

Date: 5<sup>th</sup> September, 2020

<p><b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: 022 - 2272 1233 / 34 Fax: 022 - 2272 2131 / 1072/ 2037 / 2061 / 41 Email: corp.relations@bseindia.com corp.compliance@bseindia.com</p> <p><b>Scrip Code: 501242</b></p>	<p><b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Tel: 022 - 2659 8235 / 36 / 452 Fax: 022 - 2659 8237/ 38 Email: emlist@nse.co.in</p> <p><b>Scrip Code : TCIFINANCE</b></p>
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**Sub: 1. Intimation of 46<sup>th</sup> Annual General Meeting, E-voting Information and Book Closure Date  
2. Annual Report for the Financial Year 2019-20**

In Continuation to our letter dated 3<sup>rd</sup> September, 2020 and pursuant to Regulation 30 read with Para A of Part A of Schedule III and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith, the Annual Report of the Company for the Financial Year 2019-20, containing inter alia, the Notice of the 46<sup>th</sup> (Fourty Sixth) Annual General Meeting ("AGM") of the Company scheduled to be held on Tuesday, September 29, 2020 at 11.00 a.m. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

The Annual Report of the Company for the Financial Year 2019-20 (comprising of, inter alia, Audited Standalone Financial Statements, Reports of the Board of Directors and the Statutory Auditors for the Financial Year ended March 31, 2020, Notice of the AGM), is also available on the website of the Company, viz., [www.tcifl.in](http://www.tcifl.in).

We further wish to 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 Wednesday September 23, 2020 to Tuesday September 29, 2020 (both days inclusive) for the purposes of AGM.

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

- Date and time of commencement of e-voting . From 9.00 a.m. (IST) on Thursday, September 24, 2020
- Date and time of end of e-voting : Up to 5.00 p.m. (IST) on Monday, September 28, 2020
- Cut-off date for determining the eligibility to vote : Tuesday, September 22, 2020  
by electronic means or evoting at the AGM

During this period, the Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date for the purpose of E-voting, i.e., Tuesday, 22<sup>nd</sup> September 2020, may cast their votes by remote e-voting.

A copy of annual report for the FY 2019-20 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

  
Srishti Soni  
Company Secretary



# 46<sup>th</sup> ANNUAL REPORT 2019 - 20



# TCI FINANCE LTD.

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

## **BOARD OF DIRECTORS**

Dr. D R Agarwal- Chairman

Mr. Mahendra Agarwal

(Non Executive Non Independent Director)

Mr. Ashok Kumar Goyal

(Independent Director- Appointed w.e.f 12th Sept, 2019)

Ms. Meera Madhusudan Singh

(Non Executive Non Independent Director)

Mr. S M Jalan

(Ceased to be an Independent Director w.e.f 25th Sept., 2019)

Mr. R S Agarwala

Ceased to be a Director w.e.f 14th August, 2019)

## **KEY MANAGERIAL PERSONNEL**

Mr. Ramesh Sivaraman

Manager & CFO (Resigned as CFO w.e.f. 31st July 2020)

Ms. Srishti Soni

Company Secretary & Compliance officer

Ms. Amit Kumar Ray

Appointed as CFO w.e.f. 31st July 2020)

## **BOARD COMMITTEES:**

### **Audit Committee**

Mr. Ashok Kumar Goyal - Chairman

(Appointed w.e.f 12th Sept, 2019)

Dr. D R Agarwal - Member

Ms. Meera Madhusudan Singh - Member

Mr. S M Jalan

(Ceased to be Chairman w.e.f 12th September, 2019)

### **Nomination & Remuneration Committee:**

Mr. Ashok Kumar Goyal - Chairman

(Appointed w.e.f 12th September, 2019)

Mr. Mahendra Kumar Agarwal - Member

Dr. Dhanpat Ram Agarwal - Member

Mr. S M Jalan

(Ceased to be Chairman w.e.f 12th September, 2019)

### **Stakeholder Relationship Committee:**

Dr. D R Agarwal - Chairman

Mr. Ashok Kumar Goyal - Member

(Appointed w.e.f 12th September, 2019)

Ms. Meera Madhusudan Singh -Member

Mr. S M Jalan

(Ceased to be Member w.e.f 12th Sept, 2019)

### **Auditors**

M/s. M Bhaskara Rao & Co

Chartered Accountants

### **Secretarial Auditors**

M/s Tapasvilal Deora & Associates

Practising Company Secretaries, Hyderabad

### **Internal Auditors**

Laxminiwas & Co.,

Chartered Accountants, Hyderabad

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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@tcifl.in

CIN: L65910TG1973PLC031293

### **Registrar & Share Transfer Agents**

Kfin Technologies Private Limited

(Formerly known as Karvy Fintech Private Limited)

Karvy Selenium Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad – 500 032.

E-mail : mohsin.mohd@kfintech.com

Tel : +91 040 6716 1562

Fax : +91 040 2300 1153

# TCI FINANCE LIMITED

CIN: L65910TG1973PLC031293

Regd Office: Plot No. 20, Survey No. 12, 4th Floor, Kothaguda, Kondapur,

Hyderabad - 500081, Telangana. Ph:04071204284

Email Id: investors@tcifl.in, Website: www.tcifl.in

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## **NOTICE CONVENING 46TH (FOURTY SIXTH) ANNUAL GENERAL MEETING**

Notice is hereby given that the 46th (Fourty Sixth) Annual General Meeting (AGM) of the members of TCI Finance Limited ("the Company") will be held on Tuesday the 29th day of September 2020 at 11.00 A.M IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business

The Proceedings of the Annual General Meeting ("AGM") shall be deemed to be conducted at the Registered office of the Company at Plot No. 20, Survey No.12, 4th Floor, Kothaguda Kondapur Hyderabad, Telangana 500081 India.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 and the reports of the Director's and Auditor's thereon.
2. To appoint a Director in place of Mr. Mahendra Kumar Agarwal (DIN: 00179779) who retires from office by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for reappointment

### **SPECIAL BUSINESS:**

#### **3. Appointment of Mr. Ashok Kumar Goyal (DIN 05129899) as an Independent director of the Company for a period of five consecutive years**

**The Shareholders are requested, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**'RESOLVED** that pursuant to the provisions of sections 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act') and the Companies (Appointment and qualification of Directors) Rules 2014 read with Schedule IV to the Act and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, consent of the members of the Company be and is hereby accorded to appoint Mr. Ashok Kumar Goyal (DIN 05129899), who was appointed by the Board of Directors, as recommended by the Nomination and Remuneration Committee, as an additional director under section 161(1) of the Companies Act, 2013 on 12th September, 2019 and who has submitted a declaration that he meets the criteria of independence under Section 149 of the Companies Act, 2013, and who vacates his office at this AGM, be and is hereby appointed as an independent director of the Company for a first term of five consecutive years effective from 12th September, 2019 upto 11th September 2024 and whose term shall not be subject to retirement by rotation."

**"RESOLVED FURTHER THAT** the Directors or the Company Secretary of the Company be and are hereby severally authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

#### **4. Re-appointment of Mr. Ramesh Sivaraman as Manager of the Company and fix his remuneration**

**The Shareholders are requested, to consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V to the said act and other applicable rules prescribed there under (including any statutory modification or re-enactment thereof, for the time being in force) and subject to such other approvals/sanctions, as may be necessary and as recommended by Nomination and Remuneration Committee and the Board of Directors, consent of the Shareholders be and is hereby accorded for the re-appointment of Mr. Ramesh Sivaraman as

Manager of the Company for a period of 3 (Three) years with effect from July 1, 2020 on such terms and conditions and at a remuneration as provided in the Explanatory Statement under Section 102 of the Companies Act, 2013 for this item of business."

**"RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as "the Board") which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), be authorized, to alter and vary the terms and conditions of re-appointment and / or the aggregate of the remuneration and perquisites as aforesaid provided the same in any financial year shall not exceed the limit from time to time under Section 197, 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force or otherwise as may be permissible at law and as agreed between the company and Mr. Ramesh Sivaraman from time to time."

**"RESOLVED FURTHER THAT** where in any financial year, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Ramesh Sivaraman, Manager of the Company, remuneration by way of salary, perquisites and allowances in accordance with the applicable provisions of Schedule V of the Act thereto and/or any guidelines prescribed by the Government from time to time."

**"RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

## **5. Approval for Related Party Transactions**

**The Shareholders are requested, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and all other applicable provisions if any, consent of the members of the Company be and is hereby accorded for ratification / approval of related party transactions entered into by the Company with related parties as detailed in the explanatory statement."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company and /or Committee thereof, be and is hereby authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

### **NOTES:**

1. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General circular No. 20/2020 dated May 5, 2020 read together with General circular no.14/2020 & 17/2020 dated April 8, 2020 and General circular No. 17/2020 dated April 13, 2020 respectively, (collectively referred to as "MCA Circulars) and Securities and Exchange Board of India (SEBI) circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, permitted the holding of this Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM, without the presence of the Members at a common venue. In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.
2. In Compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars, the Annual General Meeting of the Company being conducted through Video Conferencing (VC) herein after called as "e-AGM."

The Company has appointed M/s Kfin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Registrars and Share Transfer Agents to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.

3. 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. The relevant details, pursuant to regulations 26(4) and 36(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 ("SEBI Listing Regulations") and clause 1.2.5 of the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment as mentioned in item no. 2 & 3 of this Annual General Meeting ("AGM") Notice is also annexed hereto. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
4. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars dated 8th April, 2020 vide circular no. 14/2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020,, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. 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.
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. 23 & 24. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, circulation of the physical copy of the Annual report has been dispensed off.
7. Pursuant to section 91 of the Companies Act, 2013 and rules thereon read with regulation 42(5) of SEBI Listing regulations, 2015, The Register of Members and Share Transfer Books will remain closed from Wednesday September 23, 2020 to Tuesday September 29, 2020 (both days inclusive).
8. However, pursuant to Section 113 of Companies Act, 2013, Body Corporate are entitled to appoint authorised representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [cstapasvideora@gmail.com](mailto:cstapasvideora@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [investors@tcifl.in](mailto:investors@tcifl.in)
9. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. However Members can continue to hold shares in physical form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Kfin Technologies Private Limited ("KFIN") for assistance in this regard.
10. Any request for inspection of the Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Act, Register of Contracts and Arrangements in which the Directors and Key Managerial Personnel are interested, maintained under Section 189 of the Act, may please be sent to [investors@tcifl.in](mailto:investors@tcifl.in)
11. Members desiring any additional information with regard to Accounts/Annual Report or have any question or query are requested to write to the Company Secretary on the Company's investor email-id [investors@tcifl.in](mailto:investors@tcifl.in) on or before Thursday, September 24, 2020, so as to enable the Management to keep the information ready. Please note that, Members questions will be answered only if they continue to hold the shares as of Tuesday, September 22, 2020, i.e. the 'cut-off' date for e-voting

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 Kfin Technologies 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. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to the Registrar and Share Transfer Agents along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant(s).
15. As per Regulation 40(7) of the SEBI (LODR) Regulations, 2015, as amended, read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copies of their Income Tax Permanent Account Number (PAN) Card. In case of transmission of shares held in physical mode, it is mandatory to furnish a self-attested copy of the PAN Card of the legal heir(s) / Nominee(s).
16. 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. Members are requested to register/update their email addresses, with the Depository Participant (in case of shares held in depository form) or Kfintech (in case shares held in physical form).
17. At the 45th (Fourty Fifth) AGM held on August 14, 2019, the Members approved appointment of M/s M. Bhaskara Rao & Co, Chartered Accountants (Firm Registration No. 000459S) as Statutory Auditors of the Company to hold office for a period of 3 (three) years from the conclusion of the 45th (Fourty Fifth) AGM till the conclusion of the 48th (Fourty Eighth) AGM, subject to ratification of their appointment by Members at every AGM. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at this AGM.
18. In terms of sections 101 and 136 of the Act read together with the Rules made thereunder, and MCA Circular the listed companies may send the notice of AGM and the annual report, including financial statements, Directors' Report, etc. by electronic mode. The Company is accordingly sending soft copies of the above-referred documents to all those members who have registered their email IDs with their respective depository participants or Karvy. The Annual Report, Notice of AGM is also available at the Company's website [www.tcifl.in](http://www.tcifl.in)
19. The shares of the Company are at present listed on BSE Limited, and National Stock Exchanges of India Limited. The listing fee of BSE Limited for the year 2020-21 has been paid to the Stock Exchanges, however the listing fee of National Stock Exchange for FY 2020-21 is yet to be paid
20. In compliance with the MCA Circular No. 20/2020 dated 5 May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12 May 2020 and owing to the difficulties involved in dispatching of, physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report), the Annual Report for FY 2019-20 and Notice of AGM indicating the process and manner of Electronic Voting are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Member may note that Notice and Annual Report 2019-20 will also be available on the website of the Company at [www.tcifl.in](http://www.tcifl.in). The Notice can also be accessed from the websites of the Stock Exchanges where the shares are listed and traded, viz, [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com). The AGM Notice is also available on the website of Karvy i.e <https://evoting.karvy.com/>

21. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:**

**23. 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, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), , the Company is pleased to provide facility to the members to exercise their right to vote at the 46th AGM by electronic means and the business shall be transacted through e-voting services provided by Kfin Technologies Private Limited (Kfintech) on resolutions set forth in this notice.

Further, the facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

The Remote e-voting facility will be available during the following period:

**Commencement of remote e-voting: From 9.00 a.m. (IST) on Thursday, 24th September, 2020**

**End of remote e-voting: Up to 5.00 p.m. (IST) on Monday 28th September, 2020**

- b) The Remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled by Kfin Technologies Private Limited upon expiry of aforesaid period.  
Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM
- c) The Board of Directors has appointed Mr. Tapasvilal Deora of M/s Tapasvilal Deora & Associates, Practicing Company Secretaries, Hyderabad as Scrutinizer for conducting the remote e-voting process and voting process at the meeting (including voting through e-poll) in a fair and transparent manner.
- d) 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 Tuesday 22nd September, 2020. 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 cast their votes by remote e-voting as well as avail the facility of e-voting at the AGM through VC/OAVM.
- e) The Members who have cast their vote by remote e-voting prior AGM may also attend /participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- f) Any person who become members of the Company after emailing of the Notice of the Meeting and holding shares as on the cut-off date i.e. Tuesday, 22nd September, 2020, may obtain the User ID and password for e-voting by sending email intimating DP ID and Client ID / Folio No. at [evoting@karvy.com](mailto:evoting@karvy.com) with a copy to [investors@tcifl.in](mailto:investors@tcifl.in). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- g) The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.
- h) The Voting rights of Members shall be in proportion to their shares in the paid up equity Share Capital of the Company as on the cutoff date.
- i) The Scrutinizer, shall, immediately after the conclusion of e-voting at the AGM, first scrutinize the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours



of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

- j) In accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results will be declared within 48 hours of conclusion of AGM, in the prescribed format along with the report of the Scrutinizer and the same shall be placed on the website of the company [www.tcifl.in](http://www.tcifl.in) and on the website of <https://evoting.karvy.com> immediately after the declaration of result. The results shall also be immediately forwarded to the exchanges, where the shares of the company are listed & traded. The results shall also be displayed on the notice board at the registered office of the company.
- 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. 29th September, 2020

#### **24. A. Instructions and other information relating to Remote e-voting:**

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

- i) Open your web browser during the voting period and navigate to URL: <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 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 KFin Technologies Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt to select the 'Event' i.e., 'Company Name'.
- vii) If you are holding shares in demat form and had logged on to <https://evoting.karvy.com> and cast your vote earlier for any company, then your existing login id and password are to be used.
- viii) On the voting page, you will see Resolution description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not want to cast your vote, select 'ABSTAIN'.
- ix) After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly, modify your vote.

- x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xi) Corporate / Institutional Members (Corporate / FIs / FIIIs / Trusts / Mutual Funds / Banks, etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to [cstapasvideora@gmail.com](mailto:cstapasvideora@gmail.com) with copy to [investors@tcifl.in](mailto:investors@tcifl.in) and [evoting@karvy.com](mailto:evoting@karvy.com) and may also upload the same in the e-voting in their login. The file scanned image of the Board resolution should be in the naming format 'Corporate Name\_ Event number'.
- xii) If you are already registered with Kfin Technologies Private Limited for e-voting, then you can use your existing user ID and password for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- xiii) Please contact Kfin Technologies Pvt. Ltd.'s toll-free number 1-800-34-54-001 for any further clarifications.
- xiv) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of the e-voting website of Kfin Technologies Private Limited <https://evoting.karvy.com>.

**B. INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING ARE AS UNDER:**

- i. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- ii. A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
- iii. 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, i.e., Tuesday, 22nd September 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person, who is not a member as on the cut-off date, should treat the Notice for information purpose only.
- iv. Any person, who acquires shares and becomes Member of the Company after the dispatch of the Notice and holds shares as on the Cut-off date i.e. Tuesday, 22nd September 2020 may write to Karvy on the email Id: [evoting@karvy.com](mailto:evoting@karvy.com) or to Mr Mohd Mohsin Uddin Senior Manager Ph: 040-67161562, at KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, SerilingampallyMandal, Hyderabad - 500032, India, requesting for User ID and Password.
- v. The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

**C. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

- a. The Company will provide VC / OAVM facility to its Members for participating at the AGM. Members will be able to attend the AGM through VC / OAVM or view the live webcast at <https://emeetings.kintech.com> by using their e-voting login credentials.

Members are requested to follow the procedure given below:

- (i) Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.kintech.com>
- (ii) Enter the login credentials (i.e., User ID and password for e-voting).
- (iii) After logging in, click on "Video Conference" option.
- (iv) Then click on camera icon appearing against AGM event of TCI Finance Limited, to attend the Meeting
- b. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the Remote E-voting instructions.

- c. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during Thursday, 24th September 2020 to Saturday, 26th September 2020. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
- d. The Members can join the AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
- e. Members, who need assistance before or during the AGM, can contact KFinTech on [emeetings@kintech.com](mailto:emeetings@kintech.com) or call on toll free numbers 1800-425-8998/1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
- f. A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com>.
- g. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- h. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
- i. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**D. PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**

- a. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to the Members whose e-mail address is registered with the Company or with the Registrar and Share Transfer agent or with the Depository Participant(s). Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:
  - b. Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by sending an email to the Company or to the Registrar and Share Transfer agent with details of folio number and attaching a self attested copy of PAN card and copy of share certificate to [investors@tcifl.in](mailto:investors@tcifl.in) or to KFinTech at [einward.ris@kintech.com](mailto:einward.ris@kintech.com).
  - c. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
  - d. Shareholders are also requested to visit the website of the company [www.tcifl.in](http://www.tcifl.in) or websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, or the website of the Registrar and Share Transfer Agent ("KFinTech") <https://evoting.kfintech.com> for downloading the Annual Report and Notice of the AGM.
- 25. Details of the Director proposed to be re-appointed/appointed at the AGM Scheduled to be held on September 29, 2020 (Pursuant to Clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:**

Name of Director	<b>Mr. Mahendra Kumar Agarwal</b>	<b>Mr. Ashok kumar Goyal</b>
Age	66	63
Qualifications	B.E Mechanical Engmneering and Masters in Business Administration	Commerce Graduate
Experience (including expertise in specific functional area) Brief Resume	<p>Mr. Mahendra Agarwal is the Founder &amp; 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 &amp; Supply Chain Conclave held at Mumbai. In the same year he was also conferred with the 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 &amp; 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.</p> <p>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 &amp; 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 &amp; FICCI's Logistics Forum.</p>	<p>Mr. Ashok kumar Goyal has over 25 years of rich experience in the Indian Transport Industry and have worked closely with the top ranked transport companies in India. He has specialization in power projects, transportation with NTPC and other Power Companies.</p> <p>Aside being an expert in transport industry, he is also having specialization in Planning, marketing &amp; finance. In 2006, he had done a set up of electrical panel used in Rural Electrification projects under the "Saubhagya Yojana", "DDUGJY" (erstwhile RGGVY) initiated by the Government of India in 2004.</p> <p>He is also having reliable network in power sector, have supported EPC Companies for business development with PGCIL, NTPC etc for 7-10 years. He has made significant contribution as advisor and marketing consultant for various power and infra companies.</p> <p>He is currently holding directorship in Yash Electromech System Private Limited and Mindow Global Entertainments Private Limited. Since last 13 years, his company Yash Electrical System, having head office in Delhi and factory in Dehradun, is the most preferred company amongst India top EPC contractors and SEBs.</p> <p>He has the working experience of handling functional areas of operation, finance and also having business knowledge and expertise to turn around the business and skills for new business initiative and development to ensure a sustainable and viable business model.</p>
Nature of Expertise in Specific Functional areas	Management and Strategy	Economics and Statistics
Terms and conditions of appointment/ Re-appointment	Non-Executive, Non Independent Director, liable to retire by rotation	Independent Director for a period of 5 years, not liable to retire by rotation
Remuneration Proposed to be paid Paid	Nil	Remuneration will be paid by way of Sitting fee

Remuneration last drawn including sitting fees, if any	Nil	Sitting fees as disclosed in report on corporate governance forming part of this Annual Report for the FY 2019-20.
Date of First appointment	November 22, 1991	September 12, 2019
Details of shares held in the Company as on 31.03.2020	11619	6650
Directorship of other Boards as on 31.03.2020	<ol style="list-style-type: none"> <li>1. TCI Industries Limited</li> <li>2. Gati Limited</li> <li>3. Deccan Enterprises Limited</li> <li>4. Amritjal Ventures Private Limited</li> <li>5. Gati Kausar India Limited</li> <li>6. Gati-Kintetsu Express Pvt. Ltd.</li> <li>7. Mahendra Investment Advisors Pvt. Ltd.</li> <li>8. TCI Telenet Solutions Pvt. Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Yash Electromech System Private Limited</li> <li>2. Mindow Global Entertainments Private Limited</li> <li>3. Mahatma Udyog Private Limited</li> </ol>
Chairman / Member of the Committees of Listed Companies in which he is a Director as on 31.03.2020	<p><b>Gati Ltd</b></p> <ol style="list-style-type: none"> <li>1. Stakeholder Relationship Committee- Member</li> <li>2. Corporate Social Responsibility Committee- Member</li> </ol> <p><b>TCI Industries Limited</b></p> <p>Nomination &amp; Remuneration Committee- Member</p> <p><b>TCI Finance Limited</b></p> <p>Nomination &amp; Remuneration Committee- Member</p>	<p><b>TCI Finance Limited</b></p> <ol style="list-style-type: none"> <li>1. Stakeholder Relationship Committee- Member</li> <li>2. Nomination &amp; Remuneration Committee- Chairman</li> <li>3. Audit Committee- Chairman</li> </ol>
Relationship with other Directors	Not related to any Director/Key Managerial Personnel	Not related to any of the Director

For other details such as number of meetings of the board attended during the year, please refer to the corporate governance report which is a part of this Annual Report.

## 26. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice and should be taken as forming part of the Notice. An explanatory statement in relation to Item No.3, 4 & 5 is also furnished and should also be taken as forming part of the Notice.

### Item No. 3

Mr. Ashok Kumar Goyal (DIN: 05129899), was appointed by the Board of Directors of the Company at its meeting held on 12th September, 2019, on the recommendation of Nomination and Remuneration Committee, as an additional director in the capacity of non-executive independent director with effect from 12th September 2019. He holds office until the ensuing AGM under section 161(1) of the Companies Act, 2013.

He has accorded his consent to act as director and has submitted the declaration of independence, pursuant to section 149(7) of the Companies Act, 2013 stating that he meets the criteria of independence as provided in section 149(6) and regulation 16 of SEBI Listing Regulations, 2015. He is not disqualified from being appointed as a director in terms of section 164 of the Act.

According to section 152 of the Companies Act, 2013, read with Schedule IV to the Act, in the opinion of the Board, his appointment as an independent director, fulfils the conditions specified in the Act and the Rules made thereunder as also the SEBI Listing Regulations, 2015 and that the said appointment is independent of the Management.

### **Brief Profile**

Mr. Ashok Kumar Goyal (DIN: 05129899) is a Commerce Graduate. He completed his graduation in Commerce with Bhawanipur College, Kolkata. Mr. Ashok kumar Goyal (DIN: 05129899) has over 25 years of rich experience in the Indian Transport Industry and have worked closely with the top ranked transport companies in India. He has specialization in power projects, transportation with NTPC and other Power Companies.

Aside being an expert in transport industry, he is also having specialization in Planning, marketing & finance. In 2006, he had done a set up of electrical panel used in Rural Electrification projects under the "Saubhagya Yojana", "DDUGJY" (erstwhile RGGVY) initiated by the Government of India in 2004.

Mr. Ashok Kumar Goyal (DIN: 05129899) has been actively involved in all matters brought before the Board of Directors of the Company) from time to time. His inputs has always benefitted the Company and the Board. Thus considering the vast experience and the independent outlook he brings to Board the Board of Directors of the Company at its meeting held on 12th September, 2019, pursuant to the recommendation of the Nomination and Remuneration Committee, approved, subject to the approval of the members at the ensuing Annual General Meeting appointed Mr. Ashok Kumar Goyal (DIN: 05129899) for a term of five consecutive year.

Thus, the Board, therefore, recommends the resolution as set out in item No. 3 of the Notice for approval of members by means of Ordinary resolution.

### **Interest of Directors and Key Managerial Personnel:**

None of the other directors/Managers and Key Managerial Personnel of the Company and their relatives except Mr. Ashok Kumar Goyal are interested in the above resolution.

### **Item No. 4**

The present term of office of Mr. Ramesh Sivaraman, Manager of the Company expired on 30.06.2020. The Board opined that his services should continue to be available to the Company by re-appointing him as a manager of the Company for a period of three years. The Board of Directors on recommendation of Nomination and Remuneration Committee, at their meeting held on 31.07.2020 subject to shareholders' approval, at the ensuing Annual General Meeting have re-appointed Mr. Ramesh Sivaraman as Manager of the Company for a period of 3 years w.e.f 01.07.2020. The terms and condition including remuneration as recommended by the Nomination and Remuneration Committee read as follows:

### **Powers:**

Subject to the superintendence, control and directions of the Board, the Manager shall exercise the managerial powers in general and specific as may from time to time be lawfully entrusted to and conferred upon him by the Board.

### **Remuneration Structure:**

- Salary: Basic Rs. 95000 per month in the pay scale of Rs. 95,000-2500-1,10,000 with the authority to the Board to sanction more than one increment in the scale in any year.
- House Rent Allowance: 60% of the Basic.
- Perquisites & other allowances shall not exceed 25 Lakh P.A
- Variable pay shall not exceed Rs.20 Lakh P.A
- Leave Travel encashment: As per HR policy of the Company
- Group Medi-claim & personal accident insurance: As per HR policy of the Company
- Employer's contribution to Provident fund / superannuation fund: As per HR policy of the Company
- Gratuity: As per HR policy of the Company
- Communication Budget (Telephone ): As per HR policy of the Company..

### **General terms and conditions - as per HR Policy:**

The information is required to be disclosed as per clause (iii) of section II (B)(iv) of Schedule V of the Companies Act, 2013:

**I. General information:**

I	Nature of Industry	Non Banking Financial Company			
II	Date of commencement of Commercial Production:	29.11.1973			
III	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
IV	Financial performance based on given indicators: (Rs)	Particulars	2020	2019	2018
		Paid up Share Capital	12,87,24,930	12,87,24,930	12,87,24,930
		Income from Operations	4,20,64,008	1,02,88,3000	117,467,310
		Other Income	2,42,301	1,19,25,629	3,47,600
V	Foreign investments or collaborations, if any:	Not Applicable (Kindly refer MGT-9 for complete detail of shareholding)			

**II. General information:**

**Information about the appointee:**

Age	53 years			
Background details and recognition:	Mr Ramesh Sivaraman, Aged 53 years is a Commerce Graduate and a member of the Institute of Chartered Accountants of India since 1991. He is the Manager, of TCI Finance Limited a listed Non banking Finance Company. He has experience of more than two decade in Non Banking Finance companies. He is also Director in TCI- Hi ways Private Limited, and Avaan Shakti Limited and Boruka Classic Finance Private Limited.			
Date of Appointment	Mr. Ramesh Sivaraman was appointed as General Manager, Finance & Accounts on 22-10-1996. He was appointed as Manager on 19-04-2002.			
<b>Past Remuneration</b>	Gross remuneration paid to the appointee in the last three years			
	<b>Amt. in Rs.</b>			
	Fy 2019-2020	Fy 2018-2019	Fy 2017-2018	
	42,73,575	37,25,575	33,66,164	
<b>Recognition or awards</b>	Nil			
<b>Job profile and his suitability</b>	The duties of the Manager shall be the overall supervision of the functioning of the Company, handling day to day affairs of the Company, appointment and termination of services of employees, operating bank accounts, signing cheques, promissory notes, bill of exchange, regularly reporting to the Board on the activities of the Company and to perform all other duties that the Board may delegate to the Manager. And the same has been recommended by NRC. He has experience of more than two decade in Non Banking Finance companies and has played a important role in the growth of TCI Finance Limited			
<b>Remuneration proposed:</b>	Proposed remuneration is stated above.			
<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:</b>	Keeping in view the current industrial standards and taking in consideration the business to be carried out by the Company, the profile of Mr. Ramesh Sivaraman and the responsibilities shouldered by him, the remuneration proposed is commensurate with the remuneration package paid to managerial personnel in other Companies.			

<b>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.</b>	Mr. Ramesh Sivaraman does not have any pecuniary relationship directly or indirectly with the Company except for the remuneration received by him as Manager and is holding 960 Shares in the Company.
<b>Committee Chairmanship &amp; Membership</b>	He is a member of Borrowing/Investment Committee of the Company constituted w.e.f 31st July, 2020.
<b>Shareholding in the Company</b>	As on the date of this notice he is holding 960 shares in the Company.
<b>Nature of Expertise in Specific Functional areas</b>	Accounts and Finance
<b>No. of Meeting of the Board attended during the year 2019-20</b>	5
<b>Other Directorship</b>	1. TCI- Hi ways Private Limited 2. Avaan Shakti Limited. 3. Bhoruka Classic Finance Private Limited

**III. Other information:**

Reasons of loss or inadequate profits	Company has various exposure to Amritjal Ventures Private Limited in the form of Equity, Optionally Convertible Debentures, Inter Corporate Deposit and also guarantees were given to the lenders of AJVPL. The Company also has various exposures to Mahendra Investment Advisors Private Limited. Due to adverse development in the entities to whom the company has advanced loans / given guarantees / investments made, the Company had incurred these losses and adversely affect the future income from operations. These factors substantially affected the operations of the Company.
Steps taken or proposed to be taken for improvement	The Company is in the process of identifying various alternatives/new areas to venture into for reviving the Company
Expected increase in productivity and profits in measurable terms	The Company is a loan Company and expecting increase in profitability in upcoming years

**IV. DISCLOSURES:**

All elements of remuneration package of the Directors have been given in the Report on Corporate Governance for the financial year 2019-20.

Your Directors recommend the resolution No.4 as special resolution for your approval.

Except Mr. Ramesh Sivaraman as Manager, none of the Directors, Key Managerial Persons or their relatives are in any way concerned or interested, financially or otherwise in the above resolution.

**Item No.5**

As per regulation 23 of the Listing Regulations, all material related party transactions, that is to say, transactions by a listed entity with a related party if entered individually or taken together with previous transactions during a financial year, exceeding 10 per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, shall require approval of the members by an ordinary resolution.

The Company has entered into the following material related party transactions with the related party in the earlier years. Accordingly, the following are items are proposed for your approval/ratification :

In Crores

S.no.	Name of Related Party	Relationship	Nature of transactions	Transaction value as on 31st March, 2020
1.	Mahendra Investors Advisors Private. Ltd.	Private . Company in which Mr. Mahendra Agarwal (Director of TCI Finance Limited) is a director	Loan given in the ordinary course of business	Rs. 43.59 (Including interest Rs. 23.79 as given in Note no. 32 of Financial statements)



S.no.	Name of Related Party	Relationship	Nature of transactions	Transaction value as on 31st March, 2020
2.	Ms Meera Madhusudan singh	Director	Loan taken in the ordinary course of business	Rs. 1.88 (Principal: Rs. 1.40 and Interest Rs. 0.48)
3.	PD Agarwal Foundation	Mr. Mahendra Agarwal who is a Director of TCI Finance Limited is also a Trustee in PD Agarwal Foundation	The Company had execute a lease agreement with P D Agarwal Foundation and is taken on lease a part of the premises to the extent of 853 Sqft of the space (One Cabin & Five Work Stations) for its office purpose out of the total premises 9522 Sqft of the 4th Floor of the said premises The Company is hereby agreed to pay sum of Rs. 84/- per Sqft per month towards rent for demised premises admeasuring 853 sq. feet totalling Rs. 71,652/- P.M with an escalation of rent @ 5% for every year in case of renewal of lease term.	Rs. 0.08/-

\* The Transaction is a related party transaction on an arm length basis

Except Mr. Mahendra Kumar Agarwal and his relatives and Ms. Meera Madhusudhan singh, none of the other directors or Key Managerial or their relatives is, in anyway concerned or interested in the said resolution. Mr. Mahendra Kumar Agarwal is interested in Mahendra Investment Advisors Private Limited and PD Agarwal Foundation.

Mr. Mahendra Kumar Agarwal, Promoter & Director of the Company is holding 11.85% in Mahendra Investment Advisors Private Limited and Giri Roadlines and Commercial Trading Private Limited being in Promoter Category of the Company is holding 35.84% in Mahendra Investment Advisors Private Limited.

Directors recommend the resolution as item no. 5 for the acceptance by the members of the company as an Ordinary Resolution

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

**Srishti Soni**  
Company Secretary  
(MNo. A46395)

Hyderabad  
July 31, 2020

**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@tcifl.in

## DIRECTORS' REPORT

To,  
The Members of  
TCI Finance Limited,

Your directors have pleasure in presenting the 46th Annual Report of the Company along with the Audited Accounts for the year ended March 31, 2020.

**The highlights of the Financial Results are as follows:**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue from Operations	420.64	1028.83
Profit/(loss)before Interest ,Depreciation &Taxation	(4835.36)	958.70
Financial Charges	391.71	606.78
Depreciation	2.20	2.09
Profit/(Loss)before tax	(5229.27)	349.83
Exceptional Items	--	--
<b>Provision for tax:</b>		
Current Tax	-	100.17
Deferred Tax	2.61	3.05
Profit/(Loss)after tax	(5231.88)	246.61
Balance brought forward from previous year	2684.55	2341.13
Adjustment Relating to Fair Value of Investments	2620.65	182.26
Transferred to Reserve Fund	-	85.45
Balance Carried forward	73.32	2684.55

### DIVIDEND

Your Directors have not recommended payment of dividend for the financial year ended March 31, 2020.

### SHARE CAPITAL

The authorized share capital of the Company is Rs. 20 Crore divided into 2,00,00,000 equity shares of Rs. 10/-each and paid-up equity share capital as on March31, 2020 is Rs.12.87 Crore consisting of 12,872,493 equity shares of Rs. 10/-each. There are 13,23,812\_ forfeited equity shares. Details of the same has been disclosed in financial statements.

There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year under review. The Company has not issued shares with differential voting rights or sweat equity shares

### DEPOSITS

The Company is a Non Banking Finance Company and therefore the Companies (Acceptance of Deposits) Rules, 2014 are not applicable.

### BUSINESS PERFORMANCE/FINANCIAL OVERVIEW

During the financial year 2019-20, the Company has incurred, loss after Tax of Rs. (52.32) Cr as against profit of Rs. 2.47 Cr in the previous year. Non recognition of interest on loans and investments and creation of provision of impairment of loans and advances granted and investments to AmritJal Ventures Private Limited has resulted in the huge loss during the current year.

The Management is however confident about realisation of all dues recoverable to it particularly in view of operating profit from Gati Infrastructure Private Limited, one of the wholly owned subsidiary of AJVPL through its hydro power project

### IMPACT OF COVID-19

In terms of the Covid 19 regulatory package of the RBI issued from time to time ,the company has availed the moratorium of 6 months for the term loan availed by the company from a financial institution. The company has not granted any moratorium to any of its borrowers.

## **TCI FINANCE LTD.**

There remains a high level of uncertainty about the impact and time required for the economic activity to normalize. The extent to which the Covid 19 epidemic will impact the business and financial results is at this juncture dependent on future developments which are highly uncertain.

### **EXTRACT OF ANNUAL RETURN**

The extract of annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013 ('the Act') in the prescribed form MGT-9 is annexed to this Report and also placed on the Company's website <https://www.tcifl.in/> - investor-relations-annual-reports.

### **RESERVE FUND**

No amount has been transferred to the Reserve Fund during the financial year.

### **NUMBER OF MEETINGS OF THE BOARD**

The Board met 5 times during the financial year. The meeting details are provided in Corporate Governance report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013.

However, the Audit Committee met 5 times during the financial year whereas Nomination and Remuneration committee met 1 time during the year and Stakeholder Relationship Committee met 4 times during the year.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under clause (c) of sub-section (3) of section 134 of the Act, directors, to the best of their knowledge and belief, state that:

- ◆ In the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ◆ The directors have selected such accounting policies and applied them consistently and made Judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period.
- ◆ The directors had 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.
- ◆ The directors had prepared the annual accounts on a 'going concern' basis.
- ◆ 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.
- ◆ the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)**

During the year under review, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board

### **DECLARATION FROM INDEPENDENT DIRECTORS**

The Independent Directors have submitted the declaration of independence ,as required pursuant to section 149(7) of Companies Act, 2013, stating that they meet the criteria of Independence as provided in section 149(6) of the said Act and Regulation 16(1)(b) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

In accordance with the provisions of Section 150 of the Act read with the applicable Rules made thereunder, the Independent Directors of the Company have registered themselves in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs, Manesar ["IICA"]. The Independent Directors unless exempted, are required to pass an online proficiency self assessment test conducted by IICA within one year from the date of their registration in the IICA databank.

Pursuant to the above, the Company has received Declarations of compliance under Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, from all the Independent Directors of the Company confirming that they have registered their names in the data bank of Independent Directors maintained with the IICA.

### **DIRECTORS' REMUNERATION POLICY AND CRITERIA FOR MATTERS UNDER SECTION 178**

Your Company has also adopted the Policy on Remuneration of Directors and the Remuneration Policy for Key Managerial Personnel and Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Act. The criteria for determining qualifications, positive attributes and independence of a Director and the Remuneration Policies for Directors, Key Managerial Personnel and other employees have been discussed in detail in the Report on Corporate Governance.

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company is a Non Deposit taking NBFC and therefore section 186 of Companies Act, 2013 are not applicable to the Company. The details of loans, Guarantees and investments are given in the Financial Statements.

### **RBI GUIDELINES**

The Company continues to comply with all the applicable regulations prescribed by the Reserve Bank of India ("RBI"), from time to time.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The main business of the Company is financing activities and all loans granted to related parties were in the ordinary course of business. All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and at arm's length basis. During the year under review, 33,29,440 equity shares held by the Company in Gati Limited were pledged with M/s Smit Capital Services Private Limited for financial assistance availed by Mahendra Investment Advisors Private Limited from Smit Capital Services Private Limited which was invoked by the lender i.e M/s Smit Capital Services Private Limited details of which are given in Note no. 32 of financial statements.

Pursuant to Section 134(3) (h) read with Rule 8 (2) of the Companies (Accounts) Rules, 2014. The disclosure of Related Party Transactions, as required under Section 134 (3) (h) of the Companies Act, 2013 in Form AOC-2 is attached herewith this Annual Report.

The Company has entered into a lease agreement with P D Agarwal Foundation dated 5th February, 2020 and has taken on lease a part of the premises to the extent of 853 Sqft of the 4th Floor of the said premises and is hereby paying a sum of Rs. 84/- per sqft per month towards rent for demised premises totaling Rs. 71,652/- P.m.

During the year 2019-20, pursuant to section 177 of the Act and regulation 23 of SEBI Listing Regulations, 2015, all RPTs were placed before the Audit Committee for its approval. All related party transactions during the year were conducted at arms' length and were in the ordinary course of business.

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 Obligations & Disclosure Requirements) Regulations, 2015. This Policy was considered and approved by the Board and has been uploaded on the website at: <http://www.tcifl.in/pdf/RelatedPartyTransactionPolicy.pdf>

Further, during the financial 2019-20, there were no transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity.

All related party transactions entered by the Company are disclosed in the financial statements in compliance with Accounting Standard as applicable.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:**

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.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company does not have any Foreign Exchange Earnings and out go during the year under review.

## **RISK MANAGEMENT POLICY**

The Company has in place adequate checks for management of risks and hence has not developed or implemented any Risk Management Policy. The Board is of the opinion that there are no such elements of risk, which may threaten the existence of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of section 135 of the Companies Act, 2013 are not applicable to the Company from financial year 2018-19. Accordingly, the Board of Directors of the Company at its meeting held on May 22, 2019 have dissolved the CSR Committee.

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the 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 framework for assessing the performance of Directors comprises of various key areas such as attendance at Board and Committee Meetings, quality of contribution to Board discussions and decisions, strategic insights or inputs regarding future growth of the Company and its performance, ability to challenge views in a constructive manner, knowledge acquired with regard to the Company's business/ activities, understanding of industry and global trends, etc.

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

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors who were evaluated on several parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders and knowledge acquired with regard to the Company's business/activities.

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Directors and Non-Executive Directors.

The Directors have expressed their satisfaction with the evaluation process.

## **MEETINGS OF INDEPENDENT DIRECTORS**

A separate meeting of Independent Directors was also held on 4th February, 2020 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. The Meetings were conducted in an informal manner without the presence of the Whole-time Directors, the Non-Executive Non-Independent Directors, or any other Management Personnel.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **A. Change in Directorate**

#### **i. Cessation of Mr. Radhe Shyam Agarwala (DIN: 00368733) as non-executive Director**

Mr. Radhe shyam Agarwala (DIN: 00368733) was appointed as an Additional Non Executive Director (Non Independent) of the Company in the Board Meeting held on May 22, 2019 subject to the approval of Shareholders in the 45th Annual General Meeting of the Company. At the 45th Annual General Meeting of the Company held on 14th August, 2019, the resolution for appointment of Mr. Radhe Shyam Agarwala (DIN: 00368733) as Director of the Company was not passed as the requisite majority votes required for passing the resolution was not received by the Company and therefore Mr. Radhe Shyam Agarwala (DIN: 00368733) ceased to be the Director of the Company w.e.f August 14, 2019.

## ii. Cessation of Mr. Sanwarmal Gouri Shankar Jalan (DIN: 00324182) as an Independent Director

The Board of Director of the Company at its Meeting held on May 22, 2019 proposed the re-appointment of Mr. S M Jalan (DIN: 00324182) as an Independent Director of the Company for second term of five consecutive years subject to the approval of shareholders at the Annual General Meeting.

At the Annual General Meeting held on August 14, 2019, the Company did not get the requisite majority votes required for passing the special resolution for re-appointment of Mr. S M Jalan (DIN: 00324182) as an Independent Director of the Company, therefore Mr. S M Jalan (DIN: 00324182) was ceased as the director of the Company w.e.f September 24, 2019.

## iii. Appointment/re-appointment of directors

The Board of Directors at its meeting held on September 12, 2019, on recommendation of the Nomination and Remuneration Committee, appointed Mr. Ashok Kumar Goyal (DIN: 05129899) as an Independent Director of the Company, subject to the approval of the shareholders at the 46th Annual General Meeting of the Company.

The Board of Directors are of the opinion that Mr. Ashok Kumar Goyal (DIN: 05129899) possess relevant experience, expertise and integrity for his appointment as an Independent Director of the Company. However the online proficiency self assessment test conducted by the Indian Institute of Corporate affairs is still required to be given by Mr. Ashok Kumar Goyal and shall be completed within the time period prescribed for the said purpose

Mr. Ashok Kumar Goyal (DIN: 05129899) is not debarred or disqualified from holding the office of Director by virtue of any SEBI Order or any other such authority, pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

## iv. Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Mahendra Kumar Agarwal (DIN: 00179779) retires by rotation and being eligible, has offered himself for re-appointment.

Prescribed details of Mr. Mahendra Kumar Agarwal, director, who is seeking re-appointment are given in the Notice of AGM.

Mr. Mahendra Kumar Agarwal is not debarred or disqualified from holding the office of Director by virtue of any SEBI Order or any other such authority, pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

## B. Change in KMP

There was no change in Key Managerial Personnel during the year under review.

**1. Subsequently**, the tenure of Mr. Ramesh Sivaraman as Manager of the Company expired on 30th June, 2020 and his re-appointment was approved by the Board of Directors at their meeting held on 31st July, 2020 subject to the approval of Shareholders at the Annual General Meeting.

### 2. Regularization of Position of Mr. Ramesh Sivaraman as CFO of the Company

Pursuant to section 203 of the Companies act, 2013 every listed Company shall have the following whole time key managerial personnel:

- ◆ Managing Director or Chief Executive Officer or Manager and in their absence, a whole-time Director;
- ◆ Company Secretary; and
- ◆ Chief Financial Officer

Mr. Ramesh Sivaraman is holding position of Manager & CFO of the Company. Therefore, complying with section 203 of the Companies act, 2013, the Company has appointed Mr. Amit Kumar Ray as Chief Financial Officer of the Company w.e.f 31st July, 2020.

Detailed information on the directors is provided in the Corporate Governance Report.

**DECLARATION BY DIRECTORS**

All the Directors of the Company have confirmed that they satisfy the "fit and proper" criteria as prescribed under Chapter XI of RBI Master Direction No. DNBR. PD. 008/ 03.10.119/2016-17 dated 1st September, 2016 and that they are not disqualified from being appointed/ continuing as Directors in terms of section 164(2) of the Companies Act, 2013.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURT OR REGULATORS**

During the year under review, there were no significant and material orders passed by the court of regulators.

Further, the Company has been served with a copy of petition vide petition no. CP NO. 810/241/HDB/2019 filed by Mrs. Neera Agarwal and 2 others under Section 241 & 242 read with section 130, 213 and 244 of the Companies Act, 2013 before the National Company law Tribunal (NCLT).

Kindly refer Note 25(1) of the financial statements for disclosure regarding the same.

Moreover, A NCLT case against M/s AmritJal Ventures Private Limited in which TCI Finance Limited is holding 10% shares been filed by M/s Sew Infrastructure Limited which has been admitted on May 07,2019 which is given in Note no. 29(a) of the financial statements.

**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 their views ,work performed by the management team and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls with reference to the financial statements were adequate and effective during the financial year 2019-20.

**MAINTENANCE OF COST RECORDS**

The provisions of Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013,are not applicable to the Company.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

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

- i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20, percentage increase in remuneration of each Director, Chief Financial Officer, Manager and Company Secretary during the financial year 2019-20 are as under:**

<b>Non-Executive Directors (Refer Note-1)</b>	<b>Ratio to median remuneration</b>	<b>% increase in remuneration in the financial year</b>
Mr. Dhanpat Ram Agarwal, Chairman-Independent Director	-	-
Mr. Mahendra Agarwal, Promoter & Non-Executive Director	-	-
Mr. Ashok Kumar Goyal - Independent Director		
Ms. Meera Madhusudan Singh, Non Executive & Non-Independent Director	-	-
<b>Executive Directors/KMP</b>	-	-
Mr. Ramesh Sivaraman-Manager-Chief Financial officer	9.71:1	7.53%
Ms. Srishti Soni, Company Secretary	1.00:1	0.00%

**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: -35.61%
- iii) The number of permanent employees on the rolls of company : 5
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 8.3% whereas the increase in the managerial remuneration for the same financial year was 7.53%. The same is in line with the Industry Standards
- 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	Srishti Soni	Sandeep Gurrum	Amit Ray	V. Santosh Kumar
b) Designation of the employee	Manager	Company Secretary	Associate-Operation	Assistant Manager-Accounts	Executive-Accounts
c) Remuneration received; (₹ in lakhs)	42,73,575	4,32,956	2,24,750	9,13,511	6,01,332
d) Nature of employment, whether contractual or otherwise;	Permanent	Permanent	Permanent	Permanent	Permanent
e) Qualification and experience of the employee;	CA Exp: 29 years	CS Exp: 3 years	MBA Exp: 3.7 years	B.Com (Hons) Exp: 17 years	M.Com Exp: 26 years
f) Date of commencement of employment;	22-Oct-96	03-Dec-2018	1-Jan-2018	03-Apr-2002	23-Aug-1994
g) Age of such employee;	53	27	27	41	54
h) Last employment held by such employee before joining the company	Manager Asia Pacific Investment Ltd.	Company Secretary & Compliance officer- Proseed India Limited	Associate Gati Academy	Manager Accounts Gati Kausar India Limited Gati Limited Gati Kwe Private Limited	Accounts Executive Gati Limited
i) % of equity shares held by the employee in the company;	0.00 (960 Shares)	Nil	Nil	0.00 (1839 Shares)	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	No

## CORPORATE GOVERNANCE

Pursuant to SEBI Listing Regulations, 2015, a separate chapter titled Corporate Governance has been included in this Annual Report, along with the reports on Management Discussion and Analysis and General Shareholders information.

All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year 2019-20. A declaration to this effect signed by the Manager & CFO of the Company is contained in this Annual Report.



The Manager & CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of SEBI, Listing Regulations, 2015

The Certificate from the Practicing Company Secretary of the Company regarding compliance of conditions of Corporate Governance is annexed to this report.

## **AUDITORS**

### **a) Statutory Auditors**

M/s M. Bhaskara Rao & Co., Chartered Accountant, Hyderabad (FRN: 000459S) were appointed as the Statutory Auditors at the 45th AGM for a period of 3 years upto the conclusion of the 48th AGM of the Company.

(i) The Auditors' Report for the financial year ended March 31, 2020 on the financial statement of the Company is a part of this Annual Report. The Auditors have given a qualified opinion as described below:

- a. Auditors Qualifications given in point no. (a) regarding claims on the Company by the lenders of AmritJal Ventures Private Limited and its subsidiary Gati Infrastructure Bhasmey Power Private Limited aggregating to Rs. 25619.80 Lakhs due to invocation of corporate guarantee given by the Company under the head "Basis of Qualified Opinion" in the Auditor's Report on standalone financial statements read with note no. 29(a) & (b) of the standalone financial statements are self-explanatory

#### **Board Comment:**

Response of the management is however given in note no. 29 (a) & 29 (b) of financial statements

- b. Further, in Note no.32 of the Standalone Ind As financial statements regarding exposures to Mahendra Investment Advisors (MIAPL) in the form of Inter Corporate Deposit (ICD's) and interest receivable to Rs. 4,359.37 Lakhs

#### **Board Comment:**

The management of the Company is expecting to recover the above said balances in its entirety and is of the opinion that no provisions is warranted at this moment.

- c. Note no. 28(ii) of the standalone Ind AS financial statements regarding the investments in equity shares of a Company held in Gati Limited pledged as security for the credit facilities availed by Gati Infrastructure Private Limited (GIPL) on receipt of letter of comfort from AmritJal Ventures Private Limited. The lenders of GIPL have invoked the pledge. However, the same were disclosed as "Investments" as at March 31, 2020 for the reasons stated in the said note.

#### **Board Comment:**

Response of the Management is given in note no. 28 (ii) of the financial statements

- d. Note No. 28(iii) of the standalone Ind AS financial statements regarding the investments in equity Shares of the Company held in Gati Limited pledged for the facilities availed by AmritJal Ventures Private Limited (AJVPL) The lenders of AJVPL have invoked the pledge. However, same were disclosed as "Investments" as at March 31, 2020 for the reasons stated in the said note.

#### **Board Comment:**

Response of the Management is given in note no. 28 (iii) of the financial statements

(ii) Auditor has also drawn attention in their report for emphasis of matter read with Note No. 29(a), 28(i) & 25 to the standalone financial statements, which is self explanatory.

(iii) Auditors have also given the following Key audit matters in their Report:

- a. Going Concern: The Auditor has drawn attention to Note 33 of the standalone Ind AS financial statements regarding Company's financial exposures, as at year ended March 31, 2020, in the form of investments, amounts receivable by the Company and guarantees given by the Company on behalf of AmritJal Ventures Private Limited and its subsidiaries. The factors indicate that a material uncertainty exists in respect of realization of amounts due from these entities and which may cast significant doubt on the Company's ability to continue as a going concern.

**Board Comment:**

Management of the Company is in the process of identifying various alternatives / new areas to venture into for reviving the company. In view of the same, financial statements of the company have been prepared on going concern basis.

- b. Accuracy of existence, rights & obligations, completeness, and valuation of the investments given as guarantees to the lenders of the Company / lenders of the related parties - Note 28 to the Standalone Ind AS financial statements - "Investments Sale of Pledged Shares by Lenders".

**Board Comment:**

Response of the management towards the same is given in note no. 28 of the financial statements.

- c. As at March 31, 2020 the Company has got the exposures of Mahendra Investment Advisors Private Limited (referred as MIAPL) aggregating to Rs. 4,359.37 Lakhs -Note 29 to the Standalone Ind AS financial statements. However for the management response towards the same you can refer notes to financials.
- d. As at March 31, 2020 the Company has given Corporate guarantees to lenders of AmritJal Ventures Private Limited and to the lenders of subsidiaries of AJVPL ( collectively referred as AJVPL) aggregating to Rs. 31,366.71 Lakhs -Note 29(b) to the Standalone Ind AS financial statements which are self explanatory.

**b) Secretarial Auditors**

Pursuant to the provisions of section 204 of the Act and the Rules made thereunder, the Board has appointed M/s TapasvilalDeora& Associates, Practicing Company Secretary (M. No. 9813, CP No. 13087), to undertake the secretarial audit of the Company. The Secretarial Audit Report for the year 2019-20 as issued by him in the prescribed form MR-3 is annexed to this Report.

Pursuant to amendments under SEBI Listing Regulations, 2015 and SEBI circular dated 8 February 2019, a report on secretarial compliance as required under regulation 24A is being submitted to stock exchanges as obtained from M/s TapasvilalDeora& Associates for the financial year 2019-20.

The Secretarial Auditors have given a qualified opinion which is described as below:

- a. The Company has entered into certain related party transactions without the approval of Shareholders as required under Regulation 23 of SEBI (LODR) Regulations, 2015.

However the Company has proposed the item with respect to approval of Related Party Transactions at the 45th Annual General Meeting held on 14th August, 2019 but the said resolution could not be passed as the requisite majority votes required for passing the Ordinary resolution was not received by the Company.

**Board Comment:**

The Company has proposed the item with respect to approval of Related Party Transactions at the 45th Annual General Meeting held on 14th August, 2019 but the said resolution could not be passed as the requisite majority votes required for passing an Ordinary resolution was not received by the Company.

- b. The Company has not disclosed details of defaults made on loan taken to the Stock Exchanges as required under SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019

**Board Comment:**

The Management has reported all the defaults in line with the circular dated November 21, 2019 vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140

- c. Company has not created modified and satisfied charges i.e. not filed e-forms CHG 1 & CHG 4 for pledge on the shares held by the Company and for certain loans obtained.

**Board Comment:**

However management in the view of the same responded that e-form CHG-1 need not be filed with ROC in case of pledge of Shares provided by the Company. The Company has not received NOC from the concerned lender for filing form CHG-4.

- d. As per the Section 203 of the Act, the Company is required to appoint separate individuals as MD/WTD/ Manager, CFO and CS. However, the Company has appointed Mr. Ramesh Sivaraman as both, Manager and the CFO of the Company.

**Board Comment:**

Company has appointed Mr. Amit Kumar Ray as Chief Financial Officer of the Company with effect from 31st July, 2020.

**c) Internal Audit**

Pursuant to the provisions of section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, your Company has appointed M/s Laxminiwas & Co (LNCO) as Internal Auditor to conduct the Internal Audit of the functions and activities of the Company for FY 2019-20.

**BOARD COMMITTEES**

Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration 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.

**WHISTLE BLOWER POLICY/ VIGILMECHANISM**

Pursuant to section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015 the company has framed its whistle Blower/vigil mechanism policy.

The Vigil Mechanism policy/Whistle Blower policy provide a mechanism for the Directors/employees of the Company to report, without fear of victimization any unethical behavior, suspected or actual fraud violation of the Code of Conduct, etc which are detrimental to the organisation's interest.

The purpose of Whistle Blower Policy is to allow the Directors and employees to raise concerns about unacceptable improper practices and/or any unethical practices and/or other genuine concerns being followed in the organization without the employees being necessarily required to inform their superiors and to create awareness amongst employees to report instances of leak of unpublished price sensitive information.

The mechanism protects the whistle blower from any kind of discrimination, harassment, victimization or any other unfair employment practice. The directors in all cases and employees in inappropriate or exceptional cases have direct access to the chairman of the audit committee. The company affirms that no employee has been denied access to the Audit Committee. The Vigil Mechanism Policy has been uploaded on the website of the Company at: <http://www.tcifl.in/pdf/VigilMechanismPolicy.pdf>.

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The details of programmes for familiarisation of 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 and related matters along with details of number of programmes and number of hours spent by each of the Independent Directors during the Financial Year 2019-20, in terms of the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available on the website of the Company and can be accessed at the web-link: <https://http:www.tcifl.in/investors/familiarisationProgramme>.

**DELISTING**

The Board of the Directors of the Company at their meeting held on 31st July, 2020 approved the delisting of Equity Shares of the Company from National Stock Exchange of India Limited Limited without giving an exit opportunity to Shareholders. The Company is in the process of making application for delisting to the Stock Exchange under SEBI (Delisting Regulations, 2009).

**RECLASSIFICATION**

The Board of Directors of the Company has received a request from M/s Gati Limited belonging to Promoter Group for reclassifying them from the promoter category to public category dated 4th December, 2019.

The board after reviewing the application thoroughly has decided to consider the application due to the fact that the holding of the above Promoter Group was not exceeding 10% of the shareholding of the Company and therefore Board of Directors of the Company at its meeting held on 31st July, 2020 approved the Declassification of Gati Limited from Promoter Group and reclassification of its shareholding as public in terms of Regulation 31A of the SEBI (LODR) Regulations, 2015.

**ACCOUNTS OF SUBSIDIARY**

Your Company has no subsidiaries

**LISTING**

The Company's shares are traded in the dematerialized form on both BSE Ltd and National Stock Exchange of India Limited having nationwide terminals. The particulars of Shareholding Pattern, Distribution of Shareholding and Share prices are mentioned separately in the Report on Corporate Governance.

**MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**

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

**DISCLOSURE OF ACCOUNTING TREATMENT**

As per notification no. G.S.R.365(E) dated 30th March 2016, issued by Ministry of Corporate Affairs (MCA) in exercise of power conferred to it under section 133 read with section 469 of the Companies Act, 2013, NBFCs having networth of Rupees five hundred crore or more are required to comply with the Indian Accounting Standards (IndAS) in preparation of their financial statements and quarterly financial results for the accounting periods beginning on or after 1st April 2018 with effective transition date of 1st April 2017.

Further, MCA, in exercise of its power under sub-section (1) of section 467 of the Companies Act, 2013, amended Schedule III to Companies Act, 2013. Vide the amendment, a new division, viz. 'Division III' financial statement format was introduced for Non-Banking Financial Companies effective from 11th October 2018.

Accordingly, the financial statements of the Company from this financial year will be prepared as per IND AS.

**COMPLIANCE OF SECRETARIAL STANDARDS**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**GENERAL**

- i) During the year under review there was no change in nature of business.
- ii) Material Changes and Commitment effecting the financial position of the Company.

There are no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of the report except the company's exposures to AmritJal Ventures Pvt Ltd (AJVPL) in the form of Equity, Optionally convertible Debentures, Inter Corporate Deposit, Interest accrued thereon and tax deducted at source aggregating to Rs. 4621.11 Lakhs and guarantees given to the lenders of AJVPL and its subsidiaries as disclosed in the Notes to Financial Statements.

Further, the spread of COVID-19 pandemic and the subsequent pan-India lockdown announced by the Government of India are the events which have continued till the date of the announcement of financial results of the Company.

Kindly refer Notes to accounts for details of material changes and commitments

- iii) Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. There were no cases of Sexual harassment in the Company during the year under review.

**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 share holders 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**

**Dhanpat Ram Agarwal**  
Chairman  
**DIN: 00322861**

Hyderabad  
31st July, 2020

**Form No. AOC-2**

**Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. There are no contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.
2. Contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis:

<b>S.No.</b>	<b>(a) Name of the Related Party and Nature of Relationship</b>	<b>(b) Nature of contracts/ arrangements / transactions</b>	<b>(c) Duration of the contracts / arrangements / transactions</b>	<b>(d) Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>(e) Date(s) of approval by the Board, if any:</b>	<b>(f) Amount paid as advances, if any:</b>
1.	PD Agarwal Foundation	Leasing of property of any kind. (Renewal with mutual consent of the parties).	11 Months	Taken on lease part of the premises to the extent of 853 Sqft of the 4th Floor of the said premises and is hereby paying a sum of Rs. 84/- per sqft per month towards rent for demised premises totaling Rs. 71,652/- P.m.	04-02-2020	Rs. 80,000 as Security Deposit

For and on behalf of the Board

**Dr. D R Agarwal**  
Chairman  
DIN: 00322861

Place: Hyderabad  
Date: 31.07.2020

**Annexure – B**  
**SECRETARIAL AUDIT REPORT**  
 For The Financial Year Ended 31<sup>st</sup> March 2020

**FORM NO MR 3**

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

**To**  
**The Members,**

**M/s. TCI Finance Limited**

Hyderabad.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TCI FINANCE LIMITED bearing CIN: L65910TG1973PLC031293 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 generally 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.

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on March 31, 2020 according to the applicable provisions of:

- i. The Companies Act, 1956 and the Companies Act, 2013 ('the Act') and the rules made there under,
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not Applicable during the audit period
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not Applicable during the audit period
  - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable during the audit period
  - e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not Applicable during the review period
  - f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable during the review period

- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - Not Applicable during the review period
  - h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable during the audit period
  - j) Depositories Act, 1996;
  - k) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- vi. Other Laws specifically applicable to the Company:

The Company is a "loan company" engaged in the business of non-banking financial institution as defined 451 (a) of the Reserve Bank of India Act, 1934. As confirmed and certified by the management, Non-Banking Financial (Non - Deposit Accepting or Holding) Companies prudential norms are Industry Specific Act applicable to the Company. I have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India and the Listing Regulations as applicable to the Company.

The compliance of the above laws is based on the compliance certificate issued by the Manager and the Company Secretary of the Company and submitted to the Board of Directors of the Company.

During the Audit Period under review and as per the explanation and clarifications given to me and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except

1. *The Company has not disclosed regarding certain material events to the stock exchanges which is required as per Regulation 30 of SEBI (LODR) Regulations, 2015*
2. *The Company has entered into certain related party transactions without the approval of the shareholders which is required as per Regulation 23 of SEBI (LODR) Regulations, 2015.*
3. *The Company has not disclosed details of defaults made on loans, to the stock exchanges as required under SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019*
4. *As per the Section 203 of the Act, the Company is required to appoint separate individuals as MD/WTD/ Manager, CFO and CS. However, the Company has appointed Mr. Ramesh Sivaraman as both, Manager and the CFO of the Company.*
5. *The Company has not created ,modified and satisfied charges i.e. not filed e-forms CHG 1 & CHG 4 for pledge on the shares held by the Company and for certain loans obtained.*

Except as stated in Point 4 above, the Board of Directors and Management of the Company is duly constituted with proper balance of Non-Executive Directors, Independent Directors and Senior Executives. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Whenever required, the Board has also met with a notice shorter than seven days.

Decisions at the Board Meetings, as represented by the management, were taken by majority and recorded as part of the minutes.

As per the explanations given to me and the representations made by the Management and relied upon by me, I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the year under review:

- a) The Company had filed certain forms after the due date by payment of additional fee.
- b) Resolutions in connection with re-appointment of Mr. S M Jalan (DIN 00324182) as independent director, appointment of Mr. RadheShyamAgarwala (DIN: 00368733) as non-executive and non-independent director and ratification & approval for related party transactions, proposed for the approval of the shareholders in the 45th annual general meeting of the Company held on August 14, 2019 were not passed as the requisite majority of votes required for passing special/ ordinary resolutions were not received
- c) The voting results in connection with resolution for related party transaction proposed at the 45th Annual general meeting were revised and submitted again, as there was an inadvertent error by the scrutinizer in calculation of votes. The said resolution was declared as not approved subsequent to receipt of revised results;
- d) The Company has informed us that updates of the petition filed U/s. 241 and 242 against Company, before the Hon'ble National Company Law Tribunal, Hyderabad Bench (NCLT), have been made to the stock exchanges as and when the order sheets are updated on the NCLT portal;
- e) There are various cases filed/pending against the Company, directors and promoters, both civil and criminal in nature. The management of the Company have confirmed that the same is in the ordinary course of business and not material in nature. Hence, disclosures regarding the same to exchanges are not required.
- f) The Company pledges its investments for obtaining loans from various parties. There have been instances, where the pledge on these investments have been invoked by lender(s) and in certain cases, the shares have also been sold by the lender(s). We have been informed by the management of the Company, that the same is in the ordinary course of business of the Company and in accordance with the agreement entered with these lender(s). The management has confirmed that these invocation(s) and sale of investment(s) are in the ordinary course of business and are not material in nature in accordance with the Company's policy on materiality and as per Regulation 30 of SEBI (LODR) Regulations. Hence, intimations regarding the same are not required.
- g) The Company has various exposures to AmritJal Ventures Private Limited and its subsidiaries (related parties) in the form of loans, guarantees, investments and other receivables and the same is under CIRP process. The aggregate carrying value of exposures to AmritJal Ventures Private Limited as on March 31, 2020 is Rs. 4621.11 Lakh. In view of the adverse developments in the matter of the said Company, the management is of the opinion that the chances of recovery are remote and accordingly have made provision for the same in the financials.
- h) The compliance by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same has been subject to review by statutory financial audit and other designated professionals. However, based on the minutes and other records of the Company, we hereby report that the Company has filed its income tax returns for AY2019-20 on March 19, 2020 and has paid the self- assessment tax for AY 2018-19 on March 18, 2020.

For **Tapasvilal Deora & Associates**  
Practising Company Secretaries

Place: Hyderabad  
Date: July 31, 2020

**Tapasvilal Deora**  
**M. No.: F9813**  
**C.P. No.: 13087**  
**UDIN:F009813B000539925**

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Encl:**  
Annexure A



## **Annexure A**

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

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I 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 management. My examination was limited to the verification of procedure on test basis.
6. Owing to the lockdown measures imposed across the country on account of COVID-19 pandemic and the cascading impact thereof, for certain verifications and cross checks, I have relied on the management representations and assurances, wherever required, for forming our opinion and eventual reporting.
7. 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 Tapasvilal Deora & Associates**  
Practising Company Secretaries

Place: Hyderabad  
Date: July 31, 2020

**Tapasvilal Deora**  
**M. No.: F9813**  
**C.P. No.: 13087**  
**UDIN:F009813B000539925**

## Annexure – C

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2020

[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@tcifl.in  
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 : Kfin Technologies Private Limited  
(Formerly known as Karvy Fintech Private Limited)  
Unit: TCI Finance Limited, Selenium Tower B,  
Plot 31-32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally Mandal,  
Hyderabad - 500 032. Tel No: 040 67161562  
Email: mohsin.mohd@kfintech.com  
Website: https://www.kfintech.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	64990	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
	Nil				

**Note:** Itag Business Solutions Limited was ceased to be a Subsidiary of Company w.e.f 5th March, 2019

**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 (April 01, 2019)				No. of shares held at the end of the year (March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A Promoters</b>									
(1) Indian									
a) Individual / HUF	4,36,634	-	4,36,634	3.39	7,92,113	-	7,92,113	6.15	2.76
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	20,09,904	-	20,09,904	15.62	20,09,904	-	20,09,904	15.62	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Trusts)	7,35,822	-	7,35,822	5.71	3,80,343	-	3,80,343	2.95	(2.76)
<b>Sub-Total (A) (1)</b>	<b>31,82,360</b>	<b>-</b>	<b>31,82,360</b>	<b>24.72</b>	<b>3182360</b>	<b>-</b>	<b>3182360</b>	<b>24.72</b>	<b>-</b>
(2) Foreign									
a) NRI - Individual	-	-	-	-	-	-	-	-	-
b) Other - Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of promoter (A) =(A)(1) + (A)(2)</b>	<b>31,82,360</b>	<b>-</b>	<b>31,82,360</b>	<b>24.72</b>	<b>31,82,360</b>	<b>-</b>	<b>31,82,360</b>	<b>24.72</b>	<b>-</b>
<b>B Public Shareholding</b>									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	83	-	83	0.00	100	-	100	0.00	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>83</b>	<b>0</b>	<b>83</b>	<b>0.00</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>0.00</b>	<b>-</b>

**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, 2018)				No. of shares held at the end of the year (March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Non-Institutional									
Bodies Corporate									
i) Indian	7,85,959	5,03,405	12,89,364	10.02	5,19,855	5,03,405	10,23,260	7.95	(2.07)
ii) Overseas	-	-	-	-	-	-	-	-	-
Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	43,77,872	5,68,515	49,46,387	38.43	45,35,328	5,58,215	50,93,543	39.57	1.14
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	32,89,472	-	32,89,472	25.55	34,42,167	-	34,42,167	26.74	1.19
C. Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Foreign Bodies	-	-	-	-	-	-	-	-	-
Director and their relatives	2319	500	2819	0.02	2319	500	2819	0.02	0.00
Non Resident Indians	1,08,731	-	1,08,731	0.84	80,518	-	80,518	0.63	(0.61)
NRI Non Repatriation	28,840	-	28,840	0.22	32,681	-	32,681	0.25	(0.03)
Clearing Members	24,437	-	24,437	0.19	15,045	-	15,045	0.12	(0.07)
NBFC registered with RBI	-	-	-	-	-	-	-	-	-
Employee Trusts	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2)</b>	<b>86,17,630</b>	<b>10,72,420</b>	<b>96,90,050</b>	<b>75.28</b>	<b>86,27,913</b>	<b>10,62,120</b>	<b>96,90,033</b>	<b>75.28</b>	<b>0.00</b>
Total Public shareholding									
<b>(B) = (B)(1) + (B)(2)</b>	<b>86,17,713</b>	<b>10,72,420</b>	<b>96,90,133</b>	<b>75.28</b>	<b>86,28,013</b>	<b>10,62,120</b>	<b>96,90,133</b>	<b>75.28</b>	<b>0.00</b>
C Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,18,00,073</b>	<b>10,72,420</b>	<b>1,28,72,493</b>	<b>100.00</b>	<b>1,18,10,373</b>	<b>10,62,120</b>	<b>1,28,72,493</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged / encumbered to the total shares	
Gati Limited	1600300	12.43	Nil	0	0	Nil	(12.43)
Mahendra Kumar Agarwal	11619	0.09	Nil	11619	0.09	Nil	Nil
Bunny Investments & Finance Pvt. Ltd.	54856	0.43	Nil	54856	0.43	Nil	Nil
Jubilee Commercial & Trading Pvt. Ltd.	320677	2.49	Nil	320677	2.49	Nil	Nil
Dhruv Agarwal Benefit Trust	355479	2.76	Nil	0	0	Nil	(2.76)
Dhruv Agarwal	296675	2.30	Nil	652154	5.07	Nil	2.77
Mahendra Kumar Agarwal Sons and HUF	128265	1.00	Nil	128265	1.00	Nil	Nil
Manish Agarwal Benefit Trust	380343	2.95	Nil	380343	2.95	Nil	Nil
Giri Roadlines and Commercial Trading Pvt Ltd	19171	0.15	Nil	1219171	9.47	Nil	9.32
Gati Intellect Systems Ltd.	14900	0.12	Nil	415200	3.23	Nil	3.11
Manish Agarwal	75	0.00	Nil	75	0.00	Nil	Nil
<b>TOTAL</b>	<b>3182360</b>	<b>24.72</b>	<b>Nil</b>	<b>3182360</b>	<b>24.72</b>	<b>Nil</b>	<b>Nil</b>

- iii) Change in Promoter's Shareholding (please specify if there is no change): \*During the year under review, the Company has received request for the transfer of shares of Gati Limited (one of the Promoter of the Company) to Giri Roadlines and Commercial Trading Private Limited and Gati Intellect Systems Limited pursuant to Inter-se transfer of Shares amongst promoters. Further Shares of Dhruv Agarwal Benefit Trust was transferred to Mr. Dhruv Agarwal (Beneficiary) on attaining the age of 35 as per the trust deed.

Shareholders Name	Shareholding at the beginning of the year (As on 1st April, 2019)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
	No. of shares	No. of Shares % of Total Shares of the Company		No. of shares	No. of Shares % of Total Shares of the Company
1. Gati Limited At the beginning of the year	16,00,300	12.43%	(16,00,300)	0	0.00
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)	Shares were transferred to Giri Roadlines and Commercial Trading Private Limited pursuant to inter se transfer of Shares on 01.11.2019	(16,00,300)			
At the end of the year (As on 31st March, 2020)	0	0	0	0	0
2. Dhruv Agarwal Benefit Trust	3,55,479	2.76%	(3,55,479)	0	0

Shareholders Name	Shareholding at the beginning of the year (As on 1st April, 2019)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
	No. of shares	No. of Shares % of Total Shares of the Company		No. of shares	No. of Shares % of Total Shares of the Company
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)	Transfer of Shares to Mr. Dhruv Agarwal as per trust deed on 13.12.2019		(3,55,479)	0	0
At the end of the year (As on 31st March, 2020)	0	0	0	0	0
3. Dhruv Agarwal	2,96,75	2.30%	3,55,479	6,52,154	5.07%
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)	Transfer of Shares from M/s Dhruv Agarwal Benefit Trust as per the trust deed on 13-12-2019		3,55,479	6,52,154	5.07%
At the end of the year (As on 31st March, 2020)	6,52,154	5.07%	3,55,479	6,52,154	5.07%
4. Giri Roadlines and Commercial Trading Private Limited	1,91,71	0.15%	12,00,000	12,19,171	9.47%
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)	Transfer of Shares from Gati Limited pursuant to inter-se-transfer of shares on 01.11.2019		12,00,000	12,19,171	9.47%
At the end of the year (As on 31st March, 2020)	12,19,171	9.47%	12,00,000	12,19,171	9.47%
5. Gati Intellect Systems Limited	14,900	0.12%	4,00,300	4,15,200	3.23%
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)	Transfer of Shares from Gati Limited pursuant to inter-se-transfer of shares on 01.11.2019		4,00,300	4,15,200	3.23%
At the end of the year (As on 31st March, 2020)	4,15,200	3.23	4,00,300	4,15,200	3.23%
6. Mahendra Kumar Agarwal & Sons HUF	1,28,265	1.00	Nil	1,28,265	1.00
7. Mahendra Kumar Agarwal	11,619	0.09	Nil	11,619	0.09
8. Manish Agarwal	75	0.00	Nil	75	0.00
9. Bunny Investment & Finance Private Limited	54,856	0.43	Nil	54,856	0.43
10. Jubilee Commercial & Trading Private Limited	3,20,677	2.49	Nil	3,20,677	2.49
11. Manish Agarwal Benefit Trust	3,80,343	2.95	Nil	3,80,343	2.95

There were no changes in the overall Promoter Shareholding during the year under review.

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

Sl. No.	Name of the Share Holder	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	NEERA AGARWAL	9,50,265	7.38	30/03/2019			9,50,265	7.38
				22/11/2019	4000	Buy	9,54,265	7.41
				29/11/2019	4000	Buy	9,58,265	7.44
				31/03/2020		Closing Balance	9,58,265	7.44
2.	MAHENDRA GIRDHARILAL	1,54,730	1.20	30/03/2019			154730	1.20
				05/04/2019	16,529	Buy	1,71,259	1.33
				12/04/2019	10,253	Buy	1,81,512	1.41
				19/04/2019	4,197	Buy	1,85,709	1.44
				26/04/2019	16,771	Buy	2,02,480	1.57
				03/05/2019	2,177	Buy	2,04,657	1.59
				10/05/2019	4,882	Buy	2,09,539	1.63
				31/05/2019	(6794)	Sale	2,02,745	1.58
				30/03/2020		Closing Balance	2,02,745	1.58
3.	MANISHA AGARWAL	1,33,000	1.03	30/03/2019			1,33,000	1.03
				02/08/2019	7000	Buy	1,40,000	1.09
				01/11/2019	1500	Buy	1,41,500	1.10
				31/03/2020		Closing Balance	1,41,500	1.10
4.	ANUJ SHANTILAL BADJATE	99,017	0.77	30/03/2019			99,017	
				05/04/2019	(40,000)	Sale	59017	0.46
				26/07/2019	35000	Purchase	94,017	0.73
				22/11/2019	(94,017)	Sale	0	0
				30/03/2020		Closing Balance	0	0
5.	PRITI ANUJ BADJATE	0	0	30/03/2019			0	0
				22/11/2019	99,017	Buy	99,017	0.77
				06/03/2020	(99017)	Sale	0	0
				31/03/2020	99,017	Buy	99,017	0.77
				31/03/2020			99,017	0.77
6.	T GARG & CO PRIVATE LIMITED	92,903	0.72	30/03/2019			92,903	0.72
				31/03/2020			92,903	0.72
7.	SARALAMMA THANKAPPAN	74,023	0.58	31/03/2019			53319	0.41
				19/04/2019	2000	Buy	76,023	0.59
				03/05/2019	25	Buy	76,048	0.59
				17/05/2019	169	Buy	76,217	0.59
				24/05/2019	1420	Buy	77,637	0.60
				14/06/2019	1050	Buy	78,687	0.61
				21/06/2019	1000	Buy	79,687	0.62

				28/06/2019	2230	Buy	81,917	0.64
				05/07/2019	5190	Buy	87,107	0.68
				12/07/2019	2114	Buy	89,221	0.69
				02/08/2019	428	Buy	89,649	0.70
				09/08/2019	2270	Buy	91,919	0.71
				23/08/2019	2	Buy	91,921	0.71
				30/08/2019	1297	Buy	93218	0.72
				06/09/2019	1007	Buy	94,225	0.73
				13/09/2019	507	Buy	94,732	0.74
				20/09/2019	221	Buy	94,953	0.74
				11/10/2019	3267	Buy	98,220	0.76
				18/10/2019	600	Buy	98,820	0.77
				01/11/2019	221	Buy	99,041	0.77
				08/11/2019	177	Buy	99,218	0.77
				22/11/2019	106	Buy	99,324	0.77
				29/11/2019	5	Buy	99,329	0.77
				06/12/2019	677	Buy	1,00,006	0.78
				27/12/2019	7	Buy	1,00,013	0.78
				31/12/2019	44	Buy	1,00,057	0.78
				03/01/2020	161	Buy	1,00,218	0.78
				10/01/2020	1120	Buy	1,01,338	0.79
				17/01/2020	284	Buy	1,01,622	0.79
				21/02/2020	256	Buy	1,01,878	0.79
				28/02/2020	568	Buy	1,02,446	0.80
				28/02/2020	(175)	Sale	1,02,271	0.79
				06/03/2020	21,042	Buy	1,23,313	0.96
				06/03/2020	(21,042)	Sale	1,02,271	0.79
				13/03/2020	532	Buy	1,02,803	0.80
				20/03/2020	780	Buy	1,03,583	0.80
				27/03/2020	561	Buy	1,04,144	0.81
				31/03/2020	2198	Buy	1,06,342	0.83
				31/03/2020	-	-	1,06,342	0.83
8.	GOVIND GUPTA	75,495	0.59	31/03/2019	-	-	-	0
				31/03/2020		Closing Balance	75,495	0.59
9.	'PANDIARAJAN P	69,000	0.54	30/03/2019			69,000	0.54
				24/05/2019	(4000)	Sale	65,000	0.50
				05/07/2019	4000	Buy	69,000	0.54
				13/09/2019	(1000)	Sale	68,000	0.53
				27/09/2019	1000	Buy	69,000	0.54
				13/12/2019	(4000)	Sale	65,000	0.50
				20/12/2019	4000	Buy	69,000	0.54
				31/03/2020		Closing Balance	69,000	0.54
10.	MUKESH RAOJIBHAI PATEL	60,000	0.47	30/03/2019	-		60,000	0.47
				31/03/2020		Closing Balance	60,000	0.47
11.	'OM PRAKASH JAIN	58,000	0.45	31/03/2019			58,000	0.45
				31/03/2020		Closing Balance	58,000	0.45

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



**V. 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	Dr. Dhanpat Ram agarwal	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Mr. Mahendra Kumar Agarwal	11619	0.09	Nil	Nil	Nil	11619	0.09
3	*Mr. Radheshyam Agarwala	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	**Mr. Sanwar Mal Gaurishankar Jalan	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Ms. Meera Madhusudan Singh	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	***Mr. Ashok Kumar Goyal	6650	Nil	Nil	6650	Nil	6650	0.00
7	Mr. Ramesh Sivaraman	960	0.00	Nil	Nil	Nil	960	0.00
8	Ms. Srishti Soni	Nil	Nil	Nil	Nil	Nil	Nil	Nil

\*Ceased to be Director w.e.f 14th August, 2019

\*\*Ceased to be Director w.e.f 25th September, 2019

\*\*\*Appointed w.e.f 12th September, 2019

**VI. 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
<b>Indebtedness at the beginning of the financial Year</b>				
i) Principal Amount	2657.95	473.00	-	3130.95
ii) Interest due but not paid	249.99	45.12	-	295.12
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2907.95</b>	<b>518.12</b>	<b>-</b>	<b>3426.08</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	337.5	-	-	337.5
Reduction	734.02	39.28	-	773.31
Net Change	(396.52)	(39.28)	-	(435.81)
<b>Indebtedness at the end of the financial Year</b>				
i) Principal Amount	2511.43	478.84	-	2990.27
ii) Interest due but not paid	326.25	98.63	-	424.88
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2837.68</b>	<b>577.47</b>	<b>-</b>	<b>3415.15</b>

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING THE FINANCIAL YEAR 2019-20**

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

Sl. No.	Particular of Remuneration	Mr. Ramesh Sivaraman Manager & CFO
1	Gross Salary (Rs.)	32.56
2	Stock Option (no.)	-
3	Sweat Equity	-
4	Commission	-
5	Others, please specify (Variable Pay)	8.67
	<b>Total (A)</b>	<b>42.73</b>
	Ceiling as per the Act	(As per schedule V of the Companies Act, 2013)

**B. Remuneration to other Directors**

(Amount in Lakhs)

No	Particular of Remuneration	Mr. Mahendra Kumar Agarwal	*Mr. R S Agarwala	**Mr. S M Jalan	Dr. D R Agarwal	Mr. Ashok Kumar Goyal	Ms. Meera Madhusudan Singh	Total
<b>1</b>	<b>Independent Directors</b>							
	(a) Fee for attending board / committee meetings	--	--	0.32	1.58	0.94	--	2.84
	(b) Commission	--	--	--	--	-	--	--
	(c) Others, please specify	--	--	--	--	-	--	--
	<b>Total (1)</b>	--	--	<b>0.32</b>	<b>1.58</b>	<b>0.94</b>	--	<b>2.84</b>
<b>2</b>	<b>Other Non-Executive Directors</b>							
	(a) Fee for attending board / committee meetings	--	-	--	-		1.54	1.54
	(b) Commission	--	--	--	--		-	--
	(c) Others, please specify	--	--	--	--		-	--
	<b>Total (2)</b>	--	--	--	-		<b>1.54</b>	<b>1.54</b>
	<b>Total = (1+2)</b>	--	--	--	--		<b>1.54</b>	<b>1.54</b>

**Over all ceiling as per ACT:** The Company had paid only sitting fees to the Directors. Apart from sitting fees there is no other remuneration paid to the Non-Executive Directors as per Companies Act, 2013.

\*Ceased to be a Director of the Company w.e.f 14th August, 2019

\*\*Ceased to be a Director of the Company w.e.f 25th September, 2019

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

(₹ in Lakhs)

Particular of Remuneration	Key Managerial Personnel		Total Amount
	Srishti Soni Company Secretary (w.e.f December 3, 2018)		
<b>1 Gross Salary</b>			
(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961		4.32	4.32
(b) Value of perquisites u/s 17 (2) Income tax Act, 1961		-	-
(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961			
<b>2 Stock Option (nos.)</b>		-	-
<b>3 Sweat Equity</b>		-	-
<b>4 Commission</b>		-	-
as % of profit		-	-
others, specify		-	-
<b>5 others, please specify</b>			-
<b>Total</b>		<b>4.32</b>	<b>4.32</b>

**Note:** Mr. Ramesh Sivaraman who is a Manager is also a Chief Financial Officer of the Company had resigned from the position of Chief Financial Officer w.e.f 31st July, 2020.

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

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

**Note:** The Company has been served with a copy of petition vide petition no. CP NO. 810/241/HDB/2019 filed by Mrs. Neera Agarwal and 2 others under Section 241 & 242 read with section 130, 213 and 244 of the Companies Act, 2013 before the National Company law Tribunal (NCLT).

The first hearing of the said petition was held on 17.12.2019 and the Hon'ble NCLT bench has stated that the requirements under section 244 of the Companies Act are fulfilled and directed the Company to file their detailed counters in relation to the aforesaid matter.

Kindly refer Notes to financials for further details.

**For and on behalf of the Board**

**Dhanpat Ram Agarwal**  
Chairman  
**DIN: 00322861**

Hyderabad  
31st July,2020

## **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.

Your Company has an active, experienced and a well informed Board. Through the governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities towards all its stakeholders by encompassing best practices to support effective and ethical leadership, sustainability and good corporate citizenship.

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**

In keeping with the commitment of the Management to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive and independent Directors to maintain the independence of the Board and to separate the Board functions of governance and management.

#### **Composition**

As on March 31, 2020, the Board had 4 directors out of which 2 are Independent Directors and two are non executive (Non Independent) director. 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.

All the Directors possess requisite qualifications and experience in general corporate management, banking, finance, economics, marketing, digitisation, analytics and other allied fields that allow them to contribute effectively by actively participating in the Board and Committee Meetings, providing valuable guidance and expert advice to the Board and the Management and enhancing the quality of Board's decision making process.

The Chairman being non-executive Director, one third of the strength of the Board comprises of the Independent Directors.

The Composition of the Board and Committee membership as on March 31, 2020 is tabled below:

Name	Designation	Board	Committees			
			Audit	Stakeholder Relationship	Nomination and Remuneration Committee	Borrowing/ Investment Committee
Dr. Dhanpat Ram Agarwal	Non-Executive-Independent Director-Chairman	Chairman	Member	Chairman	Member	Member
Mr. Mahendra Agarwal	Promoter Non Executive (Non Independent) Director	Member	--	--	Member	Member
*Mr. Sanwar Mal Gaurishankar Jalan	Non Executive-(Independent) Director	Member	Chairman	Member	Chairman	--
Ms. Meera Madhusudan Singh	Non Executive (Non Independent) Director	Member	Member	Member	Member	--
**Mr. Ashok Kumar Goyal	Non Executive (Independent) Director	Member	Chairman	Member	Chairman	--
***Mr. Radheshyam Agarwala	Additional Non Executive Director (Non Independent)	--	--	--	--	
Mr. Ramesh Sivaraman	Manager	--	--	--	--	Member

**Note:** \* Mr. S M Jalan Ceased to be the Director of the Company w.e.f 25th September, 2019

\*\* Mr. Ashok Kumar Goyal was appointed as an Additional Director of the Company w.e.f 12th September, 2019

\*\*\* Mr. Radhe Shyam Agarwala ceased to be Director of the Company w.e.f 14th August, 2019

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 hold directorship in more than ten public companies. As per the declaration received, none of the Independent Director serves as an Independent Director in more than seven listed entities. Further, necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors.

None of the Directors on the Board is a member on more than 10 committees or Chairman of more than 5 committees as specified in the Listing Regulations, across all the Companies in which he/she is a Director. Necessary disclosures regarding Committee positions have been made by the Directors.

**Notes:** a) None of the above Directors are related to each other.

b) Other directorships do not include Section 8 Companies and companies incorporated outside India.

c) As required under Regulation 26 of the Listing Regulations, the disclosure includes the Chairmanships / Memberships of Audit Committee and Stakeholders Relationship Committee in Indian Public Companies (Listed and Unlisted)

### Independent Director

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed there under. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be

reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management

#### No. of other Directorships and Committee membership/Chairmanship as on March 31, 2020

Name	Directorship in listed companies	Directorship in unlisted public companies	Directorship in Private Limited Companies	Committee	
				Membership	Chairmanship
Dr. Dhanpat Ram Agarwal	1	1	3	1	0
Mr. Mahendra Agarwal	3	1	4	1	0
*Mr. Ashok Kumar Goyal	0	0	3	0	0
Ms. Meera Madhusudan Singh	0	0	2	0	0

**Note:** For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of Companies Act, 2013, have been excluded. Only audit committee and stakeholders relationship committee are considered for the purpose of reckoning committee positions.

#### Directorships in listed companies

Name of listed entities where directors of the Company held directorships as on 31 March 2020:

Name of the Director	Name of Equity Listed entities	Category of Director
Mr. Mahendra Kumar Agarwal	1. Gati Limited	Executive Director-CEO Cum Managing Director
	2. TCI Industries Limited	Non Executive (Non Independent Director)
	3. TCI Finance Limited	Non Executive (Non Independent Director)
	4. Gati Kausar India Limited (Debt Listed)	Non Executive (Non Independent Director)
Dr. Dhanpat Ram Agarwal	1. Barak Valley Cements Limited	Non Executive (Independent Director)
	3. TCI Finance Limited	Non Executive (Independent Director)
Mr. Ashok Kumar Goyal	TCI Finance Limited	Non Executive (Independent Director)
Ms. Meera Madhusudan Singh	TCI Finance Limited	Non Executive (Non Independent Director)

#### Note:

1. Mr. Radheshyam Agarwala who was additional Director (non executive - Non Independent) ceased to be Director of the Company w.e.f August 14, 2019.
2. Mr. S M Jalan, Independent Director ceased to be an Independent Director of the Company w.e.f 25th September, 2019

#### Number of 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 2019-20, the Board met Five times: May 22, 2019, September 12, 2019, November 8, 2019, December 5, 2019 and February 4, 2020. The necessary quorum was present at all the meetings.

**Attendance record of directors**

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, 2019 and also the shareholding.

Name	Category and Designation	Attendance particulars		No. of Equity Shares @ Rs. 10/-	Relationship with other Director
		Board Meetings	Last AGM (August 14, 2019)		
Dr. Dhanpat Ram Agarwal	Non-Executive-Independent Director - Chairman	5	Yes	-	-
Mr. Mahendra Agarwal	Promoter and Non Executive (Non Independent) Director	4	No	11619	-
*Mr. Sanwar Mal Gourishankar Jalan	Non-Executive-Independent Director	1	Yes	-	-
Ms. Meera Madhusudhan Singh	Non Executive Director (Non Independent) Director	5	Yes	-	-
**Mr. Ashok Kumar Goyal	Non-Executive-Independent Director	3	No	6650	-
***Mr. Radhe Shyam Agarwala	Additional Non Executive Director	0	No	-	-

\* Mr. Sanwarmal Gourishankar Jalan ceased to be Director of the Company w.e.f September 25, 2019

\*\*Mr. Ashok Kumar Goyal was appointed as an additional director of the Company w.e.f 12th September, 2019 subject to the approval of Shareholders in the ensuing Annual General Meeting of the Company.

\*\*\*Mr. Radhe Shyam Agarwala ceased to be Director of the Company w.e.f 14th August, 2019.

\*\*\*\*There are no Equity/ convertible instruments issued by the Company

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/video mode. Mr. Ashok Kumar Goyal and Dr. D R Agarwal attended the Board Meeting held on December 5, 2019 through Video conferencing.

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

None of the above directors are related to each other.

**Familiarisation programmes to Independent directors**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(7) of the Listing Regulations, the Company has during the year conducted familiarisation programmes (as part of the Board/Committee Meetings) for its Directors, which inter alia, included the following:

- ◆ Regulatory updates at Board and Audit Committee Meetings.
- ◆ Prevention of Insider Trading Regulations, SEBI Listing Regulations
- ◆ Representations on Internal Control over Financial Reporting
- ◆ News and articles related to the Company to provide update from time to time
- ◆ Industry outlook at the Board Meetings

Accordingly, the Company has arranged a technical session to familiarize the Independent Directors about their roles, responsibilities and duties as Independent Directors. The details of the familiarization programme has been disclosed on the website of the Company at: [http://www.tcifl.in/investors/familiarisation Programme](http://www.tcifl.in/investors/familiarisation%20Programme).

### Core Skills/Expertise/Competencies

As stipulated under Schedule V of SEBI Listing Regulations, 2015, core skills/expertise/competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors as follows:

**The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board**

Sr. No	Name of the Director	Category	Core skills/Expertise/Competencies
1.	Dr. Dhanpat Ram Agarwal	Chairman- Independent Director	Finance, Taxation and Law, Corporate Governance, Banking and Security matters
2.	Mr. Mahendra Kumar Agarwal	Promoter - Non Executive - (Non Independent) Director	Management and Strategy
3.	Ms. Meera Madhusudan Singh	Non Executive (Non Independent) Director	Corporate Governance, Ethics and CSR
4.	Mr. Ashok Kumar Goyal	Independent Director	Economics and Statistics

The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

### Confirmation regarding Independence of the Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Rules framed thereunder, and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Based on the disclosures received from all the Independent Directors, the Board after taking these declarations/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

### Confirmation regarding Resignation/Cessation of Independent Director

At the 45th Annual General Meeting of the Company held on 14th August, 2019, the resolution was proposed for re-appointment of Mr. Sanwarmal Gourishankar Jalan as an Independent Director of the Company for the Second term of five consecutive years. However at the Annual General Meeting held on August 14, 2019, the Company did not get the requisite majority votes required for passing the special resolution for re-appointment of Mr. S M Jalan as an Independent Director of the Company, therefore Mr. S M Jalan was ceased to be a director of the Company w.e.f September 25, 2019.

Also, resolution was proposed for appointment of Mr. Radhe Shyam Agarwal as Director of the Company at the 45th Annual General Meeting of the Company held on 14th August, 2019. However at the Annual General Meeting held on August 14, 2019, the Company did not get the requisite majority votes required for passing the special resolution for appointment of Mr. Radhe Shyam Agarwal and therefore he ceased to be Director of the Company w.e.f 14th August, 2019.

### Information given to the Board:

The Company believes that the Board should be provided with all relevant information transparently for the effective functioning of the Company.

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.

- ◆ Annual operating plans and budgets, capital budgets, updates and all variances;



## **TCI FINANCE LTD.**

- ◆ Quarterly, Half yearly, Nine months and Annual results of the Company and its subsidiaries;
- ◆ Detailed presentations on the business performance of the Company and its material subsidiaries;
- ◆ Inter corporate Loans & Deposits
- ◆ Minutes of meetings of the Audit Committee and other Committees
- ◆ The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary
- ◆ Contract in which Directors are interested;
- ◆ Update on the significant legal cases of the Company;
- ◆ Reviews the compliance reports of all laws applicable to the Company
- ◆ Statutory payment and related party transaction
- ◆ Internal Audit Report
- ◆ Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- ◆ Details of show cause, demand, prosecution notices and penalty notices, which are materially important
- ◆ Details of material default in financial obligations to and by the listed entity or substantial non-payment for goods sold by the company

Directors have separate and Independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

During the year 2019-20, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under regulation 17(7) read with Part A of Schedule II to SEBI Listing Regulations, 2015.

As stated elsewhere, the Independent Directors of the Company at its meeting held on 4th February, 2020 expressed their satisfaction on 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.

In the path of digitization and with a view to ensure its commitment to Go-Green initiative of the Government and with a view to leveraging technology and moving towards paperless systems for the preservation of the environment, the Company circulates to its Directors, notes for Board/Committee meetings through an electronic platform thereby ensuring high standards of security and confidentiality, of Board papers.

### **Orderly succession to Board and Senior Management**

The Board is periodically updated on the orderly succession to the Board and Senior Management. It has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

### **Separate meetings of the Independent Directors**

During the year under review, the Independent Directors met on February 4, 2020, inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

### **Committees of the Board**

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such

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

The Company has Three Board-level Committees, namely:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee

#### **a) 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 Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Act and SEBI Listing Regulations, 2015.

The Audit Committee has been granted powers as prescribed under Regulation 18 (2)(c) and reviews all the information as prescribed in Regulation 18(3) read with the Paragraph B of Part C of Schedule II of the Listing Regulations. Generally, all items listed in Regulation 18(3) read with Part C of Schedule II of the Listing Regulations are covered in the terms of reference. The Committee is also authorised to oversee the functioning of the Whistle Blower Policy/ Vigil Mechanism as well as review on a quarterly basis, the Report on compliance under the Code of Conduct for Prevention of Insider Trading adopted by the Company pursuant to the PIT Regulations. Further, a Report under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is also placed before the Committee.

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

The Committee was reconstituted by the Board of Directors w.e.f 12th September, 2019, consequent to cessation of Mr. S M Jalan as Director of the Company, in line with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Act by inducting Mr. Ashok Kumar Goyal as the Chairman/Member of this Committee.

Out of three, two members including the Chairman are Independent Directors. All the Members of the Audit Committee are non-executive Directors and 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 Chairman of the Audit Committee was present at Annual General Meeting held on 14th August, 2019 to answer shareholder queries. The Company Secretary acts as the secretary to the committee.

**Composition, meeting and attendance during the year:**

During the financial year 2019-20, the Audit Committee met five times and the gap between two meetings did not exceed 120 days. The necessary quorum was present in the said meeting. The below table gives the composition and attendance record of the Audit Committee.

Sr. No.	Name	Position	Date and Attendance in meeting				
			22.05.2019	12.09.2019	08.11.2019	05.12.2019	04.02.2020
1	Mr. S M Jalan*	Chairman, Non Executive & Independent Director	Yes	No	No	No	No
2	Mr. Ashok Kumar Goyal**	Chairman, Non Executive & Independent Director	No	No	Yes	Yes	Yes
3	Dr. D R Agarwal	Member, Non Executive & Independent Director	Yes	Yes	Yes	Yes	Yes
4.	Ms. Meera Madhusudhan Singh	Member, Non Executive & Non Independent Director	Yes	Yes	Yes	Yes	Yes

\* Mr. S M Jalan was ceased to be a member and Chairman of the Committee w.e.f 12th September, 2019

\*\* Mr. Ashok Kumar Goyal was appointed as Chairman of the Committee w.e.f 12th September, 2019.

**b) Nomination & Remuneration Committee:**

The constitution of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178(1) of the Act and Regulation 19 of the Listing Regulations.

The Nomination and Remuneration Committee has been vested with the authority to, inter alia, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record and integrity, and recommend candidates for Board Membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company.

The terms of reference of this Committee are in line with the regulatory requirements mandated in the Act and Part D of Schedule II of the Listing Regulations.

The scope of the Committee further includes review of market practices and to decide on and recommend to the Board remuneration packages applicable to the Managerial Personnel & Chief Financial Officer, Functional Heads, Members of the Senior Management/ Core Management Team (including the Chief Financial Officer and Company Secretary), setting out performance parameters for Managerial Personnel, Executive Director & Chief Financial Officer, Functional Heads, Members of the Senior Management/Core Management Team, and review the same. The Committee is also empowered to identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.

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.

Extract of terms of reference:

- ◆ Recommend to the Board the set up and Composition of the Board and its Committees;
- ◆ Recommend to the Board the appointment/reappointment of Directors and Key Managerial Personnel;
- ◆ Support the Board and Independent Directors in evaluation of the performance of the Board, its committees and Individual Directors
- ◆ Oversee familiarization programs for Directors
- ◆ Recommend to the Board the Remuneration Policy for Directors and Key Managerial Personnel

Consequent to the cessation of Mr. S M Jalan, Chairman and Member of the Nomination & Remuneration Committee, on 12th September, 2019, the Committee was reconstituted by the Board of Directors w.e.f 12th September 2019 in line

with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act, by inducting Mr. Ashok Kumar Goyal as the Chairman of this Committee.

S. No.	Name	Position	Date and Attendance in meeting	
			22.05.2019	12.09.2019
1	*Mr. S M Jalan	Chairman, Non Executive and Independent Director	Yes	No
2	Mr. Mahendra Agarwal	Member, Non Executive and Non Independent Director	Yes	Yes
3	Dr. Dhanpat Ram Agarwal	Member, Non Executive and Independent Director	Yes	Yes
4	**Mr. Ashok Kumar Goyal	Chairman, Non Executive and Independent Director	No	Not applicable

\*Mr. S M Jalan was ceased to be a Chairman of the Committee w.e.f 12th September, 2019.

\*\*Mr. Ashok Kumar Goyal was appointed as the Chairman of the Committee w.e.f 12th September, 2019.

As per Section 178(7) of the Act and Secretarial Standard on General Meetings (SS-2), issued by the Institute of Company Secretaries of India, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. Mr. S M Jalan, Chairman of the Nomination and Remuneration Committee was present at the 46th Annual General Meeting of the Company held on 14th August, 2019.

Details of Performance Evaluation Criteria and Remuneration Policy are provided below.

Ms. Srishti Soni, Company Secretary acted as the Secretary to this Committee.

### Board Evaluation

In addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:

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

The evaluations based on questionnaire was prepared which assessed the performance of the Board on selected 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.

### Remuneration policy:

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

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

- 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 Business, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the NRC 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.
- The NRC 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.
- The NRC Committee shall consider the following attributes/criteria, while 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 of Non-Executive Directors**

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 NRC 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. Criteria for selection /appointment of Senior Management Employees**

For the purpose of selection of the Senior Management Employees, the NRC Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position.

## **6. 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 NRC 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 NRC 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 NRC Committee for its review and approval.

### Remuneration of directors

#### a) Pecuniary relationships/transactions with non-executive directors

Non Executive Directors including Independent Directors are entitled to payment of sitting fee for the Board and committee meetings attended by them.

#### b) Criteria of making payments to 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 Nomination and Remuneration policy of the Company has been disclosed on the website of the Company under the path <https://www.tcifl.in/investors/>

The details of sitting fee paid to the Non-Executive Directors during the financial year 2019-20 are as follows:

Name of Directors	Sitting fee (₹)
Mr. Mahendra Agarwal	Nil
*Mr. R.S. Agarwala	Nil
**Mr. S.M. Jalan	Rs. 0.32
Dr. D.R. Agarwal	Rs. 1.58
Ms. Meera Madhusudhan Singh	Rs. 1.54
Mr. Ashok Kumar Goyal	Rs. 0.94
<b>TOTAL</b>	<b>Rs. 4.38</b>

#### The Company did not propose commission or stock options during the financial year 2019-20.

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

#### Details of fees paid to Manager:

S.No.	Particular of Remuneration	Mr. Ramesh Sivaraman Manager & CFO
1.	Gross Salary (Rs.)	32.56
2.	Stock Option (no.)	-
3.	Sweat Equity	-
4.	Commission	-
5.	Others, please specify (Variable Pay)	8.67
	<b>Total (A)</b>	<b>42.73</b>
	Ceiling as per the Act	(As per Schedule V of the Companies Act, 2013)

**Note:** Remuneration payable to manager is subject to approval of Shareholder.

**c) Disclosures with respect to remuneration:**

- (i) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc for the FY 2019-20: Not applicable as Directors are entitled to payment of sitting fee only.
- (ii) Details of fixed component and performance linked incentives, along with the performance criteria: No Director is paid any fixed component nor performance linked incentives.
- (iii) Service contracts, notice period, severance fees: Nil
- (iv) Stock option details, if any including issue at a discount as well as the period over which accrued and over which exercisable: The Company has not issued any stock options

**c) Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013 and 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

**Composition, meeting and attendance during the year:**

The Committee consists of three Members, headed by Dr. D R Agarwal, Chairman of the Committee who heads the Committee. During the financial year 2019-20, the Investors' Grievance Committee met Four times viz., on May 22, 2019, September 12, 2019, November 8, 2019 and February 4, 2020 and all the members were present for the meeting.

Sr. No.	Name	Position	Date and Attendance in meeting			
			22.05.2019	12.09.2019	08.11.2019	04.02.2020
1	Mr. S M Jalan*	Member, Non Executive and Independent Director	Yes	No	No	No
2	Mr. Ashok Kumar Goyal**	Member, Non Executive and Independent Director	No	No	Yes	Yes
3	Dr. D R Agarwal	Chairman, Non Executive and Independent Director	Yes	Yes	Yes	Yes
4.	Ms. Meera Madhusudhan Singh	Member, Non Executive and Non Independent Director	Yes	Yes	Yes	Yes

\*Mr. S M Jalan was ceased to be a Member of the Committee w.e.f 12th September, 2019.

\*\*Mr. Ashok Kumar Goyal was appointed as a Member of the Committee w.e.f 12th September, 2019.

Consequent to the cessation of Mr. S M Jalan, Member of the Stakeholder Relationship Committee, on 12th September, 2019, the Committee was reconstituted by the Board of Directors w.e.f 12th September 2019 by inducting Mr. Ashok Kumar Goyal as Member of the Committee.

Ms. Srishti Soni, Company Secretary of the Company, officiates as secretary of the Committee and is also designated as Compliance Officer in terms of Listing Regulations.

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.

As per Section 178(7) of the Act and the Secretarial Standards, the Chairperson of the Committee or, in his/her absence, any other Member of the Committee authorised by him/her in this behalf shall attend the General Meetings of the Company. Dr. D R Agarwal, Chairperson of the Committee was present at the 45th Annual General Meeting of the Company held on 14th August, 2019.

An analysis of the investor complaints received and redressed during the financial year 2019-20 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	2	2	NIL	NIL
2	Non receipt of Dividend warrants	7	7	NIL	NIL
3	Non receipt of fully paid stickers against payment of allotment money	NIL	NIL	NIL	NIL
4	Non receipt of Share certificate sent for transfer	7	7	Nil	Nil
	<b>Total</b>	<b>16</b>	<b>16</b>	<b>NIL</b>	<b>NIL</b>

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

Ms. Srishti Soni

Company Secretary & Compliance Officer

Email: investors@tcifl.in

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 2318

**General Body Meetings**

**(a) Annual General Meeting:**

Date of AGM	Time	Venue	No. of Special resolutions passed
August 14, 2017	11.00 A.M	Plot no.20, Survey no.12, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084	3
August 10, 2018	11.00 A.M	Plot no.20, Survey no.12, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084	-
August 14, 2019	11.00 A.M	Plot no.20, Survey no.12, Near Rainbow Children Hospital, Kothaguda, Kondapur, Hyderabad-500084	0 *

\* There were two resolutions to be transacted as Special Resolutions. However, none of them were passed as the requisite majority votes required for passing the Special resolution was not received by the Company

**(b) Extraordinary General Meeting:**

No extraordinary general meeting of the members was held during FY 2019-2020.

**(c) 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**

- a. **Financial Results:** Prior Intimation of the Board meeting to consider and approve Unaudited / Audited Financial Results of the Company is given to stock exchange and also on the website of the company www.tcifl.in and pursuant to regulation 47, the quarterly and half yearly un-audited and annual results were published in a National language English newspaper(s) as well as regional language newspaper circulating in the state of Telangana. The



aforesaid Financial Results are immediately intimated to the Stock Exchanges, after the same are approved at the Board Meeting and also upload on the website of the company i.e www.tcifl.in and are published in the aforesaid newspaper.

- b. **Newspapers:** Financial Express/Business Standard (English) - All India Edition and in Nava Telangana, Vernacular Newspaper (Telugu)
- c. News releases and presentation to Institutional Investors: Nil

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

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

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

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

#### **E-voting**

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

#### **General Shareholder Information**

##### **46<sup>TH</sup> ANNUAL GENERAL MEETING FOR FY 2019-20:**

Date	: 29th September, 2020
Time	: 11:00 a.m
Mode of AGM	: Through Video Conferencing
Deemed Venue of Meeting	: Plot No.20, Survey No.12, 4th Floor, Kothaguda Kondapur, Hyderabad, Telangana 500084
Link to participate through Video Conferencing	: <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a>
Remote E-Voting Starts	: Thursday 24th September, 2020
Remote E-voting ends	: Monday 28th September, 2020
E-voting at AGM	: Tuesday 29th September, 2020
Book Closure dates	: from Wednesday 23rd September, 2020 to Tuesday 29th September, 2020 (both days inclusive).

The Ministry of Corporate Affairs vide its circulars dated 8 April 2020, 13 April 2020 and 5 May 2020 has provided an option to companies to conduct AGM during the Calendar Year 2020 through 'VC or OAVM' and send financial statements (including board's report, Auditors report and other documents to be attached therewith) through email only. Accordingly, your Company will be conducting the 46th AGM through VC/OAVM facility. Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice of AGM, and this mode will be available throughout the proceedings of the AGM.

Accordingly, the Annual Report of the Company for the year 2019-20 along with Notice of AGM are being sent only by email to the members and all other persons/entities entitled to receive the same. As stated above, 46th Annual General Meeting will be convened through VC or OAVM.

In case of any query and/or help, in respect of attending the AGM through VC/OAVM mode, Members may refer the Help & Frequently Asked Questions (FAQs) and "AGM VC/OAVM" user manual available at the download Section of <https://evoting.karvy.com> or contact Mr. Mohd Mohsin Uddin, Senior Manager, KFin Technologies Private Limited at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana or at the email ID: [evoting@kfintech.com](mailto:evoting@kfintech.com) or on Phone No.: 040-67161562 or call Toll Free No. 1800-345-4001 for any further clarifications.

#### **Financial Year of the Company**

The financial year covers the period from 1st April to 31st March.

**Financial Calendar**

<b>Tentative calendar for declaration of financial results in FY 2020-21</b>	
Results for the quarter ended June 30, 2020	July /on or before 15th September, 2020
Results for the quarter ended September 30, 2020	October /on or before 14th November, 2020
Results for the quarter ended December 31, 2020	January / on or before 14th February, 2021
Results for the year ended March 31, 2021	April / on or before 30th May, 2021

**Note:** The above dates are indicative

**Dividend Payment**

With a view to conserve capital, and also given the challenging situation caused by the ongoing COVID-19 pandemic, the Board of Directors has not recommended any dividend on Equity Shares of the Company for the financial year ended 31st March, 2020.

**Listing on Stock Exchanges**

The Company's shares are listed on the following stock exchanges

<b>Name</b>	<b>Address</b>
BSE Ltd. (BSE)	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051

The listing fee for the year 2019-20 has been paid to all the above stock exchanges. However the listing fee for FY 2020-21 of BSE Limited has been paid but the listing fee for National Stock Exchange of India Limited is yet to be paid.

**Stock Code:**

- a) Trading scrip code on BSE : 501242  
 b) Trading Symbol on NSE : TCIFINANCE

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

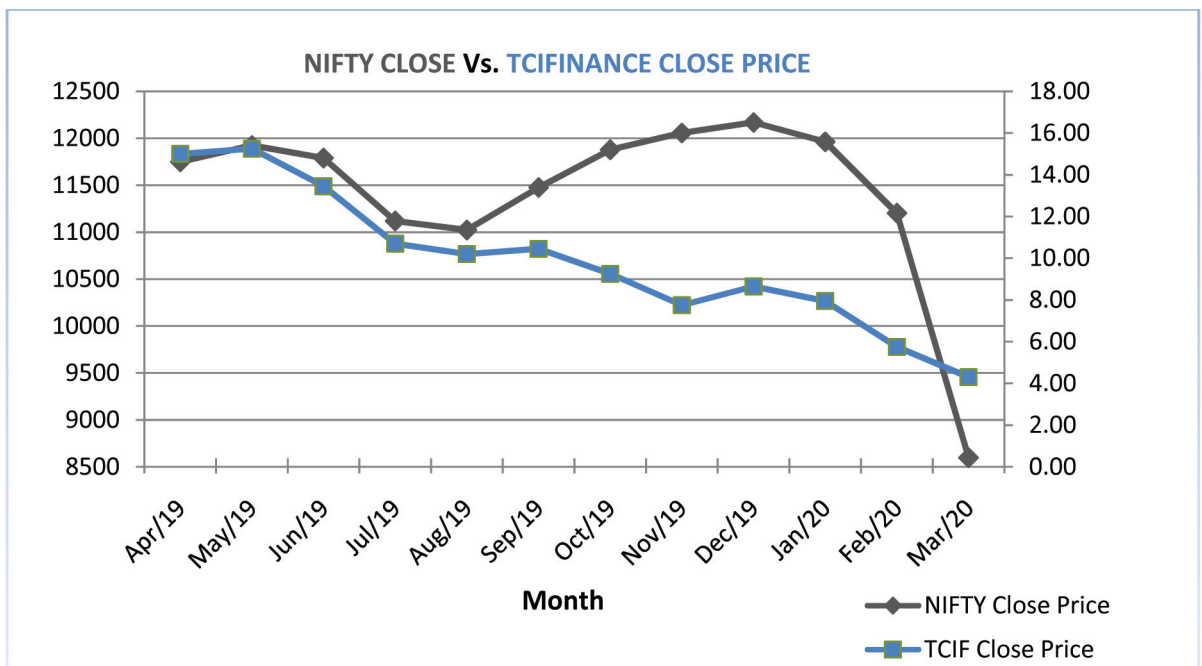
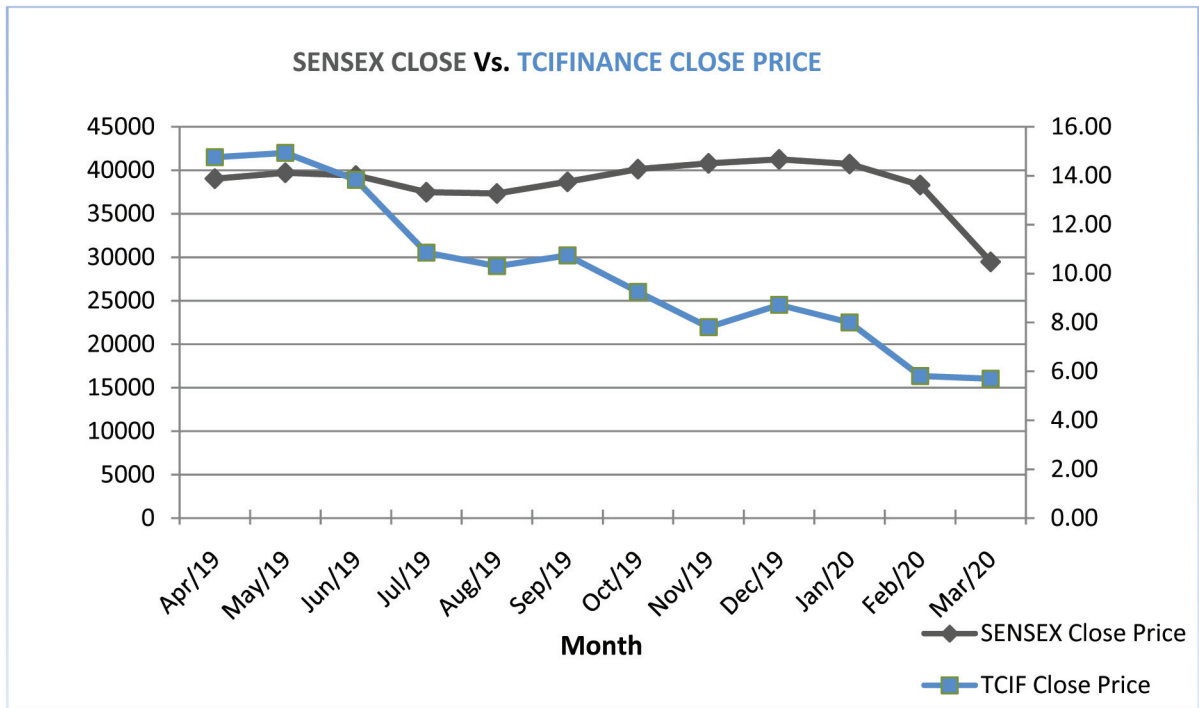
ISIN is a unique identification number of traded scrip. The Company's' ISIN for equity shares is INE911B01018.

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

(Amount in ₹)

<b>Months</b>	<b>NSE</b>		<b>BSE</b>	
	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
Apr-2019	16.45	14.80	16.55	12.25
May-2019	18.90	12.90	19.50	13.00
Jun-2019	16.35	12.65	16.00	11.16
Jul-2019	13.75	10.30	13.85	9.00
Aug-2019	11.85	9.05	11.40	7.70
Sep-2019	11.85	9.50	11.00	8.40
Oct-2019	10.85	8.30	11.34	8.35
Nov-2019	9.90	7.50	10.46	7.00
Dec-2019	13.30	6.85	13.58	7.00
Jan-2020	9.05	7.90	9.00	7.96
Feb-2020	8.10	5.70	7.90	5.81
Mar-2020	6.00	3.80	6.10	5.47

**Performance of the share price of the Company in comparison to the broad based indices BSE SENSEX and NSE NIFTY:**



Further details regarding share price, its movement and all other details are available on the website of the stock exchanges.

**In case the securities are suspended from trading, the director's report shall explain the reason thereof:** Not applicable

**Registrar and Share Transfer Agent****Kfin Technologies Private Limited**

(Formerly known as Karvy Fintech Private Limited)

**Kfin Technologies Private Limited**

(Unit: TCI Finance Limited)

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda,

Hyderabad - 500 032

Tel. No: 040 67161562

E-mail: mohsin.mohd@kfintech.com

**Share transfer System**

Trading in Equity Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.

Pursuant to Regulation 40 of the Listing Regulations, requests for effecting transfer of securities had not been processed unless the securities are held in the dematerialised form with the depository with effect from 1st April, 2019. However, this restriction shall not be applicable to the request received for transmission or transposition of physical shares.

The Board has formulated a committee named Share Transfer committee and delegated the powers of share operations to the Committee. In compliance with the provisions of Regulation 40(9) of the SEBI Listing Regulations, company obtains a certificate from Practicing Company Secretary who conducts Audit of the Share Operations System of the Company on half yearly maintained at the office of the RTA, a copy of such certificate is filed with the stock exchange.

**Relaxation granted by SEBI in wake of the COVID-19 pandemic**

SEBI, considering the nation-wide lockdown, in the wake of the COVID-19 pandemic, granted relaxation by extending the timelines for processing various investor requests in case of physical securities including rematerialisation of shares, transmission of shares, resolution of grievances, issue of duplicate share certificates, etc.

**Dematerialization of Shares and Liquidity**

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, KFin Technologies Private Limited.

91.74% of the total shares have been dematerialized upto March 31, 2020. Dematerialization of shares is done through KFin Technologies 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, 2020	%
Physical Shares	1062120	8.25
NSDL	8697140	67.56
CDSL	3113233	24.19
<b>Total</b>	<b>12872493</b>	<b>100</b>

**Distribution Schedule as on March 31, 2020:**

Srl #	Category	No.of.Cases	% to Cases	Shares	% to Shares
1	1 - 5000	8917	97.19	4287142	33.30
2	5001 - 10000	135	1.47	987203	7.67
3	10001 - 20000	70	0.76	958096	7.44
4	20001 - 30000	19	0.21	483219	3.75
5	30001 - 40000	8	0.09	274189	2.13
6	40001 - 50000	7	0.08	322988	2.51
7	50001 - 100000	8	0.09	563994	4.38
8	100001 and above	11	0.12	4995662	38.81
	<b>Total</b>	<b>9175</b>	<b>100</b>	<b>12872493</b>	<b>100</b>

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

No.	Description	No. of shares on March 31, 2020	% Equity
1	Promoter and Promoter Group	3182360	24.72
2	Non-Resident Indians	80518	0.63
3	Non Resident Indians- Non Repatriable	32681	0.25
4	Bodies Corporate, Bank & HUF	1023360	7.95
5	Resident Individuals	8535710	66.31
6	Clearing Members	15045	0.12
7	Directors and relatives	2819	0.02
	<b>TOTAL</b>	<b>12,872,493</b>	<b>100.00</b>

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

**Disclosure of commodity price risks, foreign exchange risk and commodity hedging activities: Not Applicable.**

**Plant location: None**

**Investor Correspondence**

**For queries relating to shares:**

**Kfin Technologies Private Limited.**

(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@kfintech.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@tcifl.in

## Credit Rating

The Company has neither issued any debt instruments nor undertaken any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad. As such, the Company does not have of credit ratings.

## Annual Secretarial Compliance Report

Pursuant to SEBI Circular dated 8th February, 2019, the Annual Secretarial Compliance Report for the financial year 2019-20 issued by M/s Tapasvilal Deors & Associates, Company Secretaries LLP, confirming compliance with all applicable SEBI Regulations and Circulars/Guidelines issued thereunder, has been submitted to the Stock Exchanges.

## Other Disclosures

### i) Related Party Transactions

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis. The details of the transactions with related parties are placed before the Audit Committee from time to time.

The Company has various exposures to Amritjal Ventures Private Limited (Company in which Mr. Mahendra Agarwal is Director) in the form of Equity and OCD's aggregate carrying value of Rs. 4621.11 Lakhs as on 31.03.2020. A Case has been filed by one of the Financial Creditors against AJVPL before NCLT, Hyderabad which has been admitted but appeal is pending before NCLAT, Delhi.

During the Financial Year 2019-20, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, etc., that may have potential conflict with the interests of the Company at large except transfer of amount of 31,79,385 invoked Shares to M/s Smit Capital Services Private Limited (lender of Mahendra Investment Advisors Private Limited) on behalf of Mahendra Investment Advisors Private Limited. Further, details of related party transactions are presented in Notes to Standalone Financial Statements in the Annual Report.

The policy on dealing with related party transactions has been hosted on the website of the Company and can be accessed through the web link: <https://www.tcifl.in/pdf/RelatedPartyTransactionPolicy.pdf>

In addition, as per the Listing Regulations, your Company has also submitted within 30 days from the date of publication of its standalone financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results and also published it on the website of the Company which can be accessed through the web link: <https://www.tcifl.in/investors/>

At the 45th Annual General Meeting of the Company held on 14th August, 2019, resolution for approval and ratification of material related party transactions was proposed to the Shareholders as an ordinary resolution. However, the said resolution was not passed as the requisite majority of votes required for passing an ordinary resolution was not received.

### ii) Details of non-compliances by the listed entity, penalties, strictures imposed on listed entity by Stock Exchange(s) or the Board or any statutory authority:

The Company has received a notice from BSE Limited & National Stock Exchange of India Limited on 24.07.2019 for non-compliance with Regulation 17(1) of the SEBI (LODR) Regulations, 2015, freezing of promoter holdings and levied a fine of Rs. 5,42,800/- on the promoters of the Company. The Company has submitted a detailed reply to the stock exchanges confirming the compliance of Regulation 17 of SEBI (LODR) Regulations, 2015 on 31.07.2019. On 8th August, 2019, the Company has received a letter from National Stock Exchange of India Limited withdrawing a penalty levied.

The Company has not received any further correspondence from BSE Limited in this regard.

Further as per the Annual Secretarial Compliance report issued by M/s Tapasvilal Deora & Associates, Practicing Company Secretary, the following Non Compliances were observed by them during the year:

S. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 30 of SEBI LODR Regulations, 2015	Not Disclosed material events as per Regulation 30	<p>The Company has not disclosed below mentioned events under Regulation 30 of SEBI (LODR) Regulations, 2015 to the Stock Exchanges.</p> <p>a. Regarding initiation of CIRP process on Amritjal Ventures Private Limited and its subsidiaries (related parties) to which the Company has material exposures in the form of loans, guarantees, investment and other receivables. (Aggregate carrying value of exposures to Amritjal Ventures Private Limited- Rs. 4621.11 Lakhs)</p> <p>b. The Company has not disclosed details of defaults made on loans taken.</p>
2.	Regulation 23 of SEBI LODR Regulations - Related Party Transactions	The Company has entered into material related party transactions without obtaining approval of Shareholders	The Company has entered into material related party transactions without obtaining prior approval of Shareholders as required under Regulation 23 of SEBI (LODR) Regulations, 2015.
3.	SEBI Circular SEBI/HO/CFD/CMD1/C1/R/P/2019/140 dated November 21, 2019	The Company has not disclosed details of defaults	The Company has not disclosed details of defaults made on loans taken.

### (iii) Whistle Blower Policy/Vigil Mechanism

Pursuant to section 177(9) of the Act and regulation 22 of SEBI Listing Regulations, 2015, the Company has framed its Whistle Blower Policy. Further in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Board had amended the existing Whistle Blower Policy.

The Company has put in place a mechanism of reporting illegal or unethical behaviour. Employees are free to report, without any fear of victimization, violations of laws, rules, regulations or unethical conduct, violation of the code of conduct, instances of leak or suspected leak of Unpublished Price Sensitive Information which are detrimental to the organisation's interest 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/investors/>. 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 Whistle Blower Policy provides for reporting of insider trading violations as well as reporting of instances of leak of Unpublished Price Sensitive Information by the employees

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 2019-20.

### (iv) COMPLIANCE

#### Compliance with Mandatory Requirements

The Company has complied with all mandatory requirements to the extent applicable as specified in Regulations 17 to

27 and Regulation 46 of SEBI (LODR) Regulations, 2015 except regulation 23 of SEBI (LODR) Regulations as the Company has not obtained shareholders' approval for material related party transactions entered by the Company in the past.

### Compliance with non mandatory requirement

Company has also ensured implementation of discretionary requirements items such as :

- ◆ Separate posts of Chairman and Managing Director/CEO and reimbursement of expenses in the performance of duties.
- ◆ The Internal auditors of the Company, make quarterly presentations to the Audit Committee on their report and is reporting directly to the Audit Committee.

#### (v) Web link where policy for determining 'material' subsidiaries is disclosed

The Company does not have any material subsidiary. However the policy adopted by the company is uploaded on website of the Company weblink of which is <https://www.tcifl.in/pdf/Policyonmaterialsubsidiaries.pdf>

(vi) **The policy for dealing with related party transactions is available at website of the Company at** <https://tcifl.in/uploads/2020/05/RP-Policy-TCIF.pdf>

(vii) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - Nil**

(viii) **A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed as separately to this report.**

(ix) **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year - There are no such instances during the year and the Board considered and accepted the recommendations of all the Committees.**

#### (x) Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

(Amount in Rs.)

Type of service	2019-20	2018-19
Statutory Audit	1,77,000	1,77,000
Limited review	1,06,200	1,06,200
Certification	-	-
<b>Total</b>	<b>2,83,200</b>	<b>2,83,200</b>

#### (xi) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

In terms of the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the number of complaints received during the financial year 2019-2020 along with their status of redressal as on financial year ended 31st March, 2020 are as under:

- |  |     |
|--|-----|
| 1. No. of Complaints filed during the year                       | Nil |
| 2. No. of Complaints disposed of during the year                 | Nil |
| 3. No. of Complaints pending as on the end of the financial year | Nil |

#### Disclosure of Non-Compliance of any requirement of Corporate Governance Report of Sub-Paras (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations, 2015:

The Company has fully complied with the applicable requirements of Regulation 34(3) of SEBI (LODR) Regulations, 2015



as well as sub-paras (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations, 2015 and amendments thereof in terms of Corporate Governance Report except regulation 23 of SEBI (LODR) Regulations as the Company has not obtained shareholders' approval for material related party transactions

**Details of adoption of Mandatory and Non- Mandatory requirements pursuant to Regulation 27(1) of SEBI (LODR) Regulations, 2015**

The Company has been complying with the discretionary requirements as stipulated in Part E of Schedule II of the SEBI (LODR) Regulations, 2015 which are as follows:

- ◆ Shareholder Rights: As the quarterly, half yearly and Annual financial results are published in the newspapers having wide circulation and sent to stock changes and uploaded on the website of the company. The Company does not consider it prudent to circulate the same separately to the Shareholders of the Company.
- ◆ Modified opinion(s) in audit report: The audit report of the Company's Financial Statements for the year ended 31st March, 2020 is modified and the auditors have issued impact of Audit Qualification.
- ◆ Separate posts of chairperson and chief financial officer.
- ◆ Reporting of Internal Auditor: The Internal Auditor or his representative is a permanent invitee to the Audit Committee meeting and Internal Auditors of the Company make quarterly presentations to the Audit Committee on their reports.

**Disclosure pursuant to Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations, 2015:**

Pursuant to Schedule V of SEBI (LODR) Regulations, 2015, the Company hereby confirms that it has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of SEBI (LODR) Regulations, 2015 and necessary disclosures thereof have been provided in this Corporate Governance Report except regulation 23 of SEBI (LODR) Regulations as the Company has not obtained shareholders' approval for material related party transaction.

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

The manager and CFO who is also heading finance function of the Company has given certification on financial reporting and internal controls to the Board as required under regulation 17(8) of SEBI LODR Regulations, 2015.

**Website:**

The Company has a functional website [www.tcifl.in](http://www.tcifl.in) wherein complete overview of the Company, its Annual Report, financial results, details of its business, shareholding pattern, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, regulatory policies, etc. are uploaded.

**A Certificate regarding compliance of condition of Corporate Governance is issued by M/s Tapasvi Ial Deora & Associates, Practicing Company Secretary. This certificate is annexed to this Annual Report.**

**Details of utilisation of funds raised through Preferential Allotment or Qualified Institutions Placement**

During the year under review, your Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the Listing Regulations.

**Review of legal compliance reports**

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

**Code of Conduct**

Regulation 17(5) of SEBI Listing Regulations, 2015, requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Act.

The Board of Directors of the Company has laid down a code of conduct for all Board Members and designated senior management of the Company. The Code of Conduct has also incorporated the duties of Independent Directors as laid down in the Companies Act 2013. The code of conduct is available on the website of the Company ([www.tcifl.in](http://www.tcifl.in)).

All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Manager 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 <https://tcifl.in/wp-content/uploads/2020/08/Fair-Practice-Code.pdf>

### **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 Company issues a formal letter of appointment/re-appointment to independent directors in the manner as provided in the Act. As per regulation 46(2) of SEBI Listing Regulations, 2015, the terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

### **Maximum tenure of independent directors**

The maximum tenure of independent directors is in accordance with the Act and regulation 25(2) of SEBI Listing Regulations, 2015.

### **Code for Insider Trading Practices**

The Company has formulated and adopted the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" which inter alia, includes the Policy for Determination of "Legitimate Purpose" and the "Code of Conduct for Prevention of Insider Trading in Securities of TCI Finance Limited" in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("the Regulations").

During the year, the Company has in accordance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019, amended the "Code of Conduct for Prevention of Insider Trading in Securities of TCI Finance Limited" by including informant mechanism.

The Code of Conduct for Prevention of Insider Trading in Securities of TCI Finance Limited has been formulated to regulate, monitor and ensure reporting of Trading by Designated Persons and their immediate relatives and Connected Persons designated on the basis of their functional role in the Company towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. The provisions of the Code are designed to prohibit identified Designated Persons and Connected Persons from trading in the Company's Securities when in possession of Unpublished Price Sensitive Information ("UPSI"). The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with Securities of the Company and cautions them of the consequences of violations.

The Code referred above is placed on the Company's website [www.tcifl.in](http://www.tcifl.in)

### **Policy and procedure for inquiry in case of leak/ suspected leak of Unpublished Price Sensitive Information**

The Company has formulated the 'Policy and Procedure for inquiry in case of leak/suspected leak of Unpublished Price Sensitive Information'.

The objective of this Policy is to inter alia, strengthen the internal control systems to prevent leak of Unpublished Price Sensitive Information ("UPSI"), restrict/prohibit communication of UPSI with unauthorised person(s) and curb the unethical practices of sharing sensitive information by persons having access to UPSI. The Policy also provides an investigation procedure in case of leak/ suspected leak of UPSI.

### **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.

### **Compliance with Regulation 34(3) and Part F of Schedule V of the Listing Regulations**

As per the provisions of Regulation 39(4) of SEBI Listing Regulations, the unclaimed shares lying in the possession of

**TCI FINANCE LTD.**

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, 2020 is as under:

S. 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	13	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	13	3900

**AGM through VC**

Pursuant to MCA circulars, the Company will also provide two way video conferencing or webex facility to the members for participating in the 46th AGM. For more details, please refer the Notice of the 46th AGM, which is placed on the Company's website at <https://www.tcifl.in/-financials-annual-reports> and on the website of Stock Exchanges.

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

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

**Management Discussion and Analysis:**

Management Discussion and Analysis forms part of the Annual Report.

**SEBI Complaints Redress System (SCORES):**

The investors' complaints are also being processed through the centralized web base complaint redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints. SEBI vide its Circular dated 26th March, 2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at [https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redressmechanism-new-policy-measures\\_38481.html](https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redressmechanism-new-policy-measures_38481.html)

**CERTIFICATE ON CORPORATE GOVERNANCE**

To.

**The Members of TCI Finance Limited,**

I have examined the compliance of conditions of Corporate Governance by TCI Finance Limited ("the Company") for the year ended March 31, 2020, as per the provisions of regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D 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. My 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 my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable ***except Regulation 23 of SEBI (LODR) Regulations, 2015 as the Company has not obtained shareholders' approval for material related party transaction.***

I 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 Tapasvilal Deora & Associates**  
Practising Company Secretaries

Place: Hyderabad  
Date: July 31, 2020

**Tapasvilal Deora**  
**C.P. No.: 13087**  
**M. No.: F9813**  
**UDIN:F009813B000539903**

**DECLARATION BY CHIEF EXECUTIVE OFFICER / MANAGER**

**[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

I, Ramesh Sivaraman, Manager of TCI Finance Limited hereby declare that all members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of the Company for the year ended 31 March 2020.

**for TCI FINANCE LIMITED**

Place: Hyderabad  
Date: 31st July, 2020

**Ramesh Sivaraman**  
**Manager and CFO**

**NO DISQUALIFICATION CERTIFICATE**

**(Pursuant to clause 10 of Part C of Schedule V of LODR)**

I have examined the relevant registers, records, forms, returns and disclosures of **TCI FINANCE LIMITED** bearing CIN L65910TG1973PLC031293 and having its registered office at Plot No. 20, Survey No. 12, 4th Floor, Kothaguda, Kondapur Hyderabad - 500081, Telangana (hereinafter referred to as 'the Company') produced before me by the Company for the purpose of issuing this certificate in accordance with Schedule V Para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) and on the basis of the written representation/ declarations received from the Directors and taken on record by the Board of Directors as on March 31, 2020, none of the Directors on the Board of the Company for the financial year ending March 31, 2020, have been debarred or disqualified from being appointed or continuing as director of the Company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the basis of my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Tapasvilal Deora & Associates**  
Practising Company Secretaries

Place: Hyderabad  
Date: July 31, 2020

**Tapasvilal Deora**  
**C.P. No.: 13087**  
**M. No.: F9813**  
**UDIN:F009813B000539903**

## CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

- A. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2020 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) 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 quarter 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 quarter;
  - (2) significant changes in accounting policies during the quarter 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.

Thanking You.

**For TCI Finance Limited**

Place: Hyderabad

Date: July 31,2020

**Ramesh Sivaraman**

**Manager and CFO**

# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## Industry Structure and Development

### Business Environment

The global economy is passing through recessionary phase and is having direct impact on the Indian economy which is on a slow down mode. This has resulted into business activities and overall economic momentum continued to remain flat across the major part of 2019. Several indicators suggested stabilising manufacturing and services activities. Financial conditions seemed to improve, following moves to increase monetary policy accommodation and reduced trade policy tensions. However, stress continued across economies,

The outbreak of COVID-19 resulted in rise of many uncertainties totally unseen in past few decades. Right from supply-chain disruptions, plunge in commodity prices, specially oil, substantial dip in capital expenditures to decline in travel, leisure, hospitality and decline in durable purchases, will push global demand and GDP into a tailspin. The adverse effects of COVID-19 are likely to push the global GDP from 2.9% in 2019 to negative territory of 3%. Resulting into growth of around 4% in the financial year 2019-20. And Indian economy likely to be contracted by 7% to 10%

**Table 1: Growth in real GDP and GVA, India**

Particulars	FY2017	FY2018	FY2019	FY2020
Real GDP Growth	8.3%	7.0%	6.1%	4.2%
Real GVA Growth	8.0%	6.6%	6.0%	3.9%

### Industry Updates

Non-banking Financial Companies (NBFC) sector in India has undergone a significant transformation over the past few years. It plays a significant role in the growth of the Indian financial system. Its main objective is to serve the underserved segment of the Indian economy such as MSME, microfinance and other retail segments. Besides, it also plays a critical role in the development of core infrastructure, transport, employment generation, wealth creation, economic development of the weaker sections in India.

The NBFCs have been significantly leveraging the technology to reinvent traditional business model. It has been developing several analytics-based platform to put in place effective risk management framework and focus on high-quality assets. It has further forayed into the deeper pockets of India and supported the nation's financial inclusion programme.

The Budgets of July 2019 and February 2020 clearly indicated the increasing importance of this segment in boosting the economy and bringing in positivity in the investor fraternity. Some of the key measures include:

- ◆ Under the SARFAESI Act, 2002, the eligible limit for debt recovery has been proposed to be reduced from ₹ 5 billion to asset size of ₹ 1 billion or loan size from existing ₹ 10 million to ₹ 5 million.
- ◆ Amendment has been proposed Under the Factoring Regulation Act, 2011 to enable the NBFCs to extend invoice financing to the micro, small and medium enterprises (MSMEs) through the Trade Receivables Discounting System (TReDS), thereby enhancing their economic and financial sustainability.

The economic slowdown in 2019-20 kept the financial markets jittery. The concerns on fiscal slippage, rising geopolitical tensions and weakness in the overall economic activity put further pressure on the business growth of lenders, including NBFCs. The outbreak of Covid-19 led to further uncertainties, while NBFCs were already facing liquidity challenges and increasing NPAs. As per Crisil estimates, NBFCs (including HFCs) are expected to post an AUM growth of 6-8% in 2019-20, as compared to 13% in FY19. NBFCs with large retail portfolio are expected to do well owing to their derisked portfolio and better liquidity. On the Non-performing asset (NPA) front, the GNPA ratio for NBFC sector rose marginally from 6.1% as on March, 2019 to 6.3% as on September, 2019. These delinquencies are expected to rise by another 30 to 150 basis points (bps) by March, 2020 (Source: CRISIL). The NNPA ratio stood at a steady 3.4% as on both the periods (Source: RBI).

As a part of COVID-19 relief measures, the RBI offered moratorium to the borrowers. It further relaxed the bad loan classification period from 90 days to 180 and advised NBFCs to maintain adequate provisioning. The six month moratorium

on term loan repayments given by RBI will not result in any revenue (Interest income) loss for lending banks and NBFCs as borrowers opting for deferment will either have to extend their tenure else increase the quantum of EMIs.

### **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.

Phasing out of lockdown and impact of the liquidity measures will give a tremendous bounce back opportunities to the NBFC. Moreover, with changes in norms of MSME identification, there will be a larger credit demand expected from this segment. Besides, increasing preference of fintech and retailisation of loans, especially to the tier II and tier III cities will keep evolving as opportunity zones for the industry.

### **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.

On the flip side, weak credit profiling of borrowers amid a gradual economic recovery remains one of the biggest threat. Beyond the immediate liquidity challenges, the key challenge for the NBFCs would be to prevent a sharp deterioration in the delinquency levels subsequent to the expiry of the moratorium period. While the lockdown may be gradually removed, the impact on the businesses of the self-employed and SME borrowers is likely to be severe. Besides, sharp decline in government revenue receipts due to the extended lockdown and growth slowdown, coupled with rising need for fiscal support, will throw a spanner in the works of both the Union and State Government finances. The combined fiscal deficit of both the Union and State Governments may reach 12% of GDP in FY21. This can raise the risks of a subsequent ratings outlook downgrade, given the mix of low growth and rising deficit.

### **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.

The Company's total Revenue from Operations during the year were Rs. 420.64 Lakhs and the net profit/loss after tax is Rs. (5231.88) Lakhs as against Rs. 1028.83 Lakhs and Rs. 246.61 lakhs respectively in the previous year.

### **Outlook**

The likely duration, intensity and spread of the coronavirus has brought in increased uncertainty to the global and domestic economic outlook. There has been an impact of imports from China on domestic supply chains, the duration of which remains uncertain. Macro policy responses have been unprecedented in scale and scope and will cushion the near-term shock, with a strong focus on India-made products and services. The path back to normality, after the health crisis subsides, is likely to be slow. India's economic growth has the potential to bounce back once the COVID-19 pandemic settles. This is due to the inward-looking nature of the economy with low, albeit increasing, linkages with other markets and dependence on domestic consumption.

### **Risks and concerns**

The Company recognizes 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.

The Company's Internal Financial Control System is commensurate with the size, scale and complexity of its operations. The Company has in place policies and procedures required to properly and efficiently conduct its business, safeguard its assets, detect frauds and errors, maintain accuracy and completeness of accounting records and prepare financial records in a timely and reliable manner. Further, your Company's Internal Financial Controls (IFC) has been reviewed and actions have been taken to strengthen financial reporting and overall risk management procedures. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss, proper prevention & detection of frauds & error, the accuracy and completeness of the accounting records, and all transactions are authorized, recorded and reported correctly.

The Internal Auditor monitors and evaluates the efficiency and adequacy of Internal Financial control system in the Company, its compliance with operating systems, accounting procedures and policies. To maintain its objectivity and independence, the Internal Auditor reports directly to the Chairman of the Audit Committee of the Board, all the significant audit observations and follow up actions thereon. Both Statutory and internal auditor have quarterly sessions with the Audit committee. The Internal audit reports are placed before the Audit committee on quarterly basis and all findings and observation, if any are recorded thereon. The said observation and comments, if any of the Audit Committee are placed before the board. The Internal Auditor is a permanent invitee to the Audit Committee Meetings. The Audit Committee advises on various risk mitigation exercises on a regular basis.

The audit committee also reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors on periodic basis . Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets company's statutory Auditor to ascertain, inter alia their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations, if any, periodically.

Your Board is of the opinion that the Internal Financial Controls, affecting the Financial Statements of your Company are adequate and are operating effectively.

### **Discussion on Financial Performance with respect to operational performance**

TCI Finance follows accrual basis of accounting under the historical cost convention. It has adopted Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and the effective date of such transition is April 1, 2018. Previous year figures in Financial statements have been restated to Ind AS.

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 Rs. 420.64 Lakhs and the net profit/loss after tax is Rs. (5231.88 Lakhs) as against Rs. 1028.83 Lakhs and Rs. 246.61 lakhs respectively in the previous year.

The loss in the current year is mainly on account of provision for impairment of its investment in and loans granted to M/s Amritjal Ventures Private Limited and due to recognition of fair value of claims against the corporate guarantee granted by the Company to Amritjal Ventures Private Limited and its subsidiary.

The Company is in the process of identifying various alternatives/ new areas to venture into for reviving the Company.

### Material Developments in Human Resources/Industrial Relations

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 5 permanent employees as on 31st March 2020.

### Financial Ratios (%)

Ratios	2019	2020
Debtor Turnover	2.85	0.91
Inventory Turnover	Not Applicable as there is no Inventory	
Interest coverage Ratio	1.41	-12.35
Current Ratio	-	-
Debt equity Ratio	2.72	-2.61
Operating Profit Margin(%)	41	6.88
Net Profit Margin (%)	21	-1236.68

### Explanation

- Debtor turnover:** The reduction in the current year has been mainly on account of non recognition of interest on loans and investments granted to Amrit Jal Ventures Pvt Ltd
- Interest Coverage Ratio:** The steep reduction in Profit has been mainly on account of provision for impairment of loans and advance and investments in Amrit Jal ventures Private Limited
- Current Ratio:** Current ratio has improved in the current year on account of increase in loans granted on account of invocation of shares given as guarantee to Lenders.
- Debt Equity ratio:** The Ratio has turned negative in the current year on account of provision for impairment of loans and advance and investments in Amrit Jal ventures Private Limited
- Operating Profit Margin:** There has been a reduction in the operating margin on account of non recognition of income on loans and advance and investments in and granted to Amrit Jal Ventures Pvt Ltd
- Net Profit Margin:** There has been a negative Net profit margin on account of non recognition of income and provision of impairment loss on loans and advances and investments in and granted to Amrit Jal Ventures Pvt Ltd

### Return on Net Worth

The Company recorded a loss after taxes of Rs. (5231.88 Lakhs) for FY 2019-20 as compared to the profit of Rs. 246.61 lakhs for FY 2018-19. The Net Worth of the Company decreased to (4307.71) as of 31st March 2020 as compared to `3751.58 Lakhs as of 31st March 2019. Due to adverse developments in the entities to whom the company has advanced loans / given guarantees / investments made, the Company had incurred these losses and adversely affect the future income from operations. These factors substantially affected the operations of the Company.

### Cautionary Statement

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

## **INDEPENDENT AUDITORS' REPORT**

To  
**The Members of TCI Finance Limited**

**Report on the Audit of the Standalone Ind AS Financial Statements**

### **Qualified Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of TCI Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, statement of changes in equity and the Statement of Cash Flow for the year then ended and summary of the significant accounting policies and other explanatory information ("here after referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section of this report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act 2013 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, 2020, the Loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### **Basis for qualified Opinion**

We draw attention to:

- a. Note 29 (b) of the standalone Ind AS financial statements regarding claims on the Company by the lenders of Amrit Jal Ventures Private Limited and its subsidiary Gati Infrastructure Bhasmeyer Power Private Limited aggregating to Rs. 25619.80 Lakhs due to invocation of corporate guarantee given by the Company. Against the said liability the Company, considering the disputed nature of claim and unlawful invocation of Corporate Guarantee made a provision of Rs. 7798.91 Lakhs, which resulted in non-recognition of the claim to the extent of Rs. 17,820.89 Lakhs. This in our opinion is not accordance with Indian Accounting Standards and generally accepted accounting principles. Accordingly, the loss for the year is understated and the reserves are overstated by Rs. 17,820.89 Lakhs.
- b. Note no 32 of the standalone Ind AS financial statements regarding exposures to Mahendra Investment Advisors Private Limited (MIAPL) in the form of Inter Corporate deposits (ICD's) and interest receivable aggregating to Rs. 4,359.37 Lakhs. In view of the negative net worth in the standalone Ind AS's latest financial statements of MIAPL, we are unable to comment on the recovery of amounts due from MIAPL.
- c. Note no 28 (ii) of the standalone Ind AS financial statements regarding the investments in equity shares of a Company held in Gati Limited pledged as security for the credit facilities availed by Gati Infrastructure Private Limited (GIPL) on receipt of letter of comfort from Amrit Jal Ventures Private Limited. The lenders of GIPL have invoked the pledge. However, the same were disclosed as "Investments" as at March 31, 2020 for the reasons stated in the said note. Considering the uncertainty relating to recoverability of the said investment, we are unable to comment on the impact if any on the loss for the year and reserves and carrying value of investments at this stage.
- d. Note no 28(iii) of the standalone Ind AS financial statements regarding the investments in equity shares of the Company held in Gati Limited pledged for the facilities availed by Amrit Jal Ventures Private Limited (AJVPL). The lenders of AJVPL have invoked the pledge. However, same were disclosed as "Investments" as at March 31, 2020 for the reasons stated in the said note. Considering the uncertainty relating to recoverability of the said investment, we are unable to comment on the impact if any on the loss for the year and reserves and carrying value of investments at this stage.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone Ind AS financial statements.

### Material Uncertainty Related to Going Concern

We draw attention to Note 33 of the standalone Ind AS financial statements regarding Company's financial exposures, as at year ended March 31, 2020, in the form of investments, amounts receivable by the Company and guarantees given by the Company on behalf of Amrit Jal Ventures Private Limited and its subsidiaries as stated in the Basis for qualification section above. The factors indicate that a material uncertainty exists in respect of realization of amounts due from these entities and which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is modified in respect of this matter.

#### Emphasis of Matter:

We draw attention to

- a. Note no 29.a of the standalone Ind AS financial statements regarding the various exposures to Amrit Jal Ventures Private Limited (AJVPL) in the form of Equity, Optionally Convertible Debentures (OCDS), Inter Corporate Deposit (ICD'S) and tax deducted at source having a carrying value of Rs. 4,621.11 Lakhs. For the reasons stated in the said note, the Company has made a provision for these balances as at March 31, 2020. Further no interest was recognised as at March 31, 2020 for the loans given and on OCDS.
- b. Note no 28(i) of the standalone Ind AS financial statements regarding the accounting treatment and presentation and disclosure relating to sale of pledged shares by the lenders of the Company / lenders of the Related Parties.
- c. Note no 25 of the standalone Ind AS financial statements regarding the petition filed by the three shareholders on the Company and the management regarding oppression and mismanagement of affairs of the Company and the statutory auditors of the Company regarding reporting requirements of the said transactions.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

S.No	Key Audit Matters	Auditors Response
1	<b>Going Concern</b>	Refer to Material Uncertainty Related to Going Concern paragraph above
2	Accuracy of existence, rights & obligations, completeness, and valuation of the investments given as guarantees to the lenders of the Company / lenders of the related parties - Refer Note 28 to the Standalone Ind AS financial statements - "Investments Sale of Pledged Shares by Lenders".	We reviewed the matters involved in the litigations and also the representations furnished by the Company and also other undertakings by the counter parties. The same has been reported under "Basis for qualified Opinion " section of this report
3	<b>Recoverability of the exposures</b> As at March 31, 2020 the Company has got the exposures of Mahendra Investment Advisors Private Limited (referred as MIAPL) aggregating to Rs. 4,359.37 Lakhs - Refer Note 29 to the Standalone Ind AS financial statements	Valuation estimates of the respective entities, to whom these loans were given, prepared by the management and approved by the Board of Directors / Audit Committee. These estimates have been considered and in view of the uncertainties involved in the estimates, the same has been reported under "Basis for qualified Opinion " section of this report
4	<b>Recognition of the corporate guarantee as liability</b> As at March 31, 2020 the Company has given Corporate guarantees to lenders of Amrit Jal Ventures Private Limited and to the lenders of subsidiaries of AJVPL (collectively referred as AJVPL) aggregating to Rs. 31,366.71 Lakhs - Refer Note 29(b) to the Standalone Ind AS financial statements	Guarantee invocations by the lenders and ability of the entities on whose behalf the guarantees were given, prepared by the management and approved by the Board of Directors / Audit Committee. These estimates have been considered and in view of the uncertainties involved in the estimates, the same has been reported under "Basis for qualified Opinion " section of this report

## **Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Financial and Operational Review, Director's Report, Corporate Governance Report, Annual Report on CSR activities, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with The Accounting Standards specified under section 133 of the Companies Act, 2013, 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibility for the Audit of Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the applicable.
2. As required by Section 143(3) of the Companies Act, 2013, 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 purpose of our audit.
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, statement of changes in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of the account.
  - d) Except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act
  - e) The matter relating to going concern described under Material Uncertainty Related to Going Concern paragraph above, and the matters stated at paragraphs "a" to "d" of Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) on the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

h) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'. Our report expresses a modified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

i) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

j) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note No. 24 and 25 to the standalone Ind AS financial statements.

ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company for the year ended March 31, 2020.

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

**V K Muralidhar**  
Partner  
Membership No. 201570

Hyderabad, July 31, 2020

UDIN : 20201570AAAAEE1288

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

(Referred to in paragraph '1' under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of TCI Finance Limited 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 / in the name of the amalgamated companies.
- ii. Having regard to the nature of the Company's business, paragraph 3(ii) of the Order relating to inventories is not applicable.
- iii. In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to two 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 during the year to both the parties covered in the register maintained under Section 189 of the Companies Act, 2013 amounting to Rs. 2,709.01 Lakhs and the balance outstanding (Gross) as at March 31, 2020- Rs.5,585.55 Lakhs, are not prejudicial to the interests of the Company. However, during the year loans given to one of the entities aggregating to Rs. 1,401.03 Lakhs became non performing and has been impaired by the management (Refer Note 4.3 to the financial statements). With respect to loan given to the other entity refer to para "b" in "Basis for Qualified Opinion" section of main report.
  - b. Schedule of repayment of principal and payment of interest has been stipulated by the Company. Receipt of principal and interest from the parties mentioned as per the register maintained under Section 189 of the Companies Act, 2013 is irregular. No interest has been recognised on the amounts receivable from the entity which became non performing and impaired by the management, during the year. With respect to other entity, refer para "b" in "Basis for Qualified Opinion" of main report.
  - c. There are over dues towards principal and interest for more than ninety days. Refer to para a and b above.
- iv. In our opinion and according to the information and explanations given to us, provisions of Section 185 and Section 186 of the Companies Act 2013 are not applicable to the Company being a Non Banking Financial Institution - a Loan Company. Hence, reporting under the provisions of paragraph 3(iv) of the Order does not arise. Refer Note No 37 of the standalone Ind AS financial statements for the details of the transactions with the parties covered under Section 185 and Section 186 of the Companies Act 2013.
- 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 generally not regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Sales-tax, Service Tax, Customs duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year.
  - (b) Details of dues of Income Tax, Sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2020 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 except as stated below:

Particulars	Amount of default (Rs.)	Period of default (days)	Remarks
HDFC Limited	134.08	39-84	Principle
HDFC Limited	201.15	39-84	Interest

- 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 of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards. Refer note 37 to the standalone Ind AS financial statements.
- 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, July 31, 2020

UDIN : 20201570AAAAEE1288

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

(Referred to in paragraph '2.f' under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of TCI Finance Limited of even date)

**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, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company 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") issued by ICAI and the Standards on Auditing 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 that 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 auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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

**TCI FINANCE LTD.**

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.

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2020:

- a. The Company's internal financial controls system over estimation of diminution in the carrying value of investments and accrual of potential obligation in case of an overseas subsidiary was not operating effectively which could potentially result in misstatement in the financial statements by way of Company not providing for adjustments/provisions, if any, that may be required.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, 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, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2020.

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2020, and the related Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone Ind AS financial statements of the Company and this report affects our report dated May 30, 2020, on which we have expressed a qualified opinion on those standalone Ind AS financial statements.

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

**V K Muralidhar**  
Partner

Membership No.201570

Hyderabad, July 31, 2020

UDIN : 20201570AAAAEE1288

**TCI FINANCE LIMITED**

CIN:L65910TG1973PLC031293

**Standalone Balance sheet as at March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)*

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>I</b>	<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>				
a	Cash and Cash Equivalents	3	11.50	6.81	17.83
b	Loans	4	4,173.62	2,914.79	4,675.52
c	Investments	5	2,354.70	10,100.11	10,597.87
d	Other financial assets	6	178.66	699.55	223.47
<b>2</b>	<b>Non Financial Assets</b>				
a	Current tax assets	7	127.69	135.97	102.85
b	Deferred tax asset	8	-	2.61	5.66
c	Investment property		88.16	88.16	-
d	Property, Plant and Equipment	9	40.55	39.53	51.82
e	Other intangible assets	10	0.06	0.12	-
	<b>Total Assets</b>		<b>6,974.94</b>	<b>13,987.65</b>	<b>15,675.02</b>
<b>II</b>	<b>LIABILITIES AND EQUITY</b>				
	<b>Liabilities</b>				
<b>1</b>	<b>Financial Liabilities</b>				
a	Payables				
	- Trade payables	11			
	- total outstanding dues of micro enterprises and small enterprises				
	- total outstanding dues of creditors other than micro enterprises and small enterprises		42.07	42.81	48.86
b	Borrowings	12	3,173.67	3,426.09	5,196.64
c	Other financial liabilities	13	8,055.67	6,760.69	5,830.21
<b>2</b>	<b>Non Financial Liabilities</b>				
	Provisions	14	11.23	6.48	4.91
	<b>Total Liabilities</b>		<b>11,282.65</b>	<b>10,236.07</b>	<b>11,080.62</b>
<b>3</b>	<b>Equity</b>				
a	Equity share capital	15	1,419.63	1,419.63	1,419.63
b	Other equity	16	(5,727.34)	2,331.95	3,174.78
	<b>Total Equity</b>		<b>(4,307.71)</b>	<b>3,751.58</b>	<b>4,594.41</b>
	<b>Total Liabilities and Equity</b>		<b>6,974.94</b>	<b>13,987.65</b>	<b>15,675.02</b>

**Accompanying notes form an integral part of the Standalone Ind AS Financial Statements**

As per our report of even date attached.

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

**V K Muralidhar**  
Partner

Hyderabad, July 31, 2020

For and on behalf of the Board  
**TCI Finance Limited**

**D R Agarwal**  
Chairman  
DIN No : 00322861

**Srishti Soni**  
Company Secretary  
M.No. : A46395

**Ashok Kumar Goyal**  
Director  
DIN No : 05129899

**Ramesh Sivaraman**  
Manager

**TCI FINANCE LIMITED**

CIN:L65910TG1973PLC031293

**Standalone Statement of Profit and Loss for the year ended March 31, 2020**

(All amounts in Rs Lakhs, except share data and where otherwise stated)

	Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>I</b>	<b>Revenue from operations</b>			
i	Interest income	17	386.50	901.38
ii	Dividend income		34.14	44.54
iii	Rental income		-	1.76
iv	Other operating income		-	81.15
	<b>Total Revenue from Operations</b>		<b>420.64</b>	<b>1,028.83</b>
<b>II</b>	Other income	19	2.42	119.26
<b>III</b>	<b>Total Income (I + II)</b>		<b>423.06</b>	<b>1,148.09</b>
<b>IV</b>	<b>Expenses</b>			
i	Finance costs	20	391.71	606.78
ii	Employee Benefits Expenses	21	66.67	61.13
iii	Depreciation, amortization and impairment	22	2.20	2.09
iv	Other expenses	23	57.34	58.33
v	Loss on sale of investments	18	510.13	74.04
vi	Impairment loss on loans		1,404.21	(4.11)
vii	Provision for interest receivable	6	242.94	-
viii	Fair value loss on Optionally Convertible Debentures		2,349.28	-
ix	Fair value loss on Unquoted equity		627.86	-
	<b>Total expenses</b>		<b>5,652.33</b>	<b>798.26</b>
<b>V</b>	Profit / (Loss) before exceptional items and tax		(5,229.27)	349.83
<b>VI</b>	Exceptional Items		-	-
<b>VII</b>	<b>Profit / (Loss) before tax</b>		<b>(5,229.27)</b>	<b>349.83</b>
<b>VIII</b>	<b>Tax expense</b>			
	- Current tax		-	100.17
	- Deferred tax		2.61	3.05
<b>IX</b>	<b>Profit / (Loss) after tax</b>		<b>(5,231.88)</b>	<b>246.61</b>
<b>X</b>	<b>Other Comprehensive Income/ (Loss)</b>			
(i)	Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss)on investments		(1,745.86)	(160.85)
	Remeasurement gain/(loss)on Corporate Guarantee		(1,078.25)	(926.99)
	Remeasurement gain/(loss)on defined benefit plan (Net of taxes)		(3.29)	(1.59)
	<b>Sub total</b>		<b>(2,827.40)</b>	<b>(1,089.44)</b>
<b>XI</b>	Total Comprehensive Loss for the year (IX + X)		(8,059.28)	(842.83)
<b>XII</b>	Earning per equity share of Rs. 10/- each	35		
	Basic (Rs.)		(40.64)	1.92
	Diluted (Rs.)		(40.64)	1.92

**Accompanying notes form an integral part of the Standalone Ind AS Financial Statements**

As per our report of even date attached.

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

**V K Muralidhar**  
Partner

Hyderabad, July 31, 2020

For and on behalf of the Board  
**TCI Finance Limited**

**D R Agarwal**  
Chairman  
DIN No : 00322861

**Srishti Soni**  
Company Secretary  
M.No. : A46395

**Ashok Kumar Goyal**  
Director  
DIN No : 05129899

**Ramesh Sivaraman**  
Manager

**TCI FINANCE LIMITED**

CIN:L65910TG1973PLC031293

**Standalone Cash Flow Statement for the Year ended March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)*

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash Flow From Operating Activities</b>		
Net profit before tax and extra ordinary items	(5,229.27)	349.83
<b>Adjustments for:</b>		
Depreciation and Amortisation	2.20	2.09
Loss on sale of Investments	510.13	74.04
Profit on sale of assets	-	(89.76)
Provision for investments	2,977.14	-
Provision for interest receivable	242.94	-
Provision for doubtful loans	1,404.21	-
Dividend received (Long Term Investments)	(34.14)	(44.54)
	<b>(126.80)</b>	<b>291.66</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Other financial assets	277.95	(476.07)
Other Current Assets	-	-
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade Payables	(0.74)	(6.05)
Other financial Liabilities	216.73	3.50
Short Term Provisions	-	-
Long Term Provisions	3.16	0.02
Cash used in Operations	370.29	(186.94)
Net Income Tax Refunded	6.08	(133.29)
Net Cash used in Operations	376.37	(320.23)
Loans Received back/ (Disbursed) (Net)	(2,663.03)	1,760.73
<b>Net Cash from / (used in) Operating Activities (A)</b>	<b>(2,286.66)</b>	<b>1,440.50</b>
<b>B. Cash Flow from Investing Activities</b>		
Proceeds from Sale of Fixed assets	-	100.00
Purchase of Investment Property	-	(88.16)
Purchase of Intangible assets	-	(0.16)
Purchase of Property, Plant and Equipment	(3.16)	-
Sale of Long Term Investments	2,512.35	262.86
Dividend received (Long term Investments)	34.14	44.54
<b>Net cash from / (used in) Investing Activities (B)</b>	<b>2,543.33</b>	<b>319.08</b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment of long term and Short Term Borrowings (net)	(252.42)	(1,770.55)
<b>Net cash from Financing Activities (C)</b>	<b>(252.42)</b>	<b>(1,770.55)</b>
<b>Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>4.26</b>	<b>(10.98)</b>
Cash and Cash Equivalents at the beginning of the year	6.81	17.83
<b>Cash and Cash Equivalents at the end of the year</b>	<b>11.07</b>	<b>6.86</b>
<b>Components of Cash and Bank Balances comprises of :</b>		
Cash on Hand	0.14	0.16
With Banks		
- in Current Accounts	11.36	6.65
- Deposit account	-	-
<b>Cash and Bank Balances at the end of the year</b>	<b>11.50</b>	<b>6.81</b>

Accompanying notes form an integral part of the Standalone Ind AS Financial Statements

As per our report of even date attached.

For **M.Bhaskara Rao & Co.**  
Chartered Accountants**V K Muralidhar**  
Partner

Hyderabad, July 31, 2020

**D R Agarwal**  
Chairman, DIN No : 00322861**Srishti Soni**  
Company Secretary, M.No. : A46395For and on behalf of the Board  
**TCI Finance Limited****Ashok Kumar Goyal**  
Director, DIN No : 05129899**Ramesh Sivaraman**  
Manager

**TCl FINANCE LIMITED**  
CIN:L65910TG1973PLC031293

**Statement of Changes in Equity for the year ended March 31, 2020**  
(All amounts in Rs Lakhs, except share data and where otherwise stated)

**A. Equity Share Capital**

	No. of Shares	Amount
<b>As at April 01, 2018</b>	<b>12,872,493</b>	<b>1,419.63</b>
Changes in Equity share capital during the year		
<b>As at March 31, 2019</b>	<b>12,872,493</b>	<b>1,419.63</b>
Changes in Equity share capital during the period		
<b>As at March 31, 2020</b>	<b>12,872,493</b>	<b>1,419.63</b>

**B Other Equity**

	Reserves and Surplus			Items of Other Comprehensive income/ (Loss)	Total
	Securities Premium	General Reserve	Reserve Fund		
<b>Balance at the April 01, 2018</b>	1.63	352.19	622.68	(142.85)	3,174.78
Profit for the year	-	-	-	-	246.61
Other Comprehensive Loss for the year	-	-	-	(1,089.44)	(1,089.44)
Transfer to Reserve fund	-	-	-	-	(85.45)
Transfer from Retained earnings	-	-	85.45	-	85.45
Adjustments relating to fair value of investments	-	-	-	(182.26)	-
<b>Balance as at March 31, 2019</b>	<b>1.63</b>	<b>352.19</b>	<b>708.13</b>	<b>(1,414.55)</b>	<b>2,331.95</b>
Loss for the year	-	-	-	-	(5,231.88)
Other Comprehensive Loss for the year	-	-	-	(2,827.40)	(2,827.40)
Transfer to Reserve fund	-	-	-	-	-
Transfer from Retained earnings	-	-	-	-	-
Adjustments relating to fair value of investments	-	-	-	(2,620.65)	-
<b>Balance as at March 31, 2020</b>	<b>1.63</b>	<b>352.19</b>	<b>708.13</b>	<b>(6,862.61)</b>	<b>(5,727.34)</b>

**Accompanying notes form an integral part of the Standalone Ind AS Financial Statements**

As per our report of even date attached.

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

**V K Muralidhar**  
Partner  
05129899

Hyderabad, July 31, 2020

**DR Agarwal**  
Chairman, DIN No : 00322861

**Srishti Soni**  
Company Secretary, M.No. : A46395

For and on behalf of the Board  
**TCl Finance Limited**

**Ashok Kumar Goyal**  
Director, DIN No :

**Ramesh Sivaraman**  
Manager

**TCI FINANCE LIMITED**

CIN:L65910TG1973PLC031293

**Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)*

<b>1</b>	<p><b>Corporate information</b></p> <p>TCI Finance Limited ("the Company") is a public company domiciled in India. Its shares are listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is a "Loan company" engaged in the business of Non Banking Financial Institution as defined in section 45I(a) of the Reserve Bank of India Act, 1934.</p>
<b>2</b>	<p><b>Summary of Significant accounting policies</b></p>
<b>2.1</b>	<p><b>Preparation of financial statements</b></p>
<b>2.1.1</b>	<p><b>Basis for preparation</b></p> <p>The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.</p> <p>The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving higher degree of judgement or complexity, or areas where assumptions are significant to the company are discussed in Note 2.2 - Use of estimates and judgements and Estimation uncertainty.</p> <p>The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakhs, except when otherwise indicated.</p> <p>The standalone financial statements were authorised for issue by the Company's Board of Directors at its meeting held on July 31, 2020.</p>
<b>2.1.2</b>	<p><b>Presentation of financial statements</b></p> <p>The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:</p> <ol style="list-style-type: none"> <li>i. The normal course of business</li> <li>ii. The event of default</li> <li>iii. The event of insolvency or bankruptcy of the Company and/or its counterparties</li> </ol>
<b>2.1.3</b>	<p><b>Statement of compliance</b></p> <p>These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.</p>
<b>2.1.4</b>	<p><b>Functional and presentation currency</b></p> <p>These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency.</p>
<b>2.1.5</b>	<p><b>Basis of measurement</b></p> <p>The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.</p>
<b>2.1.6</b>	<p><b>Measurement of fair values</b></p> <p>A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:</p>



- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**2.2 Use of estimates and judgements and Estimation uncertainty**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

**2.2.1 Effective Interest Rate (EIR) Method**

"The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return" over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument."

**2.2.2 Impairment of Financial Assets**

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including The various formulae and the choice of inputs

**2.2.3 Provisions and other contingent liabilities**

The reliable measure of the estimates and judgements pertaining to litigations and the regulatory proceedings in the ordinary course" of the Company's business are disclosed as contingent liabilities. "Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances."

**2.3 First-time adoption of Ind AS – mandatory exceptions and optional exemptions**

The Company has prepared the opening balance sheet as per Ind AS as of 1st April 2018 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as mentioned below:

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**Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)*

	<p><b>Deemed cost for property, plant and equipment and intangible assets -</b></p> <p>The Company has elected to measure property, plant and equipment, and intangible assets at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS.</p> <p><b>De-recognition of financial assets and financial liabilities related to securitisation transactions -</b></p> <p>The Company has not elected the exemption of applying the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.</p>
<b>2.4</b>	<b>Revenue Recognition</b>
<b>2.4.1</b>	<p><b>Interest Income</b></p> <p>Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.</p> <p>The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.</p>
<b>2.4.2</b>	<p><b>Rental Income :</b></p> <p>Income from operating leases is recognised in the Statement of profit and loss as per contractual rentals unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.</p>
<b>2.4.3</b>	<p><b>Fee and commission income :</b></p> <p>Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due.</p>
<b>2.4.4</b>	<p><b>Dividend income on investments</b></p> <p>- Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, It is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.</p>
<b>2.5</b>	<b>Property Plant and Equipment (PPE) :</b>
<b>2.5.1</b>	<p><b>Tangible Assets:</b> PPE are carried at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.</p> <p>Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.</p> <p>Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.</p>
<b>2.5.2</b>	<p><b>Intangible Assets:</b> Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.</p> <p>Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life.</p>
<b>2.6</b>	<p><b>Depreciation and Amortisation</b></p> <p>Depreciable amount of assets is the cost of an asset, or other amount substituted for cost less its estimated residual value.</p>

	<p>Depreciation on PPE has been provided on the straight line method as per the useful lives prescribed in schedule II to the Companies Act, 2013 .</p> <p>Intangible assets are amortised, on the straight line method on the useful lives prescribed in schedule II to the Companies Act, 2013 .</p>
<b>2.7</b>	<p><b>Investments</b></p> <p>Investments are classified as Long term and Current. Long term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.</p> <p>Investments in subsidiaries and associate are measured at cost less accumulated impairment, if any.</p>
<b>2.8</b>	<p><b>Financial instruments</b></p>
<b>2.8.1</b>	<p><b>Recognition and initial measurement</b></p> <p>Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.</p>
<b>2.8.2</b>	<p><b>Classification and Subsequent measurement of financial assets-</b></p> <p>On initial recognition, a financial asset is classified as measured at</p> <ul style="list-style-type: none"><li>- Amortised cost;</li><li>- FVOCI - debt instruments;</li><li>- FVOCI - equity instruments;</li><li>- FVTPL</li></ul> <p><b>Amortised cost -</b></p> <p>The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.</p> <p><b>FVOCI - debt instruments -</b></p> <p>The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.</p> <p><b>FVOCI - equity instruments -</b></p> <p>The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.</p> <p>Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.</p> <p>All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.</p>

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**Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)***Subsequent measurement of financial assets**

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment losses are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss. Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

**2.8.3 Financial liabilities and equity instruments:****Classification as debt or equity -**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments -**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

**Financial liabilities -**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-fortrading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

**Financial guarantee contracts:**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 - Revenue.

<b>2.8.4</b>	<p><b>Derecognition</b></p> <p><b>Financial assets</b></p> <p>The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.</p> <p><b>Financial liabilities</b></p> <p>A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.</p>
<b>2.8.5</b>	<p><b>Offsetting</b></p> <p>Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.</p>
<b>2.8.6</b>	<p><b>Impairment of financial instruments</b></p> <p>Equity instruments are not subject to impairment under Ind AS 109. The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.</p> <p>The Company recognises lifetime ECL for other financial assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.</p>
<b>2.8.7</b>	<p><b>Write offs -</b></p> <p>The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/ borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.</p>
<b>2.9</b>	<p><b>Employee Benefits</b></p>
<b>2.9.1</b>	<p><b>Short-term employee benefits</b></p> <p>Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the</p>

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## Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020

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	<p>amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.</p>
<b>2.9.2</b>	<p><b>Gratuity -</b></p> <p>The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.</p> <p>The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.</p> <p><b>Remeasurement gains/losses -</b></p> <p>Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period. Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.</p>
<b>2.10</b>	<p><b>Finance costs :</b></p> <p>Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost - bank term loans, non-convertible debentures, fixed deposits mobilised, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.</p>
<b>2.11</b>	<p><b>Taxation:</b></p> <p>Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.</p>
<b>2.11.1</b>	<p><b>Current Tax:</b> Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.</p>
<b>2.11.2</b>	<p><b>Deferred Taxes:</b> Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases.</p> <p>Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.</p> <p>Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.</p>
<b>2.12</b>	<p><b>Impairment of assets other than financial assets :</b></p> <p>The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists,</p>

<b>2.13</b>	<p>the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or company of assets.</p> <p>Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cashgenerating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.</p> <p>When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cashgenerating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.</p> <p><b>Provisions :</b></p> <p>Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.</p> <p>The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.</p> <p>Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.</p>
<b>2.14</b>	<p><b>Earnings Per Share:</b></p> <p>Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.</p>

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at April 01, 2018</b>
<b>3 Cash and bank balances</b>			
<b>3.1 Cash and Cash Equivalents</b>			
Cash on hand	0.14	0.16	0.01
Balances with Banks			
In Current Accounts	11.36	6.65	17.82
	<b>11.50</b>	<b>6.81</b>	<b>17.83</b>

**3.2** The Company has not taken bank overdraft, therefore the cash and cash equivalents for Cash flow statement is same as cash and for cash equivalent given above.

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**Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)***4 Loans (Refer Note 38)**

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>(A) Term Loans</b>	5,585.54	2,922.51	4,687.35
Less: Impairment loss allowance (Refer Note no 4.3)	(1,411.93)	(7.72)	(11.83)
<b>Total (A) - Net</b>	<b>4,173.62</b>	<b>2,914.79</b>	<b>4,675.52</b>
<b>(B) Out of (A) above:</b>			
1. Secured by tangible assets	-	-	-
2. Unsecured	5,585.54	2,922.51	4,687.35
<b>Total (B) - Gross</b>	<b>5,585.54</b>	<b>2,922.51</b>	<b>4,687.35</b>
Less: Impairment loss allowance	(1,411.93)	(7.72)	(11.83)
<b>Total (B) - Net</b>	<b>4,173.62</b>	<b>2,914.79</b>	<b>4,675.52</b>
<b>(C) Out of (A) above:</b>			
<b>In India:</b>			
1. Public Sector	-	-	-
2. Others	-	-	-
___ Corporates	5,585.54	2,922.51	4,687.35
<b>Total (C) - Gross</b>	<b>5,585.54</b>	<b>2,922.51</b>	<b>4,687.35</b>
Less: Impairment loss allowance (Refer Note no 4.3)	(1,411.93)	(7.72)	(11.83)
<b>Total (C) - Net</b>	<b>4,173.62</b>	<b>2,914.79</b>	<b>4,675.52</b>

Note: There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.

**4.1 Credit quality of assets**

The table below shows the credit quality and maximum exposure to credit risk based on the Company's internal credit rating system and year - end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 41 (ii) and policies on whether ECL allowance are calculated on an individual or collective basis are set out in Note 2.8.6

Particulars	As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
<b>Internal rating grade</b>				
High grade	-	-	-	-
Standard grade	-	4,184.51	-	4,184.51
Sub-Standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non performing	-	-	1,401.03	1,401.03
<b>Total</b>	-	<b>4,184.51</b>	<b>1,401.03</b>	<b>5,585.54</b>
Less: Impairment Provision	-	<b>10.90</b>	<b>1,401.03</b>	<b>1,411.93</b>
	-	<b>4,173.62</b>	-	<b>4,173.62</b>



Particulars	As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
<b>Internal rating grade</b>				
High grade	-	-	-	-
Standard grade	2,922.51	-	-	2,922.51
Sub-Standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non performing	-	-	-	-
<b>Total</b>	<b>2,922.51</b>	<b>-</b>	<b>-</b>	<b>2,922.51</b>
Less Provision for impairment on Standard	<b>(7.72)</b>	<b>-</b>	<b>-</b>	<b>(7.72)</b>
	<b>2,914.79</b>	<b>-</b>	<b>-</b>	<b>2,914.79</b>

Particulars	As at April 1, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
<b>Internal rating grade</b>				
High grade	1,900.00	-	-	1,900.00
Standard grade	2,787.35	-	-	2,787.35
Sub-Standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non performing	-	-	-	-
<b>Total</b>	<b>4,687.35</b>	<b>-</b>	<b>-</b>	<b>4,687.35</b>
Less Provision for impairment on Standard & High Grade	<b>(11.83)</b>	<b>-</b>	<b>-</b>	<b>(11.83)</b>
	<b>4,675.52</b>	<b>-</b>	<b>-</b>	<b>4,675.52</b>

**4.2 An analysis of changes in the gross carrying amount as follows:**

Particulars	As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
<b>Gross carrying amount opening balance</b>	2,922.51	-	-	2,922.51
New Assets originated or purchased	2,663.03	-	-	2,663.03
Asset derecognised or repaid (excluding write offs)	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(4,184.51)	4,184.51	-	-
Transfer to Stage 3	(1,401.03)	-	1,401.03	-
Amount written off	-	-	-	-
<b>Total</b>	<b>0.00</b>	<b>4,184.51</b>	<b>1,401.03</b>	<b>5,585.54</b>

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## Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020

(All amounts in Rs Lakhs, except share data and where otherwise stated)

Particulars	As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
<b>Gross carrying amount opening balance</b>	4,687.35	-	-	4,687.35
New Assets originated or purchased	337.66	-	-	337.66
Asset repaid	2,102.50	-	-	2,102.50
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amount written off	-	-	-	-
<b>Total</b>	<b>2,922.51</b>	<b>-</b>	<b>-</b>	<b>2,922.51</b>

## 4.3 Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
<b>ECL allowance - Opening balance</b>	7.72	-	-	7.72
Additional Provision	3.18	-	1,401.03	1,404.21
Asset derecognised or repaid (excluding write offs)	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(10.90)	10.90	-	-
Transfer to Stage 3	-	-	-	-
Impact on year end ECL of expenses transferred between stages during the year and reversal of ECL on account recovery	-	-	-	-
Unwinding of discount	-	-	-	-
Changes of contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Amount written off	-	-	-	-
<b>ECL allowance - Closing balance</b>	<b>-</b>	<b>10.90</b>	<b>1,401.03</b>	<b>1,411.93</b>

Particulars	As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
<b>ECL allowance - Opening balance</b>	11.83	-	-	11.83
Additional Provision	-	-	-	-
ECL Reversed	(4.11)	-	-	(4.11)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Impact on year end ECL of expenses transferred between stages during the year and reversal of ECL on account recovery	-	-	-	-
Unwinding of discount	-	-	-	-
Changes of contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Amount written off	-	-	-	-
<b>ECL allowance - Closing balance</b>	<b>7.72</b>	<b>-</b>	<b>-</b>	<b>7.72</b>

**5 Investments**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at April 01, 2018</b>
1. Debt Securities	2,384.28	2,384.28	2,384.28
2. Equity instruments	2,949.59	7,717.85	8,089.45
3. Subsidiaries (at cost)		-	125.00
<b>Total (A) - Gross</b>	<b>5,333.87</b>	<b>10,102.13</b>	<b>10,598.73</b>
1. Investments outside India		-	-
2. Investments in India	5,333.87	10,102.13	10,598.73
<b>Total (B) - Gross</b>	<b>5,333.87</b>	<b>10,102.13</b>	<b>10,598.73</b>
Less: Allowance for Impairment loss (C )	(2,979.16)	(2.02)	(0.86)
<b>Total - Net D = (A) - (C )</b>	<b>2,354.70</b>	<b>10,100.11</b>	<b>10,597.87</b>

**Note:** All the Investments are valued at FVTOCI

**Credit quality of assets**

The table below shows the credit quality and maximum exposure to credit risk based on the Company's internal credit rating system and year - end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 41(ii) and policies on whether ECL allowance are calculated on an individual or collective basis are set out in Note 2.8.6

<b>Particulars</b>	<b>As at March 31, 2020</b>			
	<b>Stage 1 Collective</b>	<b>Stage 2 Collective</b>	<b>Stage 3 Collective</b>	<b>Total</b>
<b>Internal rating grade</b>				
High grade	-	-	-	-
Standard grade	2,354.70	-	-	2,354.70
Sub-Standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non performing	-	-	2,979.16	2,979.16
Total	2,354.70	-	2,979.16	5,333.87
Less: Allowance for impairment	-	-	(2,979.16)	(2,979.16)
	<b>2,354.70</b>	<b>-</b>	<b>-</b>	<b>2,354.70</b>

<b>Particulars</b>	<b>As at March 31, 2019</b>			
	<b>Stage 1 Collective</b>	<b>Stage 2 Collective</b>	<b>Stage 3 Collective</b>	<b>Total</b>
<b>Internal rating grade</b>				
High grade	-	-	-	-
Standard grade	10,100.11	-	-	10,100.11
Sub-Standard grade	-	2.02	-	2.02
Past due but not impaired	-	-	-	-
Non performing	-	-	-	-
Total	10,100.11	2.02	-	10,102.13
Less: Allowance for impairment	-	(2.02)	-	(2.02)
	<b>10,100.11</b>	<b>-</b>	<b>-</b>	<b>10,100.11</b>

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Particulars	As at April 01, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
<b>Internal rating grade</b>				
High grade	-	-	-	-
Standard grade	10,596.73	-	-	10,596.73
Sub-Standard grade	-	2.00	-	2.00
Past due but not impaired	-	-	-	-
Non performing	-	-	-	-
Total	10,596.73	2.00	-	10,598.73
Less: Allowance for impairment	-	(0.86)	-	(0.86)
	<b>10,596.73</b>	<b>1.14</b>	<b>-</b>	<b>10,597.87</b>

**5.2 An analysis of changes in the gross carrying amount as follows:**

Particulars	As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount opening balance	10,102.13	-	-	10,102.13
New Assets originated or purchased	-	-	-	-
Asset derecognised or matured	(3,022.55)	-	-	(3,022.55)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(2,977.14)	-	2,977.14	-
Change in fair value	(1,745.71)	-	-	(1,745.71)
<b>Total</b>	<b>2,356.73</b>	<b>-</b>	<b>2,977.14</b>	<b>5,333.87</b>

Particulars	As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount opening balance	10,598.73	-	-	10,598.73
New Assets originated or purchased	-	-	-	-
Asset derecognised or matured	(335.24)	-	-	(335.24)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Change in fair value	(161.35)	-	-	(161.35)
<b>Total</b>	<b>10,102.13</b>	<b>-</b>	<b>-</b>	<b>10,102.13</b>

**5.3 Reconciliation of ECL balance is given below:**

Particulars	As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
<b>ECL allowance - Opening balance</b>		2.02		2.02
New Assets originated or purchased	-	-	-	-
Asset derecognised or repaid (excluding write offs)	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Unwinding of discount	-	-	2,977.14	2,977.14
Changes to models and inputs used for ECL calculations	-	-	-	-
Amount written off	-	-	-	-
<b>ECL allowance - Closing balance</b>	-	<b>2.02</b>	<b>2,977.14</b>	<b>2,979.16</b>

Particulars	As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
<b>ECL allowance - Opening balance</b>	-	0.86		0.86
Additional Provision	-	1.16		1.16
Asset derecognised or repaid (excluding write offs)	-	-		-
Transfer to Stage 1	-	-		-
Transfer to Stage 2	-	-		-
Transfer to Stage 3	-	-		-
Unwinding of discount	-	-		-
Changes to models and inputs used for ECL calculations	-	-		-
Amount written off	-			-
<b>ECL allowance - Closing balance</b>	-	<b>2.02</b>	-	<b>2.02</b>

**6 Other Financial Assets**

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Other Advances recoverable in cash or kind	0.01	0.01	5.89
Interest accrued on Debentures	0.00	341.49	174.71
Interest accrued on Short Term Loans and Advances	417.79	164.46	41.92
Other Receivables	3.80	193.59	0.95
	<b>421.59</b>	<b>699.55</b>	<b>223.47</b>
Less: Provision for interest receivable (Refer Note 6.1)	(242.94)	0.00	0.00
	<b>178.66</b>	<b>699.55</b>	<b>223.47</b>

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6.1 The expected credit loss allowance provision for other Financial assets is determined as follows:

Particulars	Amount
Gross Balance as at April 01, 2018	223.47
Expected credit loss rate	-
Carrying amount as at April 01, 2018	<b>223.47</b>
Gross Balance as at March 31, 2019	699.55
Expected credit loss rate	-
Carrying amount as at March 31, 2019	<b>699.55</b>
Gross Balance as at March 31, 2020	421.59
Expected credit loss	(242.94)
Carrying amount as at March 31, 2020	<b>178.66</b>

**7 Current Tax Assets**

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Advance Tax (Net of provision of Nil and Previous year ₹ 35,011,921)	127.69	135.97	102.85
<b>Total</b>	<b>127.69</b>	<b>135.97</b>	<b>102.85</b>

**8 Deferred Tax Assets (Net)**

On account of depreciation and employee benefits		2.61	5.66
<b>Total</b>	<b>-</b>	<b>2.61</b>	<b>5.66</b>

**9. Property, Plant and Equipment**

Particulars	Land - Freehold	Building	Computers	Vehicles	Total
<b>Deemed Cost as at April 01, 2018</b>	<b>35.23</b>	<b>16.02</b>	<b>1.87</b>	<b>11.71</b>	<b>64.82</b>
Additions	-	-	-	-	-
Disposals	-	16.02	-	-	16.02
<b>As at March 31, 2019</b>	<b>35.23</b>	<b>-</b>	<b>1.87</b>	<b>11.71</b>	<b>48.80</b>
Additions	-	-	3.16	-	3.16
Disposals	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>35.23</b>	<b>-</b>	<b>5.03</b>	<b>11.71</b>	<b>51.96</b>
<b>Accumulated depreciation as at April 01, 2018</b>	<b>-</b>	<b>5.59</b>	<b>1.78</b>	<b>5.64</b>	<b>13.00</b>
Charge for the year	-	0.19	-	1.85	2.04
Disposals	-	5.78	-	-	5.78
<b>As at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>1.78</b>	<b>7.49</b>	<b>9.27</b>
Charge for the year	-	-	0.29	1.85	2.15
Disposals	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>2.07</b>	<b>9.34</b>	<b>11.41</b>

Net carrying amount as at April 01, 2018	<b>35.23</b>	<b>10.43</b>	<b>0.09</b>	<b>6.07</b>	<b>51.82</b>
Net carrying amount as at March 31, 2019	<b>35.23</b>	<b>-</b>	<b>0.09</b>	<b>4.22</b>	<b>39.53</b>
Net carrying amount as at March 31, 2020	<b>35.23</b>	<b>-</b>	<b>2.96</b>	<b>2.36</b>	<b>40.55</b>

**10 Other Intangible Assets**

Particulars	Computer Software
<b>Deemed Cost as at April 01, 2018</b>	<b>0.33</b>
Additions	0.16
Disposals	-
<b>As at March 31, 2019</b>	<b>0.49</b>
Additions	-
Disposals	-
<b>As at March 31, 2020</b>	<b>0.49</b>
<b>Accumulated depreciation as at April 01, 2018</b>	<b>0.33</b>
Charge for the year	0.05
Disposals	-
<b>As at March 31, 2019</b>	<b>0.38</b>
Charge for the year	0.05
Disposals	-
<b>As at March 31, 2020</b>	<b>0.43</b>
Net carrying amount as at April 01, 2018	-
Net carrying amount as at March 31, 2019	0.12
Net carrying amount as at March 31, 2020	0.06

**11 Trade payables (Refer Note 11.1)**

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
___ total outstanding dues of micro enterprises and small enterprises	-	-	-
___ total outstanding dues of creditors other than micro enterprises and small enterprises	42.07	42.81	48.86
	<b>42.07</b>	<b>42.81</b>	<b>48.86</b>

**11.1 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, 2020	As at March 31, 2019	As at April 01, 2018
a) Principal amount remaining unpaid	-	-	-
b) Interest due thereon	-	-	-
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	-	-	-

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	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
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.	-	-	-
e) Interest accrued and remaining unpaid	-	-	-
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.	-	-	-

**12 Borrowings (Refer Note 38)**

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>Secured</b>			
Term loan from Banks	-	-	-
Term loan from financial institutions/ Corporates (Refer Note 12.1)	2,635.04	2,953.09	4,453.64
Loans repayable on demand from Banks	-	-	-
<b>Unsecured</b>			
Term loan from Banks	-	-	-
Term loans from Corporates	350.03	325.00	650.00
Term loans from Others (Refer Note 12.3)	188.61	148.00	93.00
<b>Total (A) - Gross (Refer Note 12.2, 12.4 and 31)</b>	<b>3,173.67</b>	<b>3,426.09</b>	<b>5,196.64</b>
1. Borrowings in India	3,173.67	3,426.09	5,196.64
2. Borrowings outside India	-	-	-

**Note:** There is no loan Liability measured at FVOCI or FVTPL or designated at FVTPL.**12.1 Nature of Security**

Term loan taken from HDFC Limited is secured by personal guarantee of a director, pledge of property and Investments of a director and pledge of third party property.

The Equity shares held by the Company were pledged against the borrowings of the Company are as follows:

Name of the lender	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Godavari Commercial Services Private Limited	9.67	11.00	11.00
SKS Fincap Private Limited	-	-	16.00
Anand Rathi Global Finance Limited	-	2.57	20.46
HDFC Limited	6.50	6.50	6.50
Kotak Mahindra Investments Limited	-	0.76	-
<b>Total</b>	<b>16.17</b>	<b>20.83</b>	<b>53.96</b>



**12.2 Terms of Repayment**

Tenure (from the date of Balancesheet)	Rate of interest	Repayment details	Amount
108 Months	14.10%	107 monthly instalments	1,488.07
upto twelve months	15% to 17%	Bullet repayments	1,260.71

**12.3** Represents the borrowings taken from director and includes the interest accrued but not due

**12.4** Includes the interest accrued but not due on borrowings Rs. 4,24,88,457/-

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>13 Other Financial Liabilities</b>			
Other Payables			
(i) Statutory Payables	4.89	7.13	28.94
(iii) Others	8,050.78	6,753.56	5,801.27
<b>Total</b>	<b>8,055.67</b>	<b>6,760.69</b>	<b>5,830.21</b>
<b>14 Provisions</b>			
For employee benefits			
For gratuity	7.90	3.58	1.32
For compensated absences	3.33	2.90	3.59
<b>Total</b>	<b>11.23</b>	<b>6.48</b>	<b>4.91</b>

**15 Equity share capital**

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>Authorised</b>			
2,00,00,000 (March 31, 2019 and April 01, 2018: 2,00,00,000) Equity shares of ₹ 10/- each	2,000.00	2,000.00	2,000.00
<b>Issued</b>			
1,60,00,000 (March 31, 2019 and April 01, 2018: 1,60,00,000) Equity shares of ₹ 10/- each	1,600.00	1,600.00	1,600.00
<b>Subscribed and fully paid up</b>			
1,28,72,493 (March 31, 2019 and April 01, 2018: 1,28,72,493) Equity shares of ₹ 10/- each	1,287.25	1,287.25	1,287.25
Add : Forfeited Shares (Amount Originally paid up)	132.38	132.38	132.38
<b>Total Equity</b>	<b>1,419.63</b>	<b>1,419.63</b>	<b>1,419.63</b>

**15.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Particulars	No of shares
Equity Shares of ₹ 10/- each	
As at April 01, 2018	12,872,493
Add : Issued during the year	-
As at March 31, 2019	12,872,493
Add : Issued during the year	-
As at March 31, 2020	12,872,493

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**Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)***15.2 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.

**15.3 Details of Shareholders Holding more than 5% of the equity shares in the Company****As at March 31, 2020**

Name of Shareholder	No. of Shares	% of holding
Giri Roadlines and Commercial Trading Private Limited	1,219,171	9.47
Neera Agarwal	958,265	7.44
Dhruv Agarwal	652,154	5.07

**As at March 31, 2019**

Name of Shareholder	No. of Shares	% of holding
Gati Limited	1,600,300	12.43
Neera Agarwal	950,265	7.38

**As at April 01, 2018**

Name of Shareholder	No. of Shares	% of holding
Gati Limited	1,600,300	12.43
Neera Agarwal	950,265	7.38

**16 Other Equity**

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>16.1</b> Statutory Reserve (Pursuant to Section 45 - IC of The RBI Act, 1934) (Refer Note 16.1.1)			
Opening balance	708.13	622.68	622.68
Add: Transfer from retained earnings	-	85.45	-
<b>Closing balance</b>	<b>708.13</b>	<b>708.13</b>	<b>622.68</b>
<b>16.2</b> Securities Premium Account (Refer Note 16.2.1)	1.63	1.63	1.63
<b>16.3</b> General Reserve (Refer Note 16.3.1)	352.19	352.19	352.19
<b>16.4</b> Retained Earnings (Refer 16.4.1)			
Opening balance	2,684.55	2,341.13	2,341.13
Add: Profit for the year	(5,231.88)	246.61	-
Add: Adjustment relating to Fair value of investments	2,620.65	182.26	-
Less: Amount transferred to Reserve Fund	-	85.45	-
<b>Closing balance</b>	<b>73.32</b>	<b>2,684.55</b>	<b>2,341.13</b>

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>16.5 Other Comprehensive Income</b>			
Opening balance	(1,414.55)	(142.85)	(142.85)
Add: Other Comprehensive income/ (Loss) for the period	(2,827.40)	(1,089.44)	-
Add: Fair value of additional Corporate guarantee	-	-	-
Less: Adjustments relating to Fair value of investments - on sale of investments	(2,620.65)	(182.26)	
<b>Closing balance</b>	<b>(6,862.61)</b>	<b>(1,414.55)</b>	<b>(142.85)</b>
<b>Total</b>	<b>(5,727.34)</b>	<b>2,331.95</b>	<b>3,174.78</b>

**Nature and Purpose of Reserves**

**16.1.1 Statutory reserve:** Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) of The Reserve Bank of India Act, 1934:

- (1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.
- (2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twentyonedays by such further period as it thinks fit or condone any delay in making such report.

- (3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

**16.2.1 Securities Premium Account:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**16.3.1 General Reserve:** Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013

**16.4.1 Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

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Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on loans	386.50	560.84
Interest income from investments	-	340.55
	<b>386.50</b>	<b>901.38</b>

**Note:** There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.**18 Other Operating income**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Bad Debt recovery	-	81.15
Profit on sale of Long term investments	0.17	-
Loss on sale from long term investments	(510.29)	(74.04)
	<b>(510.13)</b>	<b>7.12</b>

**19 Other income**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit on sale of Fixed Assets	-	89.76
Upfront fee	2.42	-
Miscellaneous income	-	29.50
	<b>2.42</b>	<b>119.26</b>

**20 Finance Costs (Refer Note 31)**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loans from financial institutions and others	389.75	595.15
Other borrowing costs	1.96	11.63
	<b>391.71</b>	<b>606.78</b>

**21 Employee Benefit Expense**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	55.56	55.40
Contribution to Provident and other funds	10.49	5.22
Staff welfare expenses	0.62	0.51
	<b>66.67</b>	<b>61.13</b>

**22 Depreciation and Amortisation**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on tangible assets	2.15	2.04
Amortization on intangible assets	0.05	0.05
	<b>2.20</b>	<b>2.09</b>

**23 Other Expenses**

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Rates and taxes	-	0.03
Travelling and conveyance	2.05	1.59
Printing and stationery	3.13	2.98
Legal and professional	27.94	25.42
Rent Paid	4.62	2.78
Auditors' Remuneration	2.83	2.83
Listing Fee and Demat charges	7.86	7.42
Provision for diminution in value of Investments	-	1.16
Directors Sitting fees	4.11	5.11
Advertisement expenses	1.82	2.65
Miscellaneous	2.98	6.37
	<b>57.34</b>	<b>58.33</b>

**24 Contingent liabilities and commitments (to the extent not provided for)**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at April 01, 2018</b>
<b>Contingent liabilities</b>			
(a) Disputed Sales Tax demand	0.64	0.64	0.64
(b) Corporate Guarantees	17,820.89	30,616.05	10,727.53
The Company has provided Guarantee for: (A) redemption / buyback of the Optionally convertible Debentures subscribed by IFCI Venture Capital Funds Limited in Amrit Jal Ventures Private Limited (B). To the lenders of Gati Infrastructure Bhasmey Power Private Limited	-	-	-

**25 Claims against the Company not acknowledged as Debts**

**Petition before NCLT, Hyderabad:**

During the year, three shareholders of the Company filed a petition before National Company Law Tribunal (NCLT), Hyderabad Bench, against the Company and the management alleging oppression of minority shareholders and mismanagement of affairs of the Company with regard to investments and loans and advances to certain related parties. In the said petition, the petitioners also included the statutory auditors of the Company regarding reporting requirements of said transactions. The Company and the respondents have taken necessary measures to contest the petition before the Honourable NCLT Bench and the hearings are in progress.

**26 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges as the entire investment in "ITAG Business Solutions Limited (subsidiary)" has been disposed with effect from 05.03.2019**

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

<b>Name of the party</b>	<b>Relationship</b>	<b>Amount outstanding as at March 31, 2020</b>	<b>Amount outstanding as at March 31, 2019</b>	<b>Amount outstanding as at April 01, 2018</b>
ITAG Business Solutions Limited	Subsidiary	-	-	-

**Note:** Figures in bracket relate to the previous year.

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- 27** 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 categorised as Loan Company. Accordingly, the Company has been advised that Section 186 of the Companies Act, 2013 is not applicable to the Company.
- 28 Investments - Sale of pledged shares by lenders**
- (i) During the year 2015-2016, the Company took a loan of Rs.500.00 Lakhs from Godavari Commercial Services Private Limited (Godavari) on the security of 10,00,000 equity shares of Gati Limited held by the Company. These shares re-pledged by Godavari with a third party, with the consent of the Company. 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. During the year, Godavari restored 33,000 shares and balance 9,67,000 shares were yet to be restored. In view of the settlement agreement and further litigation raised by the Company, the said 9,67,000 equity shares in Gati Limited have been continued to be disclosed as "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 Limited (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. 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. GIPL, AJVPL and the Company entered into a tripartite agreement for restoration such invoked shares to the Company. However, such restoration will take place only after GIPL repays all its dues to term loan lenders. Since GIPL is earning cash profits, the invoked 1,580,000 equity shares in Gati Limited have been continued to be disclosed as "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). 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 and transferred the same to Green India Ventures 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 "Investments".
- (iv) During the year under report, two lenders of the Company have sold 274,820 equity shares of Gati Limited held by the Company as Investments. Loss, being the difference between the Fair Value as at March 31, 2019 and on the date of sale – Rs. 121.77 Lakhs has been recognised and included in the Loss on Sale of Investments in Statement of Profit and Loss.
- 29** a) The Company has various exposures to Amrit Jal Ventures Pvt Ltd (AJVPL) in the form of investment in Equity Shares of AJVPL – Fair Value as at March 31, 2019 - Rs. 627.86 Lakhs (Gross Value of Investment – Rs. 1,500 Lakhs), investments in Optionally Convertible Debentures issued by AJVPL – Rs. 2,349.28 Lakhs, Inter Corporate Deposit (including tax deducted at source by AJVPL on interest but not remitted to the authorities) – Rs. 1,401.03 Lakhs and Interest accrued in 2018-19 – Rs. 242.94 Lakhs. Aggregate carrying value of exposures – Rs. 4,621.11 Lakhs. A Case has been filed by one of the Financial Creditors against AJVPL before NCLT, Hyderabad which has been admitted but appeal is pending before NCLAT, Delhi. In view of the adverse developments in AJVPL, management was expecting that the chances of recovery of these balances are remote. In view of the same, management made a provision for these balances. Further, no interest was recognised for year ended March 31, 2020 on such inter corporate loans and on Optionally Convertible Debentures

- b) Further, the Company in the earlier years, has given Corporate Guarantees to the lenders of AJVPL and it's wholly owned subsidiary – Gati Bhasmey Pvt Limited – aggregating to Rs. 31,336.71 Lakhs. During 2019 – 20, certain lenders of these entities have invoked the Guarantees and raised claims on the Company aggregating to Rs. 25,619.80 Lakhs. The Company has fair valued these claims and recognised an estimated amount of Rs. 7,798.91 Lakhs as it's liability as at March 31, 2020.

**30 Liability for sale of shares of other entities given as guarantee for the loans availed by the Company:**

During the year 2018 – 19, the Company availed borrowings from two lenders and by way of an amendment loan agreement, arranged the certain shares held by Mahendra Kumar Agarwal & sond HUF and Manish Agarwal Benefit Trust (Guarantors) as an additional security for the said borrowings. The said lenders, due to defaults by Company have sold these shares and recovered their respective dues fully. As a result of this sale of shares given as an additional security, the Company has recognised the Fair Value of shares sold on the date of sale as interest free amount payable to said Guarantors – Rs. 246.69 Lakhs.

- 31 The Company has not recognised interest cost amounting to Rs. 35. 55 Lakhs relating to the fourth quarter as there are some legal cases on the lenders. Management has decided not to recognise interest on those borrowings till the pending cases are crystallised.

**32 Exposures to Mahendra Investment Advisors Private Limited (MIAPL):**

As at March 31, 2020, the Company is having a carrying value of advances given to MIAPL Rs. 4,184.52 Lakhs. These advances include the fair value of 31,79,385 equity shares in Gati Limited held by the Company, invoked by the lenders of MIAPL given as guarantee by the Company. Fair Value of the said shares invoked by the lenders of MIAPL, as on the date of invocation aggregating to Rs. 2,379.13 Lakhs. The Company recognised the difference between the Fair Value of the said shares as on March 31, 2019 and the date of sale aggregating to Rs. 388.52 as loss and included the same in Loss on Sale of Investments in the Statement of Profit and Loss. Further the Company has interest receivable aggregating to Rs. 174.85 Lakhs as on March 31, 2020. Out of the said interest receivable, the Company could realise an amount of Rs. 109 Lakhs subsequent to March 31, 2020.

Management of the Company is expecting to recover the above said balances in it's entirety and is of the opinion that no provision is warranted at this moment.

- 33 **Going Concern** : During the year ended on March 31, 2020, the Company has incurred a loss of Rs. 8,059.28 Lakhs and as at March 31, 2020, the Company was having a negative networth of Rs. 4,307.71 Lakhs. Due to adverse developments in the entities to whom the company has advanced loans / given guarantees / investments made, the Company had incurred these losses and adversely affect the future income from operations. These factors substantially affected the operations of the Company and indicated uncertainties relating to the going concern status of the Company. Management of the Company is in the process of identifying various alternatives / new areas to venture into for reviving the company. In view of the same, financial statements of the company have been prepared on going concern basis.

**34 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 ₹ 162,085/- (Previous year ₹ 147,594/-) for Provident Fund contributions and ₹ 150,000/- (Previous year ₹ 150,000/-) 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.

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**Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)***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, 2020.

<b>Particulars</b>	<b>March 31, 2020 Gratuity (Funded)</b>	<b>March 31, 2019 Gratuity (Funded)</b>	<b>April 01, 2018 Gratuity (Funded)</b>
Present Value of Defined Benefit Obligation	16.39	11.40	20.76
Fair Value of Plan Assets	8.49	7.81	19.44
Funded Status [Surplus/(Deficit)]	(7.90)	(3.58)	(1.32)
Net Asset/(Liability) recognized in the Balance Sheet	0.00	0.00	0.00
Present Value of DBO at the beginning of the year	11.40	20.76	18.35
Current Service Cost	0.75	0.56	0.80
Interest Cost	0.87	1.58	1.33
Actuarial Losses / (Gains)	3.38	0.80	(0.84)
Benefits paid	-	(12.30)	1.11
<b>Present Value of DBO at the end of the year</b>	<b>16.39</b>	<b>11.40</b>	<b>20.76</b>
Plan Assets at the beginning of the year	7.81	19.44	18.69
Expected Return on Plan Assets	0.59	1.47	1.50
Actuarial Gain / (Loss)	0.09	(0.79)	(0.75)
Benefits Paid		(12.30)	
<b>Plan Assets at the end of the year</b>	<b>8.49</b>	<b>7.81</b>	<b>19.44</b>
<b>Amounts recognised in statement Of Profit and Loss in respect of defined benefit plans as follows:</b>			
Current Service Cost	0.75	0.56	0.80
Interest Cost	0.87	1.58	1.33
Expected Return on Plan Assets	(0.59)	(1.47)	1.50
<b>Components of defined benefit costs recognised in statement of Profit and Loss (A)</b>	<b>1.02</b>	<b>0.67</b>	<b>3.63</b>
<b>Remeasurement of gain/ (losses) in other comprehensive income:</b>			
Actuarial Loss / (Gains)	3.29	1.59	(0.09)
<b>Components of defined benefit costs recognised in Other Comprehensive income (B)</b>	<b>3.29</b>	<b>1.59</b>	<b>(0.09)</b>
<b>Total (A+B)</b>	<b>4.31</b>	<b>2.26</b>	<b>3.54</b>
<b>Experience History</b>			
(1) Defined Benefit Obligation at end of the period	16.39	20.76	20.76
(2) Plan Assets at end of the period	8.49	7.81	19.44
(3) Surplus / (Deficit)	(7.90)	(12.94)	(1.32)



<b>Particulars</b>	<b>March 31, 2020 Gratuity (Funded)</b>	<b>March 31, 2019 Gratuity (Funded)</b>	<b>April 01, 2018 Gratuity (Funded)</b>
(4) Experience (Gain) / Loss adjustments on plan liabilities	3.38	0.80	(0.84)
(5) Experience Gain / (Loss) adjustments on plan assets	0.09	(0.79)	(0.75)
<b>Division of Defined Benefit Obligation (Current / Non-Current)</b>			
(1) Current Defined Benefit Obligation at end of the period	0.45	0.34	11.32
(2) Non-Current Defined Benefit Obligation at end of the period	15.94	11.06	9.44
(3) Total Defined Benefit Obligation at end of the period	16.39	11.40	20.76
<b>Best Estimate of Contribution During Next year</b>	<b>8.79</b>	<b>4.34</b>	<b>2.40</b>
<b>Assumptions</b>			
Discount Rate %	6.6. %	7.60%	7.60%
Expected Return on Plan Assets %	7.55%	7.55%	7.55%
Salary Escalation %	6.00%	6.00%	6.00%
Mortality	IALM 12-14	IALM 06-08	IALM 06-08
Attrition rate	2.00%	2.00%	2.00%

**c. Sensitivity analysis**

**Description of Risk Exposures**

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

**Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk:** The company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 10 Lakhs).

**Asset Liability Mismatching or Market Risk:** The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

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Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

35 Earnings per share (EPS)	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year	(5,231.88)	246.61
Weighted average number of Equity Shares used in computing basic EPS	12,872,493	12,872,493
Weighted average number of Equity Shares used in computing diluted EPS	12,872,493	12,872,493
Basic Earnings per share (Rs.)	(40.64)	1.92
Diluted Earnings per share (Rs.)	(40.64)	1.92

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Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020  
(All amounts in Rs Lakhs, except share data and where otherwise stated)

36 Maturity Analysis of Assets and Liabilities

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>Assets</b>									
<b>Financial Assets</b>									
Cash and Cash Equivalents	11.50	-	11.50	6.81	-	6.81	17.83	-	17.83
Loans	4,173.62	-	4,173.62	2,914.79	-	2,914.79	4,675.52	-	4,675.52
Investments	-	2,354.70	2,354.70	-	10,100.11	10,100.11	-	10,597.87	10,597.87
Other financial assets	178.66	-	178.66	699.55	-	699.55	223.47	-	223.47
<b>Non Financial Assets</b>									
Current tax assets	-	127.69	127.69	-	135.97	135.97	-	102.85	102.85
Deferred tax asset	-	-	-	-	2.61	2.61	-	5.66	5.66
Investment property	-	88.16	88.16	-	88.16	88.16	-	-	-
Property, Plant and Equipment	-	40.55	40.55	-	39.53	39.53	-	51.82	51.82
Other intangible assets	-	0.06	0.06	-	0.12	0.12	-	-	-
<b>Total Assets</b>	<b>4,363.78</b>	<b>2,611.16</b>	<b>6,974.94</b>	<b>3,621.14</b>	<b>10,366.50</b>	<b>13,987.65</b>	<b>4,916.82</b>	<b>10,758.20</b>	<b>15,675.02</b>
<b>Liabilities</b>									
Trade payables	42.07	-	42.07	42.81	-	42.81	48.86	-	48.86
Borrowings	1,805.03	1,368.65	3,173.67	1,975.98	1,450.11	3,426.09	3,562.23	1,634.41	5,196.64
Other financial liabilities	256.76	7,798.91	8,055.67	40.04	6,720.66	6,760.69	(5,793.61)	5,793.67	0.06
Provisions	-	11.23	11.23	0.08	6.40	6.48	1.39	3.52	4.91
<b>Total Liabilities</b>	<b>2,103.86</b>	<b>9,178.78</b>	<b>11,282.65</b>	<b>2,058.91</b>	<b>8,177.16</b>	<b>10,236.07</b>	<b>(2,181.13)</b>	<b>7,431.60</b>	<b>5,250.47</b>
<b>Net</b>	<b>2,259.91</b>	<b>(6,567.62)</b>	<b>(4,307.71)</b>	<b>1,562.23</b>	<b>2,189.34</b>	<b>3,751.57</b>	<b>7,097.95</b>	<b>3,326.61</b>	<b>10,424.56</b>

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## Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020

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## 37 Related Party transactions

As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

## I.

## A. Enterprises having significant influence

Mahendra Kumar Agarwal & Sons HUF  
 Mahendra Investment Advisors Private Limited  
 Amritjal Ventures Private Limited  
 Manish Agarwal Benefit Trust  
 P D Agarwal Foundation

## B. Key Management Personnel

Mr. Ramesh Sivaraman Manager  
 Ms. Srishti Soni Company Secretary

## C. Subsidiary

ITAG Business Solutions Limited (upto 05.03.2019)

D. Ms. Meera Madhusudhan Singh Director

## II. Transactions during the year with related parties

Particulars	For the year 2019-20	For the year 2018-19
<b>Interest income</b>		
Mahendra Investment Advisors Private Limited	386.50	338.80
Amritjal Ventures Private Limited	-	445.89
<b>Interest expense</b>		
Ms. Meera Madhusudhan Singh	21.10	20.18
<b>Rent Expense</b>		
P. D Agarwal Foundation	2.54	-
<b>Provision for impairment allowance</b>		
Amritjal Ventures Private Limited - Equity shares	627.86	-
Amritjal Ventures Private Limited - Optionally Convertible Debentures	2,349.28	-
Amritjal Ventures Private Limited - Interest receivable	242.94	-
Amritjal Ventures Private Limited - Loans	1,401.02	-
<b>Advance given</b>		
Mahendra Investment Advisors Private Limited *	2,389.01	-
Amritjal Ventures Private Limited	320.00	624.29
* Refer Note 32 to the financial statements		
<b>Advance recovered</b>		
Mahendra Investment Advisors Private Limited	150.00	175.00
Amritjal Ventures Private Limited	-	296.17
<b>Borrowings repaid</b>		
Ms. Meera Madhusudhan Singh	8.00	-

<b>Particulars</b>	<b>For the year 2019-20</b>	<b>For the year 2018-19</b>
<b>Borrowings taken</b>		
Ms. Meera Madhusudhan Singh	-	55.00
<b>Other financial liabilities *</b>		
Mahendra Kumar Agarwal & Sons HUF	238.24	26.34
Manish Agarwal Benefit Trust	41.97	-
* Refer Note 30 to the financial statements		
Mahendra Kumar Agarwal & Sons HUF	60.00	11.00
<b>Corporate guarantee</b>		
Amritjal Ventures Private Limited and its subsidiary (Refer Note 29 B)	1,078.25	926.99
<b>Other financial assets</b>		
Mahendra Investment Advisors Private Limited		
Given during the year	18.45	193.59
Recovered during the year	209.43	-
<b>Key Management Personnel</b>		
Mr. Ramesh Sivaraman - Managerial Remuneration	42.74	37.26
Ms. Srishti Soni	4.33	0.34

**III. Balances outstanding Debit/(Credit) as at year end**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at April 01, 2018</b>
<b>Loans</b>			
Mahendra Investment Advisors Private Limited	4,184.52	1,945.50	214.80
Amritjal Ventures Private Limited - Gross (current year - before provision)	1,401.03	977.01	639.35
<b>Interest accrued on short term loans and advances</b>			
Mahendra Investment Advisors Private Limited	174.85	116.57	-
Amritjal Ventures Private Limited	242.94	47.88	23.08
<b>Provision for impairment allowance:</b>			
Amritjal Ventures Private Limited - Provision for interest accrued and due	242.94	-	-
Amritjal Ventures Private Limited - Provision for Loans	1,401.03	-	-
<b>Borrowings</b>			
Ms. Meera Madhusudhan Singh	140.00	148.00	93.00

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**Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)*

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at April 01, 2018</b>
<b>Interest accrued but not due on borrowings</b>			
Ms. Meera Madhusudhan Singh	48.61	29.62	9.64
<b>Investments</b>			
Equity shares in Subsidiary - ITAG Business Solutions Limited	-	-	125.00
Amrit Jalventures Private Limited	627.86	627.86	743.14
<b>Provision for impairment allowance on investments</b>			
Amrit Jalventures Private Limited - Equityshares	627.86	-	-
Amrit Jalventures Private Limited - Optionally Convertible Debentures	2,349.28	-	-
<b>Other financial liabilities</b>			
Others - Corporate guarantee	7,798.91	6,720.66	5,793.67
Mahendra Kumar Agarwal & Sons HUF *	204.57	26.34	-
Manish Agarwal Benefit Trust *	41.97	-	-
Payable to Key Managerial Personnel	3.15	3.69	3.49
* Refer Note 30 to the financial statements			
<b>Trade payable</b>			
Rent payable- P. D Agarwal Foundation	2.32	-	-
<b>Corporate guarantee (Off Balance Sheet item)</b>			
Amritjal Ventures Private Limited and its subsidiary	17,788.48	18,866.73	19,793.71
Mahendra Investment Advisors Private Limited	-	3,000.00	-
<b>Other financial assets</b>			
Mahendra Investment Advisors Private Limited	2.62	193.59	-

**Note:** Related parties have been identified by the management

- 38** In terms of the Covid 19 regulatory package of the RBI issued from time to time, the Company has availed the moratorium of 6 months for the term loan availed by the company from a financial institution. The company has not granted any moratorium to any of its borrowers. There remains a high level of uncertainty about the impact and time required for the economic activity to normalise. The extent to which the Covid 19 epidemic will impact the business and financial results is at this juncture dependent on future developments which are highly uncertain.

**39 Capital Management**

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

#### **40 Fair value Measurement**

##### **(i) Valuation techniques and significant unobservable inputs**

The carrying amounts of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

##### **(ii) Levels 1, 2 and 3**

**Level 1 :** It includes Investment in equity shares that has a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020  
(All amounts in Rs Lakhs, except share data and where otherwise stated)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2020, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount			Fairvalue				
		FVTPL	FVTOCI	Amortised cost	Total Carrying amount	Level - I	Level - II	Level - III	Total
<b>Financial Assets</b>									
Cash and cash equivalents	3	-	-	11.50	11.50	-	-	-	-
Loans	4	-	-	4,173.62	4,173.62	-	-	-	-
Investments	5	-	2,354.70	-	2,354.70	2,313.13	-	41.57	2,354.70
Other financial assets	6	-	-	178.66	178.66	-	-	-	-
<b>Total Financial Assets</b>		-	<b>2,354.70</b>	<b>4,363.78</b>	<b>6,718.48</b>	<b>2,313.13</b>	-	<b>41.57</b>	<b>2,354.70</b>
<b>Financial liabilities</b>									
Borrowings	12	-	-	3,173.67	3,173.67	-	-	-	-
Trade payable	11	-	-	42.07	42.07	-	-	-	-
Other financial Liabilities	13	-	7,798.91	256.76	8,055.67	-	-	7,798.91	7,798.91
<b>Total financial Liabilities</b>		-	<b>7,798.91</b>	<b>3,472.51</b>	<b>11,271.42</b>	-	-	<b>7,798.91</b>	<b>7,798.91</b>

**Off balance sheet items**

Corporate guarantees 17,820.89

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2019, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount			Fairvalue				
		FVTPL	FVTOCI	Amortised cost	Total Carrying amount	Level - I	Level - II	Level - III	Total
<b>Financial Assets</b>									
Cash and cash equivalents	3	-	-	6.81	6.81	-	-	-	-
Loans	4	-	-	2,914.79	2,914.79	-	-	-	-
Investments	5	-	10,100.11	-	10,100.11	7,081.39	-	3,018.72	10,100.11
Other financial assets	6	-	-	699.55	699.55	-	-	-	-
<b>Total Financial Assets</b>		-	<b>10,100.11</b>	<b>3,621.14</b>	<b>13,721.25</b>	<b>7,081.39</b>	-	<b>3,018.72</b>	<b>10,100.11</b>
<b>Financial liabilities</b>									
Borrowings	12	-	-	3,426.09	3,426.09	-	-	-	-
Trade payable	11	-	-	42.81	42.81	-	-	-	-
Other financial Liabilities	13	-	6,720.66	40.04	6,760.69	-	-	6,720.66	6,720.66
<b>Total financial Liabilities</b>		-	<b>6,720.66</b>	<b>3,508.94</b>	<b>10,229.59</b>	-	-	<b>6,720.66</b>	<b>6,720.66</b>

**Off balance sheet items**

Corporate guarantees 30,616.05



**TCIFINANCE LIMITED**  
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**Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020**  
*(All amounts in Rs Lakhs, except share data and where otherwise stated)*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at April 01, 2018, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount			Fairvalue				
		FVTPL	FVTOCI	Amortised cost	Total Carrying amount	Level - I	Level - II	Level - III	Total
<b>Financial Assets</b>									
Cash and cash equivalents	3	-	-	17.83	17.83	-	-	-	-
Loans	4	-	-	4,675.52	4,675.52	-	-	-	-
Investments	5	-	10,597.87	-	10,597.87	7,338.37	-	3,259.50	10,597.87
Other financial assets	6	-	-	223.47	223.47	-	-	-	-
<b>Total Financial Assets</b>		-	<b>10,597.87</b>	<b>4,916.82</b>	<b>15,514.69</b>	<b>7,338.37</b>	-	<b>3,259.50</b>	<b>10,597.87</b>
<b>Financial liabilities</b>									
Borrowings	12	-	-	5,196.64	5,196.64	-	-	-	-
Trade payable	11	-	-	48.86	48.86	-	-	-	-
Other financial Liabilities	13	-	5,793.67	36.54	5,830.21	-	-	5,793.67	5,793.67
<b>Total financial Liabilities</b>		-	<b>5,793.67</b>	<b>5,282.04</b>	<b>11,075.71</b>	-	-	<b>5,793.67</b>	<b>5,793.67</b>

**Off balance sheet items**  
 Corporate guarantees

10,727.53

**TCI FINANCE LIMITED**

CIN:L65910TG1973PLC031293

**Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)***41 Financial risk management**

- i The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Managing Board. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>
Credit risk	Loans and Investments	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Cash flow forecasts
Market risk - Interest risk	Borrowings and other financial liabilities	Sensitivity analysis

**a. Credit risk**

Credit risk is the risk that the Company will incur a loss because its customers or counter parties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

The credit quality review process aims to allow the company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

**b. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2020:

<b>Particulars</b>	<b>Carrying amount</b>	<b>Upto 1 year</b>	<b>1-3 years</b>	<b>More than 3 years</b>	<b>Total contracted cash flows</b>
Borrowings		1,805.03	299.41	1,069.23	3,173.67
Trade payables		42.07			42.07
Other financial liabilities		256.76		7,798.91	8,055.67
<b>Total</b>	<b>-</b>	<b>2,103.87</b>	<b>299.41</b>	<b>8,868.13</b>	<b>11,271.42</b>

The table below provides details of financial assets as at March 31, 2020:

<b>Particulars</b>	<b>Carrying Amount</b>
Loans	4,173.62
Other financial assets	178.66
<b>Total</b>	<b>4,352.27</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019:

Particulars	Carrying amount	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Borrowings		1,975.98	355.41	1,094.70	3,426.09
Trade payables		42.81			42.81
Other financial liabilities		40.04		6,720.66	6,760.69
<b>Total</b>	<b>-</b>	<b>2,058.83</b>	<b>355.41</b>	<b>7,815.35</b>	<b>10,229.60</b>

The table below provides details of financial assets as at March 31, 2019:

Particulars	Carrying Amount
Loans	2,914.79
Other financial assets	699.55
<b>Total</b>	<b>3,614.33</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at April 1, 2018:

Particulars	Carrying amount	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Borrowings		3,562.23	409.14	1,225.27	5,196.64
Trade payables		48.86			48.86
Other financial liabilities		36.54		5,793.67	5,830.21
<b>Total</b>		<b>3,647.63</b>	<b>409.14</b>	<b>7,018.94</b>	<b>11,075.71</b>

The table below provides details of financial assets as at April 1, 2018:

Particulars	Carrying Amount
Loans	4,675.52
Other financial assets	223.47
<b>Total</b>	<b>4,898.99</b>

**c. Market risk**

Market Risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

**(i) Pricing Risk**

The Company's Investment in Financial instruments is exposed to pricing Risk

**(ii) Interest Rate Risk**

The company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

The sensitivity analysis below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

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**Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)***The Company's exposure to interest rates on financial instruments is detailed below:**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at April 01, 2018</b>
<b>Financial assets</b>			
Loans	4,174	2,915	4,676
Total interest rate dependent financial assets			
<b>Financial liabilities</b>			
Borrowings	2,749	3,131	4,987
Total interest rate dependent financial liabilities			

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at April 01, 2018</b>
<b>On borrowings</b>			
Increase by 50 basis points	(13.74)	(15.65)	(24.94)
Decrease by 50 basis points	13.74	15.65	24.94
<b>Loans</b>			
Increase by 50 basis points	(20.87)	(14.57)	(23.38)
Decrease by 50 basis points	20.87	14.57	23.38

**Off-setting of balances: Nil****ii. Impairment of financial assets**

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for trade advances. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. "Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Business Loans, Secured loans for new vehicles, Secured loans for used vehicles and Equipment Finance Loans and large borrowers with exposure over Rs. 1 crore.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

**Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:**

**Stage 1:** All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

**Stage 2:** All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

**Stage 3:** All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

#### **42 First time adoption of IND AS**

This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at April 01, 2018 and the financial statements as at and for the year ended March 31, 2019 to comply with Ind AS.

##### **42.1 Comparative Balance sheet as at March 31, 2019 and April 01, 2018**

Particulars	Note	As at March 31, 2019			As at April 1, 2018		
		IGAAP	Adjustment	Ind AS	IGAAP	Adjustment	Ind AS
Investments	3	4,792.40	5,307.71	10,100.11	4,947.04	5,650.83	10,597.87
Other financial liabilities	4	40.03	6,720.66	6,760.69	36.54	5,793.67	5,830.21
Other equity		3,744.89	(1,412.95)	2,331.94	3,317.63	(985.69)	2,331.94

##### **42.2 Comparative Statement of profit and loss for the year ended March 31, 2019**

Particulars	Notes	IGAAP	Adjustments	Ind AS
Profit on sale of investments	1	108.22	182.26	(74.04)
Employee Benefits	2	62.72	1.59	61.13

##### **42.3 Reconciliations between Ind-AS and Previous GAAP for equity and profit or loss are given below.**

###### **Profit reconciliation**

Particulars	Notes	Year ended March 31, 2019
<b>Profit after tax as reported under Previous GAAP</b>		<b>427.27</b>
a) Reclassification of actuarial loss to Other Comprehensive Income	2	1.59
b) Impact on profit on sale of investments	1	(0.00)
c) Tax impact on above adjustments		
Profit after tax as per Ind AS		428.86
Other Comprehensive Income / (loss) (net of tax)	6	(1,089.44)
Total Comprehensive Income as per Ind AS		(660.58)

**TCI FINANCE LIMITED**

CIN:L65910TG1973PLC031293

**Notes forming part of the Standalone IND AS Financial Statements for the year ended March 31, 2020***(All amounts in Rs Lakhs, except share data and where otherwise stated)***Equity reconciliation**

Particulars	Notes	Year ended March 31, 2019
<b>Equity as reported under Previous GAAP</b>		5,164.52
a) Impact on recognition of Investments as per the fair valuation	6	5,307.71
b) Impact on recognition of corporate guarantee	6	(6,720.69)
<b>Equity as per Ind AS</b>		<b>3,751.54</b>

**Material adjustments on adoption of Ind AS are explained below:****1) Impact on recognition of profit on sale of investments**

Under the previous GAAP, the company has valued the investments at cost or market value which ever is lower. However, as per Ind AS, the investments were fair valued. Under previous GAAP, The profit or loss recognised in the statement of loss is the difference between the sale value and cost recognised in books. As per IND AS, the profit recognised the difference between the fair value as at the previous reporting period and sale value.

**2) Reclassification of actuarial loss / (gain), arising out of employee benefit schemes, to Other Comprehensive Income (OCI)**

Both under previous GAAP and Ind AS, the Company recognised costs related to its post- employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses are charged to the statement of profit and loss. Under Ind AS, re-measurements comprising of actuarial gains and losses are recognise dimmediately in the balace sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefits cost is reduced by such amount with a corresponding adjustment on defined benefit plans has been recognised in the OCI.

**3) Investments**

Investments in listed equity shares were fair valued as per the market price and investments in unlisted equity shares were valued based on the valuation techniques for which the lowest level of inputs that is significant to the fair value measurement is unobservable as at the reporting date in Ind AS financial statements.

**4) Other financial liabilities**

The Company has recognised the liability of the corporate guarantee given to the lenders of the group entities.

**5) Retained earnings**

Retained earnings as at April 01, 2018 and Marh 31, 2019 has been adjusted consequent to the above Ind AS transition adjustments

**6) Other Comprehensive income**

Under Ind AS, all items of income and expense recognized in a period should be included in statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments and recognition of the corporate gurantee based on the fair valuation. The concept of other comprehensive income did not exist under previous GAAP.

**For and on behalf of the board  
TCI Finance Limited**

**D R Agarwal**  
Chairman  
DIN No : 00322861

**Srishti Soni**  
Company Secretary  
MNo : A46395

**Ashok Kumar Goyal**  
Director  
DIN No : 05129899

**Ramesh Sivaraman**  
Manager

**TCI Finance LIMITED**

(Regd. Office: Plot No 20, Survey No 12, 4th Floor, Kothaguda, Kondapur, Hyderabad - 500081)  
(CIN No: L65910TG1973PLC031293; Phones: 040 - 7120 4284; website: www.tcifl.com)

**Statement on Impact of Audit Qualifications submitted along-with Annual Audited Financial Results for the Financial Year ended March 31, 2020.**

[As per Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. In Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1	Turnover/Total Income	423	423
	2	Total Expenditure	5652	5651
	3	Net Profit/(Loss)	(5229)	(5229)
	4	Earnings Per Share (in Rs.) (- Negative)	(40.65)	(40.65)
	5	Total Assets	6975	6975
	6	Total Liabilities	11283	11283
	7	Net Worth	(4308)	(4308)
<b>II.</b>	<b>A.</b>	<b>Audit Qualification</b>		
		<p>1. Note 6 (b) of the accompanying statement regarding claims on the Company by the lenders of Amrit Jal Ventures Private Limited and Gati Infrastructure Bhasmey Power Private Limited aggregating to Rs. 25619.80 Lakhs due to the corporate guarantee given by the Company. Against the said liability the Company, considering the disputed nature of claim and unlawful invocation of Corporate Guarantee made a provision of Rs. 7798.91 Lakhs, which resulted in non-recognition of the claim to the extent of Rs. 17,820.89 Lakhs. This in our opinion is not accordance with Indian Accounting Standards and generally accepted accounting standards. Accordingly, the loss for the year is understated and the reserves are overstated by Rs.17,820.89 Lakhs</p> <p>2. Note no 7 of the accompanying statement regarding exposures to Mahendra Investment Advisors Private Limited (MIAPL) in the form of Inter Corporate deposits (ICD's) and interest receivable aggregating to Rs. 4359.37 Lakhs. In view of the negative networth in the standalone financial statements of MIAPL, we are unable to comment on the recovery of amounts due from MIAPL.</p> <p>3. Note no 8 (b) of the accompanying statement regarding the investments in equity shares of a Company held in Gati Limited pledged as security for the credit facilities availed by Gati Infrastructure Private Limited (GIPL) on receipt of letter of comfort from Amrit Jal Ventures Private Limited. The lenders of GIPL have invoked the pledge and same were disclosed as "Investments" as at 31 March 2020 for the reasons stated in the said note. Considering the uncertainty relating to recoverability of the said investment, we are unable to comment on the impact if any on the loss for the year and reserves and carrying value of investments at this stage.</p> <p>4. Note no 8(c) of the accompanying statement regarding the investments in equity shares of the Company held in Gati Limited pledged for the facilities availed by Amrit Jal Ventures Private Limited (AJVPL). The lenders of AJVPL have invoked the pledge and same were disclosed as "Investments" as at 31 March 2020 for the reasons stated in the said note. Considering the uncertainty relating to recoverability of the said investment, we are unable to comment on the impact if any on the loss for the year and reserves and carrying value of investments at this stage.</p> <p>5. Note no 10 of the accompanying statement regarding preparation of the standalone financial statements by the management on a going concern basis for the reasons stated therein. In the absence of sufficient and appropriate evidence and the liabilities devolved on the Company upon invocation of guarantees by the lenders of other entities, we are of the opinion that preparation of standalone financial statements on a going concern is not appropriate</p>		
	<b>b.</b>	<b>Type of Audit Qualification: Qualified Opinion</b>		

*Ramesh*

Digitally signed  
MAHENDRA by MAHENDRA  
A AGARWAL  
Date: 2020.07.31  
16:57:41 +05'30'

<b>c. Frequency of qualification: First Time</b>
<b>d. For Audit Qualification(s) where the impact is quantified by the auditor:</b>
i. <b>Management views:</b>
<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
<ol style="list-style-type: none"> <li>1. The Company has made a provision on an estimated basis considering the disputed nature of the claim and unlawful invocation of the Corporate Guarantee..</li> <li>2. Management of the Company is expecting to recover the above said balances in its entirety and is of the opinion that no provision is warranted at this moment.</li> <li>3. Gati Infrastructure Private Limited ( GIPL)and the Company entered into a agreement for restoration of such invoked shares to the Company. However, such restoration will take place only after GIPL repays all its dues to term loan lenders.</li> <li>4. The Company has taken necessary legal recourse for the restoration of the invoked shares.</li> <li>5. Management of the Company is in the process of identifying various alternatives / new areas to venture into for reviving the company. In view of the same, financial statements of the company have been prepared on going concern basis</li> </ol>
<b>Signatories:</b>
Director (Mr.Mahendra Kumar Agarwal) <span style="float: right;">MAHENDRA AGARWAL <small>Digitally signed by MAHENDRA AGARWAL Date: 2020.07.31 16:57:09 +05'30'</small></span>
CFO (Mr.Ramesh Sivaraman) <span style="float: right;"><i>Ramesh</i></span>
Audit committee Chairman (Mr. Ashok Goyal) <span style="float: right;"><i>A.K. Goyal</i></span>
Statutory Auditor For M Bhaskar Rao & Co. Chartered Accountants Firm Registration No: 000459S  V.K Muralidhar Partner Membership No: 201570 UDIN:
<span style="float: right;">KESAVAMU <small>Digitally signed by KESAVAMURALID HAR VADAKATTU Date: 2020.07.31 17:45:20 +05'30'</small></span> RALIDHAR VADAKATTU U
<b>Place:</b> Hyderabad
<b>Date:</b> July 31, 2020