

June 30, 2021

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: 022 - 2272 1233 / 34 Fax: 022 - 2272 2131 / 1072/ 2037 / 2061 / 41 Email: corp.relations@bseindia.com corp.compliance@bseindia.com <b>Scrip Code: 501242</b>	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Tel: 022 - 2659 8235 / 36 / 452 Fax: 022 - 2659 8237/ 38 Email: cmlist@nse.co.in <b>Scrip Code : TCIFINANCE</b>
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Dear Sir,

**Sub: - 1. Annual Audited Financial Results for the Fourth Quarter and Financial Year ended 31<sup>st</sup> March, 2021.**

**2. Outcome of Board Meeting of the Company held on 30<sup>th</sup> June, 2021.**

This is to inform you that the Board of Directors of the Company at their meeting held today i.e on Wednesday, June 30, 2021, inter-alia considered and approved the following:

**1. Financial Results**

The Board approved the Audited Financial Results (Standalone) for the fourth quarter and financial year ended 31<sup>st</sup> March, 2021. In this regard, please find enclosed:

- a) Audited Standalone Financial Results of the Company for the fourth quarter and financial year ended 31<sup>st</sup> March, 2021;
- b) Auditor's Report in respect of the Audited Standalone Financial Results of the Company for the financial year ended 31<sup>st</sup> March, 2021;
- c) Statement of Impact of Audit Qualifications pursuant to Regulation 33(3)(d) of the Listing Regulations.

**2. Revised Policy for Determination of Materiality as per Regulation 30(4) of the Listing Regulations.**

Further, Board of Directors of the Company also authorized the following Key Managerial Personnel (KMP's) of the Company to determine materiality of event or information pursuant to Regulation 30(5) of the Listing Regulations: -

SL. No	Name	Designation
1.	Mr. Amit Kumar Ray	Manager
2.	Ms. Srishti Soni	Company Secretary & Compliance Officer

A single point of contact of the KMP's for the above purpose is as below:

**Mr. Amit Kumar Ray**  
**Manager**  
**TCI Finance Limited**  
**Plot No. 20, Survey No.12, 4<sup>th</sup> Floor,**  
**Kothaguda Kondapur Hyderabad- 500084**  
**Telangana- India**

The information contained in this outcome is also available on the Company's website [www.tcifl.in](http://www.tcifl.in), on the website of the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and BSE Limited ([www.bseindia.com](http://www.bseindia.com)).

The meeting of Board of Directors was commenced at 01:47 PM and concluded at 07:20 PM.

This is for your kind information and records.

Thanking You,

Yours faithfully,

For TCI Finance Limited



**Srishti Soni**  
**Company Secretary**



## Independent Auditor's Report

To  
The Board of Directors of  
TCI Finance Limited

### Report on the audit of the Standalone Annual Financial Results

#### Qualified Opinion

1. We have audited the accompanying standalone annual financial results of **TCI Finance Limited** ("the Company") for the quarter and year ended March 31, 2021 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects in the respect of the matters described in paragraph 4 under basis for qualified opinion below, the Statement:
  - (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended March 31, 2021.

#### Basis for qualified Opinion:

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 together with the ethical requirements that are relevant to our audit of the standalone annual financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



## 4. We draw attention to:

- a. Note no 3 of the accompanying statement regarding claims on the Company by the lenders of Amrit Jal Ventures Private Limited and Gati Infrastructure Bhasmey Power Private Limited aggregating to Rs. 25,619.80 Lakhs due to the invocation of corporate guarantee given by the Company. Against the said liability, the company during the year 2019-2020, considering the disputing nature of the claim and unlawful invocation of the corporate guarantee made a provision of Rs. 7,798.91 Lakhs. As at March 31, 2020 and March 31, 2021, the company has disclosed the balance amount of liability Rs. 17,820.89 Lakhs as contingent liability in its financial statements. In the absence of sufficient and appropriate audit evidence for the said treatment, in our opinion the company ought to have recognised the liability in its books. Had the liability been recognised the loss for the year and accordingly the other equity (negative balance) will be higher by Rs.17,820.89 Lakhs.
- b. Note no 4 of the accompanying statement regarding exposures to Mahendra Investment Advisors Private Limited (MIAPL) in the form of Inter Corporate deposits (ICD's) and TDS receivable aggregating to Rs. 4,336.09 Lakhs (Previous year: Rs. 4,359.37 Lakhs). Also, the company did not recognise interest income during the current financial year – Rs. 268.42 Lakhs. In view of the negative networth in the standalone financial statements of MIAPL as at March 31, 2020 and other adverse developments in the MIAPL, the company made impairment loss of Rs. 867.22 Lakhs as at March 31,2021 on the gross exposure of Rs. 4,336.09 Lakhs. In the absence of sufficient and appropriate audit evidence with regard to recovery of the balance amount of Rs. 3,683.33 Lakhs, we are unable to comment on the impact if any on the loss for the year and reserves and carrying value of loans given at this stage. Had the Company recognised impairment loss for balance amount, the loss for the year and Other equity (negative balance) would have been higher by Rs.3,683.33 Lakhs and would have been lower by a similar amount.
- c. Note no 5 (b) of the accompanying statement regarding the investment in equity shares of Gati Limited pledged as security for the credit facilities availed by Gati Infrastructure Private Limited (GIPL) on receipt of letter of comfort from Amrit Jal Ventures Private Limited. The lenders of GIPL invoked the pledge and realised their dues. However, the company continued to present the said equity shares as investment at fair value as at March 31, 2021 despite invocation for the reasons stated in the said note. Considering that investments have been sold, we are unable to comment on the appropriateness of presentation of fair value of said equity shares as investments in the financial statements. Further in view of the uncertainty relating to recoverability of the said investment, we are unable to comment on the impact, if any, on the loss for the year and reserves.
- d. Note no 5 (c) of the accompanying statement regarding the investments in equity shares of the Company held in Gati Limited pledged for the facilities availed by Amrit Jal Ventures Private Limited (AJVPL). The lenders of AJVPL invoked the pledge and



realised their dues. However, the company continued to present the said equity shares as investment at fair value as at March 31, 2021 despite invocation for the reasons stated in the said note. Considering that investments have been sold, we are unable to comment on the appropriateness of presentation of fair value of said equity shares as investments in the financial statements. Further in view of the uncertainty relating to recoverability of the said investment, we are unable to comment on the impact, if any, on the loss for the year and other equity.

- e. Note no 7 of the accompanying statement regarding preparation of the standalone financial statements by the management on a going concern basis for the reasons stated therein. In the absence of sufficient and appropriate evidence and the liabilities devolved on the Company upon invocation of guarantees by the lenders of other entities, we are of the opinion that preparation of standalone financial statements on a going concern is not appropriate. Hence, we are unable to comment on the effect on carrying value of assets and liabilities had the financial statements been prepared not as a going concern.
- f. Note no 8 of the accompanying statement regarding non recognition of interest expense of Rs. 38.25 Lakhs for the year ended March 31, 2021 for the reasons stated there under. Total interest expense not recognised, upto March 31, 2021, aggregates to Rs. 47.68 Lakhs. Consequently, loss for the year 2020-2021 is higher by Rs. 38.25 Lakhs and as at March 31, 2021 and Other Equity (negative balance) and Borrowings were lower by Rs. 47.68 Lakhs.

**Emphasis of Matter:**

5. We draw attention to:

- a. Note no 5 (a) of the accompanying statement regarding the accounting treatment and presentation and disclosure relating to sale of pledged shares by the lenders of the Company / lenders of the Related Parties.
- b. Note no 9 of the accompanying statement regarding the petition filed by the three shareholders on the Company and the management regarding oppression and mismanagement of affairs of the Company and the statutory auditors of the Company regarding reporting requirements of the said transactions.

Our opinion is not modified in respect of matters at para 5 above.

**Management's Responsibilities for the standalone annual Financial Results**

6. These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net loss



and other comprehensive income of the Company and other financial information in accordance with the applicable Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the standalone annual Financial Results**

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

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

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under



Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results 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.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.



**8. Other matters:**

The Standalone annual financial results includes the results for the quarter ended March 31, 2021 and March 31, 2020 being the balancing figure between the audited figure in respect to full financial year ended March 31, 2021 and March 31, 2020 and the published unaudited year to date figures upto the third quarter for the current financial year and previous financial year, which were subjected to a limited review by us, as required under the Listing Regulation.

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



  
**V K Muralidhar**  
*Partner*  
Membership No.201570  
UDIN: 212021570AAAADX5083

Hyderabad, June 30, 2021



**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021**

	Particulars	Quarter Ended			Year Ended	
		31-03-2021 Audited *	31-12-2020 Unaudited	31-03-2020 Audited *	31-03-2021 Audited	31-03-2020 Audited
	<b>Revenue from operations</b>					
i	Interest Income	(98)	174	145	422	387
ii	Dividend Income	-	3	-	3	34
iii	Rental Income	-	-	-	-	-
iv	Others	-	-	-	-	-
I	<b>Total Revenue from operations</b>	<b>(98)</b>	<b>177</b>	<b>145</b>	<b>425</b>	<b>421</b>
II	Others Income	-	-	2	-	2
III	<b>Total Income ( I+II )</b>	<b>(98)</b>	<b>177</b>	<b>147</b>	<b>425</b>	<b>423</b>
	<b>Expenses</b>					
i	Finance Costs	42	53	66	224	392
ii	Employee Benefits Expenses	6	13	19	40	67
iii	Depreciation, amortization and Impairment	1	1	1	3	2
iv	Others expenses	17	18	15	79	57
v	Loss on sale of investments	-	-	389	-	510
vi	Impairment loss on loans	856	-	1,398	856	1,404
vii	Provision for interest receivable	-	-	-	-	243
viii	Fair value loss on Optionally Convertible Debentures	-	-	2,349	-	2,349
ix	Fair value loss on unquoted equity shares	-	-	628	-	628
IV	<b>Total Expenses ( IV )</b>	<b>922</b>	<b>85</b>	<b>4,865</b>	<b>1,202</b>	<b>5,652</b>
V	<b>Profit / (loss) before exceptional items and tax (III-IV)</b>	<b>(1,020)</b>	<b>92</b>	<b>(4,718)</b>	<b>(777)</b>	<b>(5,229)</b>
VI	Exceptional Items	-	-	-	-	-
VII	<b>Profit / (loss) before tax (V-VI)</b>	<b>(1,020)</b>	<b>92</b>	<b>(4,718)</b>	<b>(777)</b>	<b>(5,229)</b>
VIII	<b>Tax Expenses</b>					
	1. Current Tax	(49)	49	-	-	-
	2. Deferred Tax	-	-	1	-	3
IX	<b>Profit / (loss) for the period from continuing operations ( VII-VIII)</b>	<b>(971)</b>	<b>43</b>	<b>(4,719)</b>	<b>(777)</b>	<b>(5,232)</b>
X	<b>Profit / (loss) for the period</b>	<b>(971)</b>	<b>43</b>	<b>(4,719)</b>	<b>(777)</b>	<b>(5,232)</b>
XI	<b>Other Comprehensive Income</b>					
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	<b>Subtotal (A)</b>					
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)					
	Remeasurement gain/(loss) on investments	154	2,071	505	2,405	(1,746)
	Deferred tax on remeasurement gain on investments	(307)	-	-	(307)	-
	Remeasurement gain/(loss) on Corporate Guarantee	-	-	(270)	-	(1,078)
	Remeasurement gain/(loss) on Defined Benefit Plan	-	-	(3)	-	(3)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Subtotal (B)</b>	<b>(153)</b>	<b>2,071</b>	<b>232</b>	<b>2,098</b>	<b>(2,827)</b>
	<b>Other Comprehensive Income (A+B)</b>	<b>(153)</b>	<b>2,071</b>	<b>232</b>	<b>2,098</b>	<b>(2,827)</b>
XII	<b>Total Comprehensive Income for the period (XIII+XIV)(comprising Profit (Loss) and other Comprehensive Income for the period)</b>	<b>(1,124)</b>	<b>2,114</b>	<b>(4,487)</b>	<b>1,321</b>	<b>(8,059)</b>
XIII	<b>Paid Up Equity Share Capital (Face value ` 10/- each)</b>	<b>1,287</b>	<b>1,287</b>	<b>1,287</b>	<b>1,287</b>	<b>1,287</b>
XIV	<b>Other Equity</b>				<b>(4,406)</b>	<b>(5,727)</b>
XV	<b>Earning per equity share ( for continuing operations)*</b>					
	Basic (Rs.)	(7.54)	0.03	(36.67)	(6.04)	(40.65)
	Diluted (Rs.)	(7.54)	0.03	(36.67)	(6.04)	(40.65)

\* Quarter / year Earnings Per share figures are not annualised






## Notes

## 1 Disclosure of standalone assets and liabilities (Balance Sheet) as per Regulations 33 to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2021

	Particulars	As at	As at
		31-03-2021	31-03-2020
		Audited	Audited
<b>A</b>	<b>Assets</b>		
1	<b>Financial assets</b>		
	Cash and cash equivalents	5	11
	Bank balances other than cash and cash equivalents	-	-
	Trade receivables	-	-
	Loans	3,317	4,174
	Investment in subsidiaries and joint ventures	-	-
	Other investments	4,724	2,355
	Other financial assets	2	179
	<b>Sub-total - Financial assets</b>	<b>8,048</b>	<b>6,719</b>
2	<b>Non-Financial assets</b>		
	Current tax assets (net)	170	128
	Deferred tax assets (net)	-	-
	Investment Property	88	88
	Property, plant and equipment	37	40
	Capital work-in-progress	1	-
	Other non-financial assets	-	-
	<b>Sub-total - Non- financial assets</b>	<b>296</b>	<b>256</b>
	<b>Total Assets</b>	<b>8,344</b>	<b>6,975</b>
<b>B</b>	<b>Liabilities and equity</b>		
1	<b>Financial liabilities</b>		
	Trade payable		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	40	42
	Borrowings	2,535	2,749
	Other financial liabilities	8,447	8,481
	<b>Sub-total - Financial liabilities</b>	<b>11,022</b>	<b>11,272</b>
2	<b>Non-financial liabilities</b>		
	Current tax liabilities (net)	-	-
	Provisions	1	11
	Deferred tax liabilities	307	-
	Other non-financial liabilities	-	-
	<b>Sub-total - Non- financial liabilities</b>	<b>308</b>	<b>11</b>
3	<b>Equity</b>		
	Equity Share capital	1,420	1,420
	Other equity	(4,406)	(5,727)
	<b>Sub-total - Equity</b>	<b>(2,986)</b>	<b>(4,308)</b>
	<b>Total Liabilities and Equity</b>	<b>8,344</b>	<b>6,975</b>



TCI Finance Limited				
Standalone Cash Flow Statement for the Year ended March 31, 2021				
PARTICULARS	Year ended	Year ended		
	March 31, 2021	March 31, 2020		
	₹	₹		
<b>A. Cash Flow from Operating Activities</b>				
Net profit before tax and extra ordinary items	(777)	(5,229)		
<b>Adjustments for:</b>				
Depreciation and Amortisation	3	2		
Loss on sale of Investments	-	510		
Profit on sale of assets	(0)	-		
Provision for Investments	-	2,977		
Provision for interest receivable	-	243		
Impairment loss on loans	856	1,404		
Dividend received (Long Term Investments)	(3)	(34)		
	<b>79</b>	<b>(127)</b>		
<b>Changes in working capital:</b>				
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Other financial assets	177	278		
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
Trade Payables	(2)	(1)		
Other financial Liabilities	(33)	217		
Long Term Provisions	(10)	3		
Cash used in Operations	<b>212</b>	<b>371</b>		
Net Income Tax Refunded	(42)	7		
Net Cash used in Operations	<b>170</b>	<b>377</b>		
Loans Received back/ (Disbursed) (Net)		(2,663)		
<b>Net Cash from / (used in) Operating Activities (A)</b>	<b>170</b>	<b>(2,286)</b>		
<b>B. Cash Flow from Investing Activities</b>				
Proceeds from Sale of Fixed assets	1	-		
Purchase of investment Property	(2)	-		
Purchase of Intangible assets	-	-		
Purchase of Property, Plant and Equipment	-	(3)		
Sale of Long Term Investments	35	2,512		
Dividend received (Long term Investments)	3	34		
<b>Net cash from / (used in) Investing Activities (B)</b>	<b>38</b>	<b>2,543</b>		
<b>C. Cash Flow from Financing Activities</b>				
Repayment of long term and Short Term Borrowings (net)	(214)	(252)		
<b>Net cash from Financing Activities (C)</b>	<b>(214)</b>	<b>(252)</b>		
<b>Net increase / Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(6)</b>	<b>5</b>		
Cash and Cash Equivalents at the beginning of the year	11	7		
<b>Cash and Cash Equivalents at the end of the year</b>	<b>5</b>	<b>11</b>		
<b>Components of Cash and Bank Balances comprises of :</b>				
Cash on Hand	0	0		
With Banks				
- in Current Accounts	5	11		
- Deposit account	-	-		
<b>Cash and Bank Balances at the end of the year</b>	<b>5</b>	<b>11</b>		
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>For M.Bhaskara Rao &amp; Co., Chartered Accountants</p> <p style="text-align: center;"></p> <p>V K Muralidhar Partner Hyderabad,</p> </td> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;"><b>For and on behalf of the Board</b></p> <p style="text-align: center;"><b>RAJESH KUNDRA</b> <small>Digitally signed by RAJESH KUNDRA Date: 2021.06.30 15:54:06 +05'30'</small></p> <p>Rajesh Kundra Director (DIN: 08959859)</p> </td> </tr> </table>			<p>For M.Bhaskara Rao &amp; Co., Chartered Accountants</p> <p style="text-align: center;"></p> <p>V K Muralidhar Partner Hyderabad,</p>	<p style="text-align: center;"><b>For and on behalf of the Board</b></p> <p style="text-align: center;"><b>RAJESH KUNDRA</b> <small>Digitally signed by RAJESH KUNDRA Date: 2021.06.30 15:54:06 +05'30'</small></p> <p>Rajesh Kundra Director (DIN: 08959859)</p>
<p>For M.Bhaskara Rao &amp; Co., Chartered Accountants</p> <p style="text-align: center;"></p> <p>V K Muralidhar Partner Hyderabad,</p>	<p style="text-align: center;"><b>For and on behalf of the Board</b></p> <p style="text-align: center;"><b>RAJESH KUNDRA</b> <small>Digitally signed by RAJESH KUNDRA Date: 2021.06.30 15:54:06 +05'30'</small></p> <p>Rajesh Kundra Director (DIN: 08959859)</p>			

Notes:

- 1 The above audited financial results have been reviewed by the audit committee and approved by the Board of Directors at their meeting held on June 30, 2021. In accordance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The financial results for the year ended March 31, 2021 have been subjected to audit by the statutory auditors and the report thereon is modified.
- 2 The Company is mainly engaged in financing activities which constitutes a single business segment.
- 3 **Exposures to Amrit Jal Ventures Private Limited (AJVPL) and its subsidiaries:**

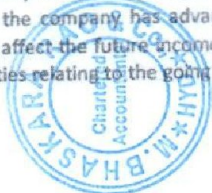
The Company in the earlier years, has given Corporate Guarantees to the lenders of AJVPL and its wholly owned subsidiary – Gati Bhasmey Limited – aggregating to Rs. 31,336.71 Lakhs. During the year 19-20:

  - (i) Certain lenders of these entities have invoked the Guarantees and raised claims on the Company aggregating to Rs. 25,619.80 Lakhs.
  - (ii) The Company made a provision of Rs. 7,798.91 Lakhs on an estimated basis considering the disputed nature of the claim and unlawful invocation of the corporate guarantee.
- 4 **Exposures to Mahendra Investment Advisors Private Limited (MIAPL) - Related party:**

As at March 31, 2021, the Company is having a carrying value of advances given to MIAPL Rs. 4336.09 Lakhs. These advances include value of 31,79,385 equity shares in Gati Limited held by the Company invoked by the lenders of MIAPL during 2019-20, given as guarantee by the Company, aggregating to Rs. 2379.13 Lakhs and TDS receivable amounting to Rs. 151.58 Lakhs respectively as on March 31, 2021. Also, the company did not recognise interest income during the current financial year – Rs. 268.42 Lakhs. One of the financial creditors of MIAPL have filed a case and has been admitted in NCLT under Insolvency & Bankruptcy Code, Hyderabad for the defaults made by MIAPL. The suspended Director of MIAPL has filed an appeal against the NCLT order, which is pending before NCLAT. Despite, the adverse developments in MIAPL the management expects recovery of the amounts receivable. However, the company has created an impairment loss of Rs.867.22 Lakhs against the company's total exposure of Rs. 4,336.09 Lakhs. Management is making efforts to recover the total exposures.
- 5 **Investments - Sale of pledged shares:**
  - a) During the year 2015-2016, the Company took a loan of Rs.5 Crores from Godavari Commercial Services Private Limited (Godavari) on the security of 10,00,000 equity shares of Gati Limited held by the Company. These shares were re-pledged by Godavari with a third party, with the consent of the Company. The said shares were invoked by the third party in the year 2016-2017 on default by Godavari without there being any default by the Company. The Company took necessary legal recourse for restoration of the pledged shares and in terms of the settlement arrived at, Godavari agreed to restore the said invoked shares. During the financial year 2019-2020, Godavari restored 33,000 shares and balance 9,67,000 shares were yet to be restored. In view of the settlement agreement and further litigation raised by the Company, the said 9,67,000 equity shares in Gati Limited have been continued to be disclosed as " Investments".
  - b) During the year 2015-2016, the Company has pledged 1,580,000 shares of Gati Limited held by the Company as Investments in favour of IDFC Bank Limited (IDFC) for facilities availed by M/s Gati Infrastructure Private Limited (GIPL) on receipt of Letter of Comfort from M/s Amrit Jal Ventures Private Limited (AJVPL) being the holding company of GIPL. The said shares were invoked by IDFC in the year 2016-2017 due to default made by GIPL. The Company also has taken necessary legal recourse for the restoration of the invoked shares. GIPL, AJVPL and the Company entered into a tripartite agreement for restoration of such invoked shares to the Company. However, such restoration will take place only after GIPL repays all its dues to term loan lenders. One of its Operational creditor have filed a case for default made by GIPL in NCLT, Hyderabad under Insolvency & Bankruptcy Code and case is admitted. The suspended Director of GIPL has filed an appeal against the NCLT order, which is pending before NCLAT Bench. The matter is still under litigation. Despite the said litigation, as GIPL is earning cash profits for the years ended on March 31, 2019 and March 31, 2020, the invoked 1,580,000 equity shares in Gati Limited have been continued to be disclosed as " Investments".
  - c) During the year 2014-2015, the Company has pledged 805,000 equity shares of Gati Limited held by the Company as Investments in favour of IFCI Ventures Limited (IFCIV) for facilities availed by M/s Amrit Jal Ventures Private Limited (AJVPL). AJVPL had repaid the said loan, the Company had made request to IFCIV for release of pledged shares. However, during the year ended March 31, 2018, IFCIV invoked the said shares and transferred the same to Green India Ventures Fund (GIVF) for certain dues payable by AJVPL. The Company has taken necessary legal recourse for the restoration of the invoked shares. In view of the above, the invoked 805,000 equity shares in Gati Limited have been continued to be disclosed as " Investments".
- 6 **Liability for sale of shares held by other entities given as guarantee to the lenders of the company for the loans availed by the Company:**

During the earlier years, the Company availed borrowings from certain lenders and by way of an amendment loan agreement, arranged the certain shares held by Mahendra Kumar Agarwal & Sons HUF and Manish Agarwal Benefit Trust (Guarantors) as an additional security for the said borrowings. The said lenders, due to defaults by the Company have sold these shares and recovered their respective dues fully. As a result of this sale of shares given as an additional security, the Company has recognised the fair value of shares sold on the date of sale as interest free amount payable to said Guarantors – Rs. 297.56 Lakhs.
- 7 **Going Concern:**

The Company was having a negative networth of Rs. 2,986.23 Lakhs as at March 31, 2021. Due to adverse developments in the entities to whom the company has advanced loans / given guarantees / investments made, the Company had incurred these losses and adversely affect the future income from operations. These factors substantially affected the operations of the Company and indicate uncertainties relating to the going concern status of the Company. Management of the Company is in the process of identifying various



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alternatives / new areas to venture into for reviving the company. In view of the same, financial statements of the company have been prepared on going concern basis.

- 8 The Company has not recognised the interest expenses on certain borrowings amounting to Rs. 38.25 Lakhs for the year ended March 31, 2021 in view of the litigations with the respective lenders. Total interest expense not recognised upto March 31, 2021 aggregating to Rs. 47.68 Lakhs
- 9 **Petition before NCLT, Hyderabad:**  
During the year 2019-20, three shareholders of the Company filed a petition before National Company Law Tribunal (NCLT), Hyderabad Bench, against the Company and the management alleging oppression of minority shareholders and mismanagement of affairs of the Company with regard to investments and loans and advances to certain related parties. In the said petition, the petitioners also included the statutory auditors of the Company regarding reporting requirements of said transactions. The Company and the respondents have taken necessary measures to contest the petition before the Honourable NCLT Bench and the hearings are in progress.
- 10 The Statutory Auditors of the Company have qualified their opinion in their audit report with respect to the matters stated paragraphs 3, 4, 5.b, 5.c, 7 and 8 above and emphasised the matters stated at 5.a and 9 above.
- 11 The figures for the current quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of full financial year ended March 31, 2021 and March 31, 2020 and the published year to date figures upto the end of the quarter ended December 31, 2020 and December 31, 2019
- 12 The figures for the corresponding previous period ended have been regrouped / reclassified wherever necessary to make them
- 13 The copy of this notice is also posted on the website of the Company at [www.tcifl.in](http://www.tcifl.in) and also on the websites of the stock exchanges at [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com).

For and on behalf of the Board

RAJESH KUNDRA

Rajesh Kundra

Director (DIN: 08959859)

Place: Hyderabad

Date: June 30, 2021



## TCI Finance LIMITED

(Regd. Office: Plot No 20, Survey No 12, 4th Floor, Kothaguda, Kondapur, Hyderabad - 500081)  
(CIN No: L65910TG1973PLC031293; Phones: 040 - 7120 4284; website: www.tcifi.com)

**Statement on Impact of Audit Qualifications submitted along-with Annual Audited Financial Results for the  
Financial Year ended March 31, 2021.  
[As per Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**


(Rs. In Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1	Turnover/Total Income	425	425
	2	Total Expenditure	1202	22,744
	3	Net Profit/(Loss)	(776)	(22,319)
	4	Earnings Per Share (in Rs.) (- Negative)	(6.04)	(17.34)
	5	Total Assets	8344	4661
	6	Total Liabilities	11330	29,199
	7	Net Worth	(2986)	(24,538)
II.	a.	<b>Audit Qualification</b>		
	i.	<p>Note no 3 of the accompanying statement regarding claims on the Company by the lenders of Amrit Jal Ventures Private Limited and Gati Infrastructure Bhasmey Power Private Limited aggregating to Rs. 25,619.80 Lakhs due to the invocation of corporate guarantee given by the Company. Against the said liability, the company during the year 2019-2020, considering the disputing nature of the claim and unlawful invocation of the corporate guarantee made a provision of Rs. 7,798.91 Lakhs. As at March 31, 2020 and March 31, 2021, the company has disclosed the balance amount of liability Rs. 17,820.89 Lakhs as contingent liability in its financial statements. In the absence of sufficient and appropriate audit evidence for the said treatment, in our opinion the company ought to have recognised the liability in its books. Had the liability been recognised the loss for the year and accordingly the other equity (negative balance) will be higher by Rs.17,820.89 Lakhs.</p>		
	ii.	<p>Note no 4 of the accompanying statement regarding exposures to Mahendra Investment Advisors Private Limited (MIAPL) in the form of Inter Corporate deposits (ICD's) and TDS receivable aggregating to Rs. 4,336.09 Lakhs (Previous year: Rs. 4,359.37 Lakhs). Also, the company did not recognise interest income during the current financial year - Rs. 268.42 Lakhs. In view of the negative network in the standalone financial statements of MIAPL as at March 31, 2020 and other adverse developments in the MIAPL, the company made impairment loss of Rs. 867.22 Lakhs as at March 31, 2021 on the gross exposure of Rs. 4,336.09 Lakhs. In the absence of sufficient and appropriate audit evidence with regard to recovery of the balance amount of Rs. 3,683.33 Lakhs, we are unable to comment on the impact if any on the loss for the year and reserves and carrying value of loans given at this stage. Had the Company recognised impairment loss for balance amount, the loss for the year and Other equity (negative balance) would have been higher by Rs.3,683.33 Lakhs and would have been lower by a similar amount.</p>		
	iii.	<p>Note no 5 (b) of the accompanying statement regarding the investment in equity shares of Gati Limited pledged as security for the credit facilities availed by Gati Infrastructure Private Limited (GIPL) on receipt of letter of comfort from Amrit Jal Ventures Private Limited. The lenders of GIPL invoked the pledge and realised their dues. However, the company continued to present the said equity shares as investment at fair value as at March 31, 2021 despite invocation for the reasons stated in the said note. Considering that investments have been sold, we are unable to comment on the appropriateness of presentation of fair value of said equity shares as investments in the financial statements. Further in view of the</p>		



	<p>uncertainty relating to recoverability of the said investment, we are unable to comment on the impact, if any, on the loss for the year and reserves</p> <p>iv. Note no 5 (c) of the accompanying statement regarding the investments in equity shares of the Company held in Gati Limited pledged for the facilities availed by Amrit Jal Ventures Private Limited (AJVPL). The lenders of AJVPL invoked the pledge and realised their dues. However, the company continued to present the said equity shares as investment at fair value as at March 31, 2021 despite invocation for the reasons stated in the said note. Considering that investments have been sold, we are unable to comment on the appropriateness of presentation of fair value of said equity shares as investments in the financial statements. Further in view of the uncertainty relating to recoverability of the said investment, we are unable to comment on the impact, if any, on the loss for the year and other equity.</p> <p>v. Note no 7 of the accompanying statement regarding preparation of the standalone financial statements by the management on a going concern basis for the reasons stated therein. In the absence of sufficient and appropriate evidence and the liabilities devolved on the Company upon invocation of guarantees by the lenders of other entities, we are of the opinion that preparation of standalone financial statements on a going concern is not appropriate. Hence, we are unable to comment on the effect on carrying value of assets and liabilities had the financial statements been prepared not as a going concern.</p> <p>vi. Note no 8 of the accompanying statement regarding non recognition of interest expense of Rs. 38.25 Lakhs for the year ended March 31, 2021 for the reasons stated there under. Total interest expense not recognised, upto March 31, 2021, aggregates to Rs. 47.68 Lakhs. Consequently, loss for the year 2020-2021 is higher by Rs. 38.25 Lakhs and as at March 31, 2021 and Other Equity (negative balance) and Borrowings were lower by Rs. 47.68 Lakhs.</p>
	<b>b. Type of Audit Qualification: Qualified Opinion</b>
	<p><b>c. Frequency of qualification:</b></p> <p>i. Emphasized in March 31, 2019 Audit report and limited review of June 2019, September 2019, December 2019 and as qualification since March 31, 2020.</p> <p>ii. Qualification since March 31, 2020</p> <p>iii. Emphasized in March 31, 2019 Audit report and limited review of June 2019, September 2019, December 2019 and as qualification since March 31, 2020.</p> <p>iv. Emphasized in March 31, 2019 Audit report and limited review of June 2019, September 2019, December 2019 and as qualification since March 31, 2020.</p> <p>v. Emphasized in March 31, 2019 Audit report and limited review of June 2019, September 2019, December 2019 and as qualification since March 31, 2020.</p> <p>vi. Qualification since June 2020 Limited review</p>
	<b>d. For Audit Qualification(s) where the impact is quantified by the auditor:</b>
	<p><b>Management views:</b></p> <p>i. The Company has made a provision on an estimated basis considering the disputed nature of the claim and unlawful invocation of the corporate guarantee.</p> <p>ii. Management of the Company is expecting to recover the above said balances in its entirety and is of the opinion that no provision is warranted at this moment.</p> <p>vi. In view of the discussion and negotiations, management is of the view that interest expenses is not required to be recognised.</p>
	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
	<p>iii. Gati Infrastructure Private Limited ( GIPL) and the Company entered into a agreement for restoration of such invoked shares to the Company. However, such restoration will take place only after GIPL repays all its dues to term loan lenders. Despite the litigations GIPL is facing management is of the view that the dues are recoverable.</p> <p>iv. The Company has taken necessary legal recourse for the restoration of the invoked shares.</p>



	<p>v. Management of the Company is in the process of identifying various alternatives / new areas to venture into for reviving the company. In view of the same, financial statements of the company have been prepared on going concern basis</p>
<p><u>Signatories:</u></p>	
Director	<p>MAHENDRA KUMAR AGARWAL <small>Digitally signed by MAHENDRA KUMAR AGARWAL Date: 2021.06.30 11:25:11 +05'30'</small></p>
CFO	<p><i>V. S. Kumar</i></p>
Audit committee Chairman	<p>RAJESH KUNDRU <small>Digitally signed by RAJESH KUNDRU Date: 2021.06.30 11:25:11 +05'30'</small></p>
	<p>Statutory Auditor          For M Bhaskara Rao &amp; Co.          Chartered Accountants          Firm Registration No: 000459S</p> <p><i>V.K. Muraidhar</i>          V.K. Muraidhar          Partner          Membership No: 201570          UDIN: <del>21</del> 2021570AAAADX5083</p> 
Place: Hyderabad	
Date: June 30, <del>2020</del> 2021	