

February 10, 2021

BSE Limited 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 Scrip Code: 501242	National Stock Exchange of India Ltd. 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 Scrip Code : TCIFINANCE
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Dear Sir/Madam,

Sub: - 1. Unaudited Financial Results for the Third Quarter and nine months ended on 31st December 2020.

2. Outcome of Board Meeting held on 10th February, 2021

This is to inform you that the Board of Directors of the Company at their meeting held today i.e on Wednesday, 10th February, 2021 inter-alia considered and approved the following:

1. Unaudited Standalone Financial Results as recommended by the Audit Committee for the third quarter & nine months ended 31st December, 2020 in accordance with Regulation 33 of SEBI (LODR) Regulations, 2015. The said financial results along with the Limited Review Report is enclosed as **Annexure- 1**.

The meeting of Board of Directors was commenced at 12:20 PM and concluded at 16:25 PM

This is for your kind information and records.

Yours Sincerely,
For TCI Finance Limited



Srishti Soni
Company Secretary



TCI FINANCE LIMITED

Regd Office: Plot No 20, Survey No 12, 4th Floor, Kothaguda, Kondapur, Hyderabad - 500081

CIN No : L65910TG1973PLC031293

www.tcifl.in

(₹ in Lakhs)

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2020 Unaudited	30-09-2020 Unaudited	31-12-2019 Unaudited	31-12-2020 Unaudited	31-12-2019 Unaudited	31-03-2020 Audited
	Revenue from operations						
i	Interest Income	174	174	80	520	242	387
ii	Dividend Income	3	-	33	3	34	34
iii	Rental Income	-	-	-	-	-	-
iv	Others	-	-	-	-	-	-
I	Total Revenue from operations	177	174	113	523	276	421
II	Others Income	-	-	-	-	-	2
III	Total Income (I+II)	177	174	113	523	276	423
	Expenses						
i	Finance Costs	53	61	103	182	326	392
ii	Employee Benefits Expenses	13	11	13	34	47	67
iii	Depreciation, amortization and impairment	1	-	-	2	1	2
iv	Others expenses (to be specified)	18	32	9	62	414	57
v	Loss on sale of investments	-	-	-	-	-	510
vi	Impairment loss on loans	-	-	-	-	-	1,404
vii	Provision for interest receivable	-	-	-	-	-	243
viii	Fair value loss on Optionally Convertible Debentures	-	-	-	-	-	2,349
ix	Fair value loss on unquoted equity shares	-	-	-	-	-	628
IV	Total Expenses (IV)	85	104	125	280	788	5,652
V	Profit / (loss) before exceptional items and tax (III-IV)	92	70	(12)	243	(512)	(5,229)
VI	Exceptional items	-	-	-	-	-	-
VII	Profit / (loss) before tax (V-VI)	92	70	(12)	243	(512)	(5,229)
VIII	Tax Expenses						
	1. Current Tax	49	-	-	49	-	-
	2. Deferred Tax	-	-	-	-	1	3
IX	Profit / (loss) for the period from continuing operations (VII-VIII)	43	70	(12)	194	(513)	(5,232)
X	Profit / (loss) for the period	43	70	(12)	194	(513)	(5,232)
XI	Other Comprehensive Income						
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)	-	-	-	-	-	-
	Remeasurement gain/(loss) on investments	2,071	392	322	2,251	(2,250)	(1,746)
	Remeasurement gain/(loss) on Corporate Gurantee	-	-	(270)	-	(810)	(1,078)
	Remeasurement gain/(loss) on Defined Benefit Plan	-	-	-	-	-	(3)
	(ii) Income tax relating to items that will not be reclassifies to profit or loss	-	-	-	-	-	-
	Subtotal (A)	2,071	392	52	2,251	(3,060)	(2,827)
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)						
	(ii) Income tax relating to items that will not be reclassifies to profit or loss						
	Subtotal (B)						
	Other Comprehensive Income (A+B)	2,071	392	52	2,251	(3,060)	(2,827)
XII	Total Comprehensive Income for the period (XIII+XIV)(comprising Profit (Loss) and other Comprehensive Income for the period)	2,114	462	40	2,445	(3,572)	(8,059)
XIII	Paid Up Equity Share Capital (Face value ₹ 10/- each)	1,287	1,287	1,287	1,287	1,287	1,287
XIV	Other Equity						(5,727)
XV	Earning per equity share (for continuing operations)*						
	Basic (Rs.)	0.03	0.54	(0.09)	0.15	(3.99)	(40.65)
	Diluted (Rs.)	0.03	0.54	(0.09)	0.15	(3.99)	(40.65)

* Quarter/ Nine Months Earnings Per share figures are not annualised



Notes:

- 1 The above unaudited financial results have been reviewed by the audit committee and approved by the Board of Directors at their meeting held on February 10, 2021. In accordance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The financial results for the period ended December 31, 2020 have been subjected to Limited Review 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):**
As at December 31, 2020, the Company is having a carrying value of advances given to MIAPL Rs. 4184.52 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. Further the Company has interest receivable and TDS receivable amounting to Rs. 146.79 and Rs. 131.30 Lakhs respectively as on December 31, 2020. Out of the said interest receivable and TDS receivable, the Company could realise an amount of Rs. 45.25 lakhs against interest subsequent to December 31, 2020.
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.
- 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 year, Godavari restored 33,000 shares and balance 9,67,000 shares were yet to be restored. In view of the settlement agreement and further litigation raised by the Company, the said 9,67,000 equity shares in Gati Limited have been continued to be disclosed as "Investments".
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 such invoked shares to the Company. However, such restoration will take place only after GIPL repays all its dues to term loan lenders. Since GIPL is earning cash profits, the invoked 1,580,000 equity shares in Gati Limited have been continued to be disclosed as "Investments".
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 of other entities given as guarantee 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. 279.60 Lakhs.
- 7 **Going Concern:**
The Company was having a negative networth of Rs. 2,335.01 Lakhs as at December 31, 2020. 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 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 to Rs. 61.20 Lakhs for the nine months ended December 31, 2020 in view of the litigations with the respective lenders
- 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 conclusion in their review 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 corresponding previous period ended have been regrouped / reclassified wherever necessary to make them comparable.
- 12 The copy of this notice is also posted on the website of the Company at www.tcifl.in and also on the websites of the stock exchanges at www.bseindia.com & www.nseindia.com.

Place: Hyderabad
Date: February 10, 2021

For and on behalf of the Board

Rajesh Kundra
Director (DIN: 08959859)



Independent Auditors' Review Report on Unaudited Standalone Financial Results for the Quarter and nine months period ended of TCI Finance Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**To The Board of Directors
TCI Finance Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of "TCI Finance Limited" ("the Company") for the Quarter and nine months period ended December 31, 2020 ("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 ("Listing Regulations") as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid in Indian Accounting standards 34 " Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standards on Review Engagement(SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by Institute of Chartered Accountants of India. A review of interim financial information consists of making inquires, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. This Standard require that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatements. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Basis for Qualified Conclusion:
We draw attention to:
 - a. Note 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. 25619.80 Lakhs due to invocation of corporate guarantee given by the Company. Against the said liability the Company, considering the disputed nature of claim and unlawful invocation of Corporate Guarantee made an estimated provision of Rs. 7798.91 Lakhs during the year 2019-20, which resulted in non-recognition of the claim to the extent of Rs. 17,820.89 Lakhs. This in our opinion is not in accordance with Indian Accounting Standards and generally accepted accounting principles. Accordingly, the reserves are overstated by Rs.17,820.89 Lakhs.
 - b. Note 4 of the accompanying Statement regarding exposures to Mahendra Investment Advisors Private Limited (MIAPL) in the form of Inter Corporate deposits (ICD's), interest receivable and TDS receivable aggregating to Rs. 4,462.61 Lakhs. In view of the negative networth in the standalone financial statements of MIAPL, we are unable to comment on the recovery of amounts due from MIAPL
 - c. Note 5 (b) of the accompanying Statement regarding the investments in equity shares of a Company held in Gati Limited pledged as security for the credit facilities availed by Gati Infrastructure Private Limited (GIPL) on receipt of letter of comfort from Amrit Jal Ventures Private Limited. The lenders of GIPL invoked the pledge. However, the same were disclosed as "Investments" as at December 31, 2020 for the reasons stated in the said note. Considering the uncertainty relating to recoverability of the said investment, we are unable to comment on the impact if any on the Profit for the quarter / nine months period and reserves and carrying value of investments at this stage.
 - d. Note 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. However, the same were disclosed as "Investments" as at December 31, 2020 for the reasons stated in the said note. Considering the uncertainty relating to



- recoverability of the said investment, we are unable to comment on the impact if any on the profit for the quarter / nine months ended and reserves and carrying value of investments at this stage.
- e. Note 7 of the accompanying statement regarding preparation of the Standalone Financial Results 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 Results 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 Results been prepared not as a going concern.
- f. Note 8 of the accompanying statement regarding non recognition of interest expense of Rs. 61.20 Lakhs for the nine months ended December 31, 2020 for the reasons stated there under. Consequently total comprehensive income for the nine months is higher by Rs. 61.20 Lakhs and reserves (Other Equity) and borrowings were lower by Rs. 61.20 Lakhs. Consequently, as at December 31, 2020 Other Equity (negative balance) and Borrowings were lower by Rs.96.75 Lakhs.
5. **Qualified Conclusion:**
Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the matter mentioned in the Basis for Qualified Conclusion mentioned here in above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. **Emphasis of matter:**
We draw attention to
- a. Note 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
- b. Note 5.a of the accompanying statement regarding accounting of investments pledged by the Company were invoked.

Hyderabad, February 10, 2021



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

V K Muralidhar
Partner

Membership No: 201570
UDIN: 21201570AAAABI4021