

## NOTICE

**NOTICE** is hereby given that the 14th Annual General Meeting of the members of TCFC Finance Limited will be held on Friday, July 15, 2005, at 11.00 a.m. at Ashoka Hall, Arcadia, NCPA Marg, Nariman Point, Mumbai - 400 021 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2005 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Arun Sawhney, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, appointment of Mr. Davendra Ahuja as Managing Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> June, 2005 upon the terms and conditions as set out in the Explanatory Statement annexed hereto be and is hereby approved and confirmed and that the Board of Directors is authorised to alter and vary the terms and conditions of appointment including remuneration payable to the Managing Director within the overall limits specified in the Schedule XIII to the Companies Act, 1956".

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts, deeds, matters and things as may be considered, desirable or expedient for giving effect to this resolution."

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as **Special Resolution**:

**"RESOLVED THAT** subject to the approval of Central Government, Reserve Bank of India and pursuant to Section 16, 21, 31 and such other applicable provisions, if any, of the Companies Act, 1956 (including any modification(s), enactments for the time being in force) consent of members of the Company be and is hereby accorded for the change of name of the Company from "TCFC Finance Limited" to "Whitestone Finance limited" and accordingly following amendments be made in the Memorandum and Articles of Association of the Company:

The name "TCFC Finance Limited" appearing in the Name Clause (Clause I) of the Memorandum of the Company be substituted by "Whitestone Finance Limited".

The name "TCFC Finance Limited" wherever appearing in the name of the Company in Articles of Association of the Company be substituted by "Whitestone Finance Limited"

**"RESOLVED FURTHER THAT** Board of Directors of the Company be and are hereby authorised severally to file the necessary documents, application to the appropriate authorities and to obtain the necessary approval, sanctions as may be required and to do all such acts, deeds, things as may be necessary to give effect to the foregoing resolution."

By order of the Board  
For **TCFC Finance Limited**

**Rajendra Sawant**  
Company Secretary

Place : Mumbai

Date : May 11, 2005

### Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from July 11, 2005 to July 15, 2005 (both days inclusive) to ascertain the shareholders entitled to receive dividend, if approved, on equity shares, for the year ended March 31, 2005. In respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the depositories for this purpose.
3. The dividend on equity shares, if declared at the Annual General meeting will be paid on or after July 15, 2005
4. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in relation to the Special Business of the meeting is annexed hereto. The relevant details of directors seeking appointment under item Nos. 3 & 5 above, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange are given in the Corporate Governance Report.
5. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m and 1.00 p.m. upto the date of the Annual General Meeting.
6. Members are requested to intimate change in address, change in bank accounts etc. Members may avail Electronic Clearing Service (ECS) for receipt of dividend by intimating their bank account details to the Company if shares are in physical form or to their respective Depository Participant in case of share in dematerialized form.
7. Any member seeking further information on the Accounts at the meeting is requested to send their queries in writing to the Company so as to reach at least one week in advance to enable the Management to keep the information ready. Replies will be provided only at the meeting.
8. Members/proxies should bring their Attendance slip duly filled in for attending the meeting.

## **TCFC FINANCE LIMITED**

### **ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

#### **ITEM NO. 5**

It is desirable that day to day management of the Company which involves investment in securities is entrusted to a Managing Director, who would be in a better position to control and supervise over the day to day management and to effect viable co-ordination between management and the Board of Directors.

The Board of Directors therefore at its meeting held on May 11, 2005 appointed Mr. Davendra Ahuja as Managing Director of the Company with effect from June 1, 2005 subject to approval of the Members in General Meeting. The terms and conditions including remuneration payable are as under ;

#### **Period : Five Years from 1<sup>st</sup> June, 2005**

##### **a) Salary :**

Basic Salary : Rs 1,50,000/- (Rupees One Lac Fifty Thousand only) per month.

Allowance in lieu of commission on profits subject to overall limit of 5% of net profit for the relevant year.

##### **b) Perquisites :**

#### **PART - A**

The Company shall pay house rent allowance upto 60% of salary.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962 subject to ceiling of 10% of salary.

The Company shall reimburse the Managing Director medical expenses for self and family, subject to ceiling of one month's salary in a year or three month's salary in a block of three years.

The Company shall reimburse the Managing Director actual traveling expenses for proceeding on leave from Mumbai to any place in India and returning there from once in a year for self and family, in accordance with the rules of the Company.

The Company shall arrange to insure the Managing Director against personal accident risk, subject to the condition that the premium payable by the Company shall not exceed Rs 4,000/- (Rupees Four Thousand only) per annum.

Family means spouse, dependent children and dependent parents of the Managing Director.

#### **PART - B**

Contribution to the provident fund, superannuation fund or annuity fund as per the Company's Rules, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at a rate not exceeding half a month's salary for each year of completed service.

#### **PART - C**

Provision of the car with driver for use on Company's business and telephone at residence will not be considered perquisites. Personal long distant calls and use of car for

private purpose shall be billed by the Company to Managing Director.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may in its discretion, deem fit so as not to exceed the limits specified by Schedule XIII to the Companies Act, 1956 or amendments made hereafter in that regard.

In the event of loss or inadequacy of profit in any year, remuneration including perquisites as aforesaid will be paid to Mr. Davendra Ahuja in accordance with the applicable provisions of the Schedule XIII of the Companies Act, 1956 and will be adjusted appropriately.

The appointment may be terminated by either party giving the other party three month's notice.

The Managing Director shall not be entitled to receive any sitting fees.

If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.

Save and except Mr. Davendra Ahuja, none of the other Directors of the Company are in any way concerned or interested in the Resolution proposed at item no. 5 of the Notice.

The above may be regarded as an "abstract of the agreement and memorandum of interest" under Section 302 of the Companies Act, 1956.

Your Directors commend the resolutions at item no. 5 for your acceptance.

#### **ITEM NO. 6**

TCFC is the abbreviation of 20th (Twenty) Century Finance Corporation. 20th Century Group is no more in existence. Further the old name reflects 20th Century as the base. Since time has changed and to reflect it's true, independent and current identity the management wishes to change the first name of the Company from 'TCFC Finance Limited' to 'Whitestone Finance Limited'. The Registrar of Companies has confirmed the availability of the name 'Whitestone Finance Ltd'. The name change can be effect subject to approval of the members by Special Resolution and Central Government.

None of the Directors of the Company are in any way concerned or interested in the Resolution proposed at item no. 6 of the Notice.

Your Directors commend the resolutions at item no. 6 for your acceptance.

By order of the Board of Directors

For **TCFC Finance Limited**

**Rajendra Sawant**  
Company Secretary

Place : Mumbai  
Date : May 11, 2005

#### **Registered Office:**

501-502, Raheja Chambers,  
Free Press Journal Marg,  
Nariman Point,  
Mumbai 400 021.

**DIRECTORS' REPORT**

To the Members,

**TCFC FINANCE LIMITED**

The Directors have pleasure in presenting the 14th Annual Report of the Company together with the Audited Annual Accounts for the year ended March 31, 2005.

**FINANCIAL RESULTS**

	<b>Year ended March 31, 2005 (Rs. in lacs)</b>	<b>Year ended March 31, 2004 (Rs. in lacs)</b>
Profit/(Loss) before		
Non-cash charges	<b>532.27</b>	435.27
Less: Non Cash Charges	<b>8.75</b>	7.85
Profit / (Loss) before tax, provision	<b>523.51</b>	427.42
Provision/write off of investments/ advances	<b>111.64</b>	125.00
Profit / (Loss) before tax	<b>411.87</b>	302.42
Less: Provision for Tax	<b>29.31</b>	20.20
Net Profit/(Loss) after tax	<b>382.56</b>	282.23
Proposed dividend	<b>104.82</b>	83.86
Dividend tax	<b>14.41</b>	10.74
Carried to General Reserve	<b>9.56</b>	7.05
Carried to Statutory Reserve	<b>76.51</b>	56.45
Surplus balance carried to Profit & Loss Account	<b>177.25</b>	124.12

**OPERATIONS**

During the year under report, the Company has performed better than the previous year. The Company has made a net profit of Rs.382.56 lacs in the year under report as against Rs.282.23 lacs in the previous year. Earning per share has increased from Rs. 2.69 in the previous year to Rs.3.65 in the current year. The Company has been able to liquidate some of its investments and also carried out capital market operations. Due to the above and the cost cutting measures adopted, the Company made reasonable profit in the current year.

**DIVIDEND**

In view of the improved working, the directors are pleased to recommend a dividend of 10% amounting to Re.1.00 per equity share on 1,04,82,129 equity share of Rs. 10/- each for the financial year ended March 31, 2005. Dividend, if approved by the Members at the ensuing Annual General Meeting will be paid to the Equity Shareholders whose names appear in the Register of Members as on July 15, 2005 and to those whose names appear as beneficial owners as furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

During the year the Company carried out capital market operations at a moderate level. Though softer interest rate regime had a negative effect, the current year was a better year for the Company. Due to the current uncertain capital market situation where the risk factors appear to be very high the Company is taking a cautious view and will formulate its investment policies accordingly.

During the year the Company sold 10,040,000 equity shares of Rs.10/- each of GMAC – TCFC Finance Limited to Nucleus Software Export Ltd and others at a price of Rs. 13.60 per share aggregating to Rs. 13.65 crore. The Company also sold 7,05,024 equity shares of EEL India Limited at a price of Rs. 39/- per share aggregating to Rs. 2,74,95,936/-. 5,00,000 equity shares were bought back by the EEL India Ltd., itself and the balance shares were purchased by the promoters of EEL India Limited.

The Company is taking a number of initiatives to consolidate and improve margins and return on capital which will inturn enhance the shareholders value.

**CORPORATE GOVERNANCE**

Corporate Governance Report is annexed to this report.

**AUDITORS**

Lakhani & Company, Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting, and are eligible to offer themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be in accordance with the provisions of section 224 (1B) of the Companies Act, 1956. The Directors recommend their re-appointment as the Auditors till the conclusion of the Annual General Meeting for the year ended 31<sup>st</sup> March 2006 on remuneration to be decided by the Board of Directors of the Company. Notes forming part of accounts which are specifically referred by the auditors in their report are self-explanatory and therefore, do not call for any further comments.

**DEPOSITS**

The Company has not accepted any deposits from public during the period under review.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that:

- in preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- they have selected the accounting policies and applied them consistently and made judgments 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

## **TCFC FINANCE LIMITED**

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the end of the financial year under review and for the profit or loss of the Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the Annual Accounts on a going concern basis.

### **DIRECTORS**

During the year under review Mr. Arun Sawhney, Director retires by rotation and being eligible offers himself for re-appointment. On August 19, 2004 Mr. Niranjana Shah ceased to be director of the Company.

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

The Company has no activities relating to conservation of energy, technology absorption and foreign exchange earnings & out go.

### **PARTICULARS OF EMPLOYEES**

The Company does not have any employee who is in receipt of remuneration aggregating to the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended till date.

### **ACKNOWLEDGMENT**

The Board of Directors thanks Reserve Bank of India, Banks and Shareholders for their continued support besides employees at all levels.

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

Place : Mumbai  
Date : May 11, 2005

**Atul Desai**  
**Chairman**

## **CORPORATE GOVERNANCE REPORT**

### **1. Company's philosophy**

In compliance with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges and applicable provisions of the Companies Act, 1956, your Directors submit their report on the matters mentioned in the said Clause and practice followed by the Company.

### **2. Board of Directors**

The composition of Board of Directors is in compliance with provisions of Listing Agreement with the Stock Exchange and the Companies Act, 1956. As on March 31, 2005, the Board comprises of a Chairman and four Directors, all being non executive directors. None of the Directors is member of more than 10 committees and Chairman of more than 5 committees across all the companies in which he is director. All the Directors have made necessary disclosures regarding committee positions occupied by them. The independent Directors are professionals drawn from amongst persons with experience in business, finance and law. The composition of the Board during the Year ended March 31, 2005 is as under:

Name	Category	Attendance particulars		Number of other directorship and Committee Membership/ Chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Atul Desai	Chairman Non Executive & independent	4	Yes	4	5	3
Mr. Davendra Ahuja	Non-executive & Non-independent	4	Yes	2	4	-
Mr. Niranjana Shah*	Non-executive & Independent	Nil	Yes	1	2	-
Mr. Shaunak Dalal	Non-executive & Independent	4	Yes	3	2	-
Mr. Arun Sawhney	Non-executive & Independent	3	Yes	3	2	2
Mr. Venkatesh Kamath	Non-executive & Independent	4	Yes	2	2	1

\* resigned w.e.f. August 19, 2004

### **Board Meetings and attendance**

The Corporate Governance policy requires the Board to meet atleast 4 times in a year with a maximum gap of 4 months between any two meetings. The details of the Board Meetings held during the year are as under:

Sr. No.	Date of Board Meeting	Boards' Strength	No. of Directors present
1	June 16, 2004	6	5
2	July 30, 2004	6	5
3	October 14, 2004	5	5
4	January 28, 2005	5	4

### **Boards' Processes**

It has always been the Company's policy and practice that apart from matters requiring the Boards' approval by statute, all major decisions including quarterly results of the Company are regularly placed before the Board. This is in addition to information with regard to actual operations, major litigation, feed back reports and minutes of all Committee Meetings.

### **COMPOSITION OF COMMITTEES OF DIRECTORS AND THEIR ATTENDANCE AT THE MEETING**

The Board has constituted committees of Directors to take informed decisions in the best interest of the Company. These committees monitor the activities falling within their terms of reference. The Board Committees' are as follows:

#### **A. Audit Committee**

The Audit Committee of the Board comprises of four qualified Non-Executive Directors with majority being independent viz. Mr. Arun Sawhney, Mr. Atul Desai, Mr. Davendra Ahuja and Mr. Shaunak Dalal. Mr. Arun Sawhney is the Chairman. Two of the members are having finance and accounting knowledge. The Company Secretary is the Secretary to the Committee. The Audit Committee of the Company, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

## TCFC FINANCE LIMITED

The Committee has powers similar to that stated in the listing agreements and Companies Act and exercises most of the functions as per the terms of reference in line with the requirements of the Code of Corporate Governance. The Audit committee has reviewed the Annual Accounts for the year 2004-2005.

The details of Audit Committee meeting held during the year 2004 –2005 are as under:

### Audit Committee Meetings

Sr.no.	Date of Audit Committee	Committee Strength	No. of Members present
1	June 16, 2004	5	4
2	July 30, 2004	5	4
3	October 14, 2004	4	4
4	January 28, 2005	4	3

### Audit Committee Attendance

Directors	No. of Meetings attended
Mr. Arun Sawhney	3
Mr. Atul Desai	4
Mr. Davendra Ahuja	4
Mr. Shaunak Dalal	4
Mr. Niranjana Shah*	Nil

\* Ceased to be committee member w.e.f. August 19, 2004

Statutory Auditors, executives responsible for finance and accounts functions are permanent invitees to the Audit Committee meeting.

### B. Remuneration Committee

The directors of the Company are non - executive directors and apart from payment of sitting fees the Company does not pay any remuneration to its directors. However the remuneration paid to the manager has already been approved by the Committee.

The Committee has powers similar to that stated in the listing agreement and schedule XIII to the Companies Act, 1956.

The Remuneration Committee of the Board comprises of three Non-Executive Directors viz. Mr. Arun Sawhney, Mr. Shaunak Dalal, and Mr. Atul Desai. Mr. Arun Sawhney is the Chairman. The Company Secretary is the Secretary to the Committee. The Remuneration Committee, inter alia, approves the remuneration of the top tier management of the Company. The remuneration of the employees largely consists of basic remuneration, perquisite and other incentives.

### Details of Remuneration for 2004-05

Name of Director	Sitting fees (Rs.)	Salaries and Perquisites	Commission
Mr. Atul Desai	40,000/-	Nil	Nil
Mr. Davendra Ahuja	40,000/-	Nil	Nil
Mr. Arun Sawhney	30,000/-	Nil	Nil
Mr. Niranjana Shan	Nil	Nil	Nil
Mr. Shaunak Dalal	40,000/-	Nil	Nil
Mr. Venkatesh Kamath	20,000/-	Nil	Nil

### C. Shareholders / Investors Grievance Committee

The Shareholders / Investors Grievance Committee looks after the transfer of shares, split of shares, issue of duplicate shares, transmission etc. In addition to above the Committee is authorised to look into shareholders complaints like delay in transfer, non receipt of securities, balance sheet, dividend etc. During the year no complaints were received from The Stock Exchange/ Securities and Exchange Board of India/ The Registrar of companies were reported to the Committee. All the correspondence/queries from the members were replied to the satisfaction of the members. No transfer/complaints are pending at the close of the financial year.

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The Committee consists of Mr. Venkatesh Kamath, Mr. Atul Desai and Mr. Davendra Ahuja. Mr. Venkatesh Kamath, non executive director, is the Chairman of the committee. Mr. Rajendra Sawant, Company Secretary is the Compliance officer and is also the secretary to the committee.

### **Directors who are seeking appointment / re-appointment at the ensuing Annual General Meeting.**

<b>Name of the Directors</b>	Mr. Arun Sawhney	Mr. Davendra Ahuja
<b>Date of Birth</b>	August 20, 1951	November 24, 1938
<b>Date of Appointment/ Re-appointment as Director/ MD / WTD</b>	Not applicable being non executive director	June 1, 2005
<b>Qualification</b>	Chartered Accountant	M.A.(Economics) (USA), MBA (USA)
<b>Experience and Expertise in specific functional area</b>	Business and Consultant	Financial Consultant

### **Other Directorship : Mr. Arun Sawhney**

<b>Name of the Company</b>	<b>Position</b>	<b>Committee</b>	<b>Membership Status</b>
Equip Engineers India Pvt Ltd	Director	Nil	Nil
Equip Techtrans India Pvt Ltd	Director	Nil	Nil
Contour Investment Pvt Ltd	Director	Nil	Nil

### **Other Directorship : Mr. Davendra Ahuja**

<b>Name of the Company</b>	<b>Position</b>	<b>Committee</b>	<b>Membership Status</b>
Essel Propack Limited	Director	Remuneration Committee	Member
		Audit Committee	Member
HB Estate Developers Limited	Director	Remuneration Committee	Member

### **3. Means of Communications**

The quarterly results, notice of the meeting and book closure dates etc. are widely circulated in leading English (Free Press Journal) and regional language newspaper (Navshakti). Results are also given to The Stock Exchange, Mumbai and SEBI for publication. Managements' Discussions & Analysis forms part of the Directors' Report.

### **4. Details of last three Annual General Meetings**

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2001-2002	Amar Gian Grover Auditorium, Lala Lajpat Rai Memorial Trust, Lala Lajpat Rai Marg, Haji Ali, Mumbai 400 034	August 27, 2002	10.30 a.m.
2002-2003	Jai Hind College Auditorium, A Road, Churchgate, Mumbai 400020	September 16, 2003	3.00 p.m.
2003-2004	Ashoka Hall, Arcadia, NCPA Marg, Nariman Point, Mumbai – 400 021	July 26, 2004	11.00 a.m.

None of the special resolutions were put through vote by postal ballots during the last three AGMs.

### **5. Disclosures**

There has been no non-compliance penalties / strictures imposed on the Company by Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

There are no materially significant related party transaction other than those disclosed in the notes to accounts.

## TCFC FINANCE LIMITED

### 6 General Shareholder Information

#### a. Annual General Meeting

Date : July 15, 2005

Time : 11.00 a.m.

Venue: Ashoka Hall, Arcadia, NCPA Marg, Nariman Point, Mumbai 400021

Book Closure Date : July 11, 2005 to July 15, 2005

Payment of dividend : 15 July onwards.

#### b. Financial Calendar

Tentative calendar of events for the financial year 2005-2006 (April- March) is given below.

##### Adoption of Quarterly Results ended

##### In the month of

June 30, 2005

July, 2005

September 30, 2005

October, 2005

December 31, 2005

January, 2006

March 31, 2006 (Audited Annual Accounts)

June, 2006

#### c. Inhouse Share Department

TCFC Finance Limited

Share Department

501-502, Raheja Chambers,

Nariman point, Mumbai 400 021

#### d. Listing on Stock Exchanges

Name of Stock Exchange in which the shares of the Company are listed for trading with stock code.

##### Stock Exchange

##### Code

The Stock Exchange, Mumbai

B2-532284

The listing fee for the financial year has been paid

#### e. Shareholding Pattern of the Company as on March 31, 2005

Category	No. of Shares held	% of shareholdings
<b>A. Promoter's Holding</b>		
a) NRI Promoters (Including OCBs)	—	—
b) Indian Promoters	—	—
c) Persons Acting in concert	5725216	54.62
<b>Sub Total</b>	<b>5725216</b>	<b>54.62</b>
<b>B. Non Promoting Holdings</b>		
a) Mutual Funds and UTI	1618	00.01
b) Banks and Financial institution	884370	08.44
c) FIs	360378	03.44
<b>Sub Total</b>	<b>1246366</b>	<b>11.89</b>
Others:-		
a) Corporates Bodies	98261	00.94
b) Indian Public	2864995	27.33
c) NRIs	10990	00.10
d) Others	536301	05.11
<b>Sub Total</b>	<b>3510547</b>	<b>33.49</b>
<b>Grand Total</b>	<b>10482129</b>	<b>100.00</b>

There are no shares/securities/warrants/instruments due for conversion.



**f. Distribution of Shareholding as on March 31, 2005**

Range No. of shares	Share Holders		Shares	
	Numbers	% to total holders	Numbers	% of Total Capital
Up to - 250	39028	95.753	1746563	16.67
251- 500	1219	2.991	408951	3.90
501-1000	346	0.849	244816	2.34
1001-2000	90	0.221	128741	1.23
2001-3000	21	0.052	53891	0.51
3001-4000	15	0.037	51677	0.49
4001- 5000	2	0.005	9368	0.09
5001- 10000	21	0.052	142423	1.36
10001 & above	17	0.042	7695699	73.42
<b>Total</b>	<b>40759</b>	<b>100.00</b>	<b>10482129</b>	<b>100.00</b>

**g. Share Transfer System**

Share transfers are registered by the share department of the Company and returned to the respective transferees within a period ranging from fifteen days to one month, provided the documents lodged with the Company are clear in all respects.

**h. Dematerialisation of Shares**

As per notifications issued by the Securities and Exchange Board of India (SEBI), the trading in Companies' shares is permitted only in dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited and Central Depository Services (India) Limited.

ISIN for the Company's equity shares: INE389D01013

Share Dematerialisation record: The following data indicates the extent of Dematerialisation of Company's shares as on March 31, 2005

<b>No of Shares Dematerialised</b>	8219637	78.42%
<b>No. of shareholders in Demat form</b>	7857	19.25% of total no. of shareholders

**i. Address for Correspondence**

TCFC Finance Limited  
501-502, Raheja Chambers, Nariman Point,  
Mumbai 400 021  
Tel: 022-22844701  
Fax: 022-22819237

The Company has no other office.

**j. Market Price Data (Rs.) Bombay Stock Exchange**

Month	Company Equity Share Price (Rs.)		BSE Sensex	
	High	Low	High	Low
April, 2004	12.00	8.06	5979.25	5599.12
May, 2004	11.40	7.20	5772.64	4227.50
June, 2004	10.25	7.25	5012.52	4613.94
July, 2004	9.89	7.75	5200.85	4723.04
August, 2004	9.00	6.17	5269.22	5022.29
September, 2004	10.50	7.21	5638.79	5178.57
October, 2004	11.25	8.00	5803.82	5558.14

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Month	Company Equity Share price		BSE Sensex	
	High	Low	High	Low
November, 2004	11.99	8.26	6248.43	5649.03
December, 2004	15.00	10.01	6617.15	6176.09
January, 2005	13.80	9.30	6696.31	6069.33
February, 2005	17.73	12.50	6721.08	6508.33
March, 2005	16.90	12.65	6954.86	6321.31

### k. Depository services

For guidance on depository services, shareholders may write to the Company or to the respective Depositories:

- i) National Securities Depository Services Limited  
Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai 400 013  
Tel.: 022-24972964-70  
Email. : info@nsdl.co.in  
Website: www.nsdl.com
- ii) Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers, 28<sup>th</sup> Floor,  
Dalal Street, Mumbai 400 023  
Tel.: 022-22723333  
Email: info@centraldepository.com  
Website: www.centraldepository.com

### l. Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of TCFC Finance Ltd.

We have examined the compliance of conditions of Corporate Governance by TCFC Finance Ltd (the Company) for the year ended March 31, 2005, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Company.

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

For **Lakhani & Co.**  
Chartered Accountants

**D. V. Lakhani**  
Partner  
M.No.12402

Place : Mumbai  
Date : May 11, 2005

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF TCFC FINANCE LIMITED**

1. We have audited the attached Balance Sheet of TCFC FINANCE LTD. (the 'Company') as at 31st March 2005, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account, as required by law, have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31st March 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2005;
    - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
    - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For LAKHANI & CO.**  
*Chartered Accountants*

**D. V. Lakhani**  
Partner  
M.No.12402

Place : Mumbai  
Date : 11<sup>th</sup> May, 2005

## TCFC FINANCE LIMITED

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### ANNEXURE TO THE AUDITOR'S REPORT

[Referred to in paragraph 3 of our report of even date to the members of TCFC FINANCE LTD. on the financial statements for the year ended 31<sup>st</sup> March, 2005]

- (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 assets have been physically verified, at intervals, by the management during the year, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the company has not disposed off any fixed assets during the year.
- (ii) (a) The securities held as stock-in-trade and in custody of the company have been physically verified by the management at reasonable intervals. Statements have been obtained on a regular basis in respect of securities held with the custodian and depository participants.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. No material discrepancies have been noticed on verification between the physical stocks, stocks with the depository participants and the book records.
- (iii) (a) The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clauses (a), (b), (c), and (d) of clause 4(iii) of the Order are not applicable.
- (b) The company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clauses (e), (f), and (g) of clause 4(iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for sale of inventory. The activities of the Company do not involve sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in the section 301 of the act during the year that need to be entered into the register maintained under that section. Accordingly clause 4(v)(b) of the Order is not applicable.
- (vi) The Company has not accepted any deposits from public within the meaning of the provisions of Sections 58A and 58AA or any other relevant provisions of the act, and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of services carried by the Company.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities. Based on our audit procedure and according to the information and explanations given to us, no undisputed dues payable in respect of provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2005 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) The Company has not taken any loans from a financial institution, nor issued any debentures. However, the Company has taken a hire purchase loan from a bank and in our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to such bank.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause 4(xii) of the Order is not applicable.

- (xiii) The Company is not a chit fund, nidhi or mutual fund or a society. Accordingly clause 4(xiii) of the Order is not applicable.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of trading in shares and other securities and that timely entries have been made therein. All shares and other securities have been held by the Company in its own name, except those which are kept as margin with the brokers and as disclosed in the financial statements.
- (xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly clause 4(xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the term loan has been applied for the purpose for which it was obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, the company has not raised any funds on short-term basis. Accordingly clause 4(xvii) of the Order is not applicable.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly clause 4(xviii) of the Order is not applicable.
- (xix) The company has not issued any debentures. Accordingly clause 4(xix) of the Order is not applicable.
- (xx) The company has not raised any money by public issue during the period. Accordingly clause 4(xx) of the Order is not applicable.
- (xxi) *According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year, except for the theft of equity shares held by the Company, as mentioned in note no.9 to schedule 'N'.*

**For LAKHANI & CO.**  
Chartered Accountants

**D. V. Lakhani**  
Partner  
M.No.12402

Place : Mumbai  
Date : 11th May, 2005

**TCFC FINANCE LIMITED****BALANCE SHEET AS AT MARCH 31, 2005**

	Schedule	As at 31.03.2005 Rupees	As at 31.03.2004 Rupees
<b>LIABILITIES</b>			
Share Capital	A	104,821,290.00	104,821,290.00
Reserves & Surplus	B	289,549,179.87	263,216,579.46
Secured Loans	C	5,194,404.09	-
<b>TOTAL</b>		<b>399,564,873.96</b>	<b>368,037,869.46</b>
<b>ASSETS</b>			
Gross Fixed Assets	D	30,352,999.61	23,852,478.61
Less: Accumulated Depreciation		3,379,186.33	2,559,887.44
Net Fixed Assets		26,973,813.28	21,292,591.17
Investments	E	15,910,206.80	172,887,695.68
Current Assets, Loans & Advances	F	377,333,421.64	191,998,224.41
Less: Current Liabilities and Provisions	G	20,652,567.76	18,196,836.80
Net Current Assets (F - G)		356,680,853.88	173,801,387.61
Miscellaneous Expenditure	H	-	56,195.00
<b>TOTAL</b>		<b>399,564,873.96</b>	<b>368,037,869.46</b>

Per our Report attached

**For LAKHANI & CO**  
*Chartered Accountants***D.V. Lakhani**  
PartnerPlace : Mumbai  
Dated : May 11, 2005

For and on behalf of the Board

<b>Atul Desai</b>	Chairman
<b>Davendra Ahuja</b>	Director
<b>Arun Sawhney</b>	Director
<b>Shaunak Dalal</b>	Director
<b>Venkatesh Kamath</b>	Director

**Rajendra Sawant**      Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2005**

	Schedule	Year Ended 31.03.2005 Rupees	Year Ended 31.03.2004 Rupees
<b>INCOME</b>			
From Sales		1,611,261,748.73	755,044,976.59
From Others	I	35,726,000.40	32,408,357.27
		<b>1,646,987,749.13</b>	<b>787,453,333.86</b>
<b>EXPENDITURE</b>			
Interest & Bank charges	J	139,598.21	207,627.19
Cost of Sales	K	1,575,283,173.60	717,087,738.38
Administration & Other Expenses	L	18,338,311.02	26,630,464.85
		<b>1,593,761,082.83</b>	<b>743,925,830.42</b>
Profit/(Loss) before Non-cash charges		53,226,666.30	43,527,503.44
Non-cash charges	M	875,493.89	784,614.89
Profit/(Loss) before tax, provisions		52,351,172.41	42,742,888.55
Provision/written off of Investments/Advances		11,164,150.00	12,500,000.00
Profit/(Loss) before tax		41,187,022.41	30,242,888.55
Provision for Tax		2,931,000.00	2,020,000.00
Net Profit/(Loss) for the year		<b>38,256,022.41</b>	<b>28,222,888.55</b>
<i>Appropriations:</i>			
Proposed Dividend			
Equity Shares		10,482,129.00	8,385,703.20
Dividend Tax		1,441,293.00	1,074,418.00
General Reserve		956,400.56	705,572.21
Statutory Reserve		7,651,204.48	5,644,577.71
Surplus balance carried to Profit and Loss Account		17,724,995.37	12,412,617.43
		<b>38,256,022.41</b>	<b>28,222,888.55</b>
Loss brought forward from previous year		(363,907,771.15)	(376,320,388.58)
Loss carried to Balance Sheet		(346,182,775.78)	(363,907,771.15)
Basic Earnings per Shares (in Rs.)		3.65	2.69
Diluted Earnings per Shares (in Rs.)		3.65	2.69
Number of Shares used in computing earning per share			
Basic		10,482,129	10,482,129
Diluted		10,482,129	10,482,129
Notes to Accounts	N		

Per our Report attached

**For LAKHANI & CO**  
Chartered Accountants

**D.V. Lakhani**  
Partner

Place : Mumbai  
Dated : May 11, 2005

For and on behalf of the Board

**Atul Desai** Chairman  
**Davendra Ahuja** Director  
**Arun Sawhney** Director  
**Shaunak Dalal** Director  
**Venkatesh Kamath** Director

**Rajendra Sawant** Company Secretary

## TCFC FINANCE LIMITED

### Schedules forming part of the Balance Sheet

	As at 31.03.2005 Rupees	As at 31.03.2004 Rupees
<b>Schedule 'A': Share Capital</b>		
<b>Authorised</b>		
1,08,50,000 Equity Shares of Rs 10 each (Previous Year : 1,08,50,000)	108,500,000.00	108,500,000.00
	<u>108,500,000.00</u>	<u>108,500,000.00</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
10,482,129 Equity Shares of Rs 10/- each fully paid up (Previous Year: 10,482,129)	104,821,290.00	104,821,290.00
<b>Total</b>	<u>104,821,290.00</u>	<u>104,821,290.00</u>
<b>Schedule 'B': Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>	375.00	375.00
<u>Statutory Reserve as per section 45IC of RBI Act 1934</u>		
Opening Balance	66,161,747.54	60,517,169.83
Add: Transfer from Profit and Loss Account	7,651,204.48	5,644,577.71
	<u>73,812,952.02</u>	<u>66,161,747.54</u>
<b>General Reserve</b>		
As per last Balance Sheet	560,962,228.07	560,256,655.86
Add: Transfer from Profit and Loss Account	956,400.56	705,572.21
Less: Set off against Profit & Loss Account (As per contra)	346,182,775.78	363,907,771.15
	<u>215,735,852.85</u>	<u>197,054,456.92</u>
<b>Total</b>	<u>289,549,179.87</u>	<u>263,216,579.46</u>
<b>Schedule 'C': Secured Loans</b>		
Hire Purchase Loan	5,194,404.09	-
	<u>5,194,404.09</u>	<u>-</u>

Note: These are secured by hypothecation of vehicle

### Schedule 'D': Fixed Assets

Item	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2004	Additions	Reductions	As on 31.03.2005	As on 01.04.2004	Additions	Reductions	As on 31.03.2005	WDV as on 31.03.2005	WDV as on 31.03.2004
Ownership Premises	20,194,991.00	-	-	20,194,991.00	1,581,200.98	329,178.35	-	1,910,379.33	18,284,611.67	18,613,790.02
Office Equipment	326,593.34	35,000.00	-	361,593.34	34,751.19	16,027.88	-	50,779.07	310,814.27	291,842.15
Data Processing Equipment	1,682,716.00	129,850.00	-	1,812,566.00	532,730.14	280,716.43	-	813,446.57	999,119.43	1,149,985.86
Furniture & Fixtures	1,648,178.27	-	-	1,648,178.27	411,205.13	104,329.68	-	515,534.81	1,132,643.46	1,236,973.14
Vehicle	-	6,335,671.00	-	6,335,671.00	-	89,046.55	-	89,046.55	6,246,624.45	-
<b>Total</b>	23,852,478.61	6,500,521.00	-	30,352,999.61	2,559,887.44	819,298.89	-	3,379,186.33	26,973,813.28	21,292,591.17
Previous Year	23,333,559.61	518,919.00	-	23,852,478.61	1,873,925.55	685,961.89	-	2,559,887.44	21,459,634.06	



**Schedules forming part of the Balance Sheet**

**Schedule 'E': Investments**

	Face Value	Nos. 31.03.2005	Nos. 31.03.2004	(Rupees) Value as on 31.03.2005	(Rupees) Value as on 31.03.2004
<b>Long Term Investments</b>					
<b>(a) Investments in Debentures</b>					
Punj Lloyd Ltd (NCD)	25.00	484,800	484,800	<b>12,120,000.00</b>	24,240,000.00
Sub-Total				<b>12,120,000.00</b>	24,240,000.00
<b>(b) Quoted Shares</b>					
Centurion Bank Ltd	10.00	20	20	<b>200.00</b>	200.00
Indian Lead Ltd	10.00	-	158,175	-	5,187,361.00
TCFC Finance Ltd **	10.00	533,334	533,334	<b>30,000,037.50</b>	30,000,037.50
Sub-Total				<b>30,000,237.50</b>	35,187,598.50
Aggregate Market Value of Quoted Investments is Rs 73,06,976/- (Previous Year: Rs 43,89,535/-)					
<b>(c) Unquoted Shares</b>					
21st Century Technologies & Resources P Ltd	10.00	-	10,000	-	100,000.00
Credit Analysis and Research Ltd	10.00	100,000	100,000	<b>1,000,000.00</b>	1,000,000.00
Dewas Soya Ltd	10.00	50,000	50,000	<b>500,000.00</b>	500,000.00
EEL India Ltd	10.00	-	705,024	-	38,400,963.00
GMAC-TCFC Finance Ltd	10.00	-	10,040,000	-	100,400,000.00
Lakshmi Ganesha Textiles Ltd	10.00	825,000	825,000	<b>9,487,500.00</b>	9,487,500.00
RFB Latex Ltd	10.00	-	500,000	-	12,500,000.00
Smile & Care Products Ltd	10.00	-	20,000	-	200,000.00
TCFC Securities Ltd	10.00	1,999,940	1,999,940	<b>19,999,400.00</b>	19,999,400.00
The Shamrao Vithal Co-op Bank Ltd	25.00	2,000	2,000	<b>50,000.00</b>	50,000.00
Vasudeva Textiles Ltd	10.00	420,000	420,000	<b>34,158,523.00</b>	34,158,523.00
Sub-Total				<b>65,195,423.00</b>	216,796,386.00
<b>GRAND TOTAL</b>				<b>107,315,660.50</b>	276,223,984.50
Less: Provision for Diminution in value of Investments				<b>91,405,453.70</b>	103,336,288.82
				<b>15,910,206.80</b>	172,887,695.68

\*\* As per the Schemes of arrangement with erstwhile 20th Century Finance Corporation Limited (TCFC) the Company has received 533334 shares of TCFC Finance Ltd. which are held by a nominee of the company of Rs 10/- each fully paid up with the beneficial interest vesting with the company.

## TCFC FINANCE LIMITED

### Schedules forming part of the Balance Sheet

	As at 31.03.2005 Rupees	As at 31.03.2004 Rupees
<b>Schedule 'F': Current Assets Loans &amp; Advances</b>		
<b>a) Current Assets</b>		
Cash in hand	21,399.90	5,813.60
Balance with Schedule bank		
In current account	20,975,678.38	5,886,534.51
In unpaid dividend account	573,819.24	305,824.48
Sundry Debtors	1,984,060.30	30,985,211.91
Stock-in-trade	339,687,708.20	138,770,679.79
(at lower of cost or market value)		
Sub-Total	363,242,666.02	175,954,064.29
<b>(b) Loans &amp; Advances</b>		
Advance payment of tax/TDS	9,515,647.12	6,902,077.12
Staff Advances	358,068.00	402,502.00
Security Deposit	910,690.00	845,502.00
Prepaid Expenses	197,049.50	84,778.00
Other Loans	3,109,301.00	7,809,301.00
Sub-Total	14,090,755.62	16,044,160.12
Total	377,333,421.64	191,998,224.41
<b>Schedule 'G': Current Liabilities &amp; Provisions</b>		
<b>(a) Current Liabilities</b>		
Sundry Creditors	883,615.12	-
Unclaimed Dividend	573,819.24	305,824.48
Security Deposit	1,614,150.00	1,614,150.00
Other Liabilities	233,155.00	287,415.00
Option Premium Account - Open Position	-	2,996,282.87
Sub-Total	3,304,739.36	5,203,672.35
<b>(b) Provisions</b>		
For Expenses	473,406.40	1,179,473.25
For Interest	-	161,949.00
For Tax	4,951,000.00	2,191,621.00
For Proposed Dividend	10,482,129.00	8,385,703.20
For Dividend Tax	1,441,293.00	1,074,418.00
Sub-Total	17,347,828.40	12,993,164.45
Total	20,652,567.76	18,196,836.80
<b>Schedule 'H': Miscellaneous Expenditure</b>		
(To the extent not written off or adjusted)		
Deferred Revenue Expenditure	56,195.00	154,848.00
	56,195.00	154,848.00
Less: written off during the year	56,195.00	98,653.00
Total	-	56,195.00

**Schedules forming part of the Profit & Loss Account**

	Year Ended 31.03.2005 Rupees	Year Ended 31.03.2004 Rupees
<b>Schedule 'I': Other Income</b>		
Interest earned (tax deducted at sources Rs 4,19,025 /-) (Previous year: Rs 6,88,576/-)	<b>2,070,853.52</b>	3,362,284.58
Dividend Income	<b>3,753,042.95</b>	4,203,402.84
Profit on Sale of Investments	<b>27,246,597.12</b>	23,900,000.00
Income from Rent (Tax Deducted at Sources Rs 4,50,022/-) (Previous Year: Rs 2,20,600/-)	<b>2,152,200.00</b>	842,945.00
Miscellaneous Income	<b>503,306.81</b>	99,724.85
Total	<b>35,726,000.40</b>	32,408,357.27
<b>Schedule 'J': Interest &amp; Bank charges</b>		
Interest	<b>36,244.09</b>	203,709.00
Bank charges	<b>103,354.12</b>	3,918.19
Total	<b>139,598.21</b>	207,627.19
<b>Schedule 'K': Cost of Sales</b>		
Opening stock of shares	<b>138,770,679.79</b>	16,867,100.09
Add: Purchases	<b>1,776,200,202.01</b>	838,991,318.08
Closing Stocks	<b>339,687,708.20</b>	138,770,679.79
Total	<b>1,575,283,173.60</b>	717,087,738.38
<b>Schedule 'L': Administration &amp; Other Expenses</b>		
Salaries, Wages and Bonus	<b>1,059,563.00</b>	1,734,969.00
Contribution to Provident and other funds	<b>36,378.00</b>	32,242.00
Staff Welfare Expenses	<b>17,950.20</b>	13,858.50
Rent, Rates and Taxes	<b>178,827.00</b>	178,281.00
Loss due to theft	<b>2,295,912.85</b>	-
Loss in Options & Futures	<b>11,524,484.53</b>	20,412,594.71
Investment written off	<b>17,987,361</b>	-
Less: Provision for Diminution in value of Investments written back	<b>17,987,361</b>	-
Repairs & Maintenance	<b>130,153.50</b>	1,442,864.00
Legal & Professional	<b>656,819.00</b>	817,756.00
Travelling & Conveyance	<b>128,132.49</b>	167,444.50
Sitting Fees	<b>170,000.00</b>	98,000.00
Depository Charges	<b>165,236.12</b>	191,269.36
Miscellaneous expenses	<b>1,826,570.33</b>	1,445,949.78
Auditors Remuneration:		
For Audit	<b>35,385.00</b>	35,100.00
For Tax Audit	<b>11,020.00</b>	10,800.00
For other Services	<b>101,879.00</b>	49,336.00
Total	<b>18,338,311.02</b>	26,630,464.85
<b>Schedule 'M': Non-Cash charges</b>		
Depreciation	<b>819,298.89</b>	685,961.89
Amortisation	<b>56,195.00</b>	98,653.00
Total	<b>875,493.89</b>	784,614.89

## TCFC FINANCE LIMITED

### SCHEDULE 'N' : NOTES FORMING PART OF THE ACCOUNTS

#### (1) SIGNIFICANT ACCOUNTING POLICIES

##### 1.1 General

The financial statements have been prepared on the historical cost basis and are in conformity with the statutory provisions and practices prevailing in the industry and are in accordance with generally accepted accounting principles.

##### 1.2 Income and Expenses

- The Company recognises income and expenditure on an accrual basis except as stated otherwise.
- The Company accounts for derivative transactions in futures and options in accordance with the "Guidance Note on Accounting for Equity Index and Equity Stock Futures and Options" issued by the Institute of Chartered Accountants of India.
- The provision for gratuity is made on the basis of full provision for those employees who have completed more than 5 years and pro-rata for employees who have completed over two and half years of service.

##### 1.3 Fixed Assets

- In respect of fixed assets, the assets are valued as per Accounting Standard 10 prescribed by the Institute of Chartered Accountants of India.
- The depreciation in respect of these assets is provided on a Straight Line Basis (SLM) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

##### 1.4 Stock-in-trade and Investments

- The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and shown as current assets. Other securities acquired with the intention of long-term holdings are considered as 'Investments'.
- In respect of investments as well as stock-in-trade, brokerage and stamp duty payable are considered to arrive at the cost.
- The securities held as stock-in-trade under current assets are valued at cost or market, whichever is lower.
- The provision diminution in the value of long-term quoted investments is made only if such a decline is other than temporary in the opinion of the management.
  - Unquoted investments have been valued at cost and provision for diminution in the value of investments has been made based on the guidelines prescribed by the Reserve Bank of India or based on the judgement of the management, whichever provision is higher.

- Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961.

- Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty of realization.

- Miscellaneous Expenditure is amortised over a period of ten years.

##### 1.7 Provision for doubtful Loans and Advances

The policy of provisioning for Non Performing Loans and Advances has been decided by the management considering Prudential Norms prescribed by the Reserve Bank of India.

#### (2) Quantitative details of Securities held as Stock-in trade:

	Opening Stock				Purchases			
	Current Year		Previous Year		Current Year		Previous Year	
	Qty. Nos.	Value Rs. in Lacs	Qty. Nos.	Value Rs. in Lacs	Qty. Nos.	Value Rs. in Lacs	Qty. Nos.	Value Rs. in Lacs
Equity Shares	1476251	594.85	17518	21.23	3399108	5133.86	22800	47.92
Units in Mutual Fund	6816310	792.85	1023073	147.44	67007883	12987.93	3316572	433.41
	Sales				Closing Stock			
	Current Year		Previous Year		Current Year		Previous Year	
	Qty. Nos.	Value Rs. in Lacs	Qty. Nos.	Value Rs. in Lacs	Qty. Nos.	Value Rs. in Lacs	Qty. Nos.	Value Rs. in Lacs
Equity Shares	4045533	4743.68	3187690	3766.09	829826	985.03	1476251	594.85
Units in Mutual Fund	51717627	11368.93	27519584	3777.53	22106566	2411.85	6816310	792.85

## TCFC FINANCE LIMITED

### Closing Stock

#### Quoted Shares

Sr. No.	Name of the Co.	No. of Shares	Value (Rs. in lacs)
1.	Bank of Baroda	10,000	21.78
2.	Ballarpur Industries Ltd	40,000	38.36
3.	Cummins India Ltd	20,000	22.36
4.	ElIH Ltd	5,000	15.21
5.	Escorts Ltd	10,000	8.13
6.	Finolex Industries Ltd	25,000	17.68
7.	Harig Crank Ltd	15,000	5.00
8.	I-Flex Ltd	5,000	29.37
9.	Infosys Technologies Ltd	5,000	112.86
10.	IPCL Ltd	20,000	32.40
11.	Lupin Ltd	5,000	27.36
12.	Moser Baer Ltd	10,000	20.93
13.	Nalco Ltd	30,000	52.41
14.	NDTV Ltd	40,000	74.08
15.	Omax Auto Ltd	10,000	10.09
16.	Orchid Chemicals Ltd	10,000	30.38
17.	Steel Authority of India Ltd	100,000	63.25
18.	State Bank of India	10,000	65.48
19.	Shyam Telecommunication Ltd	67,326	48.54
20.	SKF Bearings Ltd	10,000	19.15
21.	Tata Chemicals Ltd	35,000	53.06
22.	Tata Tele Services Ltd	200,000	32.40
23.	Tata Iron & Steel Company Ltd	27,500	110.29
24.	Titan Industries Ltd	10,000	23.17
25.	Uco Bank	50,000	14.98
26.	Videocon International Ltd	20,000	10.66
27.	Vijaya Bank	40,000	25.66
			<u>985.03</u>

### Units of Mutual Funds

Sr. No.	Name of the Mutual Fund	No. of Units	Value (Rs. in lacs)
1.	Birla Floating Rate Fund STP Growth	2756136.998	300.00
2.	DSPML Floating Rate Fund Growth	3323930.138	359.00
3.	Franklin Templeton Floating Rate Income Fund STP Growth	1675785.734	200.00
4.	HDFC Liquid Fund Growth	1901454.627	250.05
5.	ING Vysya Floating Rate Fund Growth	2931924.027	300.00
6.	J M Floater Fund STP Growth	2809478.935	302.79
7.	Kotak Midcap Fund Growth	2000100.000	200.01
8.	Prudential ICICI Floating Rate Fund	2728910.073	300.00
9.	Sundaram Floater ST Regular Growth	1978846.135	200.00
			<u>2411.85</u>

(3) Provision for Tax has been computed on the basis of book profits in accordance with section 115JB of the Income Tax Act, 1961.

(4) No Deferred tax asset has been recognised considering the uncertainty of sufficient future taxable income.

(5) Contingent liability : Nil

### (6) Related Party Transactions:

Following are the related party transactions and other particulars:

(Rs. in Lacs)

Name of the Transacting Related party	Relationship	Transaction	For the year Ended		Balance As At	
			31.03.05	31.03.04	31.03.05	31.03.04
GMAC-TCFC Finance Ltd.	Joint Venture between the Company and General Motors Acceptance Ltd	Investment	1004.00 (Sold)	956.00 (Sold)	Nil	1004.00
TCFC Securities Ltd.	As Associate	Investment	Nil	Nil	199.99	199.99
		Advances	31.00 (Write off)	Nil	31.09	62.09
Mr. Nithish Bangera	Managerial Personnel	Salary	4.07	3.22	Nil	Nil

## **TCFC FINANCE LIMITED**

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- (7) There are no creditors in the nature of small scale industrial undertakings existing as on the balance sheet date.
- (8) Vehicles forms part of fixed assets and includes vehicle purchased, costing Rs.63.36 Lacs under hire purchase arrangement. The carrying amount of the said vehicle in the Balance sheet as at 31.03.2005 is Rs.62.46 Lacs. The total minimum lease payments (MLP) in respect thereof and the present value of the future lease payments, discounted at the interest rates implicit in the lease are:

Particulars	March 31, 2005 (Rs.)	March 31, 2004 (Rs.)
Total MLP	63,17,360	Nil
Interest	11,22,956	Nil
Principal	51,94,404	Nil

Particulars	Total MLP (Rs.)	Principal (Rs.)
Less than one year	13,07,040	9,12,121
One to five year	50,10,320	42,82,283
Greater than five year	Nil	Nil
<b>Total</b>	<b>63,17,360</b>	<b>51,94,404</b>

- (9) During the year there was theft of equity shares (costing Rs.22.96 Lacs) held by the Company, by one of the employees. Such amount is written off in the books of account. The Company has filed a FIR with police. The Company is under negotiaton for a settlement with the said employee. The Company has received Rs.8.25 Lacs from the said employee and such amount is disclosed under current liability pending settlement, if any.
- (10) Previous year's figures have been regrouped / rearranged wherever necessary.

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Per our Report attached

**For LAKHANI & CO**  
*Chartered Accountants*

**D.V. Lakhani**  
Partner

Place : Mumbai  
Dated : May 11, 2005

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For and on behalf of the Board

<b>Atul Desai</b>	Chairman
<b>Davendra Ahuja</b>	Director
<b>Arun Sawhney</b>	Director
<b>Shaunak Dalal</b>	Director
<b>Venkatesh Kamath</b>	Director

**Rajendra Sawant**                      Company Secretary

**TCFC FINANCE LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2005**

	Rupees 31-03-2005 (Amount in Rs.)	Rupees 31-03-2004 (Amount in Rs.)
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit for the year	38,256,022	28,222,889
Add / (Less): Adjustments for		
Dividend Income	(3,753,043)	(4,203,403)
Interest Income	(2,070,854)	(3,362,285)
Rent from property	(2,152,200)	(842,945)
Non Cash Charges	875,494	784,615
Profit on Sale of Investments	(27,246,597)	(23,900,000)
Provision for diminution / write off of investment	(11,930,835)	12,500,000
Interest expense	36,244	203,709
(Inc)/ Dec. in Stock	(200,917,028)	(121,903,580)
Increase / (Decrease) in Current Liabilities	2,455,731	17,063,536
(Increase)/Decrease in Debtors	29,001,152	(30,985,212)
<b>CASH FLOW FROM OPERATING ACTIVITIES - I</b>	<b>(177,445,914)</b>	<b>(126,422,676)</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>		
Rent from property	2,152,200	842,945
(purchase) / sale of Fixed Assets	(6,500,521)	(518,919)
Sale of Investments	168,908,324	107,720,000
(Increase) / Decrease in Loans & Advances	1,953,405	(195,808)
Interest received	2,070,854	3,362,285
Profit on Sale of Investments	27,246,597	23,900,000
Dividend received	3,753,043	4,203,403
<b>NET CASH FROM INVESTING ACTIVITIES - II</b>	<b>199,583,901</b>	<b>139,313,905</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest expenses	(36,244)	(203,709)
Dividend paid on Equity Shares	(11,923,422)	(9,460,121)
Proceeds / (Repayment) from borrowings	5,194,404	-
<b>NET CASH FROM FINANCING ACTIVITIES - III</b>	<b>(6,765,262)</b>	<b>(9,663,830)</b>
<b>NET INCREASE / (DECREASE) IN CASH ( I + II + III)</b>	<b>15,372,725</b>	<b>3,227,400</b>
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENT</b>	<b>6,198,173</b>	<b>2,970,773</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENT</b>	<b>21,570,898</b>	<b>6,198,173</b>
<b>INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>15,372,725</b>	<b>3,227,399</b>

- Notes : (1) Cash and cash equivalents consists of cash on hand and balances with banks.  
(2) Figures in brackets represents outflow of cash  
(3) Figures for the last year have been regrouped, wherever considered necessary.

Per our Report of even date

**For LAKHANI & CO**

Chartered Accountants

**D.V. Lakhani**

Partner

Place : Mumbai

Dated : May 11, 2005

For and on behalf of the Board

**Atul Desai**

Chairman

**Davendra Ahuja**

Director

**Arun Sawhney**

Director

**Shaunak Dalal**

Director

**Venkatesh Kamath**

Director

**Rajendra Sawant**

Company Secretary

## TCFC FINANCE LIMITED

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956

#### I. REGISTRATION DETAILS

Registration No.

5 7 9 2 3

State Code

1 1

Balance Sheet Date

3 1

Date

0 3

Month

2 0 0 5

Year

#### II. CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSANDS)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

#### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSANDS)

Total Liabilities

3 9 9 5 6 5

Total Assets

3 9 9 5 6 5

Sources of Funds

Paid-up Capital

1 0 4 8 2 1

Reserves & Surplus

2 8 9 5 4 9

Secured Loans

5 1 9 4

Unsecured Loans

N I L

Application of Funds

Net Fixed Assets

2 6 9 7 4

Investment

1 5 9 1 0

Net Current Assets

3 5 6 6 8 0

Misc. Expenditure

N I L

#### IV. PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Total Income

1 6 4 6 9 8 8

Total Expenditure

1 6 0 5 8 0 0

Profit / Loss Before Tax

4 1 1 8 7

Profit / Loss After Tax

3 8 2 5 6

Earning Per Share (in Rs.)

3 . 6 5

Dividend Rate (%)

1 0 %

#### V. GENERIC NAMES OF PRINCIPAL PRODUCT/SERVICES OF THE COMPANY (as per monetary terms)

Item Code No. (ITC Code)

N I L

Product Description

I N V E S T M E N T S



# TCFC FINANCE LIMITED

Registered Office : 501-502, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400 021

## ATTENDANCE SLIP

### 14th Annual General Meeting

D.P. Id \* : \_\_\_\_\_

Client Id \* : \_\_\_\_\_

Reg. Folio No. : \_\_\_\_\_

\* Applicable if shares are held in electronic form.

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER

Name of the attending member (in Block Letters) : \_\_\_\_\_

Name of Proxy (in Block Letters to be filled in by the proxy attending instead of the Member) \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

I hereby record my presence at the 14th Annual General Meeting on Friday, July 15, 2005 at 11.00 a.m.

Members's Signature

Proxy's Signature

Note : Shareholders/proxies are requested to bring the attendance slip with them, Duplicate slips will not be issued and handed over at the entrance of the Meeting Venue.

(Tear Here)

# TCFC FINANCE LIMITED

Registered Office : 501-502, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400 021

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member/

Members of the abovementioned Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the 14th Annual General Meeting of the Company to be held on Friday, July 15, 2005 at 11.00 a.m. at Ashoka Hall, Arcadia, NCPA Marg, Nariman Point, Mumbai 400 021 and at any adjournment thereof.

Signed of this \_\_\_\_\_ day of \_\_\_\_\_ 2005.

D.P. Id \* : \_\_\_\_\_

Client Id \* : \_\_\_\_\_

Reg. Folio No. : \_\_\_\_\_

\* Applicable if shares are held in electronic form.

Signature

Affix  
15 Paise  
Revenue  
Stamp

Note : The Proxy Form duly completed must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time holding the aforesaid meeting.

## **BOOK-POST**

*If undelivered, please return to :*

**TCFC FINANCE LIMITED**  
501-502, Raheja Chambers  
Free Press Journal Marg  
Nariman Point  
Mumbai 400 021

# **14th Annual Report 2004-2005**

**TCFC FINANCE LIMITED**

## BOARD OF DIRECTORS

MR. ATUL DESAI - Chairman  
MR. DAVENDRA AHUJA - Director  
MR. ARUN SAWHNEY - Director  
MR. SHAUNAK DALAL - Director  
MR. VENKATESH KAMATH - Director

## ANNUAL GENERAL MEETING

On Friday, July 15, 2005  
at 11.00 a.m. at Ashoka Hall,  
Arcadia, NCPA Marg,  
Nariman Point,  
Mumbai – 400 021.

## COMPANY SECRETARY

MR. RAJENDRA SAWANT

## AUDITORS

LAKHANI & COMPANY  
CHARTERED ACCOUNTANTS

## REGISTERED OFFICE

501-502, RAHEJA CHAMBERS,  
FREE PRESS JOURNAL MARG,  
NARIMAN POINT,  
MUMBAI 400 021.  
TEL. : 022 - 2284 4701

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