

**31<sup>st</sup> Annual Report  
2021 - 2022**

**TCFC FINANCE LIMITED**

## **BOARD OF DIRECTORS**

MR. ATUL DESAI	CHAIRMAN & INDEPENDENT DIRECTOR
MR. V S SRINIVASAN	INDEPENDENT DIRECTOR
MRS. TANIA DEOL	MANAGING DIRECTOR & CEO
MR. VENKATESH KAMATH	EXECUTIVE DIRECTOR & CFO
MR. DHARMIL BODANI	NON EXECUTIVE DIRECTOR
MR. PRANAV S JASANI	INDEPENDENT DIRECTOR

## **COMPANY SECRETARY**

MISS. KINJAL SHETH

## **AUDITORS**

GMJ & Co.  
CHARTERED ACCOUNTANTS

## **SECRETARIAL AUDITOR**

AABID & CO  
COMPANY SECRETARIES

## **BANK**

HDFC BANK LIMITED  
ICICI BANK LIMITED

## **REGISTERED OFFICE**

501/502 RAHEJA CHAMBERS,  
FREE PRESS JOURNAL MARG,  
NARIMAN POINT,  
MUMBAI- 400 021  
Tel: 022-22844701/0736, 22819237  
Website: [www.tcfcfinance.com](http://www.tcfcfinance.com)  
Email: [investorservices@tcfcfinance.com](mailto:investorservices@tcfcfinance.com)

### **31<sup>ST</sup> ANNUAL GENERAL MEETING**

On MONDAY 8<sup>TH</sup> AUGUST 2022, at 11:00 am (IST) /BY  
MEANS OF VIDEO CONFERENCING ("VC") /OTHER  
AUDIO VISUAL MEANS ("OAVM") ON ACCOUNT  
OF OUTBREAK OF COVID-19 (CORONAVIRUS)  
PANDEMIC AND IN ACCORDANCE WITH THE  
RELEVANT CIRCULARS ISSUED BY THE MINISTRY  
OF CORPORATE AFFAIRS & SEBI RESPECTIVELY.

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## **NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 31<sup>st</sup> (THIRTY FIRST) ANNUAL GENERAL MEETING OF THE MEMBERS OF TCFC FINANCE LIMITED WILL BE HELD ON MONDAY 8<sup>TH</sup> AUGUST, 2022 AT 11:00 A.M. INDIAN STANDARD TIME ("IST"). THE ANNUAL GENERAL MEETING SHALL BE HELD BY MEANS OF VIDEO CONFERENCING ("VC") / OTHER AUDIO-VISUAL MEANS ("OAVM") ON ACCOUNT OF OUTBREAK OF COVID-19 (CORONAVIRUS) PANDEMIC AND IN ACCORDANCE WITH THE RELEVANT CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS & SEBI RESPECTIVELY, TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend for the financial year ended on 31st March, 2022
3. To appoint a director in place of Mr. Dharmil A. Bodani (**DIN: 00618333**), who retires by rotation and being eligible, offers himself for re-appointment.

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

**Kinjal Sheth**  
**Company Secretary**

**Place: Mumbai**

**Date: 12<sup>th</sup> May, 2022**

**Regd Off Add:**

501/502 Raheja Chambers,  
Free Press Journal Marg,  
Nariman Point,  
Mumbai- 400021

**NOTES:**

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and Securities and Exchange Board of India ("SEBI") Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and all other relevant circulars issued from time to time, physical attendance of the members to the AGM venue is not required and general meeting be held through video conference (VC) or other audio visual means (OAVM). The registered office of the Company shall be deemed to be the venue for the AGM. Hence, members can attend and participate in the ensuing AGM through VC/OAVM.
2. The relevant details of the Directors seeking appointment/re-appointment under Item No. 3 pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as required under Secretarial Standards - 2 on General Meetings issued by The Institute of Company Secretaries of India, is annexed herewith in the Report.
3. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Institutional/Corporate Members who are intending to send their authorized representatives to attend the Meeting are requested to send to the Company a scanned copy (PDF/JPEG Format) of the certified Board Resolution pursuant to section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the Meeting.
5. In compliance with the MCA Circulars and SEBI Circular issued from time to time. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2021-2022 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-2022 will also be available on the Company's website [www.tcfcfinance.com](http://www.tcfcfinance.com); website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
6. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only. For Members who have not registered their email addresses, kindly register the same by writing an email at [investorservices@tcfcfinance.com](mailto:investorservices@tcfcfinance.com) as the copies of this Notice as well as the other documents will be sent by email, in view of the COVID-19 (Coronavirus) pandemic and the Applicable Circulars.
7. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013
8. In case of Joint Shareholders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting by the first holder.
9. The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday 2nd August, 2022 to Monday 8<sup>th</sup> August, 2022 (both days inclusive) for the purpose of the Annual General Meeting.
10. During the year 2021-22, the Company declared Dividend of Rs. 1.20 per equity share (i.e. 12 % of face value of Rs.10/- per share). The same shall be considered as final dividend.
11. Members may note that pursuant to the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Members. The Company shall therefore be required to deduct tax at source at the time of making payment of the said Final Dividend.
12. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination

## TCFC FINANCE LIMITED

and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <http://www.tcfcfinance.com/866-2/>

Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to the Company in case the shares are held in physical form.

13. All documents referred to in the accompanying Notice can be obtained for inspection by writing to the Company at its email ID [investorservices@tcfcfinance.com](mailto:investorservices@tcfcfinance.com) and marking cc to [companysecretary@tcfcfinance.com](mailto:companysecretary@tcfcfinance.com) till the date of AGM.
14. Members seeking any information or clarification on the accounts are requested to send in writing queries to the Company, at least ten days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.

**15. Registration of email ID and Bank Account details:**

In case the shareholder's email ID is already registered with the Company log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/Depositories or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

**For receiving all communication (including Annual Report) from the Company electronically:**

**In case of the Shares held in Physical mode:**

Members holding the shares in physical form are requested to send an email communication duly signed by all the holder(s) intimating about the change of address immediately to the Company along with the self-attested copy of their PAN Card(s), unsigned copy of the Cheque leaf where an active Bank account is maintained and the copy of the supporting documents evidencing change in address. Kindly submit the the necessary information our share department at our email address [investorservices@tcfcfinance.com](mailto:investorservices@tcfcfinance.com) or [vshiralkar@tcfcfinance.com](mailto:vshiralkar@tcfcfinance.com)

**In the case of Shares held in Demat mode:**

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

16. In order to help the Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the

information in respect of Unclaimed Dividends on the Website of the Company, [www.tcfcfinance.com](http://www.tcfcfinance.com).

17. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
18. The Company has designated an exclusive email Id viz. [investorservices@tcfcfinance.com](mailto:investorservices@tcfcfinance.com) to enable the investors to post their grievances, if any, and monitor redressal of the same.
19. Pursuant to the provisions of section 124(6) of the Companies Act, 2013, the Company will transfer the unpaid or unclaimed dividends and unclaimed shares for the respective financial years from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Here under are the details of Dividend paid by the Company and their respective due dates of transfer of unclaimed / un-cashed dividends to the designated fund of the Central Governments

Date of Declaration of Dividend	Dividend For the Year	Due date of Transfer to the Government
27 <sup>th</sup> August, 2015	2014-2015	October, 2022
12 <sup>th</sup> August, 2016	2015-2016	October, 2023
16 <sup>th</sup> August, 2018	2017-2018	October, 2025
2 <sup>nd</sup> August, 2019	2018-2019	October, 2026
23 <sup>rd</sup> September, 2021	2020-2021	November, 2028

20. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") as amended from time to time all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund ("IEPF"). These details are also available on the Company's website [www.tcfcfinance.com](http://www.tcfcfinance.com). Shareholders are requested to claim the dividend for the financial year 2014-2015 on these equity shares latest by 30<sup>th</sup> September, 2022 to avoid aforesaid transfer of shares. No claim shall lie against the Company in respect of these equity shares post their transfer to IEPF. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in)

21. Members, who still hold shares in physical form are advised to dematerialize their shareholding to avail the numerous benefits of dematerialization which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4. It may be noted that any service request can be processed only after the folio is KYC Compliant.

**22. Instructions for Attending AGM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).**

- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, and Circular No. 02/2021 dated January 13, 2021 and Circular no. 02/2022 dated 5th May, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
- Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 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 1000 members on first come first served basis. This will not include large Shareholders (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. who are allowed to attend the AGM without restriction on account of first come first served basis.

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.tcfcfinance.com](http://www.tcfcfinance.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021 and MCA circular 02/2022 dated 5th May, 2022.
- Members will be able to attend the AGM through VC / OAVM provided by National Securities Depository Limited ("NSDL") at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and

selecting the EVEN No. 120294 of the Company. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notes. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.

- Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990 or contact Mr. Sagar Gudhate, Senior Manager, NSDL, Email: [sagarg@nsdl.co.in](mailto:sagarg@nsdl.co.in), Tel: +91 7506682282 / Ms. Pallavi Mhatre, Manager, NSDL, Email: [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in), Mob: 07506682281
- Members are encouraged to join the AGM through personal computers / laptops for better user experience. Also, Members will be required to have stable internet / broadband connection to avoid any disturbance during the meeting. Please note that Members joining the AGM through mobile devices, tablets or through personal computers / laptops connected via mobile hotspot may experience audio / video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate the aforesaid glitches.
- In compliance with the provisions of Regulation 44 of the Listing Regulations and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the Secretarial Standard No. 2 on General Meetings, the Company is providing remote e-voting facility to all its Members to enable them to cast their vote on the matters listed in the Notice by electronic means and business may be transacted through such voting. The Company has engaged the services of the NSDL to provide the e-voting facility
- As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries at-least seven (7) days prior to the date of AGM i.e. Monday 1<sup>st</sup> August, 2022, by 5.00 pm mentioning their name, demat account number/folio number, email id, mobile number at [companysecretary@tcfcfinance.com](mailto:companysecretary@tcfcfinance.com). Questions / queries received by the Company shall only be considered and responded during the AGM.
- The first Speakers on first come basis will only be allowed

to express their views questions during the meeting.

- Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.
- Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- The remote e-voting period commences on 4<sup>th</sup> August, 2022 at 9:00 am to 7<sup>th</sup> August, 2022 5:00pm. During this period, the members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 1<sup>st</sup> August, 2022 may cast their vote by remote e-voting. The remote e-voting module will be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- The voting rights of Members shall be in proportion to the amount paid-up on the total number of shares held by the respective member with the total share capital issued by the Company as on the cut-off date. Cut-off date is for determining the eligibility to vote by electronic means or at the meeting. A person who is not a member as on the cut-off date should treat this Notice for information only. A member as on the cut-off date shall only be entitled for availing the remote e-voting facility or vote, as the case may be, at the AGM. Only 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 shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- Since the AGM will be held through VC / OAVM, the Route Map and the Attendance Slip of the Annual General Meeting is not annexed to this Notice.

**The instructions for shareholders for remote e-voting are as under:**

**How do I vote electronically using NSDL e-Voting system?**





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

**In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.**

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="border: 1px solid black; padding: 10px; text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

## B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

### How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with*

*your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [nisha.sda1@gmail.com](mailto:nisha.sda1@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [companysecretary@tcfcfinance.com](mailto:companysecretary@tcfcfinance.com) to verify the same..
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Sagar Ghudate -Senior Manager-NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to ([investorservices@tcfcfinance.com](mailto:investorservices@tcfcfinance.com) or [vshiralkar@tcfcfinance.com](mailto:vshiralkar@tcfcfinance.com)).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to ([investorservices@tcfcfinance.com](mailto:investorservices@tcfcfinance.com) or [vshiralkar@tcfcfinance.com](mailto:vshiralkar@tcfcfinance.com)).. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted 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 in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**DECLARATION OF RESULTS OF THE VOTING AFTER THE AGM:**

Miss. Nisha Verma- Company Secretary Partner of **N. V. & Associates**, Company Secretaries has been appointed as the Scrutinizer for providing the facility to the members of the Company to scrutinize the e-voting on the day of AGM and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of electronic voting at the AGM, will unblock the votes casted through remote e-voting and through electronic voting at the AGM in the presence of at least two witnesses not in the employment of the Company and shall submit a consolidated scrutinizer's report of the total votes casted in favour or against, if any, to the Chairman or to any Director or any person authorized by the Chairman, within a period of not exceeding 48 hours from the conclusion of the Meeting, who shall countersign the same and declare the results of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.tcfcfinance.com](http://www.tcfcfinance.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**ANNEXURE TO ITEM NO. 3**

**Details of Directors seeking appointment and / or re-appointment at the ensuing Annual General Meeting (as per Regulation 36(3) of the SEBI (LODR) Regulations, 2015 entered with the Stock Exchanges)**

<b>Sr. no.</b>	<b>Name of Director</b>	<b>Mr. Dharmil A. Bodani</b>
1.	Date of Birth	27/04/1970
2.	Age	52 yrs
3.	Date of Appointment	27 <sup>th</sup> August, 2015
4.	DIN	00618333
5.	Expertise in specific functional area	He is having vast experience in Fragrance, Flavors and Chemicals Industry for more than 25 years. His expertise in Finance and General Management is beneficial to the Company
6.	Qualifications	BCOM
7.	Names of other listed entities in which he holds the directorship as on March 31, 2022	Oriental Aromatics Limited (Managing Director)
8.	Names of other listed entities/unlisted Public Companies in which he holds Membership/Chairmanship of Committees as on March 31, 2022 (Only Audit Committee & Stakeholders Relationship Committee considered)	Audit Committee: Oriental Aromatics Ltd- Member Stakeholders Relationship Committee: Oriental Aromatics Ltd- Member TCFC Finance Limited - Member
9.	Relationships, if any, between Directors and KMP	NIL
10.	Number of shares and convertible instruments held by non-executive directors	NIL

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

**Kinjal Sheth**  
**Company Secretary**

**Place: Mumbai**  
**Date: 12<sup>th</sup> May, 2022**  
**Regd Off Add:**  
501/502 Raheja Chambers,  
Free Press Journal Marg,  
Nariman Point, Mumbai- 400021

# DIRECTORS REPORT

To the Members of,

## TCFC FINANCE LIMITED

The Directors have pleasure in presenting the 31<sup>st</sup> Annual Report of the Company together with the Audited Annual Accounts for the year ended March 31, 2022.

## FINANCIAL RESULTS

	(₹ in lacs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Total Revenue from operations	734.22	1164.57
Profit/(Loss) before tax	787.57	1104.21
Less: Provision for Tax	169.99	150.05
Net Profit/(Loss) after tax	617.58	954.16
Other Comprehensive Income	2.53	0.38
Total Comprehensive Income	620.11	954.55

## OPERATIONS

Compared to previous year's Profit of Rs 1104.21, this year, your company has earned a profit of Rs 787.57 lakhs before provision of tax and after deducting tax it comes to a profit of Rs 617.58 Lakhs

## DIVIDEND

Your directors have recommended a dividend to be paid out of current year profits of Rs. 1.20 per equity share for the financial year ended 31st March, 2022. The dividend payable shall be subject to the approval of the Members at the ensuing Annual General Meeting

## MANAGEMENT DISCUSSION AND ANALYSIS

### • Industry Structure and Developments

In 2021, the world economy grew 6.1% and was on a path to recovery from the severe impact of COVID-19 related restrictions in economies around the world, with increased debt levels, severe damage to human lives and disruption in global supply chain. However, 2022 started on a challenging note with the Russia-Ukraine conflict, and frequent and wider-ranging lockdowns in China, which led to significant economic damage to global growth. Global growth is projected to slow to 3.6% in 2022 and 2023.

As India marches on a high-growth trajectory, the country is set to remain one of the fastest growing economies in the world. The Economic Survey 2021-22 had estimated India's GDP growth at 9.2% in FY 2021-22. The last quarter of FY 2021-22 witnessed the impact of the third wave caused by the Omicron variant and geopolitical conflicts between Russia and Ukraine. In 2022 rising international commodity prices remain the biggest risk emanating from the conflict, as Russia and Ukraine are global suppliers of key commodities. India is passing through an inflationary trend as the retail inflation touched 6.95%, the highest in 17 months, and the wholesale price index (WPI) hit 14.55% in March 2022 amid surging fuel and food costs. Besides inflation, the marginal cost of funds lending rate is rising with interest rate tightening. Meanwhile, Indian exports continue to rise, particularly the agriculture exports. India's agri-exports reached USD 50 Billion for FY 2021-22, despite challenges posed by the COVID-19 pandemic in the form of high freight rates, container shortages, etc. It is expected that consumption and demand will pick up pace once the uncertainty and anxiety due to Covid-19 pandemic and Russia-Ukraine conflict recede. This will, in turn, facilitate the private sector to inject investments to augment production to meet the rising demand. In FY 2022-23, as per IMF, the economic growth rate is expected at 8.2%, making it the fastest-growing major economy in the world, almost twice faster than China's 4.4%.

With a size of around 15% of Scheduled Commercial Banks' combined balance sheet, the NBFC sector has been growing robustly in recent years, providing an alternative source of funds to the commercial sector in the face of slowing bank credit. NBFC-ND-SI (Systematically Important Non-Deposit accepting NBFCs) comprise 85.4% of the total balance sheet size of the NBFC sector. Whereas the balance 14.6% is accounted by NBFC-D (Deposit accepting NBFCs). Although in the FY 2021-22, the

## TCFC FINANCE LIMITED

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concerns surrounding the sector due to debt defaults amidst temporary asset liability mismatches arose, the inherent strength of the sector, coupled with the Reserve Bank's continuing vigil on the regulatory and supervisory front, will ensure that the growth of the sector is sustained and liquidity fears are allayed.

- **Opportunities and Threats**

Your Company being an investment Company seeks opportunities in the capital market. The volatility in stock indices in the financial year under report represents both an opportunity and challenge for the Company.

As a long-term strategy, the Company has made investments in equities, mutual funds and fixed income securities and is looking forward for a sustainable growth in its investee Companies in the coming years which would enhance the shareholders' value.

- **Segment Wise / Product Wise Performance**

The Company operates in single business segment i.e. NBFC, it has witnessed considerable growth in the last few years and is now being recognised as complementary to the banking sector due to implementation of innovative marketing strategies, introduction of tailor-made products, customer-oriented services, attractive rates of return on deposits and simplified procedures, etc

Your Company is engaged only in investment activities and no other business activities. Hence, the requirement of segment-wise reporting is just for one segment.

- **Business Outlook**

The Company is mainly engaged in the business of financing and investment in bodies corporate in order to yield greater revenue for its stakeholders. The Management of the Company is looking for a steady growth of the Company and aims at maximizing the shareholders wealth by way of earning maximum profits at low investment costs.

- **Risks and areas of concern**

Sudden regulatory changes, or increase in regulatory scrutiny/restrictions or unexpected events generally referred to as black swan events may affect the manner in which the markets react. As your company's business is purely into investment activities, the capital market developments may affect the gains and profitability of the Company.

However, the management is of the opinion that the Company can withstand such market fluctuation as the investment portfolio of the Company is based on a conservative approach to maximize the returns keeping in view the market fluctuations.

- **Internal Control Systems and Adequacy**

The Company has satisfactory internal control system. The adequacy of the internal control system is reviewed by the Audit Committee of the Board of Directors. Your Company has taken proper and sufficient care for the maintenance of adequate accounting records as required by various Statutes. Internal Auditors, the Audit Committee and Statutory Auditors have full and free access to all the information and records as considered necessary to carry out their responsibilities.

- **HUMAN RESOURCES:**

The Company's current activities do not require engagement of significant human resource. However, requisite qualified and experienced personnel have been engaged to take care of organization need of human resource. The Company will engage requisite human resource as and when required.

- **Future Outlook:**

The financial year started with an unprecedented second wave of COVID-19 pandemic which has already had and continues to have a devastating impact on the world economic growth and ended with global tensions on account of geo-political scenario between Russia and Ukraine. Financial market remained highly volatile with global supply chain and world trade being impacted negatively, energy and commodity prices rose and uncertainty hovered over investments.

The government is expected to initiate various measures for revival of the economy including reforms in labour sector, banking, support to MSMEs, reviving rural demand, and many others. It is to be hoped that such measures will help in stabilizing the economy and taking it forward.

The Company continuously evaluates its investments in such companies to ensure that the same meet the objective of ensuring maximisation of value to all its stakeholders in a prudent manner.

**CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis that address expectations about the future, including but not limited to statement about Company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements and these forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations, include among others, economic conditions affecting demand/supply and price conditions in global and domestic markets, changes in government regulations, Tax laws and other statutes and incidental factors.

**CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Thus, disclosure in form AOC-2 is not required.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The details of the related party transactions as required under Accounting Standard - 18 are set out in note to the financial statements forming part of this Annual Report.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on Company's website at [http://www.tcfcfinance.com/wp-content/uploads/2018/07/Policy\\_on\\_Related\\_Party\\_Transactions-revised.pdf](http://www.tcfcfinance.com/wp-content/uploads/2018/07/Policy_on_Related_Party_Transactions-revised.pdf)

**DEPOSITS**

Being a non-deposit accepting NBFC Company, your Company has not accepted any deposits from the public / members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

**STATUTORY AUDITORS & REMARKS ON AUDITOR'S REPORT**

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. GMJ & Co, Chartered Accountants, (Firm registration No. 103429W), were appointed as Company's Statutory Auditors for 5 years to hold office till the conclusion of the 33rd Annual General Meeting, subject to ratification by the members at every Annual General Meeting until the expiry of the period of original appointment as may be necessitated by the Act from time to time.

The Ministry of Corporate Affairs vide its notification dated 7th May 2018 has done away with the requirement of the ratification of the appointment of Statutory Auditors at every Annual General Meeting and hence M/s. GMJ & Co. shall continue as Statutory Auditors for the remaining period of the term till the conclusion of the 33rd Annual General Meeting of the Company.

Further, The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer. Further, the Statutory Auditors have not reported any incident of fraud during the year under review to the Audit Committee of your Company

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2022, the Board of Directors hereby confirms that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



## TCFC FINANCE LIMITED

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- (b) such accounting policies have been selected and applied consistently and the Directors 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 as at March 31, 2022 and of the profit/loss of the Company for that year;
- (c) proper and sufficient care was taken 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;
- (d) the Annual Accounts of the Company have been prepared on a going concern basis.
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

- **Re-Appointment of Mr. Dharmil A Bodani a Director Retiring by Rotation:**

In terms of Section 152 of the Companies Act, 2013, Mr. Dharmil A. Bodani, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends the same for your approval.

- **Key managerial Personnel**

During the year under review there was no change in the Key Managerial personnel of the Company.

### Declaration by independent directors

The Independent directors have submitted the declaration of independence, as required under section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). The directors have also complied with the requirement of registration of Independent Director with IICA portal.

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

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy.

There was no foreign exchange transaction entered into by the Company during the year under review.

### EMPLOYEE REMUNERATION

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is provided in "**Annexure 1**" forming part of this report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link: <http://www.tcfcfinance.com/wp-content/uploads/2020/08/CORPORATE-SOCIAL-RESPONSIBILITY-POLICY-TCFC-Finance-Ltd.pdf>

The Corporate Social Responsibility Committee is constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder.

The Annual Report on CSR activities for the financial year ended 2021-2022 is annexed herewith as "**Annexure-2**"

### MEETINGS OF THE BOARD:

The Company holds at least four Board meetings in a year, one in each quarter, inter-alia, to review the financial results of the Company. The Company also holds additional Board Meetings to address its specific requirements, as and when required. All the decisions and urgent matters approved by way of circular resolutions are placed and noted at the subsequent Board meeting.

During the financial year 2021-2022 four (4) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The details of the Board meetings held during the year along with the attendance of the respective Directors thereat are set out in the Corporate Governance Report forming part of this Annual Report

**COMMITTEES OF THE BOARD:**

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

The details with respect to the compositions, roles, terms of reference etc. of relevant committees are provided in the Corporate Governance Report of the Company, which forms part of this Annual Report.

**ANNUAL EVALUATION OF THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

**NOMINATION AND REMUNERATION**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

**SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Act and Rules made there under, M/s. AABID & CO, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditors is enclosed as “**Annexure-3**” to this report. The report is self-explanatory and do not call for any further comments.

**INTERNAL AUDIT & CONTROLS**

The company has adequate system of internal financial control and risk mitigation system commensurate with the size of the Company and nature of its business. The Company has adopted the Indian Accounting Standards w.e.f. 1st April 2019 for reporting financials statements as per the said requirements. The Audit committee actively reviews the adequacy and effectiveness of the Internal Financial control and suggests the improvements for the same.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Since the Company is a registered entity under the Reserve Bank of India to conduct the business of Non-Banking Financial Services, pursuant to the section of 186 (11) (a), (b) of the Companies Act, 2013, the company is exempted from complying with the provisions.

Further, details of Investments made by the Company during the year review form a part of the financial statements.

**VIGIL MECHANISM:**

Pursuant to the provisions of section 177(9) (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

The Vigil Mechanism Policy has been uploaded on the website of the Company at [http://www.tcfcfinance.com/wp-content/uploads/2019/06/Vigil\\_Mechanism\\_Policy-Whistle-Blower-Policy.pdf](http://www.tcfcfinance.com/wp-content/uploads/2019/06/Vigil_Mechanism_Policy-Whistle-Blower-Policy.pdf)

Further, there were no complaints received from the employees of the Company under vigil mechanism for the year under review.

# TCFC FINANCE LIMITED

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## **RISK MANAGEMENT**

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and has established a framework for mitigating controls and reporting mechanism of such risks. Some of the risks that the Company is exposed to are: (i) Financial Risk (ii) Regulatory Risks (iii) Human Resources Risks (iv) Strategic Risks (v) IT & cyber related risk.

## **INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013 AND RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2018 AS AMENDED:**

Your Company is in compliance with respect to the Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013, endeavours to provide a conducive work environment to the employees. During the financial year 2021-2022, the Company has not received any complaint of sexual harassment against any employees of the Company.

## **LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2022-2023 to BSE where the Company's Shares are listed.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators/Courts that would impact the concern status of the Company and its future operations

## **INDUSTRIAL RELATIONS**

The industrial relations of the Company continued to be cordial throughout the year.

## **CONFIRMATION OF COMPLIANCE WITH THE SECRETARIAL STANDARDS ISSUED BY ICSI**

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India

## **ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31<sup>st</sup> March, 2022 is available on the Company's website [www.tcfcfinance.com](http://www.tcfcfinance.com)

## **TRANSFER OF UNCLAIMED DIVIDEND AMOUNT TO THE IEPF:**

The company had duly transferred the amount of Rs. 557,783/- unclaimed dividend pertaining to the F.Y. 2013-14 to the IEPF, However, due to oversight of the share department, there has been delay in transferring the partial amount of unclaimed dividend for the F.Y. 2013-2014 amounting to Rs.1,00,256/- to the Investors Education and Protection Funds under Section 125 of the Companies Act 2013, read with the Investors Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules 2016. The company has taken necessary steps to resolve the issue and is in the process of complying the same.

## **ACKNOWLEDGMENT**

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

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

Place: Mumbai  
Date: 12<sup>th</sup> May, 2022

Atul Desai  
Chairman  
(DIN:00019443)

## “ANNEXURE – 1”

**(A) The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Sr. No	Requirements	Disclosure
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31st March, 2022 is : Mrs.Tania Deol - 2.98% Mr.Venkatesh Kamath - 1.97% For this purpose , Sitting fees paid to the Independent & Non executive Directors have not been considered as remuneration.
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	CEO: No Change CFO: 4.99% w.e.f. 1st June, 2021 CS: 5% w.e.f. 1st June, 2021
3.	The Percentage increase in the Median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 3.65% The calculation of % increase in median remuneration is based on the Company performance and employee's individual performance.
4.	The Number of permanent employees on the rolls of the Company	8 employees as on March 31, 2022.
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	There was no exceptional circumstance or increase for managerial personnel in the last financial year. The percentile increase process and policy was same for the managerial personnel and all the other employees.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, the remuneration is as per the remuneration policy of the Company.

**Note:**

- The Company does not pay any remuneration to Non-Executive Directors except sitting fees for each Board/Committee meetings attended by them.

**(B) Statement showing particulars of employees pursuant to the provisions of section 197(12) of the Companies Act, 2013 read with rule 5(2) of the companies (appointment and remuneration of Managerial personnel) rules, 2014:**

There were no persons employed for the full year ended March 31st, 2022 who were in receipt of the remuneration which in the aggregate was not less than Rs 60,00,000/- p.a. or in part of the year who were in receipt of Remuneration which in aggregate was not less than Rs.5,00,000/- p.m

**“ANNEXURE-2”****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES****1. Brief outline on CSR Policy of the Company:**

TCFC FINANCE LTD believes in sharing the profits not only with its members but also with the society around it. The Company through its CSR initiatives will continue to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large.

The Board has approved the CSR Policy of the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The complete CSR policy of the Company may be accessed at the website of the Company [www.tips.in](http://www.tips.in).

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs Tania Deol	Chairperson - Executive Director	2	2
2	Mr. V.S. Srinivasan	Member - Independent Director	2	2
3	Mr. Venkatesh Kamath	Member - Executive Director & CFO	2	2
4	Mr. Atul M Desai	Member - Independent Director	2	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

<http://www.tcfcfinance.com/wp-content/uploads/2020/08/CORPORATE-SOCIAL-RESPONSIBILITY-POLICY-TCFC-Finance-Ltd.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable****5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable****6. Average net profit of the company as per section 135(5): Rs. 436,41,194.87/-****7. (a) Two percent of average net profit of the company as per section 135(5): Rs 873000/-**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

(c) Amount required to be set off for the financial year, if any: **Not Applicable**

(d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 8,73,000/-**

**8. CSR amount spent or unspent for the financial year :**

(a) Total Amount Spent for the Financial Year: **Rs. 8,73,000/-**

Amount unspent: **NIL**

(b) Details of CSR amount spent against ongoing projects for the financial year: **NIL**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Promotion of educational facilities for the students having learning disabilities	Education Schedule VII (ii)	Yes	Mumbai-Maharashtra		5,00,000	No	Gateway Schools of Mumbai (K.V. Bodani Education foundation)	CSR00002646
2.	Promotion of healthcare of cleftlip children	Helathcare Schedule VII (i)	Yes	Mumbai-Maharashtra; Bangaluru-Karnataka, Srinagar-Jammu& Kashmir		2,00,000	No	INGA Health foundation	CSR00001727
3.	Education of blind ones	Education Schedule VII (ii)	Yes	Mumbai-Maharashtra		1,73,000	No	Snehankit Helpline	CSR00009385
TOTAL						8,73,000			

Note: For the F.Y. 2020-2021 the Company had transferred its unspent funds amounting to Rs. 6,45,900/- pertaining to the same year towards activities carried through the Prime Minister's National Relief Fund on 28th September, 2021 as specified in schedule VII of the Act.

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 8,73,000**

(g) Excess amount for set off, if any: NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**

**Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : Not Applicable**

**For and on behalf of the Board of Directors**

**Date: 12<sup>th</sup> May, 2022**  
**Place: Mumbai**

**Mrs. Tania Deol**  
**Chairperson of Committee & Managing Director**  
**DIN:00073792**

**“ANNEXURE-3”**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022**

[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,  
**TCFC Finance Limited.**

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **TCFC Finance Limited (CIN: L65990MH1990PLC057923)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing opinion thereon.

Based on our verifications of the 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 authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2022 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:

We have examined the Books, Papers, and Minute-Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder,
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable for the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable for the Audit Period)**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable for the Audit Period)**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable for the Audit Period)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable for the Audit Period)**

(vi) The other Laws applicable specifically to the company.

We have also examined Compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the company

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except for the following:

*1. There has been a delay in the transfer of the partial amount of unclaimed Dividend to the Investors Education and Protection Funds under Section 125 of the Companies Act 2013, read with the Investors Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules 2016 by the company. The company has taken necessary steps to resolve the issue and is in the process of complying the same.*

**We further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

During the Audit period adequate notices were given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on agenda at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured, if any and recorded as part of the Minutes.

**We 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.

**Note:** This report is to be read with our letter of even date which is annexed as '**Annexure-I**' and forms an integral part of this report.

**For Aabid & Co.  
Company Secretaries**

**CS Mohammed Aabid  
Partner**

**Membership no: F6579**

**COP: 6625**

**UDIN: F00657D000505693**

**Date:** 18<sup>th</sup> June 2022

**Place:** Mumbai

**Disclaimer:** We are providing this report on the request of managements of the Company and due to impact of Covid-19 no physical verification of documents could be made. However, we were granted access to the Virtual Data Room (VDR) of the Company and were able to inspect the requisite documents.



**ANNEXURE-I**

**To,  
The Members,  
TCFC Finance Limited.**

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

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

**ANNEXURE – I OF SECRETARIAL AUDIT REPORT**

**List of documents verified**

1. Memorandum & Articles of Association of the Company.
2. Annual Report of the Company for FY 20-21
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration committee, Stakeholder's Relationship Committee and Corporate Social Responsibility Committee along with Attendance Register held during the financial year under report.
4. Minutes of General Meetings held during the financial year under report.
5. Agenda papers submitted to all the directors/members for the Board Meetings, Committee Meetings and General Meetings.
6. Notices of the Board and Annual General Meetings and Quarterly results published in the newspapers.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of Companies Act, 2013.
8. E-forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Statutory Registers viz.
  - Register of Directors' & Key Managerial Personnel (KMP)
  - Register of Members
  - Register of Charges
  - Register of contracts with related parties
  - Register of Investments
  - Register of loans, guarantee, security and acquisition made by the Company

## **ANNEXURE – II OF SECRETARIAL AUDIT REPORT**

### **List of Applicable Laws to the Company**

#### **Registered Office:**

501/502 Raheja Chambers, Nariman Point, Free Press Journal Marg, Maharashtra, Mumbai-400021, India

### **List of Applicable Laws to the Company under the Major Group and Head:**

- 1) The SEBI Act 1992
- 2) The RBI Act 1934.
- 3) The Maternity Benefit Act, 1961. N.A.
- 4) The Companies Act, 2013 and Rules thereunder.
- 5) The Payment of Bonus Act, 1965.
- 6) The Payment of Gratuity Act, 1972.
- 7) The Employee's State Insurance Act, 1948.
- 8) The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.
- 9) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- 10) The Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- 11) The Profession Tax Act, 1975
- 12) Goods and Service Tax Act, 2017 and Rules thereunder.
- 13) The Foreign Exchange Management Act, 1999, Rules and Regulations made there under.

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

**TCFC FINANCE LIMITED**

501/502 RAHEJA CHAMBERS NARIMAN POINT

FREE PRESS JOURNAL MARG MUMBAI

400021 MAHARASHTRA.

We, **Aabid & Co.** practicing Company Secretary, based in Mumbai have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **TCFC FINANCE LIMITED CIN: L65990MH1990PLC057923** and having registered office at 501/502 Raheja Chambers Nariman Point Free Press Journal Marg Mumbai 400021 Maharashtra. and (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and declarations furnished to us by the Directors of the Company;

We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1.	Mr. Atul Manubhai Desai	00019443	12/05/1999
2.	Mr. Venkatesh Raghunath Kamath	00042866	12/06/1998
3.	Mr. Vengendur Srikumar Srinivasan	00051233	02/08/2019
4.	Ms. Tania Vijay Singh Deol	00073792	26/08/2010
5.	Mr. Dharmil Anil Bodani	00618333	26/09/2014
6.	Mr. Pranav S Jasani	01898059	29/03/2019

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our 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 Aabid & Co.  
Company Secretaries

**CS Shweta Dinesh Sharma**  
Partner

Membership No: 23466

COP No: 22002

UDIN-A023466D000396817

**Place:** Mumbai

**Date:** 26<sup>th</sup> May, 2022

## CORPORATE GOVERNANCE REPORT

Corporate Governance envisages attainment of the highest levels of transparency and accountability in the functioning of Company and equity in all facets of its operations and all its interactions with shareholders, customers, government, suppliers, and lenders and to build the confidence of the society in general. Corporate Governance is the key factor in attaining fairness for all stakeholders and achieving organizational efficiency. Corporate governance refers to the framework of all rules and relationships by which a Company must abide, including internal processes as well as governmental regulations and the demands of stakeholders. It also takes into account systems and processes, which deal with the daily working of the business, reporting requirements, audit information, and long-term goal plans.

### Company's philosophy

Your Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing shareholders' value while safeguarding the interest of all stakeholders. The Company is committed to adhere to the code of corporate governance as it means adoption of best business practices aimed at growth of the Company coupled with bringing benefits to investors, customers, creditors, employees and the society at large.

The objective of the Company is not just to meet the statutory requirements of the Corporate Governance as prescribed under SEBI (LODR) Regulations, 2015 but to develop such systems and follow such practices and procedures to satisfy the spirit of law.

In accordance with SEBI LODR Regulations, 2015 the details of compliance by the Company are as under.

### I. Board of Directors

#### Composition of the Board

The composition of Board of Directors is in compliance with provisions of SEBI LODR Regulations, 2015 and the Companies Act, 2013. As on March 31, 2022, the Board comprises of a Non-Executive Chairman and five other Directors. Out of these, three (3) members are Independent Director including the Chairman of the Company. All the Directors have made necessary disclosures regarding their directorship in other companies. The Independent Directors are professionals drawn from amongst persons with experience in business, finance and law. None of the Directors are related to each other. The Composition of the Board, Directorship/Committee positions in other Companies as on 31st March, 2022.

Number of Meetings held and attended during the year are as follows:

Name	Category	Attendance			No. of Directorships in other public Ltd Companies (Excluding TCFC Finance Ltd)	Chairmanship/ Membership of Committees in other Public Ltd Companies (TCFC Finance Ltd)	
		No. of Board Meeting		Annual General Meeting 23/09/2021		Membership	Chairmanship
		held	Attended	Attendance			
Mr. Atul Desai	Chairman Non Executive & Independent Director	4	4	Yes	4	2	5
Mrs. Tania Deol	Managing Director & Chief Executive Officer	4	4	Yes	Nil	1	Nil
Mr. Vengendur Srikumar Srinivasan	Non-Executive & Independent Director	4	4	Yes	Nil	Nil	2
Mr. Venkatesh Kamath	Executive Director & Chief Financial Officer	4	4	Yes	Nil	2	0
Mr. Dharmil A. Bodani	Non Executive & Non-Independent Director	4	4	Yes	1	3	0
Mr. Pranav S Jasani	Non-Executive & Independent Director	4	2	Yes	Nil	1	0

**None of the Directors of the Company are related to each other**

\* Private Limited Companies, Foreign Companies and Companies under section 8 of the Companies Act, 2013 are excluded for this purpose.

\*\* Only Audit Committee and Stakeholders Relationship Committee have been considered as per the requirements of the SEBI (LODR) Regulations, 2015.

## TCFC FINANCE LIMITED

### Details of Skills/expertise/competence of the Board of Directors

The Board has identified the following skill set with reference to its business and industry which are available with the Board.

Name of the Director	Expertise in specific Functional Area
Mr. Atul Desai	Audit & Risk Management, Compliance & Governance, Legal & Regulatory Expertise
Mrs. Tania Deol	Business Management and Entrepreneurship
Mr. Vengendur Srikumar Srinivasan	Business Management, Audit & Risk Management, Banking and financial services.
Mr. Venkatesh Kamath	Finance, Accounting & Stakeholders' Management
Mr. Dharmil A Bodani	Finance and General Management
Mr. Pranav S Jasani	Marketing and Sourcing.

### Board Meetings and Procedures

The Board of Directors is responsible for the management of the business of the Company and meets regularly for discharging its role and functions.

The Board of Directors of the Company reviews all information provided periodically for discussion and consideration at its meetings in terms of Regulation 17 (2) of SEBI LODR Regulations, 2015.

Detailed Agenda are circulated to the Directors in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Where it is not practical to enclose any document to the agenda, the same is placed before the meeting. In special and exceptional circumstances, additional item(s) on the agenda are permitted to be discussed at the Meeting. During the year under review, the maximum time gap between any of two consecutive meetings exceeded one hundred and twenty days due to the COVID-19 pandemic, however, the meetings were held within the extended time period as per the relaxation provided by SEBI and the ministry of corporate affairs respectively.

During the Financial Year 2021-2022 the Board met four times on the following Dates:-

Sr. No.	Date of Board Meeting	Board's Strength	No. of Directors present
1	25 <sup>th</sup> June, 2021	6	6
2	9 <sup>th</sup> August, 2021	6	5
3	11 <sup>th</sup> November, 2021	6	6
4	11 <sup>th</sup> February, 2022	6	5

### Disclosure of relationships between Directors & KMP *inter-se*:

None of the Directors mentioned above has any material pecuniary relationships or transactions with the Company, its promoters, Directors or Senior Management which may affect their independence. Further, None of the Directors & KMP are related to each other.

### Code of Conduct

The Company has adopted a Code of Conduct for the members of the Board and the Senior Executives in compliance with the provision of Regulation 17(5) of SEBI (LODR) Regulations, 2015. All the members of the Board and the Senior Management Personnel have affirmed compliance to the Code of Conduct as on March 31, 2022 and a declaration to that effect signed by the Managing Director is attached and forms part of this Report.

### Committees of Directors

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board.

The Minutes of the Committee meetings are placed before the Board for noting.

The Board currently has the following Committees:

In compliance with the SEBI (LODR) Regulations, 2015, as on 31st March, 2022 the Board has four Committee viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee. The Committees have optimum combination of Executive, Non-Executive and/or Independent Directors. The Committees are constituted with specific terms of reference and scope to deal with specific matters expediently. The details of the committees constituted by the Board are given below:

#### A. Audit Committee

##### Composition and Attendance

Pursuant to Regulation 18 of the SEBI(LODR) Regulations, 2015, The Audit Committee of the Board comprises of four qualified Directors viz. Mr. V S Srinivasan, Mr. Atul Desai and Mr. Venkatesh Kamath and Mr Pranav S Jasani with majority being independent. Mr. V S Srinivasan is the Chairman. Two of the members are having finance and accounting knowledge. The Company Secretary acts as a secretary to the Audit Committee. The Present Composition of the Audit Committee is as follows:-

Name	Category	Designation	No. of Meetings During F.Y. 2021-2022	
			Held	Attended
V S Srinivasan	Non-Executive & Independent Director	Chairman	4	4
Atul Desai	Non-Executive & Independent Director	Member	4	4
Venkatesh Kamath	Executive Director & CFO	Member	4	4
Pranav S Jasani	Non-Executive & Independent Director	Member	4	2

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting and its compliance with the legal and regulatory requirements. The Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditor and the Statutory Auditor note the processes and safeguards employed by each of them.

##### Terms of Reference:

The terms of reference, role, powers, rights, authority and obligations of the Audit Committee are in conformity with the applicable provisions of the Companies Act, 2013 and Listing Regulations (including any statutory modification(s) or re-enactment or amendments thereof). which includes oversight of financial reporting process, recommendation of appointment, reappointment of statutory auditors, review quarterly financial statements, annual financial statements, internal financial control and audit process etc.

##### Audit Committee Meetings

The details of Audit Committee meetings held during the year 2021-2022 are as under:

Sr. no.	Date of Audit Committee Meeting	Committee Strength	No. of Members present
1	25 <sup>th</sup> June, 2021	4	4
2	9 <sup>th</sup> August, 2021	4	3
3	11 <sup>th</sup> November, 2021	4	4
4	11 <sup>th</sup> February, 2022	4	3

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

## B. Nomination and Remuneration Committee

### Composition of the Committee

The Nomination and Remuneration Committee of the Board comprises of four Non-Executive Directors viz. Mr. V S Srinivasan, (Chairman of the Committee & Independent Director), Mr. Atul Desai (Non Executive & Independent Director), and Mr. Dharmil Bodani (Non Executive Director) and Mr. Pranav S Jasani Desai (Non Executive & Independent Director)

### Nomination and Remuneration Committee Meetings

The details of Nomination and Remuneration Committee meeting held during the year 2021-2022 are as under:

Sr. no.	Date of Meeting	Committee Strength	No. of Members present
1	25 <sup>th</sup> June, 2021	4	4
2	11 <sup>th</sup> February, 2022	4	3

### Brief Description of terms of Reference

The Board has framed the Remuneration and Nomination Committee Policy which ensures effective Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations 2018 , which are as follows.

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board);
- To help in determining the appropriate size, diversity and composition of the Board;
- To recommend to the Board appointment/reappointment and removal of Directors;
- To frame criteria for determining qualifications, positive attributes and independence of Directors;
- To recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
- To create an evaluation framework for Independent Directors and the Board;
- To assist in developing a succession plan for the Board;
- To assist the Board in fulfilling responsibilities entrusted from time-to-time;
- Delegation of any of its powers to any Member of the Committee or Compliance officer

The company is having only one Managing Director, and 1 Executive Director & CFO having remuneration;

There are 2 Non – Executive & Independent Directors and 1 Non-Executive Director who are paid only sitting fees.

### Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulation, a separate exercise was carried out to evaluate the performance of the Board as a whole, various Committees of the Board and Individual Directors (including Independent Director, Non-Independent Director & Chairman). The criteria of performance evaluation were a). Board experience, skill, role, responsibility b). Attendance and Participation in the meetings c). Suggestion for effective functioning, Board process, policies, strategy etc.

The Board was satisfied with the evaluation results, which reflected the overall engagement of the Boards with the Company.

**Details of Remuneration paid to Executive and Non –Executive Directors for the year ended 31st March, 2022 is as stated below:**

### Executive Directors:

Terms of Agreement	Mrs. Tania Deol	Mr. Venkatesh Kamath
Date of Appointment	July 1, 2021	26 <sup>th</sup> September, 2014
Period of Agreement	5 years	N.A.
Valid up to	June 30, 2026	N.A.
Salary & Perquisites	Rs. 20,18,969/-	Rs. 17,54,200/-
Notice Period	Three months	Three months

**Non Executive Directors:**

**Criteria for making payments to Non- Executive Directors:**

Non- Executive Directors of the Company are paid only sitting fees for attending Board and Committee meetings of the Company. The details of the same are stated below:

(In ₹)

Name of Director	Total Sitting fees
Mr. V S Srinivasan	3,40,000
Mr. Atul Desai	2,60,000
Mr. Dharmil Bodani	1,80,000
Mr. Pranav S Jasani	1,00,000

The Criteria for making payments to non-executive directors has been disclosed on website at the below mentioned link: <http://tcfcfinance.com/wp-content/uploads/2016/02/CRITERIA-FOR-MAKING-PAYMENTS-TO-NON-EXECUTIVE-DIRECTORS.pdf>

**Number of shares and convertible instruments held by non- executive directors**

Name of Non Executive Director	Total no of shares of the Company
Mr. Atul Desai	10 shares
Mr. V S Srinivasan	207 shares
Mr. Dharmil Bodani	Nil
Mr. Pranav S Jasani	Nil

**C Stakeholders relationship Committee**

The Committee function with the objective of looking into redressal of shareholder's / Investor's grievance related to non-receipt of dividend, Annual-report, delay in transfer or transmission of shares, and cases of refusal of transfer or transmission of shares etc.

**Composition of Committee**

The Composition of the Stakeholders relationship Committee is as follows:-

The Committee comprises of four members namely Mr. V. S. Srinivasan (Chairman of the Committee), Mr. Venkatesh Kamath, Mrs. Tania Deol, Mr. Dharmil A Bodani and the Company Secretary is the Compliance officer and is also the secretary to the committee.

Further, The Board of Directors of the Company has further delegated the responsibility of Stakeholders Relationship Committee to a sub-committee namely **"Share Transfer Committee"** consisting of Directors stationed at the registered office of the Company for expedition of share transfer process.

**Meeting of the Committee**

During the year, the committee met 4 times to approve various matters including the share transfer/transmission requests, Demat requests and also to look into redressal of investors' grievances.

The attendance of the members at the meetings of the committee is given below:

Directors	No. of Meetings held & attended	Date of Meeting
Venkatesh Kamath	4	25th June, 2021
Tania Deol	4	9th August, 2021
V. S. Srinivasan	4	11th November, 2021
Dharmil Bodani	4	11th February, 2021



## TCFC FINANCE LIMITED

### Terms of reference:

Terms of reference and role of the stakeholders Relationship Committee includes the matters specified under the Companies Act, 2013 and Listing Regulation, which includes to resolve the stakeholder's grievance regarding the transfer of shares, non-receipt of annual report, dividend etc.

### Number and Nature of Investor Requests for the year 2022 are as under:

Nature of Requests	No. of Complaints	No. of Complaints Redressed
Non-Receipt of Share Certificates after Demerger/ transfer/ sub-division/ consolidation etc.	117	117
Non- receipt of Dividend	173	173
Non-Receipt of Annual Report	4	4
Complaints to BSE	0	0
Complaint to SEBI (including SCORES)	1	1

### Compliance officer and Address for Correspondence:

Name & Designation	Address	E-mail I.D	Contact No.
<b>Miss. Kinjal Sheth Company Secretary</b>	<b>501/502 Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400021</b>	<b>companysecretary@tcfcfinance.com</b>	<b>022-22844701</b>

## D Corporate Social Responsibility (CSR) Committee:

### Composition

The Committee comprises of Mrs. Tania Deol –Managing Director, as the Chairman of the Committee, Mr. Venkatesh Kamath – Executive Director & CFO, Mr Atul Desai-Independent Director and Mr. V.S. Srinivasan - Independent Director as the Members of the Committee.

The composition of the CSR Committee is as per the provisions of Companies Act, 2013. The Company Secretary acts as the Secretary to the Committee.

The terms of reference of the said Committee includes the following:

- To establish and review corporate social responsibility policies;
- To identify, segment and recommend the CSR projects/ programs/activities to the Board of Directors;
- To recommend the amount of expenditure to be incurred on the activities as identified for CSR by the Company;
- To oversee the implementation of corporate social responsibility projects/programs/activities;
- To review the annual budgets/expenditure with respect to corporate social responsibility programs/projects/ activities;
- To work with management to establish and develop the Company's strategic framework and objectives with respect to corporate social responsibility matters;
- To receive reports on the Company's Corporate Social Responsibility programs/projects/activities;
- To establish and review the implementation mechanism for the CSR programs/projects/activities undertaken by the Company;
- To establish and review the monitoring mechanism of CSR projects/programs/activities;
- To review the CSR initiatives and programs/projects/ activities undertaken by the Company;
- To review the Company's disclosure relating to corporate social responsibility matters in accordance with the requirements of the regulatory provisions;

- To obtain legal or other independent professional advice/assistance;
- To form and delegate authority to any sub-committee or employee(s) of the Company or one or more members of the committee;
- Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

**Meeting of the Committee**

The Meeting of Corporate Social Responsibility Committee were held on 25<sup>th</sup> June, 2021 & 9<sup>th</sup> August, 2021. All the members of the committee were present for the meeting.

**E. Separate Meeting of Independent Directors**

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and (4), a separate meeting of the Independent Directors without the attendance of Non- Independent Directors to, inter-alia, review the performance of the Chairman & Managing Director of the Company, Non-Executive Director and the Board as a whole. The Independent Directors in the said assess the quality, quantity and timeliness of flow of information between the Company Management and the Board based on various components viz. relevant and adequate information being provided, circulation of agenda and related notes in advance, regular information/updates, etc.

A separate Independent directors Meeting for the financial year ended 31<sup>st</sup> March, 2022 was convened on 11<sup>th</sup> February, 2022

**F. SUBSIDIARY COMPANIES**

The Company does not have any material subsidiary as defined under the SEBI (LODR) Regulations, 2015.

**G. Affirmation and Disclosures**

**Non-compliance of any requirement of corporate governance report of sub-paras (B) to (I) above, with reasons thereof shall be disclosed**

The Company has complied with the requirements of corporate governance report of sub paras (B) to (I).

**A. Compliances with Governance Framework**

The Company is in compliance with all mandatory and non-mandatory requirements under Listing Regulation.

**B. Materially significant Related Party Transactions**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2018 during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis and is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

The transactions between the Company and the Management, Directors or their relatives or Companies are disclosed in the Annual Accounts in compliance with the Accounting Standard relating to "Related Party Disclosures". The weblink of the policy on the website is [http://www.tcfcfinance.com/wp-content/uploads/2018/07/Policy\\_on\\_Related\\_Party\\_Transactions-revised.pdf](http://www.tcfcfinance.com/wp-content/uploads/2018/07/Policy_on_Related_Party_Transactions-revised.pdf)

**C. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties, strictures have been imposed on the Company by Stock Exchanges or Securities and Exchange Board of India or any other statutory authority.

### **D. Vigil Mechanism.**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The weblink of the policy is [http://www.tcfcfinance.com/wp-content/uploads/2019/06/Vigil\\_Mechanism\\_Policy-Whistle-Blower-Policy.pdf](http://www.tcfcfinance.com/wp-content/uploads/2019/06/Vigil_Mechanism_Policy-Whistle-Blower-Policy.pdf)

### **E. Risk Management**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

### **F. Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

The Company has adopted the Indian Accounting Standards for reporting Financial Statements applicable to the Company w.e.f. 1<sup>st</sup> April, 2019 and has prepared the financial statements accordingly.

### **G. Adoption of the discretionary requirements as specified in Part E of the Schedule II of the Listing Regulations**

#### **(a) The Board**

The Company does not maintain an office for the Non-Executive Chairman.

#### **(b) Shareholder Rights**

The Company's quarterly and half-yearly results are furnished to the Stock Exchange(s), also published in the newspapers and also displayed on the website of the Company and therefore results are not sent to household of each of the shareholder.

#### **(c) Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

#### **(d) Separate Posts of Chairman and Managing Director /Chief Executive Officer (CEO)**

The Company is having separate post for Chairman and Managing Director. Mr. Atul Desai is the Chairperson of the Company and Mrs. Tania Deol is the Managing Director & CEO of the Company.

### **H. CEO /CFO Certification**

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) provides a certification on quarterly/ annual basis to the Audit Committee and Board of Directors in terms of Regulation 17 (8) and Regulation 33 (2) (a) of the SEBI Listing Regulations.

### **I. Familiarisation Programme**

In accordance with the requirements of Regulation 25(7) of the SEBI (LODR) Regulations, 2015 and the provisions of Companies Act 2013, the Company familiarizes the Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, its business operations and model etc. through various programme.

The familiarization policy of the Company is uploaded on the Company's website

[http://www.tcfcfinance.com/wp-content/uploads/2018/07/Familiarisation\\_programme\\_for\\_Independent\\_Directors.pdf](http://www.tcfcfinance.com/wp-content/uploads/2018/07/Familiarisation_programme_for_Independent_Directors.pdf)

**J. Means of Communications**

The primary source of information to the shareholders, customers, analysts and to the public at large is through the website of the Company i.e. [www.tcfcfinance.com](http://www.tcfcfinance.com). The Company maintains a functional website and disseminates, inter-alia, the following information:

- details of its business
- terms and conditions of appointment of independent directors
- composition of various committees of board of directors
- the email address for grievance redressed and other relevant details
- contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances
- financial information including notice of Board
- Meetings, financial results, annual report and other material information
- Shareholding pattern
- such other required information in terms of Regulation 46 of SEBI (LODR) Regulations, 2015.

The quarterly results, notice of the meeting and book closure dates etc. are widely circulated in leading English (The Financial Express) and regional language newspapers (Lakshadeep). The Company has not made any presentation to Institutional Investors or to the analysts.

The Annual Report, annually/half yearly/ quarterly results, shareholding pattern, information on material events etc., are periodically filed in accordance with the SEBI Listing Regulations on BSE Listing Center.

**K. Details of Last Three Annual General Meetings**

Year	Location	Date	Time
2020-2021	Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM")	23 <sup>rd</sup> September, 2021	11.00 a.m.
2019-2020	Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM")	25 <sup>th</sup> September, 2020	11.00 a.m.
2018-2019	M C Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovinddas Building, 8/20 K Dubhash Marg, Mumbai - 400 001	2 <sup>nd</sup> August, 2019	10.30a.m.

A special Resolution was passed in the 30th Annual General meeting of 2020-2021 for Re-appointment of Mrs Tania Deol as a Managing Director of the Company held on 23<sup>rd</sup> September, 2021

A special Resolution was passed in the 28th Annual General meeting of 2018-2019 for Re-appointment of Mr Atul Desai, Mr. Pranav S Jasani and Mr. Vengendur Srikumar Srinivasan as Independent Directors of the Company held on 2nd August, 2019

No Extra-Ordinary General Meeting was convened in the preceding three Financial Years neither were any resolutions put through postal ballot.

**L. General Shareholder Information**

**a) Annual General Meeting**

**Day, Date & Time: Monday, 8th August, 2022 at 11:00 am (IST)**

**Book Closure Date: 2<sup>nd</sup> August, 2022 to 8<sup>th</sup> August, 2022(both days inclusive)**

**b) Date of Dividend Payment:** The Dividend, for the financial year 2021-2022, if approved at the forthcoming Annual General Meeting will be paid within 30 days of the date of declaration of Dividend i.e. 8th August, 2022

**c) Contact person-In house Share Department:**

Mr. Vinayak Shiralkar- Sr Manager of Share Department

501/502, Raheja Chambers, Nariman Point, Mumbai 400 021

Tel:022-22844701/28440736

Email: [investorservices@tcfcfinance.com](mailto:investorservices@tcfcfinance.com); [vshiralkar@tcfcfinance.com](mailto:vshiralkar@tcfcfinance.com)

## TCFC FINANCE LIMITED

### d) Listing on Stock Exchanges

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

CIN	Stock Exchange	Group	Code	ISIN
L65990MH1990PLC057923	BSE Ltd	X	532284	INE389D01013

The listing fees for the financial year 2022-2023 have been paid.

### Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2022

Category	No. of Shares held	% of shareholdings
<b>A. Promoter's Holding</b>		
NRI Promoters	-	-
Bodies Corporate	7120327	67.92
Indian Directors and their Relatives	12700	0.12
<b>Sub Total</b>	<b>7133027</b>	<b>68.04</b>
<b>B. Non Promoting Holdings</b>		
Mutual Funds and UTI	30	0.00
Banks and Financial institution	389450	3.72
FII's	0	0
<b>Sub Total</b>	<b>389480</b>	<b>3.72</b>
Others:-		
Bodies Corporate	33671	0.32
Indian Public	1992789	19.01
Venkatesh Kamath as nominee of TCFC Finance Ltd.	533334	5.09
Non Resident Indians	24014	0.23
Directors & Relatives	7237	0.07
Clearing Members	1146	0.01
HUF	82180	0.78
Unclaimed Suspense Account	7309	0.07
IEPF	277942	2.65
<b>Sub Total</b>	<b>2959622</b>	<b>28.23</b>
<b>Grand Total</b>	<b>10482129</b>	<b>100.00</b>

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

### e) Distribution of Shareholding as on 31<sup>st</sup> March, 2022

Range	Share Holders		Shares	
No. of shares	Numbers	% to total holders	Numbers	% of Total Capital
Upto 5000	18007	97.01	1078990	10.29
5000-10000	328	1.77	253654	2.42
10000-20000	105	0.57	155576	1.49
20000-30000	41	0.22	101192	0.97
30000-40000	25	0.14	89262	0.85
40000-50000	11	0.06	51725	0.49
50000-100000	27	0.15	185318	1.77
100000 and above	18	0.09	8566412	81.72
<b>Total</b>	<b>18562</b>	<b>100</b>	<b>10482129</b>	<b>100</b>

**f) 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 Registrars / Company are clear in all respects.

**g) Dematerialization of shares**

As per notifications issued by the Securities and Exchange Board of India (SEBI), the trading in Company's shares is permitted only in dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip less 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**

**Breakup for Physical & Dematerialization Shares:**

The following data indicates the extent of Dematerialization of Company's shares as on March 31st March, 2022

	<b>No. of Shares</b>	<b>% of Share Capital</b>
CDSL	673014	6.42
NSDL	8819917	84.14
Physical	989198	9.44
<b>Total</b>	<b>10482129</b>	<b>100</b>

**h) RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:**

In accordance with Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital of the Company is carried out on a quarterly basis by Mr. Mohammed Aabid of Aabid & Co., Practicing Company Secretaries, to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital.

**i) Address for Correspondence**

TCFC Finance Limited  
501/502, Raheja Chambers, Nariman Point, Mumbai 400 021  
Tel: 022-22844701/22840736  
Email: [investorservices@tcfcfinance.com](mailto:investorservices@tcfcfinance.com)  
Website: [www.tcfcfinance.com](http://www.tcfcfinance.com)

**The Company has no other office.**

**j) Comparison of Company Market Price Data & Bombay Stock Exchange Limited Market Price:**

(In ₹)

Month	Company price		BSE Sensex	
	High	Low	High	Low
Apr-2021	29.00	23.55	50375.77	47204.50
May-2021	32.00	25.05	52013.22	48028.07
June-2021	38.40	27.70	53126.73	51450.58
July-2021	51.00	32.30	53290.81	51802.73
August-2021	52.00	34.30	57625.26	52804.08
September-2021	45.45	35.55	60412.32	57263.90
October-2021	49.30	37.75	62245.43	58551.14
November-2021	47.90	36.30	61036.56	56382.93
December-2021	42.00	36.20	59203.37	55132.68
January-2022	49.10	39.75	61475.15	56409.63
February-2022	48.95	28.55	59618.51	54383.20
March-2022	39.75	30.35	58890.92	52260.82

## TCFC FINANCE LIMITED

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### k) Depository services

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

i) National Securities Depository Limited

Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai 400 013  
Tel. 022 24994200  
Email. : [info@nsdl.co.in](mailto:info@nsdl.co.in)  
Website: [www.nsdl.co.in](http://www.nsdl.co.in)

ii) Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 25th floor,  
NM Joshi Marg, Lower Parel, Mumbai 400013  
Tel. 022-2300-2033  
Email: [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com)  
Website: [www.cdslindia.com](http://www.cdslindia.com)

### l) Unclaimed Securities Suspense Account

Sr. No.	Details	No. of shareholders	Shares
1	Aggregate number of shareholders and the outstanding Shares lying in the Unclaimed Suspense Account at the beginning of the year	162	7309
2	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year.	0	0
3	As per MCA Circular Dividend unclaimed for 7 years, the shares lying in the Unclaimed Suspense Account are to be transferred to IEPF Demat Account, Hence the shares held in TCFC FINANCE LTD, SUSPENSE ACCOUNT with CDSL to IEPF.	0	0
4	Aggregate Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	162	7309

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

**Atul Desai**  
Chairman  
DIN:00019443

Place: Mumbai  
Date: 12<sup>th</sup> May, 2022

## **DECLARATION**

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct of Board of Directors and Senior Management for the year ended on March 31, 2022.

**For TCFC Finance Limited**

**Place: Mumbai**

**Date: 12<sup>th</sup> May, 2022**

**Tania Deol**

**Managing Director**

**DIN: 00073792**

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## **CEO / CFO CERTIFICATION**

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of TCFC Finance Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of 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:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

**For TCFC Finance Limited**

**For TCFC Finance Limited**

**Mrs. Tania Deol**  
**CEO & Managing Director**  
**DIN:00073792**

**Mr. Venkatesh Kamath**  
**Executive Director & CFO**  
**DIN: 00042866**

**Place: Mumbai**

**Date: 12<sup>th</sup> May, 2022**



## **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

**The Members of TCFC Finance Limited**

1. We, GMJ & Co, Chartered Accountants, the Statutory Auditors of TCFC Finance Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

**Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. The responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For GMJ & Co**  
**Chartered Accountants**  
**Firm No. 103429W**

**(CA Atul Jain)**  
**Partner**  
**M. No. 037097**  
**UDIN: 22037097AIVQAU1274**

**Place: Mumbai**  
**Date : 12<sup>th</sup> May, 2022**

# INDEPENDENT AUDITOR'S REPORT

To Members

TCFC Finance Limited,

Report on the Indian Accounting Standards ("Ind AS") Financial Statements

## Opinion

We have audited the accompanying Ind AS financial statements of **TCFC Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, the Profit and total comprehensive income, changes in equity and its cash flow for the year ended on that date.

## Basis for Opinion

We conducted our audit of the 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 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 ethical requirements that are relevant to our audit of the Ind AS financial statements under 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 opinion on the Ind AS financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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.

## Valuation of Investments

<p>The Company's investment portfolio consists of Equity Instruments and Government Securities.</p> <p>Total investment portfolio of the Company represents 8.27 per cent of the Company's total assets (net of provision).</p> <p>Investments are stated at cost less provision for diminution other than temporary in the value of these investments.</p> <p>In respect of the portfolio of quoted investments we do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas which had significant impact on our overall audit strategy.</p> <p>The portfolio of unquoted investments is 1.64 per cent of the Company's Total Assets. Valuation of unquoted investments involves judgement depending on the observability of the inputs into the valuation and further judgement in determining the appropriate valuation methodology where external pricing sources are either not readily available or are unreliable. Refer Note no. 2-3 of the "Significant Accounting Policies".</p>	<p>Our audit procedures for this area included:</p> <ul style="list-style-type: none"> <li>• We assessed appropriateness of the pricing methodologies with reference to Company's accounting and valuation policy;</li> <li>• We have assessed the process and tested the operating effectiveness of the key controls, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorization and data input controls;</li> <li>• For quoted investments, recalculated the valuations of investments with independent pricing sources;</li> <li>• For unquoted investments, we critically evaluated the valuation assessment and resulting conclusions in order to determine appropriateness of the valuations recorded with reference to the Company's valuation guidelines.</li> </ul>
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## TCFC FINANCE LIMITED

### Inventories

<p>The Company's inventory consists of Shares and mutual fund.</p> <p>Total Inventory of the Company represents 89.43 per cent of the Company's total assets.</p> <p>Inventory's are made and valued in accordance with Policy of the Company and relevant Ind AS at cost or market value whichever is lower on FIFO basis. Refer Note no. 2-3 of "Significant Accounting Policies".</p>	<p>Our audit procedures for this area included:</p> <ul style="list-style-type: none"><li>• We assessed appropriateness of the pricing methodologies with reference to Company's valuation policy.</li><li>• We have verified the inventory of shares by DEMAT statements and the account statements in respect of Mutual Funds.</li><li>• In Quoted Inventories recalculated the valuation with independent pricing sources.</li></ul>
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### Other Information

The Company's Board of Directors is responsible for preparation of the other information. Other information comprises the information included in the Management Discussion and Analysis of the Board's Report including Annexures thereto to Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding 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 accuracy and completeness of the accounting records, relevant to preparation and presentation of the 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 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- i. Identify and assess risks of material misstatement of the 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.
- ii. 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.
- iii. Evaluate appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually, or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure "A" hereto a statement on the matters specified in paragraph 3 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Ind AS financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
- f) With respect to adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to 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.

- h) With respect to 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 Ind AS financial statements - Refer Note no. 27 of Ind As Financial Statements.
  - ii. The Company does not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
  - iii. The company was required to transfer the unclaimed dividend account no. - 17260 pertaining to 2013-14 of Rs.1,00,256 to Investors Education and Protection Funds under Section 125 of the Companies Act 2013, read with Investors Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. But the company has not transferred the same on the requisite date, as the period of 7 years had lapsed on 4th October 2021.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- v) (a) The final dividend proposed in the Previous year declared and paid the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the company have proposed final dividend for the year which is subject to approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

**For GMJ & Co**  
**Chartered Accountants**  
**Firm No. 103429W**

**(CA Atul Jain)**  
**Partner**  
**M. No. 037097**  
**UDIN: 22037097AJEDAW8691**  
**Place: Mumbai**  
**Date: 12<sup>th</sup> May 2022**

**Annexure “A” to the Independent Auditor’s Report**

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
- a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of the Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) Property, Plant and Equipment were physically verified during the year by the management and no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us, the title deeds of immovable property are held in the name of the company;
  - d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
  - e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The inventory has been verified by the management at reasonable intervals during the year on the basis of statements received from custodians and depositary participants and no material discrepancies were noticed on physical verification as compared to the book records;
- (b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits from banks or financial institutions at any point of time during the year under audit. Accordingly, paragraph 3(ii)(b) of the Companies (Auditor’s Report) Order, 2020 (“the Order”) is not applicable to the Company
- (iii) The Company has not made any investments, granted loans, secured or unsecured to any firms, companies or other parties covered in the register maintained under Section 189 of the Company’s Act, 2013 ( the Act ) and hence provisions of clauses (iii) (a), (b), (c), (d), (e) and (f) of paragraph 3 of the Company ( Auditors Report ) Order 2020 ( the Order ) are not applicable to the Company;
- (iv) According to the information and explanations given to us, the provisions of Section 185 of the Act are not applicable to the Company and the Company has complied with the provision of Section 186 of the Act in respect of subscription of shares to body corporates
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the order is not applicable.
- (vi) The Central Government of India has not prescribed maintenance of cost records under subsection (1) of Section 148 of the Act for any of the activities of the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- (vii) According to records of the Company, examined by us and the information and explanations given to us:
- (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, goods and service tax, cess and other material statutory dues with appropriate authorities. There were no undisputed amounts payable for a period of more than six months from the date they became payable.
  - (b) According to information and explanations given to us, there are no material dues of duty of customs and goods & service tax which have not been deposited as at March 31, 2022 on account of any dispute.

(c) Details of dues of Income Tax on account of dispute which are given below :

<b>Nature of the Statute</b>	<b>Nature of dues</b>	<b>Forum where Dispute is Pending</b>	<b>Period to which the amount Relates</b>	<b>Amount (₹)</b>
The Income Tax Act, 1961	Income Tax	Jurisdictional AO	AY 2012-13	4,99,690
The Income Tax Act, 1961	Income Tax	CPC, Bengaluru	AY 2014-15	6,04,920
The Income Tax Act, 1961	Income Tax	CPC, Bengaluru	AY 2017-18	40,750

- (viii) According to the information and explanations given to us, the Company does not have any transactions not recorded in books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961. Accordingly, paragraph 3(viii) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company
- (ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, no funds were raised on shortterm basis by the company. Hence, reporting on clause 3(ix)(d) is not applicable.
- e) According to information and explanation given to us, Company has not taken any fund from any entity or from any person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence paragraph 3(ix)(e) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company.
- f) According to information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associates companies and hence paragraph 3(ix)(f) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company.
- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.
- (xii) As the Company does not fall into the category of a Nidhi company, clause (xii) of para 3 of the Order is not applicable to the Company;
- (xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act wherever applicable and details have been disclosed in the Ind AS Financial Statements as required by applicable accounting standards;



## TCFC FINANCE LIMITED

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- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and is registered vide the Registration no. 13.00984 taken in the year 1998.
- (b) The company has not conducted any Non- Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing CSR project.

**For GMJ & Co**  
**Chartered Accountants**  
**Firm No. 103429W**

**(CA Atul Jain)**  
**Partner**  
**M. No. 037097**  
**UDIN: 22037097AJEDAW8691**  
**Place: Mumbai**  
**Date: 12<sup>th</sup> May 2022**

## **ANNEXURE – “B” TO AUDITOR’S REPORT**

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

We have audited the internal financial controls over financial reporting of TCFC Finance Limited (“the Company”) as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

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

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

#### **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 the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, 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 control operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about 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 auditors’ judgment, including assessment of the risks of material misstatement of the IndAS 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 reliability of financial reporting and preparation of 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 maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS Financial Statements.

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

Because of inherent limitations of internal financial controls over financial reporting, including 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

## **TCFC FINANCE LIMITED**

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any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For GMJ & Co**  
**Chartered Accountants**  
**Firm No. 103429W**

**(CA Atul Jain)**  
**Partner**  
**M. No. 037097**  
**UDIN: 22037097AJEDAW8691**  
**Place: Mumbai**  
**Date: 12<sup>th</sup> May 2022**

**BALANCE SHEET AS AT MARCH 31, 2022**

(Amount in ₹)

Particulars	Notes	March 31, 2022	March 31, 2021
<b>ASSETS</b>			
(1) Financial Assets			
(a) Cash and Cash Equivalents	4	1,458,325	1,812,161
(b) Bank Balances Other than (a) above	5	8,183,753	14,756,817
(c) Stock in Trade	6	918,598,889	845,200,249
(d) Receivables		-	-
(i) Trade Receivables	7	278,024	-
(e) Investments	7	84,991,497	89,508,692
(f) Other Financial Assets	8	60,000	60,000
		<b>1,013,570,488</b>	<b>951,337,919</b>
(2) Non-financial Assets			
(a) Current Tax Assets (Net)		12,065,080	11,785,236
(b) Property, Plant and Equipment	9	1,337,421	1,598,415
(c) Other Intangible Assets	10	46,415	70,667
(d) Other Non-financial Assets	11	181,635	181,755
		<b>13,630,551</b>	<b>13,636,073</b>
<b>TOTAL</b>		<b>1,027,201,044</b>	<b>964,973,992</b>
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
(1) Financial Liabilities			
(a) Other financial liabilities	12	3,683,758	4,570,169
		<b>3,683,758</b>	<b>4,570,169</b>
(2) Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	13	-	-
(b) Provisions	24	3,374,284	2,818,364
(c) Deferred tax liabilities (Net)	14	39,721,972	23,418,093
(d) Other non-financial liabilities		25,600	60,325
		<b>43,121,856</b>	<b>26,296,782</b>
(3) Equity			
(a) Equity Share capital	15	104,821,290	104,821,290
(b) Other Equity	16	875,574,140	829,285,751
		<b>980,395,430</b>	<b>934,107,041</b>
<b>TOTAL</b>		<b>1,027,201,044</b>	<b>964,973,992</b>

**As per our attached report of even date**
**For and on behalf of the Board of  
TCFC Finance Limited**
**For GMJ & Co.  
Chartered Accountants  
F.R. No. 103429W**
**CA Atul Jain**  
(Partner)  
Membership No : 037097

 Place : Mumbai  
Date : May 12, 2022

<b>Atul Desai (DIN - 00019443)</b>	(Chairman)
<b>Tania Deol (DIN - 00073792)</b>	(Managing Director& CEO)
<b>Venkatesh Kamath (DIN - 00042866)</b>	(Executive Director & CFO)
<b>Kinjal Sheth</b>	(Company Secretary)

# TCFC FINANCE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹)

Particulars	Notes	March 31, 2022	March 31, 2021
<b>Revenue from operations</b>			
Interest Income	17	9,212,802	10,480,395
Dividend Income	18	2,317,480	1,329,173
Net gain on fair value changes	19	61,892,043	104,647,632
<b>Total Revenue from operations</b>		<b>73,422,325</b>	<b>116,457,200</b>
Other Income	20	17,754,125	4,893,580
<b>Total Income</b>		<b>91,176,450</b>	<b>121,350,780</b>
<b>EXPENSES</b>			
Employee Benefits Expense	21	7,662,875	6,998,728
Depreciation, amortization and impairment	22	285,246	288,654
Others expenses	23	4,470,352	3,641,767
<b>Total Expenses</b>		<b>12,418,473</b>	<b>10,929,149</b>
<b>Profit / (loss) before tax</b>		<b>78,757,977</b>	<b>110,421,631</b>
<b>Tax Expense:</b>			
(1) Current Tax		2,190,000	3,900,000
(2) Adjustment of tax relating to earlier periods		(1,494,464)	(3,007,858)
(3) Deferred Tax		16,303,878	14,112,603
<b>Profit / (loss) for the period from continuing operations</b>		<b>61,758,562</b>	<b>95,416,886</b>
Tax Expense of discontinued operations		-	-
<b>Profit/(loss) from discontinued operations(After tax)</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) for the period</b>		<b>61,758,562</b>	<b>95,416,886</b>
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Remeasurement of gains (losses) on defined benefit plans		253,024	37,763
<b>B. Items that will be reclassified to profit or loss</b>			
		-	-
<b>Total other comprehensive income for the year, net of tax</b>		<b>253,024</b>	<b>37,763</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>62,011,586</b>	<b>95,454,649</b>
<b>Earnings per equity share</b>			
Basic EPS	25	5.89	9.10

As per our attached report of even date

For GMJ & Co.  
Chartered Accountants  
F.R. No. 103429W

CA Atul Jain  
(Partner)  
Membership No : 037097  
Place : Mumbai  
Date : May 12, 2022

For and on behalf of the Board of  
TCFC Finance Limited

Atul Desai (DIN - 00019443) (Chairman)  
Tania Deol (DIN - 00073792) (Managing Director & CEO)  
Venkatesh Kamath (DIN - 00042866) (Executive Director & CFO)  
Kinjal Sheth (Company Secretary)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before income tax	78,757,977	110,421,631
<b>Adjustments for:</b>		
Depreciation and amortisation expense	285,246	288,654
Net (gain)/loss on fair value changes	(48,087,639)	(67,952,432)
Dividend and Interest income classified as investing cash flows	(11,530,282)	(11,809,568)
<b>Operating profit/(loss) before working capital changes</b>	<b>19,425,302</b>	<b>30,948,285</b>
<b>Movements in Working capital:</b>		
(Increase)/Decrease in investments	4,517,195	635,316
(Increase)/ Decrease in receivables	(278,024)	-
(Increase)/ Decrease in Stock in trade	(25,311,007)	(78,661,799)
Decrease/(increase) in bank deposits	6,573,064	39,986,502
Decrease/(increase) in other financial assets	-	-
Decrease/(increase) in other non-financial assets	120	41,788
Increase/(decrease) in other financial liabilities	(886,411)	1,054,136
Increase/(decrease) in non-financial liabilities	(34,725)	(3,581)
Increase/(decrease) provision	808,944	275,762
<b>Cash generated from operations</b>	<b>4,814,458</b>	<b>(5,723,591)</b>
Less: Income taxes paid	(975,380)	(5,661,758)
<b>Net cash inflow from operating activities</b>	<b>3,839,077</b>	<b>(11,385,349)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	-	(146,252)
Purchase of intangible assets	-	-
Dividends received	2,317,480	1,329,173
Interest received	9,212,802	10,480,395
<b>Net cash outflow from investing activities</b>	<b>11,530,282</b>	<b>11,663,316</b>

## TCFC FINANCE LIMITED

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Dividends paid	(15,723,193)	-
Dividend distribution tax paid	-	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>(15,723,193)</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents	(353,837)	277,968
Cash and Cash Equivalents at the beginning of the financial year	1,812,162	1,534,193
<b>Cash and Cash Equivalents at end of the year</b>	<b>1,458,325</b>	<b>1,812,162</b>
<b>Net cash provided by (used in) operating activities includes</b>		
Interest received	9,212,802	10,480,395
Dividend received	2,317,480	1,329,173

As per our attached report of even date

For and on behalf of the Board of  
TCFC Finance Limited

For GMJ & Co.  
Chartered Accountants  
F.R. No. 103429W

CA Atul Jain  
(Partner)  
Membership No : 037097  
Place : Mumbai  
Date : May 12, 2022

Atul Desai (DIN - 00019443) (Chairman)  
Tania Deol (DIN - 00073792) (Managing Director & CEO)  
Venkatesh Kamath (DIN - 00042866) (Executive Director & CFO)  
Kinjal Sheth (Company Secretary)

## STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2022

(Amount in ₹)

## A Equity Share Capital

Particulars	Balance at the Beginning of the period	Changes in Equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in Equity share capital during the year	Balance at the end of the period
<b>March 31, 2021</b>					
Numbers	10,482,129	-	-	-	10,482,129
Amount	104,821,290	-	-	-	104,821,290
<b>March 31, 2022</b>					
Numbers	10,482,129	-	-	-	10,482,129
Amount	104,821,290	-	-	-	104,821,290

## B Other Equity

Particulars	Reserves and Surplus							
	Capital Reserve	Treasury Shares	General Reserve	Debenture Redemption Reserve	Share Based Payment Reserve	Statutory Reserve	Retained Earnings	Total
<b>As at April 1, 2020</b>	375	(19,273,357)	646,036,299	-	-	243,634,011	(136,566,218)	733,831,110
Profit for the period	-	-	-	-	-	-	95,416,886	95,416,886
Other comprehensive income	-	-	-	-	-	-	37,763	37,763
<b>Total comprehensive income for the year</b>	375	(19,273,357)	646,036,299	-	-	243,634,011	(41,111,569)	829,285,759
Transfer to General Reserve	-	-	9,541,689	-	-	-	(9,541,689)	-
Transfer to Statutory Reserve	-	-	-	-	-	19,083,377	(19,083,377)	-
Dividend	-	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	375	(19,273,357)	655,577,988	-	-	262,717,388	(69,736,635)	829,285,759
Profit for the period	-	-	-	-	-	-	61,758,562	61,758,562
Other comprehensive income	-	-	-	-	-	-	253,024	253,024
<b>Total comprehensive income for the year</b>	375	(19,273,357)	655,577,988	-	-	262,717,388	(7,725,049)	891,297,336
Transfer to General Reserve	-	-	6,175,856	-	-	-	(6,175,856)	-
Transfer to Statutory Reserve	-	-	-	-	-	12,351,712	(12,351,712)	-
Dividend	-	-	(15,723,193)	-	-	-	-	(15,723,193)
<b>As at March 31, 2022</b>	375	(19,273,357)	646,030,651	-	-	275,069,100	(26,252,618)	875,574,143



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 1 Corporate Information

TCFC Finance Limited (the 'Company') was incorporated in India on August 29, 1990 under the provision of Companies Act, 2013 ('the Act').

The Company engaged in the business of finance and investments and trading in equity shares, mutual funds, securities etc.

The Company holds a Certificate of Registration (CoR) as Non-Banking Financial Institution, without accepting public deposits, registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934. The Company received its certificate of registration as a non-banking finance Company on August 12, 1998.

The Registered office of the company is 501-502, Raheja Chambers, 213, Free Press Journal Road, Nariman Point, Mumbai 40002.

The financial statements of the Company for the year ended March 31, 2022 were authorised for issue in accordance with the a resolution of the Board of Director on May 12, 2022.

### 2 Significant Accounting Policies

#### 2.1 Basis of preparation

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).

For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2020 are the first, the Company has prepared in accordance with Ind AS. Refer to note 36 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Rupees, except when otherwise indicated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 3 - Significant accounting judgements, estimates and assumptions.

#### 2.2 Presentation of financial statements

The financial statement of the company are presented as per Division III of the Schedule III to the Companies Act 2013.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- a. The normal course of business
- b. The event of default
- c. The event of insolvency or bankruptcy of the Company and/or its counterparties

## **2.3 Statement of Compliance**

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.

## **2.4 Summary of significant accounting policies**

### **(a) Revenue from operations**

#### **(i) Interest income**

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed:-

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

#### **(ii) Dividend income**

Dividend income is recognised

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

#### **(iii) Net gain on Fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

### **(b) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **(i) Initial measurement of financial instruments**

Financial assets and financial liability are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities recorded at fair value through profit & loss (FVTPL)), are added to or subtracted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

### (ii) Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

### (iii) Classification & measurement categories of financial assets and liabilities:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

#### **Financial assets at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the financial asset give rise on specified dates to cash flows that are solely for the payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

#### **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

#### **Financial Assets at fair value through profit & loss (FVTPL)**

A financial asset which is not classified in any of above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

### (c) Financial assets and liabilities

#### (i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For the financial instrument other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

#### (ii) Financial assets held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

**(iii) Investment in Equity instruments**

The Company subsequently measures all equity investments at FVTPL, unless the Company's management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

**(iv) Financial Liabilities**

All the financial liabilities are measured at amortised cost except loan commitments, financial guarantees.

**(v) Financial liabilities and equity instruments**

Financial 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.

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 the Company are recognised at the proceeds received, net of direct issue costs.

**(vi) Reclassification of financial assets and financial liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The company didn't reclassify any of its financial assets or liabilities in current period and previous period.

**(d) Derecognition of financial assets and liabilities**

**(i) Derecognition of financial asset**

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if and only if; either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset but assumed a contractual obligation to pay the cash flows in full without material delay to third party under 'pass through' arrangement.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

**(ii) Derecognition of financial liabilities**

A Financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised statement of profit and loss.

### **Impairment of financial assets**

The Company records allowance for expected credit losses for financial assets carried at amortised cost and all debt financial assets not held at FVTPL, in this section all referred to as 'Financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

### **Simplified Approach**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

### **General Approach**

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 as outlined in Note 35).

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.

### **(e) Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

#### **Level 1 financial instruments:**

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

#### **Level 2 financial instruments:**

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

**Level 3 financial instruments:**

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations. Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

**(iv) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(i) Treasury shares**

As per Ind AS 32: Financial Instruments - Presentation, Treasury shares shall be deducted from equity and no gain or loss shall be recognised in profit or loss on the purchase, sale, issue or cancellation of such shares. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve.

**(f) Earnings per share:**

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

**(g) Retirement and other employee benefit:**

**(i) Provident fund:**

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

**(ii) Gratuity:**

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.

**(iii) Compensated absences:**

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

**(h) Property, plant and equipment**

All items of property, plant and equipment are measured at cost less accumulated depreciation and impairment loss if any. The cost comprises the purchase price and incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, as and when they are incurred.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

<b>Nature of assets</b>	<b>Estimated useful lives</b>
Office equipment	5
Computer Systems	3
Furniture & fixtures	10

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**(i) Intangible assets:**

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the company.

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

**(j) Impairment of non-financial assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

**(k) Provisions and other contingent liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

**(l) Taxes**

**(i) Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.



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.

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 consequences 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.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

**(iii) Current and deferred tax for the year:**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**(iv) Minimum Alternate Tax (MAT)**

Minimum alternate tax (MAT) is not applicable to the Company, it has chosen an option to pay corporate tax under section 115BAA at the rate of 22% plus applicable surcharge and cess subject to compliance with certain conditions with effect from year ended 31st March 2021 onwards.

**(m) Cash and cash equivalents**

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### **3 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

**Critical judgements in applying accounting policies :**

**(i) Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in

the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(ii) Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

**(iii) Impairment of Non-Financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**(iv) Provision and contingent liabilities**

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

**(v) Provisions for Income Taxes**

Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

# TCFC FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### FINANCIAL ASSETS

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
<b>4. CASH AND CASH EQUIVALENT</b>		
Cash on hand	114	364
Balance with bank in current accounts	1,458,211	1,811,797
<b>Total</b>	<b>1,458,325</b>	<b>1,812,161</b>
<b>5. OTHER BANK BALANCES</b>		
Unclaimed Dividend	3,136,288	3,114,573
Deposits with banks	5,047,465	11,642,244
<b>Total</b>	<b>8,183,753</b>	<b>14,756,817</b>
<b>6. STOCK IN TRADE (Securities held for trading) at FVTPL</b>		
Mutual Funds	692,939,532	703,762,040
Equity Shares	225,659,357	141,438,209
<b>Total</b>	<b>918,598,889</b>	<b>845,200,249</b>
Investment in India	918,598,889	845,200,249
Investment in outside India	-	-
<b>Total</b>	<b>918,598,889</b>	<b>845,200,249</b>
<b>7. RECEIVABLES</b>		
<b>(I) TRADE RECEIVABLES</b>		
Secured, considered good	-	-
Unsecured, considered good	278,024	-
	<b>278,024</b>	<b>-</b>
<b>7. INVESTMENTS</b>		
<b>(1) Investments carried at fair value through Profit and Loss</b>		
Equity Instruments	16,815,963	16,815,963
<b>(2) Investments carried at Amortised Cost</b>		
Government securities (Tax free secured redeemable non-convertible bonds)	84,941,496	89,458,692
<b>Total</b>	<b>101,757,459</b>	<b>106,274,655</b>
Investments in India	101,757,459	106,274,655
Investments outside India	-	-
<b>Total</b>	<b>101,757,459</b>	<b>106,274,655</b>
Less: Impairment Loss allowances	(16,765,963)	(16,765,963)
<b>Total</b>	<b>84,991,497</b>	<b>89,508,692</b>

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 8. OTHER FINANCIAL ASSETS

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
Security Deposits	60,000	60,000
<b>Total</b>	<b>60,000</b>	<b>60,000</b>

## 9. PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

Particulars	Buildings	Furniture and Fixtures	Vehicles	Office Equipments	Computer Hardwares	Total
<b>GROSS CARRYING VALUE</b>						
<b>As at April 1, 2020</b>	<b>1,035,691</b>	<b>218,465</b>	<b>764,870</b>	<b>38,708</b>	<b>102,849</b>	<b>2,160,583</b>
Additions	-	-	-	-	146,252	146,252
Disposals	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>1,035,691</b>	<b>218,465</b>	<b>764,870</b>	<b>38,708</b>	<b>249,101</b>	<b>2,306,835</b>
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>1,035,691</b>	<b>218,465</b>	<b>764,870</b>	<b>38,708</b>	<b>249,101</b>	<b>2,306,835</b>
<b>ACCUMULATED DEPRECIATION/IMPAIRMENT</b>						
<b>As at April 1, 2020</b>	<b>32,193</b>	<b>26,424</b>	<b>320,250</b>	<b>23,936</b>	<b>46,130</b>	<b>448,933</b>
Depreciation for the Quarter	21,917	14,276	178,008	-	45,286	259,487
Adjustments during the period	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>54,110</b>	<b>40,700</b>	<b>498,258</b>	<b>23,936</b>	<b>91,416</b>	<b>708,420</b>
<b>Depreciation for the year</b>	<b>21,917</b>	<b>14,276</b>	<b>178,008</b>	<b>-</b>	<b>46,794</b>	<b>260,995</b>
Adjustments during the period	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>76,027</b>	<b>54,976</b>	<b>676,266</b>	<b>23,936</b>	<b>138,210</b>	<b>969,415</b>
<b>Net Carrying value as at March 31, 2022</b>	<b>959,665</b>	<b>163,489</b>	<b>88,604</b>	<b>14,772</b>	<b>110,891</b>	<b>1,337,421</b>
<b>Net Carrying value as at March 31, 2021</b>	<b>981,581</b>	<b>177,765</b>	<b>266,612</b>	<b>14,772</b>	<b>157,685</b>	<b>1,598,415</b>

## TCFC FINANCE LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

#### 10. INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Computer Software	Total
<b>GROSS CARRYING VALUE</b>		
As at April 1, 2020	186,279	186,279
Additions	-	-
Disposals	-	-
<b>As at March 31, 2021</b>	<b>186,279</b>	<b>186,279</b>
Disposals	-	-
<b>As at March, 2022</b>	<b>186,279</b>	<b>186,279</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>		
As at April 1, 2020	86,445	86,445
Amortisation for the year	29,167	29,167
Adjustments during the period	-	-
<b>As at March 31, 2021</b>	<b>115,612</b>	<b>115,612</b>
Amortisation for the year	24,252	24,252
Adjustments during the period	-	-
<b>As at March 31, 2022</b>	<b>139,864</b>	<b>139,864</b>
<b>Net Carrying value as at March 31, 2022</b>	<b>46,415</b>	<b>46,415</b>
<b>Net Carrying value as at March 31, 2021</b>	<b>70,667</b>	<b>70,667</b>

#### 11. OTHER NON-FINANCIAL ASSETS

Particulars	March 31, 2022	March 31, 2021
Staff advance	102,000	77,140
Prepaid expenses	79,635	54,083
Other Advances	-	50,532
<b>Total</b>	<b>181,635</b>	<b>181,755</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
<b>12. OTHER FINANCIAL LIABILITIES</b>		
<b>Financial Liabilities at amortised cost</b>		
Unpaid dividends	3,136,288	3,114,573
Other Payables	547,470	1,455,596
<b>Total</b>	<b>3,683,758</b>	<b>4,570,169</b>

### 13. PROVISIONS

Provision for employee benefits		
Gratuity	2,462,160	1,923,168
Leave encashment	912,124	895,196
<b>Total</b>	<b>3,374,284</b>	<b>2,818,364</b>

### 14. OTHER NON FINANCIAL LIABILITIES

Statutory Liabilities	25,600	60,325
<b>Total</b>	<b>25,600</b>	<b>60,325</b>

### 15. SHARE CAPITAL

#### i. Authorised Share Capital

	Equity Share	
	Number	Amount
<b>At April 1, 2020</b>	25,000,000	250,000,000
Increase/(decrease) during the year		
<b>At March 31, 2021</b>	25,000,000	250,000,000
Increase/(decrease) during the year		
<b>At March 31, 2022</b>	<b>25,000,000</b>	<b>250,000,000</b>

#### Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

# TCFC FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹)

### ii. Issued Capital

	Number	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>		
<b>At April 1, 2020</b>	10,482,129	104,821,290
Issued during the period		
<b>At March 31, 2021</b>	10,482,129	104,821,290
Issued during the period		
<b>At March 31, 2022</b>	10,482,129	104,821,290

### iii. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	March 31, 2022		March 31, 2021	
	Number	% holding	Number	% holding
<b>Equity shares of Rs 10 each fully paid up</b>				
Greenstone Investments Private Limited	4,499,377	42.92%	4,499,377	42.92%
20th Century Holdings Private Limited	2,217,978	21.16%	2,217,477	21.15%
Venkatesh Kamath (as nominee of TCFC Finance Limited)	533,334	5.09%	533,334	5.09%

## 16. OTHER EQUITY

### i. Reserves and Surplus

Particulars	March 31, 2022	March 31, 2021
Capital Reserve	375	375
Treasury Shares	(19,273,357)	(19,273,357)
General Reserve	646,030,651	655,577,988
Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	275,069,100	262,717,388
Retained Earnings	(26,252,629)	(69,736,644)
<b>Total</b>	<b>875,574,140</b>	<b>829,285,751</b>

### ii. Nature and purpose of reserve

#### a. Treasury shares

As per Ind AS 32: Financial Instruments - Presentation, Treasury shares have been deducted from equity and no gain or loss have been recognised in profit or loss on the purchase, sale, issue or cancellation of such shares.

#### b. General reserve

Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.

#### c. Statutory reserve

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

#### d. Retained earning

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹)

## iii. Movement in Other equity

Particulars	March 31, 2022	March 31, 2021
<b>(a) Capital Reserve</b>		
Opening balance	375	375
Add/(Less):	-	-
<b>Closing balance</b>	<b>375</b>	<b>375</b>
<b>(b) Treasury Shares</b>		
<b>Opening balance</b>		
Number	533,334	533,334
Amount	(19,273,357)	(19,273,357)
<b>Issued during the period</b>		
Number	-	-
Amount	-	-
<b>Closing balance</b>		
Number	533,334	533,334
Amount	(19,273,357)	(19,273,357)
<b>(c) General Reserve</b>		
Opening balance	655,577,988	646,036,299
Add : Transfer from retained earnings	6,175,856	9,541,689
Less: Dividend for FY 20-21 paid	(15,723,193)	-
<b>Closing balance</b>	<b>646,030,651</b>	<b>655,577,988</b>
<b>(d) Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934</b>		
Opening balance	262,717,388	243,634,011
Add : Transfer from retained earnings	12,351,712	19,083,377
<b>Closing balance</b>	<b>275,069,100</b>	<b>262,717,388</b>
<b>(e) Retained Earnings</b>		
Opening balance	(69,736,636)	(136,566,219)
Add : Profit/(loss) for the year	61,758,562	95,416,886
Add : Other comprehensive income	253,024	37,763
<b>Amount available for appropriation</b>	<b>(7,725,049)</b>	<b>(41,111,570)</b>
Transfer to General reserve	(6,175,856)	(9,541,689)
Transfer to Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	(12,351,712)	(19,083,377)
<b>Closing balance</b>	<b>(26,252,629)</b>	<b>(69,736,636)</b>



# TCFC FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### PROFIT AND LOSS

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
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#### 17. INTEREST INCOME

##### Interest Income on Financial Assets measured at Amortised Cost

Interest income from Investments	7,871,993	7,940,695
Interest on Fixed Deposits	582,029	2,460,599
Other Interest Income	758,780	79,101
<b>Total</b>	<b>9,212,802</b>	<b>10,480,395</b>

#### 18. DIVIDEND INCOME

Dividend Income	2,317,480	1,329,173
<b>Total</b>	<b>2,317,480</b>	<b>1,329,173</b>

#### 19. NET GAIN ON FAIR VALUE CHANGES

##### (A) Net gain on financial instruments at fair value through profit or loss

(i) On trading portfolio

- Investments	61,892,043	104,647,632
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##### Total Net gain on fair value changes

<b>61,892,043</b>	<b>104,647,632</b>
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##### Fair Value changes:

- Realised	12,538,196	2,215,844
- Unrealised	49,353,847	102,431,788
	<b>61,892,043</b>	<b>104,647,632</b>

#### 20. OTHER INCOME

Income from F&O- Equity	(307,487)	-
Excess Provision written back	18,000,000	4,800,000
Miscellaneous Income	61,612	93,580
	<b>17,754,125</b>	<b>4,893,580</b>

#### 21. EMPLOYEE BENEFITS EXPENSE

Salaries, wages and bonus	6,441,397	6,289,882
Contribution to provident and other funds	361,860	355,680
Staff welfare expenses	67,602	64,536
Gratuity Expense	792,016	288,630
	<b>7,662,875</b>	<b>6,998,728</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
<b>22. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on tangible assets	260,994	259,487
Amortisation on intangible assets	24,252	29,167
	<b>285,246</b>	<b>288,654</b>

**23. OTHER EXPENSES**

Repairs and maintenance	70,481	42,075
Advertisement	105,996	80,640
Auditor's remuneration (Refer Note (a))	383,500	377,600
Electricity charges	44,663	11,768
Legal and professional fees	177,600	133,560
Rates and taxes	167,220	140,400
Printing and Stationery	24,858	7,834
Telephone and internet expenses	445,507	126,176
Travelling & conveyance expenses	152,645	161,045
CSR Expenditure (Refer Note (b))	873,000	645,900
Listing fees	354,000	354,000
Custodian and depository charges	15,564	11,414
Miscellaneous expenses	1,655,318	1,549,355
<b>Total</b>	<b>4,470,352</b>	<b>3,641,767</b>

**(a) Details of Payments to auditors****As auditor**

Audit Fee	206,500	206,500
Tax audit fee	35,400	35,400

**In other capacity**

Other services (certification fees)	141,600	135,700
	<b>383,500</b>	<b>377,600</b>

**(b) Corporate social responsibility expenditure**

Contribution to Prime Minister's National Relief Fund	-	645,900
<b>Total</b>	<b>-</b>	<b>645,900</b>

Amount required to be spent as per Section 135 of the Act	873,000	-
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**Amount spent during the year on**

(i) Construction/acquisition of an asset	-	-
(i) on other purposes	-	-

**Amount Unspent**

(i) Construction/Acquisition of any assets	-	-
(ii) on purpose other than (i) above	873,000	645,900

# TCFC FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### NON FINANCIAL ASSETS

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
<b>24. INCOME TAX</b>		
<b>Deferred tax relates to the following:</b>		
Accelerated Depreciation for tax purposes	(142,506)	(171,153)
Gratuity	619,675	484,022
Leave Encashment	229,739	225,303
Fair valuation of stock in trade	(40,428,881)	(23,956,265)
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(39,721,972)</b>	<b>(23,418,093)</b>

### Movement in deferred tax liabilities

<b>Opening balance as of April 1</b>	(23,418,093)	(9,305,490)
Tax income/(expense) during the period recognised in profit or loss	(16,303,878)	(14,112,603)
Tax income/(expense) during the period recognised in OCI	-	-
<b>Closing balance as at March 31</b>	<b>(39,721,971)</b>	<b>(23,418,093)</b>

### Major Components of income tax expense for the period ended March 31, 2022 and March 31, 2021 are as follows:

#### i. Income tax recognised in profit or loss

Current income tax charge	2,190,000	3,900,000
Adjustment in respect of current income tax of previous year	(1,494,464)	(3,007,858)

#### Deferred tax

Relating to origination and reversal of temporary differences	16,303,878	14,112,603
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<b>Income tax expense recognised in profit or loss</b>	<b>16,999,414</b>	<b>15,004,745</b>
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### Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2022 and March 31, 2021

	March 31, 2022	March 31, 2021
<b>Accounting profit before income tax</b>	78,757,977	110,421,631
<b>Applicable income tax rate (%)</b>	25.168%	25.168%
<b>Income tax on accounting profits</b>	19,821,808	27,790,916
<b>Adjustment in respect of current income tax of prior years</b>	(1,494,464)	(3,007,858)

### Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:

<b>Net expenses that are not deductible in determining taxable profit</b>	567,107	560,472
<b>Incomes which are exempt from tax</b>	(1,758,486)	(1,775,777)
<b>Effect of Change in Tax Rate</b>	-	(887,065)
<b>Others</b>	40,577	(7,739,590)
<b>Other taxable Income</b>	(180,668)	-
<b>Rounded Off due to Provision for Tax</b>	3,541	63649
<b>Tax at effective income tax rate</b>	<b>16,999,414</b>	<b>15,004,746</b>

### Note on Income Tax Rate:

Pursuant to the enactment of the Taxation Law (Amendment) Act, 2019 ('The Ammendment Act') which is effective from April 1,2019, The Company has chosen an option to pay corporate tax at the rate of 22% plus applicable surcharge and cess subject to compliance with certain conditions with effect from year ended 31st March 2021 onwards.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 25. EARNINGS PER SHARE

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

(Amount in ₹)

Particulars	March 31, 2022	March 31, 2021
Net Profit attributable to Equity holders of the Company	61,758,562	95,416,886
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	10,482,129	10,482,129
<b>Basic and diluted earnings per share</b>	<b>5.89</b>	<b>9.10</b>

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

### 26. EMPLOYEE BENEFIT OBLIGATIONS

#### a. Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 3,61,860 (PY: Rs 3,55,680) for year ended March 31, 2022, for provident fund and other contributions in the Statement of profit and loss.

#### b. Defined Benefit Plan - Gratuity

The company provides for gratuity for employees in india as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The most recent actuarial valuation pertaining to present value of the defined benefit obligation (DBO) for gratuity were carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

**The net liability disclosed above relates to funded and unfunded plans are as follows:**

	March 31, 2022	March 31, 2021
Present value of obligation (A)	2,462,120	1,923,168
Fair Value of plan assets (B)		
<b>Present value of obligation (A-B)</b>	<b>2,462,120</b>	<b>1,923,168</b>
<b>Net deficit / (assets) are analysed as:</b>		
Liabilities - (Refer note 14)	2,462,120	1,923,168

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

	Present value of obligation	Fair value of plan assets	Net amount
<b>As at April 1, 2020</b>	1,672,301	-	1,300,099
Current service cost	174,914	-	174,914
Interest expense/(income)	113,716	-	113,716
<b>Total amount recognised in profit or loss</b>	<b>288,630</b>	<b>-</b>	<b>288,630</b>
<i>Remeasurements</i>			
Retrun of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	61,487	-	61,487
Experience (gains)/losses	(99,250)	-	(99,250)
<b>Total amount recognised in other comprehensive income</b>	<b>(37,763)</b>	<b>-</b>	<b>(37,763)</b>
Employer contributions	-	-	-
Benefit payments	-	-	-
<b>As at March 31, 2021</b>	<b>1,923,168</b>	<b>-</b>	<b>1,550,966</b>
<b>Current service cost</b>	670,432	-	670,432
<b>Interest expense/(income)</b>	121,544	-	121,544
<b>Total amount recognised in profit or loss</b>	<b>791,976</b>	<b>-</b>	<b>791,976</b>
<b>Remeasurements</b>			
<b>Retrun of plan assets, excluding amount included in interest (income)</b>	-	-	-
<b>(Gain)/Loss from change in demographic assumptions</b>	-	-	-
<b>(Gain)/Loss from change in financial assumptions</b>	(146,034)	-	(146,034)
<b>Experience (gains)/losses</b>	(106,990)	-	(106,990)
<b>Total amount recognised in other comprehensive income</b>	<b>(253,024)</b>	<b>-</b>	<b>(253,024)</b>
<b>Employer contributions</b>	-	-	-
<b>Benefit payments</b>	-	-	-
<b>As at March 31, 2022</b>	<b>2,462,120</b>	<b>-</b>	<b>2,089,918</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The significant actuarial assumptions were as follows:

	March 31, 2022	March 31, 2021
Discount rate	7.10%	6.32%
Salary growth rate	5%	5.00%
Withdrawal/attrition rate (based on categories)	Age: 0 to 40 : 3% Age: 41 to 50 : 2% Age: 51 to 62 : 1%	Age: 0 to 40 : 3% Age: 41 to 50 : 2% Age: 51 to 62 : 1%
Mortality rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Expected weighted average remaining working lives of employees	11.91 Years	12.18 Years

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is shown below:

Assumptions	Discount rate		Salary growth rate	
	1.0% increase	1.0% decrease	1.0% increase	1.0% decrease
Sensitivity Level				
<b>March 31, 2022</b>				
Impact on defined benefit obligation	2296556	2652344	2652197	2293989
(% change compared to base due to sensitivity)	6.72%	-7.73%	-7.72%	6.83%
<b>March 31, 2021</b>				
Impact on defined benefit obligation	1,800,024	2,067,222	2,066,021	1,798,965
(% change compared to base due to sensitivity)	6.40%	-7.49%	-7.43%	6.46%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

(Amount in ₹)

	March 31, 2022	March 31, 2021
Within the next 12 months	58,948	704,081
Between 1 and 2 Years	468,839	32,898
Between 2 and 3 Years	818,186	288,076
Between 3 and 4 Years	46,302	27,345
Between 4 and 5 Years	20,381	31,992
From 6 to 10 Years	204,743	127,712
<b>Total expected payments</b>	<b>1,617,399</b>	<b>1,212,104</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.89 years (March 31, 2021: 7.44 years)

# TCFC FINANCE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹)

### 27. COMMITMENTS AND CONTINGENCIES

A. Contingent Liabilities	March 31, 2022	March 31, 2021
<b>Claim against the company not acknowledged as debt</b>		
Disputed Direct Taxes of AY 2012-13, 2014-15 & 2017-18 (In respect of disputed taxes of earlier years)	1,145,360	1,145,360

### 28. RELATED PARTY TRANSACTIONS

#### (i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Nature of Relationship	Country of Incorporation
Greenstone Investments Private Limited	Entity in which KMP exercises significant influence	India
20th Century Holdings Private Limited	Entity in which KMP exercises significant influence	India
Ms. Tania Deol - Managing Director	Key Management Personnel (KMP)	
Mr. Venkatesh Kamath - Chief Financial Officer	Key Management Personnel (KMP)	
Ms Kinjal Sheth - Company Secretary	Key Management Personnel (KMP)	

#### (ii) Transactions with related parties

The following transactions occurred with related parties

Name	Nature of Relationship	Nature of Transaction	March 31, 2022	March 31, 2021
Greenstone Investments Private Limited	Entity in which KMP exercises significant influence	Sharing of common expenses	22,331	5,000
Ms. Tania Deol	KMP	Dividend paid	9,525	-
Greenstone Investments Private Limited	Entity in which KMP exercises significant influence	Dividend paid	6,749,065	-
20th Century Holdings Private Limited	Entity in which KMP exercises significant influence	Dividend paid	332,937	-
Ms. Tania Deol	KMP	Managerial remuneration	2,162,969	2,164,000
Mr. Venkatesh Kamath	KMP	Managerial remuneration	1,843,020	1,770,600
Ms Kinjal Sheth	KMP	Managerial remuneration	693,390	666,040
Mr. Atul Desai	Chairman	Sitting Fees	260,000	220,000
Mr. V S Srinivasan	Independent Director	Sitting Fees	340,000	260,000
Mr. Pranav Jasani	Independent Director	Sitting Fees	100,000	160,000
Mr. Dharmil Bodani	Director	Sitting Fees	180,000	140,000

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 29. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Promoters of the Company. The Company operates only in one Business Segment i.e. finance and investments and trading in equity shares, mutual funds, securities etc., since the nature of these business are exposed to similar risks and return profiles, hence they are collectively operating under a single segment. Accordingly the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

## 30. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2022			As at March 31, 2021		
	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	1,458,325	-	1,458,325	1,812,160	-	1,812,160
Bank Balance other than cash and cash equivalents	8,183,753	-	8,183,753	14,756,817	-	14,756,817
Investments	-	84,991,497	84,991,497	-	89,508,692	89,508,692
Other Financial assets	-	60,000	60,000	-	60,000	60,000
<b>Sub total</b>	<b>9,642,079</b>	<b>85,051,497</b>	<b>94,693,576</b>	<b>16,568,977</b>	<b>89,568,692</b>	<b>106,137,669</b>
<b>Non-financial assets</b>						
Current Tax assets (Net)	12,065,080	-	12,065,080	11,785,236	-	11,785,236
Deferred Tax assets (Net)	-	-	-	-	-	-
Property, plant and equipment	-	1,337,421	1,337,421	-	1,598,415	1,598,415
Capital work-in-progress	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	-	-
Other intangible assets	-	46,415	46,415	-	70,667	70,667
Other non-financial assets	-	181,635	181,635	-	181,755	181,755
<b>Sub total</b>	<b>12,065,080</b>	<b>1,565,471</b>	<b>13,630,551</b>	<b>11,785,236</b>	<b>1,850,837</b>	<b>13,636,073</b>
<b>Total assets</b>	<b>21,707,159</b>	<b>86,616,968</b>	<b>108,324,127</b>	<b>28,354,213</b>	<b>91,419,529</b>	<b>119,773,742</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Other Financial liabilities	3,683,758	-	3,683,758	4,570,169	-	4,570,169
<b>Sub total</b>	<b>3,683,758</b>	<b>-</b>	<b>3,683,758</b>	<b>4,570,169</b>	<b>-</b>	<b>4,570,169</b>
<b>Non-Financial liabilities</b>						
Current tax liabilities (Net)	-	-	-	-	-	-
Provisions	-	3,374,284	3,374,284	-	2,818,364	2,818,364
Deferred tax liabilities (Net)	39,721,972	-	39,721,972	23,418,093	-	23,418,093
Other non-financial liabilities	25,600	-	25,600	60,325	-	60,325
<b>Sub total</b>	<b>39,747,572</b>	<b>3,374,284</b>	<b>43,121,856</b>	<b>23,478,418</b>	<b>2,818,364</b>	<b>26,296,782</b>
<b>Total liabilities</b>	<b>43,431,330</b>	<b>3,374,284</b>	<b>46,805,614</b>	<b>28,048,587</b>	<b>2,818,364</b>	<b>30,866,951</b>



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 31. CAPITAL MANAGEMENT

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital in a manner which enables it to safeguard its ability to continue as a going concern and to optimise returns to the Shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through operating cash flows and other equity. The management monitors the return on capital and the board of directors monitors the level of dividends paid to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

"No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

## 32. FAIR VALUE MEASUREMENTS

### A. Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

**Level 1** - Valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that Company can access at the measurement date.

**Level 2** - Valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**Level 3** - Valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

### B. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

Particulars	As at March 31, 2022				As at March 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on recurring basis</b>								
<b>Stock in trade</b>								
Mutual Funds	692,939,532	-	-	<b>692,939,532</b>	703,762,040	-	-	<b>703,762,040</b>
Equity Shares	225,659,357	-	-	<b>225,659,357</b>	141,438,209	-	-	<b>141,438,209</b>
	<b>918,598,889</b>	<b>-</b>	<b>-</b>	<b>918,598,889</b>	<b>845,200,249</b>	<b>-</b>	<b>-</b>	<b>845,200,249</b>

### C. Valuation Methodologies of Financial Instruments measured at fair value

#### Mutual Funds

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

#### Equity Shares

Equity shares are fair valued based on their quoted market prices at the end of reporting period. The quoted market price used for financial asset held by the Company is the current bid price. Such instruments are classified as Level 1.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## D. Fair value of financial instrument not measured at fair value

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

(Amount in ` )							
Particulars	Level	Carrying Amount				Fair Value	
		March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2022	March 31, 2021	March 31, 2020
<b>FINANCIAL ASSETS</b>							
Cash and Cash Equivalents	1	1,458,325	1,812,160	1,534,193	1,458,325	1,812,160	1,534,193
Bank Balances Other than cash and cash equivalents	1	8,183,753	14,756,817	54,743,319	8,183,753	14,756,817	54,743,319
Receivables	3	278,024	-	-	278,024	-	-
Investments	1	84,991,497	89,508,692	90,144,008	100,356,381	115,067,431	102,888,407
Other Financial Assets	3	60,000	60,000	60,000	60,000	60,000	60,000
		<b>94,971,599</b>	<b>106,137,669</b>	<b>146,481,520</b>	<b>110,336,483</b>	<b>131,696,408</b>	<b>159,225,919</b>
<b>FINANCIAL LIABILITIES</b>							
Other financial liabilities	3	3,683,758	4,570,169	3,516,033	3,683,758	4,570,169	3,516,033
		<b>3,683,758</b>	<b>4,570,169</b>	<b>3,516,033</b>	<b>3,683,758</b>	<b>4,570,169</b>	<b>3,516,033</b>

## E. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

## Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, deposits and other financial liabilities.

## Investments

The fair value of investment in tax free bonds is based on the current bid price of respective investment as at the balance sheet.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 33. FINANCIAL RISK MANAGEMENT

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors. The Company's Board of Directors has overall responsibility for managing the risk profile of the Company. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives.

The Company has exposure to the following risks arising from Financial Instruments:

<b>Risk</b>	<b>Exposure arising from</b>
Credit Risk	Cash and cash equivalents, other bank balance, trade & other receivables, financial assets measured at amortised cost
Liquidity Risk	Financial liabilities
Market Risk - Foreign Exchange	Recognised financial assets not denominated in INR
Market Risk - Interest Rate	Investments in debt securities
Market Risk - Price	Investments in equity securities, units of mutual funds, debt securities measured at FVTPL

### (A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables, cash and cash equivalents, other bank balances and financial assets measured at amortised cost.

Exposure to credit risk is mitigated through regular monitoring of collections, counterparty's creditworthiness and diversification in exposure.

### Exposure to Credit Risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, other bank balance, trade and other receivables and financial assets measured at amortised cost.

<b>Particular</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Maximum exposure to credit risk	94,971,599	106,149,698

### Expected Credit Loss (ECL) on Financial Assets

"The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12mECL) or life time ECL (LTECL), the Company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Company's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with contract and the cash flows that the Company expects to receive).

**The Company has following type of financial assets that are subject to the expected credit loss:**

**(i) Trade and other receivables**

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables.

**(ii) Cash and cash equivalents and other bank balances**

The Company holds cash and cash equivalents and other bank balances as per note 4 and 5. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

**(iii) Investment in Debt Securities measured at amortised cost**

The Company has made investments in tax free bonds. Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

Investment in debt securities that are in tax free government bonds do not carry any credit risk, being sovereign in nature. Credit risk from other financial assets has not increased significantly since initial recognition. Accordingly, the expected probability of default is low.

**(B) Liquidity Risk**

"Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms.

To limit this risk, management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. The Company has developed internal control processes for managing liquidity risk.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the company.

**Exposure to Liquidity Risk**

The table below analyses the Company's financial liabilities into relevant maturity pattern based on their contractual maturities for all financial liabilities..

Particulars	Less than 1 month	1 to 3 months	3 months to 1 year	Between 1 and 3 years	Between 3 and 5 years	Total
<b>As at March 31, 2021</b>						
<b>Financial Liability</b>						
Other financial liabilities	3,317,291	366,467	-	-	-	3,683,758
<b>As at March 31, 2020</b>						
<b>Financial Liability</b>						
Other financial liabilities	3,589,954	334,314	645,900	-	-	4,570,168
<b>As at March 31, 2019</b>						
<b>Financial Liability</b>						
Other financial liabilities	3,129,196	102,881	283,956	-	-	3,516,033
<b>As at April 1, 2018</b>						
<b>Financial Liability</b>						
Other financial liabilities	2,660,969	4,925	798,895	-	-	3,464,789

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022****(C) Market Risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

**(i) Currency Risk**

The Company does not have any foreign currency denominated assets. Accordingly, the exposure to currency risk will not arise.

**(ii) Interest Rate Risk**

The Company is mainly exposed to the interest rate risk due to its investment in tax free bonds. The interest rate risk arises due to uncertainties about the future market interest rate on these investments.

As at March 31, 2022, the investment in tax free bonds is INR 7,99,64,000 (March 31, 2021: INR 8,49,09,000). These are exposed to interest rate risk.

**Sensitivity Analysis**

The table below sets out the effect of increase/decrease in interest rates of 1%:

Particular	March 31, 2022	March 31, 2021
1% Increase in interest rate	799,640	849,090
1% decrease in interest rate	(799,640)	(849,090)

**(iii) Price Risk**

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market. The Company's exposure to price risk arises from investments in equity securities, debt securities, units of mutual funds, venture capital fund and alternative investment funds which are classified as financial assets at Fair Value Through Profit and Loss and is as follows:

Particular	March 31, 2022	March 31, 2021
Exposure to price risk	918,598,889	845,200,248

To manage its price risk arising from investments in equity securities, debt securities, units of mutual funds, venture capital fund and alternative investment funds, the company diversifies its portfolio.

**Sensitivity Analysis**

The table below sets out the effect on profit or loss due to reasonable possible increase/ decrease in prices of 1%:

Particular	March 31, 2022	March 31, 2021
<b>Effect on Profit and Loss</b>		
1% increase in the prices	9,185,989	8,452,002
1% decrease in the prices	(9,185,989)	(8,452,002)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 34. RBI DISCLOSURES

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 007/03.10.119/2016-17 dated September 01, 2016 as amended.

Sr No.	Particulars	March 31, 2022		March 31, 2021	
		Amount out-standing	Amount overdue	Amount out-standing	Amount overdue
	<b>Liabilities side :</b>				
1)	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>				
	(g) Other Loans (Specify nature)	-	-	-	-
		-	-	-	-
	<b>Assets side :</b>	<b>Amount out-standing</b>		<b>Amount out-standing</b>	
2)	<b>Break-up of Investments :</b>				
	Short Term investments :				
	1. <u>Quoted</u> :				
	(i) Shares : (a) Equity	139,725,070		85,090,405	
	(b) Preference	-		-	
	(ii) Debentures and Bonds	-		-	
	(iii) Units of mutual funds	627,559,174		656,882,807	
	(iv) Government Securities	-		-	
	(v) Others (Specify nature)	-		-	
	Long Term investments :				
	1. <u>Quoted</u> :				
	(i) Shares : (a) Equity	19,273,357		19,273,357	
	(b) Preference	-		-	
	(ii) Debentures and Bonds	-		-	
	(iii) Units of mutual funds	-		-	
	(iv) Government Securities	79,964,000		84,909,000	
	(v) Others (Please specify)	-		-	

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

Sr No.	Particulars	March 31, 2022		March 31, 2021	
		Amount out-standing	Amount overdue	Amount out-standing	Amount overdue
	<b>Liabilities side :</b>				
	2. <u>Unquoted</u> :				
	(i) Shares : (a) Equity		550,000		550,000
	(b) Preference		-		-
	(v) Others (Please specify)		-		-

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

Please see note 2 below

Category	March 31, 2022		March 31, 2021	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>1) Related Parties**</b>				
(a) Subsidiaries				
(b) Companies in the same group	19,573,358	19,273,357	13,360,017	19,273,357
(c) Other related parties	-	-	-	-
<b>2) Other than related parties</b>	1,018,512,905	847,248,224	934,658,940	827,432,212
	<b>1,038,086,263</b>	<b>866,521,581</b>	<b>948,018,957</b>	<b>846,705,569</b>

Note: Break up value derived from the latest available Balance Sheet of the Company.

\*\* As per Accounting Standard of ICAI (Please see Note 3)

**Notes:**

- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non -Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
- There are no prior period and change in accounting policies which require disclosure in the notes to accounts. There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

**35. Analytical ratios**

Particulars	As at March 31, 2022			As at March 31, 2021			% Variance	Reason for variance (if above 25%)
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
Capital to risk-weighted assets ratio (CRAR)	NA	NA	NA	NA	NA	NA	NA	NA
Tier I CRAR	NA	NA	NA	NA	NA	NA	NA	NA
Tier II CRAR	NA	NA	NA	NA	NA	NA	NA	NA
Liquidity Coverage Ratio	2430542	252776	961.54%	3020267	221677	1362.46%	-41.70%	The reason for variance above 25% is the change in methodology for calculation of LCR.

**36. Standards issued but not yet effective**

There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from April 1, 2020.

- 37.** The Company had purchased three flats in Orbit Terraces for which the Company has paid Rs109,981,368/- as advance shown as Long Term Loans & Advances till 31st March 2016, However, due to delay in the project and absolute uncertainty as to when the possession of these flats can be obtained by the Company, therefore, the Company has considered to make full provision of the above said amount in its Books of accounts on 31st March 2017

**38. Micro Small and Medium Enterprises**

The Company has no amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2022

- 39.** Previous year's information have been regrouped/reclassified wherever necessary to correspond with current period's classification/disclosure."

**As per our attached report of even date**

**For GMJ & Co.  
Chartered Accountants  
F.R. No. 103429W**

CA Atul Jain  
(Partner)  
Membership No : 037097  
  
Place : Mumbai  
Date : May 12, 2022

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

**Atul Desai (DIN - 00019443)** (Chairman)  
**Tania Deol (DIN - 00073792)** (Managing Director & CEO)  
**Venkatesh Kamath (DIN - 00042866)** (Executive Director & CFO)  
**Kinjal Sheth** (Company Secretary)



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