			
Revenue from Operations	18	130,079,895	136,638,226
Other Income	18	458,616	18,751,441
Total Revenue		**130,538,511**	**155,389,667**
Expenses			
(a) Employee Benefits Expense	20	9,229,162	10,447,320
(b) Finance Costs	21	85,990,385	85,557,069
(c) Depreciation and Amortisation	11C	430,627	622,801
(d) Other Expenses	22	14,438,751	15,670,574
(e) Provision for Standard Assets / Non-Performing Assets	23.3	(35,000)	2,000
Total Expenses		**110,053,924**	**112,299,764**
Profit Before Exceptional Item and Tax		**20,484,586**	**43,089,903**
Profit Before Tax		20,484,586	43,089,903
Tax Expense:			
(a) Current Tax		3,650,000	7,138,030
(b) Deferred Tax		98,468	(473,213)
		3,748,468	**6,664,817**
Profit After Tax from Continuing Operation		16,736,118	36,425,086
Total Operations			
Profit After Tax		**16,736,118**	**36,425,086**
Earnings per Equity Share of ₹ 10/- each			
Basic and Diluted			
(i) Continuing Operations	24.3	1.30	2.83
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

V K Muralidhar
Partner

Hyderabad, May 28, 2018

For and on behalf of the Board

D R Agarwal
Chairman
DIN No : 00322861

S M Jalan
Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager and CFO

TCI FINANCE LIMITED

Consolidated Cash Flow Statement for the year ended March 31, 2018

	2017-18	2016-17
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	20,484,586	43,089,903
Adjustments for:		
Depreciation and Amortisation	430,627	622,801
Loss on sale of assets	-	-
Profit on sale of Fixed Assets	-	(9,382,313)
Profit on sale of Long Term Investments	(3,441,553)	-
Profit/Loss on sale of Long Term Investments	-	-
Dividend received (Long term Investments)	(4,918,396)	(8,528,010)
Interest Income	94,176	73,795
Sundry Debtors Written Off	1,045	297,160
	12,650,486	**26,173,337**
Changes in Working Capital:		
Adjustments for (increase) / decrease in Operating Assets:		
Trade Receivables	161,375	(1,247,697)
Short Term Loans and Advances	(130,055)	(780,320)
Other Current Assets	32,086,185	(22,840,494)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	2,027,085	2,529,138
Other Current Liabilities	8,560,312	9,447,426
Short Term Provisions	130,927	3,714
Long Term Provisions	(13,047)	60,493
Cash used in Operations	55,473,268	13,345,597
Net Income Tax Paid	(5,677,931)	(3,756,042)
Net Cash from / (used in) Operations	49,795,337	9,589,554
Loans (Disbursed) / Repaid (Net)	(17,143,639)	22,158,972
Net Cash from / (used in) Operating Activities (A)	**32,651,698**	**31,748,526**
B. Cash Flow from Investing Activities		
Proceeds from Sale of Fixed Assets	-	11,000,000
Purchase of Fixed Assets	(17,700)	(209,952)
Sale of Long Term Investments	3,869,701	(210,000)
Interest Received - Others	(94,176)	(73,795)
Dividend received (Long term Investments)	4,918,396	8,528,010
Net cash from / (used in) Investing Activities (B)	**8,676,221**	**19,034,263**
C. Cash Flow from Financing Activities		
Repayment of Short Term Borrowings	(34,500,000)	(60,000,000)
Proceeds from Short Term Borrowings	25,000,000	16,800,000
Repayment of Long Term Borrowings	(31,922,835)	(6,720,896)
Net cash (used in) / from Financing Activities (C)	**(41,422,835)**	**(49,920,896)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(94,917)**	**861,893**
Cash and Cash Equivalents at the beginning of the year	3,824,196	2,962,302
Cash and Cash Equivalents at the end of the year	**3,729,280**	**3,824,196**

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
V K Muralidhar
Partner

For and on behalf of the Board

D R Agarwal, Chairman
DIN No : 00322861

S M Jalan, Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager and CFO

Hyderabad, May 28, 2018

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

1	**Corporate information**
	Principles of Consolidation
	'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.
2	**Significant Accounting Policies**
2.1	**Basis of Accounting and Preparation of Financial Statements**
	'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.
2.2	**Principles of Consolidation**
	The consolidated financial statements have been prepared on the following basis:
a)	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)	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.
c)	Intra-group balances and intra-group transactions and resulting unrealised profits / loss has been eliminated.
d)	The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.
2.2.1	**Use of Estimates**
	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.
2.3	**Cash Flow Statement**
	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.
2.4	**Revenue Recognition**
2.4.1	**Interest Income**
	Interest income is recognised on accrual basis except in case of non-performing assets. Overdue interest is recognised as income on realisation.
2.4.2	**Consultancy income**
	Consultancy Revenue is recognized on accrual basis.
2.4.3	**Sponsorship and Delegate Fee Income**
	Revenue from sponsorship and delegate fees is recognised on accural basis.
2.4.4	**Other Income**
	Dividend income is accounted on an accrual basis when the Company's right to receive the dividend is established.
	Income from Services is recognised on accrual basis.
2.5	**Fixed Assets:**
2.5.1	**Tangible Assets:** 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, 2018

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.

2.5.2 **Intangible Assets:** Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

2.6 **Depreciation and Amortisation**

Depreciable amount of assets is the cost of an asset, or other amount substituted for cost less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight line method as per the useful lives prescribed in schedule II to the Companies Act, 2013 .

Intangible assets are amortised, on the straight line method on the useful lives prescribed in schedule II to the Companies Act, 2013 .

2.7 **Investments**

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.

2.8 **Employee Benefits**

(i) Provident fund is a defined contribution plan and the contributions as required by the statute to Employees Provident Fund Organisation are charged to Statement of Profit and Loss when due.

(ii) Gratuity liability is defined benefit obligation and is wholly funded. The Company accounts for liability for future gratuity benefits based on actuarial valuation. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(iii) Compensated Absences - The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service.

2.9 **Reserve Bank of India Prudential Norms**

The Company follows the guidelines issued by the Reserve Bank of India, in respect of income recognition, asset classification and valuation of investments. Provision for standard assets is made in terms of the notification in Master Direction - DNBR (PD) 007/03.10.119/2016-17 - Updated as on 23.02.2018 issued by Reserve Bank of India.

2.10 **Foreign currency transactions**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date, are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement / translation of monetary assets and liabilities are recognized in the Statement of Profit and Loss.

2.11 **Taxes on Income**

2.11.1 **Current Tax:** 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.

2.11.2 **Deferred Tax :** 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.

2.12 **Earnings per share**

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.

2.13 **Provision, Contingent Liabilities and Contingent Assets**

The Group recognised provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

3 Share Capital

	March 31, 2018		March 31, 2017	
	No. of shares	₹	No. of shares	₹
Authorised				
Equity Shares of ₹ 10/- each	20,000,000	200,000,000	20,000,000	200,000,000
Issued				
Equity Shares of ₹ 10/- each	16,000,000	160,000,000	16,000,000	160,000,000
Subscribed and Fully Paid Up				
Equity Shares of ₹ 10/- each	12,872,493	128,724,930	12,872,493	128,724,930
Add : Forfeited Shares (Amount Originally paid up)	-	13,238,120	-	13,238,120
Total	**12,872,493**	**141,963,050**	**12,872,493**	**141,963,050**

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

	March 31, 2018		March 31, 2017	
	No. of shares	₹	No. of shares	₹
Equity Shares of ₹ 10/- each				
At the beginning of the year	12,872,493	141,963,050	12,872,493	141,963,050
Add : Issued during the year	-	-	-	-
At the end of the year	**12,872,493**	**141,963,050**	**12,872,493**	**141,963,050**

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

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, 2018		March 31, 2017	
	No of Shares	%Shareholding	No of Shares	%Shareholding
Equity Shares of ₹ 10/- each				
Gati Limited	1,600,300	12.43	1,600,300	12.43
Green India Venture Fund	-	-	1,664,314	12.93
Neera Agarwal	950,265	7.38	950,265	7.38

4 Reserves and Surplus

	March 31, 2018	March 31, 2017
	₹	₹
(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	58,895,674	51,687,585
Add : Transferred from surplus in Statement of Profit and Loss	3,372,249	7,208,089
	62,267,923	58,895,674
(d) Surplus in Statement of Profit and Loss		
Opening Balance	213,708,789	184,491,790
Add: Profit After Tax for the year	16,736,118	36,425,088
Less : Amount transferred to Reserve Fund	(3,372,249)	(7,208,089)
	227,072,658	213,708,789
Total	**324,722,352**	**307,986,234**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

5 Long-Term Borrowings - Secured

	Non-current		Current	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Term Loans	₹	₹	₹	₹
From Non Banking Corporate Entities (Refer (ii.a) below)	163,440,658	198,897,566	12,971,945	9,437,872
Total	**163,440,658**	**198,897,566**	**12,971,945**	**9,437,872**

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

(ii) **Term Loans**

(a) Term loan 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 carriers rate of interest of 13.65%. The loan is secured by pledge of 650,000 Equity shares held by Company in Gati Limited held as investments, personal guarantee of a director, pledge of property and Investments of a director and pledge of third party investments and property.

6 Short-Term Borrowings

	March 31, 2018	March 31, 2017
	₹	₹
Secured:		
From Corporate Entities (Refer Note 6A below)	248,000,000	245,000,000
From Director	9,300,000	9,300,000
From Corporate Entities	65,000,000	77,500,000
Total	**322,300,000**	**331,800,000**

6A Security

Name of the lender	Security - Pledge of shares held by the company in gati Limited (Number)
SKS Fin Cap Private Limited	1,600,000
Anand Rathi Global Finance Limtied	2,046,250
Godavari Commercial Services Privae Limited (Refer Note No.23.4)	1,100,000
Total	**4,746,250**

7 Long Term Provisions

	March 31, 2018	March 31, 2017
	₹	₹
Provision for Employee Benefits:		
(i) Provision for Compensated Absences	220,270	335,520
(ii) Provision for Gratuity	300,048	162,845
Provision - Others:		
(i) Contingent Provision against Standard Assets	1,183,000	1,218,000
Total	**1,703,318**	**1,716,365**

8 Trade Payables

Particulars	March 31, 2018	March 31, 2017
	₹	₹
Trade Payables other than Acceptences (Refer Note No. 8.1 and 24.2 below)		
(A) Micro, Small, Medium Enterprises (MSMEs)	-	-
(B) Other than MSMEs	6,303,753	4,276,668
Total	**6,303,753**	**4,276,668**

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

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

	As At March 31, 2018	As At March 31, 2017
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, 2018	March 31, 2017
	₹	₹
Current maturities of Long Term Borrowings (Refer Note No. 5)	12,971,945	9,437,872
Interest Accrued and Not Due	20,951,280	10,736,235
Interest accrued and due	-	2,369,816
Other payables		
(i) Statutory Payables	2,991,442	2,139,736
(ii) Security Deposits	127,457	127,457
(iii) Others (Refer Note No. 9.1)	1,260,817	1,397,440
Total	**38,302,941**	**26,208,556**

9.1 Includes ₹ 394,179/- (Previous year : ₹ 294,652/-) payable towards Managerial Remuneration (Refer Note No. 24.2)

10 Short Term Provisions

	March 31, 2018	March 31, 2017
	₹	₹
Provision for Employee Benefits:		
(i) Provision for Compensated Absences	138,750	9,990
(ii) Provision for Gratuity	4,829	2,662
Total	**143,579**	**12,652**

TCI Finance Limited
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018
11. Fixed Assets

₹

Sl No	PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As At 01.04. 2017	Additions	Deletions	As At 31.03. 2018	Upto 01.04.2017	For the year	Deletions	Upto 31.03.2018	As at 31.03.2018	As At 31.03.2017
A	**TANGIBLE ASSETS**										
I	**Owned Assets**										
1	Land - Freehold	3,522,514	-	-	3,522,514	-	-	-	-	3,522,514	3,522,514
2	Buildings	1,602,000	-	-	1,602,000	553,417	5,397	-	558,814	1,043,186	1,048,583
3	Furniture and Fixtures	1,466,291	-	-	1,466,291	1,044,720	82,081	-	1,126,801	339,490	421,249
4	Plant and Machinery	6,802	-	-	6,802	6,802	-	-	6,802	-	-
5	Motor Trucks	1,170,599	-	-	1,170,599	378,306	185,345	-	563,651	606,948	792,293
6	Office Equipment and Computers	2,920,385	17,700	-	2,938,085	2,621,413	156,160	-	2,777,573	160,512	299,294
	Total	**10,688,591**	**17,700**		**10,706,291**	**4,604,658**	**428,983**	**-**	**5,033,641**	**5,672,650**	**6,083,933**
	Previous Year	**13,697,410**	**209,952**	**3,218,771**	**10,688,591**	**5,582,941**	**622,801**	**1,601,084**	**4,604,618**	**6,083,933**	**8,114,469**
B	**INTANGIBLE ASSETS**										
1	Computer Software	33,038	-	-	33,038	31,394	1,644	-	33,038	-	1,644
	Total Intangible Assets	**33,038**	**-**	**-**	**33,038**	**31,394**	**1,644**	**-**	**33,038**	**-**	**1,644**
	Previous Year	**33,038**	**-**	**-**	**33,038**	**31,394**	**-**	**-**	**31,394**	**1,644**	**1,644**

C Depreciation / Amortisation charged to Statement of Profit and Loss

	2017-18	2016-17
	₹	₹
Tangible Assets	428,983	622,801
Intangible Assets	1,644	-
Total	**430,627**	**622,801**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

12 Non-Current Investments

NON TRADE INVESTMENTS (AT COST) ₹

NAME OF THE COMPANY	March 31, 2018			March 31, 2017		
	No. of shares	Face value	Amount	No.of shares	Face value	Amount
A EQUITY SHARES (QUOTED)						
Gati Limited (Refer Note No. 12.1 & 23.4)	8,067,455	2	90,028,513	8,130,205	2	90,456,661
TCI Industries Limited	30,236	10	2,128,390	30,236	10	2,128,390
Karnataka Bank Limited	7,860	10	623,100	7,860	10	623,100
ATI Limited	10,000	10	200,000	10,000	10	200,000
Less: Provision for decline, other than temporary, in the value of long term investments			(86,206)			(86,206)
Net			**113,794**			**113,794**
Lloyds Finance Limited	4,200	10	2,310	4,200	10	2,310
Tech Mahindra Limited	400	5	173,612	400	5	173,612
Total			**93,069,719**			**93,497,867**
B EQUITY SHARES (UNQUOTED)						
Gati Intellect Systems Limited	1,000	100	100,000	1,000	100	100,000
Coast-To-Coast Shipping Limited	9,500	10	95,000	9,500	10	95,000
TCI Hi-Ways Private Limited	27,451	10	274,510	27,451	10	274,510
Giri Roadlines and Commercial Trading Private Limited	42,000	100	157,527	42,000	100	157,527
Amrit Jal Ventures Private Limited (Refer Note No. 12.2)	15,014,100	10	150,000,000	15,014,100	10	150,000,000
Bangalore Stock Exchange Limited	30,000	1	30,000	30,000	1	30,000
ITAG Infrastructure Limited	5,000	10	50,000	5,000	10	50,000
Total			**150,707,037**			**150,707,037**
C PREFERENCE SHARES (UNQUOTED)						
Capital Fortunes Limited	350,000	10	3,500,000	350,000	10	3,500,000
8% Non Cumulative 15 Year Redeemable						
Total			**3,500,000**			**3,500,000**
D DEBENTURES (OPTIONALLY CONVERTIBLE) (UNQUOTED)						
14.50% - Amrit Jal Ventures Private Limited (Refer Note No. 12.2)	2,349,281	100	234,928,100	2,349,281	100	234,928,100
Total			**234,928,100**			**234,928,100**
Grand Total			**482,204,856**			**482,633,004**
Book Value of Quoted Investments			**93,069,719**			**93,497,867**
Market Value of Quoted Investments (Refer Note No. 12.3)			**733,837,144**			**921,753,316**

12.1. Includes

a. 5,396,250 (Previous year: 4,603,900) Equity Shares pledged with lenders of the Company as security for Long and Short Term Borrowings (Refer Note No.5 (ii) and 6.1)

b. 805,000 (Previous year: 805,000) Equity Shares pledged with IFCI Venture capital limited towards loan availed by M/s Amrit Jal Ventures Private Limited (Refer Note No.23.4 (iii)) and

c. 1,580,000 (Previous year : 1,580,000) shares pledged with IDFC Bank Limited for loan availed by Gati Infrastructure Private Limited (Refer Note No.23.4 (ii))

12.2. Amrit Jal Ventures Private Limited (AJVPL), through its SPV's is executing three power projects aggregating to 243 MW in Sikkim which are under various stages of construction and completion.

"Considering the stage of the projects and also the development towards entering into Power Purchase Agreement for 110MW Chuzhachen Project(one of the above said SPV) with State Discoms which is at the final stage, any diminution in the value of investment in AJVPL is temporary and no provision is considered necessary by the management.""

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

13 Long Term Loans and Advances - Unsecured, considered good

	March 31, 2018	March 31, 2017
	₹	₹
Advance Tax (Net of Provision ₹ 2,83,92,890/-) (Previous year ₹ 2,68,46,890/-)	10,864,556	8,836,624
Total	**10,864,556**	**8,836,624**

14 Trade Receivables - Unsecured

	March 31, 2018	March 31, 2017
	₹	₹
Debts outstanding over six months	3,180,091	3,698,030
Others	498,183	142,664
Total	**3,678,274**	**3,840,694**

15 Cash and Cash Equivalents

	March 31, 2018	March 31, 2017
	₹	₹
Balances with banks		
In current accounts	2,182,235	2,240,829
In deposit accounts	1,529,331	1,500,000
Cash on hand	17,714	83,367
Total	**3,729,280**	**3,824,196**

16 Short Term Loans and Advances - Unsecured, considered good

	March 31, 2018	March 31, 2017
	₹	₹
Inter Corporate Loans	468,734,667	451,591,028
Other Advances recoverable in cash or kind	1,506,080	1,376,025
Total	**470,240,747**	**452,967,053**

17 Other Current Assets

	March 31, 2018	March 31, 2017
	₹	₹
Interest accrued on debentures	17,470,933	17,470,725
Interest accrued on Short Term Loan and Advances	4,192,247	35,217,469
Interest accrued on Deposits	29,975	33,565
Others		
(i) Other Receivables	95,040	1,152,621
(ii) 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)
Total	**21,788,195**	**53,874,380**

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

	2017-18	2016-17
	₹	₹
Interest Income (Refer Note No.18.1)	109,107,361	111,629,160
Consultancy Fees	1,612,091	1,109,459
Other Operating Revenue (Refer Note No.18.2)	19,360,443	23,899,608
Total	**130,079,895**	**136,638,226**

18.1 Interest Income

	2017-18	2016-17
	₹	₹
Interest on Loans and Advances		
(i) Banks	-	76,535
(ii) Loans and Advances	75,042,776	77,488,039
(iii) Investments	34,064,585	34,064,586
Total	**109,107,361**	**111,629,160**

18.2 Other Operating Revenue

	2017-18	2016-17
	₹	₹
Upfront Fee / Guarantee Commission	-	2,156,727
Profit on sale of Long Term Investments	3,441,553	-
Dividend income from Long Term Investments	4,918,396	8,528,010
Sponsorship and Delegate Fees	11,000,494	13,214,871
Total	**19,360,443**	**23,899,608**

19 Other Income

	2017-18	2016-17
	₹	₹
Rental Income	264,000	264,000
Other Non-Operating Income (Refer Note No.19.1)	191,660	18,482,039
Gain on Foreign Currency Transaction	2,956	5,402
Total	**458,616**	**18,751,441**

19.1 Other Non-Operating Income

	2017-18	2016-17
	₹	₹
Profit on sale of Fixed Assets	-	9,382,313
Liabilities no longer required written back	-	94,254
Miscellaneous income	83,774	7,618,421
Interest Income	94,176	-
Interest on IT refund	13,710	1,387,051
Total	**191,660**	**18,482,039**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

20 Employee Benefit Expence

	2017-18	2016-17
	₹	₹
Salaries and wages	8,736,846	10,048,766
Contributions to provident and other funds	454,641	327,979
Staff welfare expenses	37,675	70,575
Total	**9,229,162**	**10,447,320**

21 Finance Costs

	2017-18	2016-17
	₹	₹
Interest expense on:		
(i) Term Loans	84,019,068	83,866,298
(ii) Interest on delayed payment of TDS	-	-
Other borrowing cost	1,971,317	1,690,771
Total	**85,990,385**	**85,557,069**

22 Other Expenses

	2017-18	2016-17
	₹	₹
Rent	1,036,368	1,156,681
Rates and taxes	96,725	66,771
Service tax and Cess paid	12,968	17,055
Office maintenance	295,755	337,224
Legal and Professional	3,669,548	2,802,470
Travelling and Conveyance	928,199	1,110,466
Telephone and Communication Expenses	489,070	376,374
Electricity	182,195	255,611
Printing and Stationery	319,121	292,438
Postage and Telegrams	106,022	161,617
Software Expences	-	57,636
Conferences and Seminars	5,298,989	6,297,408
Subscription and Membership	20,550	153,040
Listing Fee	615,317	595,400
Demat charges	1,464	16,100
Auditors' Remuneration (Refer Note No.22.1)	316,800	272,250
Bad debts Written off	1,045	297,160
CSR Expenses	-	800,000
Miscellaneous expenses	1,018,616	604,873
Total	**14,438,751**	**15,670,574**

22.1 Auditors' Remuneration

	2017-18	2016-17
	₹	₹
Fee towards		
Statutory Audit	178,750	150,000
Limited Review	90,000	90,000
Certification	5,000	-
Service Tax / GST	43,050	32,250
Total	**316,800**	**272,250**

23 Additional information to the Financial Statements

		March 31, 2018	March 31, 2017
		₹	₹
23.1	**Contingent liabilities and commitments (to the extent not provided for)**		
	Contingent Liabilities		
	(a) Disputed sale tax demand	63,661	63,661
	(b) Corporate Guarantees	2,983,160,041	2,867,729,656
	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, and (B). To the lenders of Gati Infrastructure Bhasmey Power Private Limited.		

23.2 Inter-Company loans/deposits given by the Company are on the basis that one of the main objects of the Company is to lend and is catogerised as Loan Company. 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 during the year is as given below:

Particulars	March 31, 2018	March 31, 2017
	₹	₹
Provision (Reversal of Provision) for Standard Assets	(35,000)	2,000
Total	**(35,000)**	**2,000**

23.4 Investments - Sale of pledged shares by lendors

(i) During the year 2015-2016, the Company took a loan of Rs.5 Crores from Godavari Commercial Services Private Limited (Godavari) on the security of 1,000,000 equity shares of Gati Limited held by the Company as Investments. At the request of Godavari, the said shares were pledged with a third party. The said shares were invoked by the third party in the year 2016-2017 on default by Godavari without there being any default by the Company. The Company took necessary legal recourse for restoration of the pledged shares and in terms of the settlement arrived at, Godavari agreed to restore the said invoked shares. In view of the same, the said 1,000,000 equity shares in Gati Limited have been continued to be disclosed as " Long Term Investments".

(ii) During the year 2015-2016, the Company has pledged 1,580,000 shares of Gati Limited held by the Company as Investment in favour of IDFC Bank Limtied (IDFC) for facilities availed by M/s Gati Infrastructure Private Limited (GIPL) on receipt of Letter of Comfort from M/s Amrit Jal Ventures Private Limited (AJVPL) being the holding company of GIPL (Refer Note no 12.1.c). The said shares were invoked by IDFC in the year 2016-2017 due to default made by GIPL. The Company also has taken necessary legal recourse for the restoration of the invoked shares. AJVPL vide its Letter of Comfort informed that it would restore such invoked shares to the Company. In view of the above, the invoked 1,580,000 equity shares in Gati Limited have been continued to be disclosed as " Long Term Investments".

(iii) During the year 2014-2015, the Company has pledged 805,000 equity shares of Gati Limited held by the Company as Investments in favour of IFCI Ventures Limited (IFCIV) for facilities availed by M/s Amrit Jal Ventures Private Limited (AJVPL) (Refer Note 12.1.b). AJVPL had repaid the said loan, the Company had made request to IFCIV for release of pledged shares. However, during the year ended March 31,2018 IFCIV invoked the said shares in the and transfered the same to Green India Veutures Fund (GIVF) for certain dues payable by AJVPL. The Company has taken necessary legal recourse for the restoration of the invoked shares. In view of the above, the invoked 805,000 equity shares in Gati Limited have been continued to be disclosed as " Long Term Investments".

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

24 Disclosures under Accounting Standards

24.1 Segment Reporting:

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

Particulars	March 31, 2018 ₹	March 31, 2017 ₹
1.Segment Revenue		
a.Non Banking Financial Services	117,814,910	140,954,164
b.Knowledge Process Outsourcing	12,723,601	14,435,503
Total	**130,538,511**	**155,389,667**
2. Segment Results		
Profits Before Tax and Interest		
a. Non Banking Financial Services	106,597,664	128,232,910
b. Knowledge Process Outsourcing	(122,693)	414,063
Total	**106,474,971**	**128,646,973**
Less Interest	85,990,385	85,557,069
Total Profit Before Tax	**20,484,586**	**43,089,904**
3. Other Information		
Segment Assets		
a.Non Banking Financial Services	991,103,533	1,005,068,564
b.Knowldege Process Outsourcing	7,776,118	7,792,525
Total Assets	**998,879,651**	**1,012,861,089**
Segment Liabilities		
a.Non Banking Financial Services	529,877,759	560,704,037
b.Knowledge Process Outsourcing	2,316,490	2,207,772
Total Liabilities	**532,194,249**	**562,911,809**

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 Managerial Personnel (KMP)	
Manager	Mr. Ramesh Sivaraman
Director of Subsidiary	Dr. D R Agarwal
Partnership firm over which KMP is able to exercise significant influence	Agarwal Maheswari & Co
Enterpises 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

b. Details of related party transactions during the year ended March 31, 2018 and balances outstanding as at March 31, 2018: ₹

Particulars	Partnership firm over which KMP is able to exercise significant Influence	Enterprise over which Director of Subsidary is able to exercise significant influence	KMP	Total
Transactions during the year				
Managerial remuneration*				
Manager	-	-	3,305,817	3,305,817
	(-)	(-)	(3,366,164)	(3,366,164)
Consultancy Fee	1,200,000	-	-	1,200,000
	(1,200,000)	(-)	(-)	(1,200,000)
Rent Paid	-	-	780,000	780,000
	(-)	(-)	(900,000)	(900,000)
Conference Management Fee	-	500,436	-	500,436
	(-)	(1,221,091))	(-)	(1,221,091)
Balance Outstanding at the end of the year				
Payables	239,215	60,733	108,000	407,948
	(260,554)	(33,831)	(108,000)	(402,385)
Managerial Remuneration Payable	-	-	349,179	349,179
	(-)	(-)	(294,652)	(294,652

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.

		2017-18	2016-17
24.3	**Earnings Per Share**	₹	₹
	Basic and Diluted		
	Net Profit for the year attributable to the equity shareholders(₹)	16,736,118	36,425,086
	Weighted average number of equity shares	12,872,493	12,872,493
	Par value per share (₹)	10	10
	Earnings Per Phare - Basic and Diluted (₹)	1.30	2.83

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018 ₹

24 Disclosures under Accounting Standards (contd.)

		2017-18	2016-17
		₹	₹
24.4	**Deferred tax (Liability) / Asset**		
	Tax effect of items constituting deferred tax liability :		
	On difference between book balance and tax balance of fixed assets	-	-
		-	-
	Tax effect of items constituting deferred tax assets :		
	On difference between book balance and tax balance of fixed assets	351,895	372,058
	Provision for employee benefits - Gratuity	44,576	51,142
	Provision for Standard assets	304,623	376,362
		701,094	799,562
	Net Deferred Tax - Asset	**701,094**	**799,562**

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	98.83	461,225,774	100.75	16,861,243
Subsidiary: ITAG Business Solutions Limited	1.17	5,459,628	(0.75)	(125,125)

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

D R Agarwal
Chairman
DIN No : 00322861

S M Jalan
Director
DIN No : 00324182

Lakshmi Sharma
Company Secretary
M.No: A32617

Ramesh Sivaraman
Manager and CFO

Hyderabad, May 28, 2018

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 ₹)

No.	Particulars	₹
1	Sl. No.	1
2	Name of the subsidiary	ITAG Business Solutions Limited
3	The date since when subsidiary was acquired	05-04-07
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
6	Capital -	
	a) Authorised Capital	20,000,000
	b) Paid-up Capital	12,500,000
7	Reserves	(7,040,372)
8	Total Assets	7,776,118
9	Total Liabilities	7,776,118
10	Detail Of Investment(Except In case of Investment in the Subsidiaries)	Nil
11	Turnover	12,612,585
12	Profit Before Taxation	(122,693)
13	Provision for Taxation (Including Deffered Tax and Tax relating to earlier years)	2,432
14	Profit After Taxation	(125,125)
15	Prorposed Dividend	Nil
16	Extent of shareholding (in percentage)	100%

Notes :

1. Names of subsidiaries which are yet to commence operations — Nil
2. Names of subsidiaries which have been liquidated of sold during the year — 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 44th Annual General Meeting of the Company, to be held on Friday, the 10th day of August, 2018 at 11.00 am at Plot no.20, Survey no.12, Ground Floor, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084 and at any adjournment thereof in repect 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
	Ordinary business:		
1.	Consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended March 31, 2018 and the Reports of the Directors and Auditors thereon.		
2.	Re-appointment of Mr. Mahendra Agarwal (DIN: 00179779) who retire by rotation		
3.	Ratification of re-aappointment of Statutory Auditor		
	Special Business:		
4.	Appointment of Dr. Dhanpat Ram Agarwal (DIN: 00322861) as an Independent Director and Chairman		

Affix Revenue Stamp

_____

Signed this_____day of_____2018 Signature of shareholder

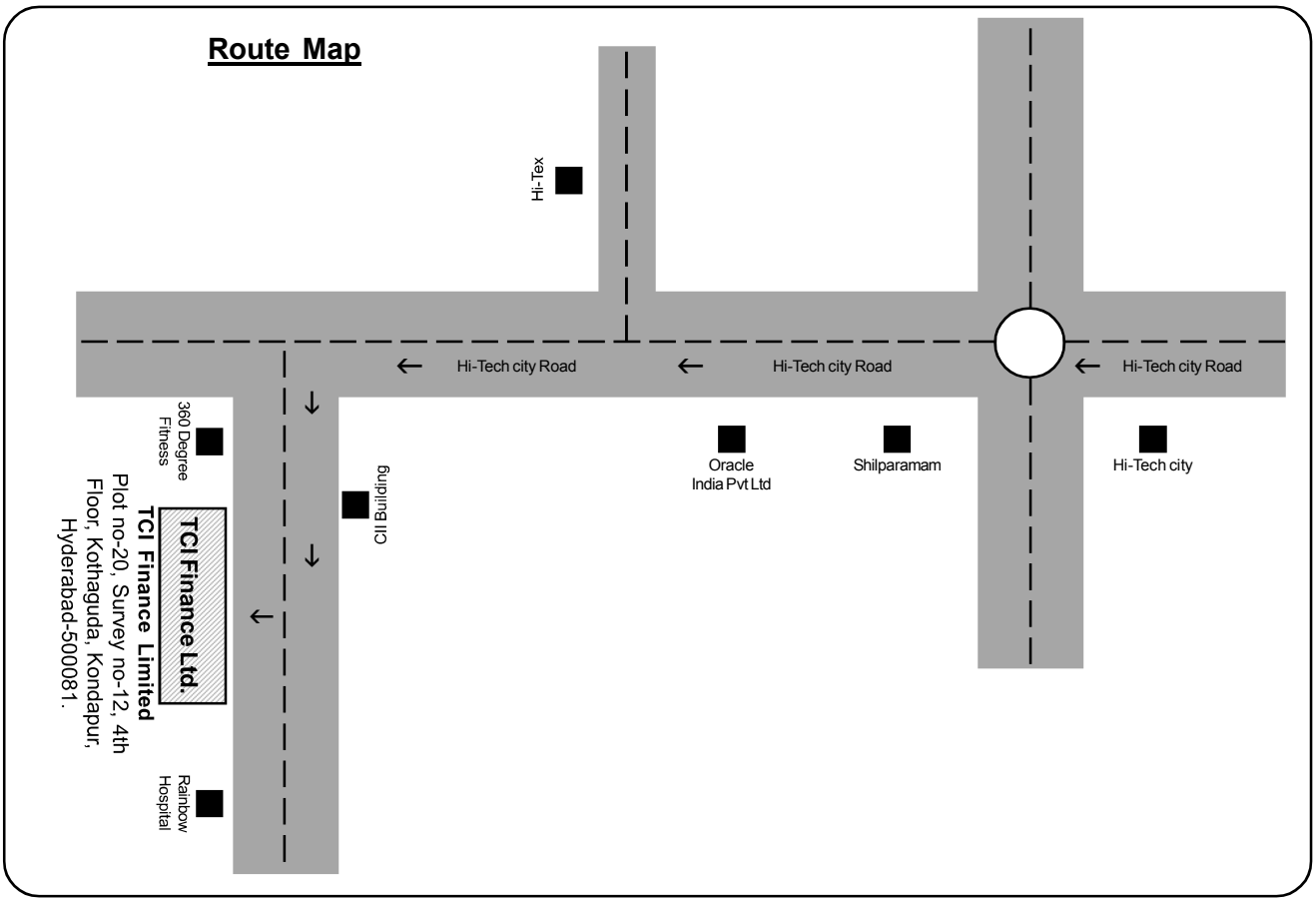
_____ _____ _____

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 44655000 -152
E-mail: mohsin.mohd@karvy.com