

February 4, 2020

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,

Sub: - Outcome of Board Meeting dated February 4, 2020

This is to inform you that the Board of Directors of the company at its meeting held today i.e. on February 4, 2020 inter-alia transacted the following business:

- Approved the unaudited standalone financial results as recommended by the Audit Committee and took note of the limited review report for the quarter and nine months ended December 31, 2019 in accordance with Regulation 33 of SEBI (LODR) Regulations, 2015

Please find enclosed a copy of the unaudited financial results for the quarter and nine months ended December 31, 2019 along with limited review report.

The meeting of Board of Directors commenced at 1.30 PM and concluded at 5.10 PM.

This is for your kind information and records.

Thanking you,

Yours faithfully,
For TCI Finance Limited



Srishti Soni
Company Secretary



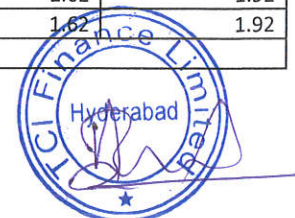
TCI FINANCE LIMITED
 Regd Office: Plot No 20, Survey No 12, 4th Floor, Kothaguda, Kondapur, Hyderabad - 500081
 CIN No : L65910TG1973PLC031293
 www.tcifl.in

(₹ in Lakhs)

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019 Unaudited	30-09-2019 Unaudited	31-12-2018 Unaudited	31-12-2019 Unaudited	31-12-2018 Unaudited	31-03-2019 Audited
	Revenue from operations						
i	Interest Income	80	81	142	242	645	901
ii	Dividend Income	33	1	-	34	44	45
iii	Rental Income	-	-	-	-	2	2
iv	Others	-	-	-	-	-	7
I	Total Revenue from operations	113	82	142	276	691	955
II	Others Income	-	-	129	-	155	119
III	Total Income (I+II)	113	82	271	276	846	1,074
	Expenses						
i	Finance Costs	103	108	118	326	475	607
ii	Employee Benefits Expenses	13	13	11	47	47	61
iii	Depreciation, amortization and impairment	-	1	-	1	1	2
iv	Others expenses	9	138	11	414	41	54
IV	Total Expenses (IV)	125	260	140	788	564	724
V	Profit / (loss) before exceptional items and tax (III-IV)	(12)	(178)	131	(512)	282	350
VI	Exceptional items	-	-	-	-	-	-
VII	Profit / (loss) before tax (V-VI)	(12)	(178)	131	(512)	282	350
VIII	Tax Expenses						
	1. Current Tax	-	-	40	-	70	100
	2. Deferred Tax	-	-	2	1	3	3
IX	Profit / (loss) for the period from continuing operations (VII-VIII)	(12)	(178)	89	(513)	209	247
X	Profit / (loss) for the period	(12)	(178)	89	(513)	209	247
XI	Other Comprehensive Income						
	(A) (i) Items that will not be reclassified to profit or loss						
	Remeasurement gain/(loss) on investments	322	(1,446)	940	(2,250)	(97)	(161)
	Remeasurement gain/(loss) on Corporate Gurantee	(270)	(270)	(232)	(810)	(695)	(927)
	Remeasurement gain/(loss) on Defined Benefit Plan	-	-	-	-	-	(2)
	(ii) Income tax relating to items that will not be reclassifies to profit or loss	-	-	-	-	-	-
	Subtotal (A)	52	(1,716)	708	(3,060)	(792)	(1,090)
	(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)	52	(1,716)	708	(3,060)	(792)	(1,090)
XII	Total Comprehensive Income for the period (X+XI)(comprising Profit (Loss) and other Comprehensive Income for the period)	40	(1,894)	797	(3,572)	(583)	(843)
XIII	Earning per equity share (for continuing operations)*						
	Basic (Rs.)	(0.09)	(1.38)	0.69	(3.99)	1.62	1.92
	Diluted (Rs.)	(0.09)	(1.38)	0.69	(3.99)	1.62	1.92

* Quarterly Nine Months Earnings Per share figures are not annualised



Notes:

- 1 The Indian Accounting Standards (Ind AS), as notified under the Companies (Indian Accounting Standards) Rules, 2015 are applicable to TCI Finance Limited ("the Company") commencing from April 01, 2019 being the date of adoption of Ind AS by the Company. Accordingly, these Unaudited Financial Results prepared in accordance with standards as specified under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under. The date of transition is April 01, 2018. The impact of transition has been accounted for in the opening reserves and the comparative period have been restated accordingly.
- 2 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 4, 2020.
- 3 The statutory auditors have carried out a Limited Review of the above results.
- 4 The Company is mainly engaged in financing activities which constitutes a single business segment.
- 5 There is a possibility that these quarterly / Nine months financial results may require adjustments before constituting the final Ind AS financial statements as of and for the year ended March 31, 2020 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by Ministry of Corporate Affairs (MCA) or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101
- 6 The Ind AS complaint figures for the corresponding quarter ended December 31, 2018, Nine months ended December 31, 2018, including the reconciliation of profit/ (Loss) under Ind AS of the corresponding quarter / Nine months with the profit / (loss) reported under previous GAAP, have not been subjected to Limited Review or Audit. However, the Management exercised due diligence to ensure that the financial results provide true and fair view of the results in accordance with the Ind AS.
- 7 A reconciliation between the Profits/ losses as reported earlier (previous IGAAP) and the Ind AS recast profits / loss for the corresponding Nine months ended December 31, 2018, is given below

Particulars	Quarter ended 31-12-2018	Nine months ended 31-12-2018
Net Profit/ (Loss) reported as per the IGAAP	89	221
Adjustments		
Less: Fair value adjustment on sale of investments	-	12
Net Profit/ (Loss) reported as per Ind AS	89	209
Adjustments to other comprehensive income		
Remeasurement gain/(loss)on investments	939	(97)
Remeasurement gain/(loss)on Corporate Guarantee	(231)	(695)
Remeasurement gain/(loss)on defined benefit plan		
Total Comprehensive income / (loss) under Ind AS	797	(583)

- 8 The Company has various exposures to Amrit Jal Ventures Pvt Ltd (AJVPL) in the form of Equity, Optionally Convertible Debentures (OCDS), Inter Corporate Deposit (ICD'S) and tax deducted at source aggregating to Rs. 4,394.68 Lakhs and guarantees given to the lenders of AJVPL and its subsidiaries aggregating to Rs. 24,076.93 Lakhs (Being the difference between aggregate guarantee less the fair valued guarantee) . On convergence to Ind AS from previous GAAP, investments in equity shares and exposures towards bank guarantee have been recognised at fair value. Investments in OCD's aggregating to Rs. 2,349.28 Lakhs and ICD'S aggregating to Rs. 1,417.54 Lakhs have been stated at their carrying values being the amortised cost.

A Case has been filed by one of the Financial Creditors against AJVPL before NCLT, Hyderabad which has been admitted but appeal is pending before NCLAT, Delhi. The Management is however confident about realisation of substantial dues recoverable to it particularly in view of operating profit from Gati Infrastructure Private Limited, one of the wholly owned subsidiary of AJVPL through its hydro power project. In view of the same, management is of the opinion that no provisioning is required for the said carrying values of OCDS and ICD'S.

- 9 **Investments - Sale of pledged shares by lenders:** During the years 2014-15 , 2015-16 and 2017-18, 34,47,440 equity shares held by the company in Gati Limited have been pledged with the lenders of the company / lenders of the related parties as a security towards the loans availed either by the Company or by the respective related parties. These shares have been invoked by the respective lenders on default by the Company or the related parties for which the Company has initiated legal action. In view of the same, the shares have been disclosed as " Long Term Investments"

Subsequent to the litigation raised by three of the shareholders (refer note 11. Below) before NCLT Hyderabad, one of the lenders of a related party to whom the Company has extended the guarantee by way of pledging 33,29,440 equity shares held by the company in Gati limited has invoked the pledge and encashed its borrowing by selling 31,79,385 equity shares and realised Rs. 2,379.01 Lakhs during January 2020.

- 10 **Going Concern :** The financial statements of the company have been prepared on a going concern basis despite financial exposures of the company towards investments in, receivables from, guarantees given on behalf of Amrit Jal Ventures Private Limited and its subsidiaries.
- 11 During the quarter / nine months ended December 31, 2019, 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.
- 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.
- 13 Statutory auditors of the Company have qualified their conclusion in their review report with respect to the matters stated at Note No.8 and 10 above

Place: Hyderabad
Date: February 4, 2020

For and on behalf of the Board
Ashok Kumar Goyal
Director (DIN: 05129895)

Independent Auditors' Review Report on Unaudited Standalone Quarterly and Year to date Financial Results 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 Nine months and quarter ended December 31, 2019 ("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. Attention is drawn to the fact that the figures for the corresponding Nine months ended December 31, 2018 and quarter ended December 31, 2018, including the reconciliation of loss reported under Indian Accounting Standards (Ind AS) of the corresponding Nine months ended December 31, 2018 and quarter ended December 31, 2018, with profit reported under previous GAAP, as reported in this statement, have been approved by the Company's Board of Directors, but have not been subjected to review.
3. This preparation of the statement 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.
4. 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 inquiries, 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.
5. Basis for qualified Conclusion:
We draw attention to:
 - a. Note no 8 of the accompanying statement regarding investments in Equity Shares, Optionally Convertible Debentures issued by Amrit Jal Ventures Private Limited (AJVPL) aggregating to Rs. 2349.28 Lakhs and advances given to AJVPL aggregating to Rs. 1417.54 Lakhs besides the amounts of guarantees given to the lenders of AJVPL and it's subsidiaries. In view of the negative networth in the Consolidated financial statements of AJVPL; petitions filed by the lenders of AJVPL / it's certain subsidiaries before NCLT; suspension of a major project implementation by one of the subsidiary of AJVPL we are unable to comment upon the recovery of the investments in equity, debentures issued by AJVPL and advances given to AJVPL. Further, we are also unable to comment upon the impact of the guarantees given by the Company to the lenders of AJVPL and it's subsidiaries.
 - b. Note no 10 of the accompanying statement regarding preparation of the financial statements by the management on a going concern basis for the reasons stated therein.
6. 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.

7. Emphasis of matter:
We draw attention to

- a. Note no 9 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. Our conclusion is not modified in this matter.
- b. Note no 11 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.

for M. Bhaskara Rao & Co.
Chartered Accountants

Firm Registration No.000459S



V K Muralidhar

V K Muralidhar
Partner

Membership No: 201570
UDIN: 20201570AAAAAH8376

Hyderabad, February 04, 2020