

November 10, 2022

<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. Un - Audited Financial Results for the Quarter Ended on September 30, 2022**

**2. Outcome of Board Meeting of the Company held on November 10, 2022.**

This is to inform you that the Board of Directors of the Company at their meeting held today i.e on Thursday, November 10, 2022, inter-alia considered and approved the following:

**1. Financial Results**

Un-Audited Standalone Financial Results as recommended by the Audit Committee for the quarter ended September 30, 2022, 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 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 11:45 AM and concluded at 12:30 PM.

The delay in filing of outcome is due to technical glitches from our end.

This is for your kind information and records.

Thanking You,

Yours faithfully,

For TCI Finance Limited

  
Deeksha Verma  
Company Secretary



**TCI FINANCE LIMITED**

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

CIN No : L65910TG1973PLC031293

www.tciff.in

(₹ in Lakhs)

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2022 Un-audited	30-06-2022 Un-audited	30-09-2021 Un-audited	30-09-2022 Un-audited	30-09-2021 Un-audited	31-03-2022 Audited
	<b>Revenue from operations</b>						
i	Interest Income	-	-	-	-	0	-
ii	Dividend Income	-	-	-	-	-	0
iii	Rental Income	-	-	1	-	1	3
iv	Others - Profit on sale of investments	-	-	96	-	156	450
	<b>Total Revenue from operations</b>	-	-	<b>97</b>	-	<b>157</b>	<b>453</b>
v	Others Income	-	-	2	-	2	9
	<b>Total Income ( I+II )</b>	-	-	<b>99</b>	-	<b>159</b>	<b>462</b>
	<b>Expenses</b>						
i	Finance Costs	38	37	37	75	76	153
ii	Employee Benefits Expenses	9	7	6	16	10	21
iii	Depreciations, amortization and impairment	1	-	1	1	1	2
iv	Others expenses	21	13	20	34	30	52
v	Loss on sale of investments	-	-	-	-	-	-
vi	Impairment loss on loans	-	-	-	-	-	3,466
vii	Provision for interest receivable	-	-	-	-	-	-
viii	Fair value loss on Optionally Convertible Debentures	-	-	-	-	-	-
ix	Fair value loss on unquoted equity shares	-	-	-	-	-	-
	<b>Total Expenses ( I+V )</b>	<b>69</b>	<b>56</b>	<b>64</b>	<b>126</b>	<b>117</b>	<b>3,694</b>
	<b>Profit / (loss) before exceptional items and tax (III-IV)</b>	<b>(69)</b>	<b>(56)</b>	<b>35</b>	<b>(126)</b>	<b>42</b>	<b>(3,232)</b>
vi	Exceptional Items	-	-	-	-	-	-
vii	<b>Profit / (loss) before tax (V-VI)</b>	<b>(69)</b>	<b>(56)</b>	<b>35</b>	<b>(126)</b>	<b>42</b>	<b>(3,232)</b>
viii	Tax Expenses	-	-	75	-	76	64
	1. Current Tax	-	-	-	-	-	-
	2. Deferred Tax	-	-	-	-	-	-
x	<b>Profit / (loss) for the period from continuing operations ( VII-VIII )</b>	<b>(69)</b>	<b>(56)</b>	<b>(40)</b>	<b>(126)</b>	<b>(34)</b>	<b>(3,296)</b>
x	<b>Profit / (loss) for the period</b>	<b>(69)</b>	<b>(56)</b>	<b>(40)</b>	<b>(126)</b>	<b>(34)</b>	<b>(3,296)</b>
x	Other Comprehensive Income						
	(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						
	Subtotal (A)						
	Remeasurement gain/(loss) on investments	548	(736)	(1,131)	(168)	1,428	1,625
	Deferred tax on remeasurement gain on investments	(48)	74	130	28	(113)	(16)
	Remeasurement gain/(loss) on Corporate Guarantee	-	-	-	-	-	-
	Remeasurement gain/(loss) on Defined Benefit Plan	-	-	-	-	-	-
	(B) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	Subtotal (B)	500	(662)	(1,001)	(162)	1,315	1,608
	Other Comprehensive Income (A+B)	500	(662)	(1,001)	(162)	1,315	1,608
xii	<b>Total Comprehensive Income for the period (XIII+XIV) [comprising Profit (Loss) and other Comprehensive Income for the period]</b>	<b>431</b>	<b>(718)</b>	<b>(1,041)</b>	<b>(288)</b>	<b>1,281</b>	<b>(1,688)</b>
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						(6,094)
xv	Earning per equity share ( for continuing operations)*						
	Basic (Rs.)	(0.53)	(0.44)	(0.31)	(0.98)	(0.27)	(25.61)
	Diluted (Rs.)	(0.53)	(0.44)	(0.31)	(0.98)	(0.27)	(25.61)

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



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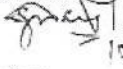

Notes

1 Disclosure of standalone assets and liabilities (Balance Sheet) as per Regulations 33 for the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended September 30, 2022

Particulars	As at	As at	As at
	30-09-2022	30-09-2021	31-03-2022
	Unaudited	Unaudited	Audited
<b>Assets</b>			
<b>1 Financial assets</b>			
Cash and cash equivalents	6	9	7
Bank balances other than cash and cash equivalents	-	-	-
Trade receivables	-	-	-
Loans	-	3,314	-
Investment in subsidiaries and joint ventures	-	-	-
Other investments	4,007	5,781	4,284
Other financial assets	1,879	46	1,878
<b>Sub-total - Financial assets</b>	<b>5,892</b>	<b>9,150</b>	<b>6,169</b>
<b>2 Non-Financial assets</b>			
Current tax assets (net)	-	94	-
Deferred tax assets (net)	-	-	-
Investment Property	88	88	88
Property plant and equipment	36	38	37
Capital work-in-progress	-	-	-
Other non-financial assets	-	-	-
<b>Sub-total - Non- financial assets</b>	<b>124</b>	<b>220</b>	<b>125</b>
<b>Total Assets</b>	<b>6,016</b>	<b>9,370</b>	<b>6,294</b>
<b>Liabilities and equity</b>			
<b>1 Financial liabilities</b>			
Trade payable			
Total outstanding dues of micro enterprises and small enterprises	54	44	49
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,166	2,385	2,282
Loans	8,413	8,225	8,268
Other financial liabilities	-	-	-
<b>Sub-total - Financial liabilities</b>	<b>10,633</b>	<b>10,654</b>	<b>10,599</b>
<b>2 Non-financial liabilities</b>			
Current tax liabilities (net)	46	-	46
Provisions	2	1	1
Deferred tax liabilities	297	419	323
Other non-financial liabilities	-	-	-
<b>Sub-total - Non- financial liabilities</b>	<b>345</b>	<b>420</b>	<b>370</b>
<b>3 Equity</b>			
Equity Share capital	1,420	1,420	1,420
Other equity	(6,382)	(3,124)	(6,094)
<b>Sub-total - Equity</b>	<b>(4,962)</b>	<b>(1,704)</b>	<b>(4,675)</b>
<b>Total Liabilities and Equity</b>	<b>6,016</b>	<b>9,370</b>	<b>6,294</b>



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TCI Finance Limited			
Standalone Cash Flow Statement for the period ended September 30, 2022			
PARTICULARS	Half year ended		Year ended
	Sep 30, 2022	Sep 30, 2021	March 31, 2022
	₹	₹	₹
<b>A. Cash Flow from Operating Activities</b>			
Net profit/(Loss) before tax and extra ordinary items	(126)	42	(3,232)
Adjustments for:			
Depreciation and Amortisation	1	1	2
(Profit)/Loss on sale of investments	3	(156)	(450)
Income derecognised relating to earlier years	-	-	-
Profit on sale of assets	-	-	-
Provision for investments	-	-	-
Provision for interest receivable	-	-	3,314
provision for doubtful loans	-	(1)	(0)
Dividend received (Long Term Investments)	-	(1)	(366)
	(122)	(114)	(366)
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Other financial assets	(0.2)	(44)	(1,877)
Adjustments for increase / (decrease) in operating liabilities:			
Trade Payables	5	3	8
Other financial liabilities	145	(222)	(379)
Long Term Provisions	1	0	(0)
	29	(376)	(2,414)
Cash used in Operations	-	-	151
Net Income Tax Refunded	29	(376)	(2,263)
Net Cash used in Operations	-	3	3
Loans Received back/ (Disbursed) (Net)	29	(373)	(2,260)
<b>Net Cash from / (used in) Operating Activities (A)</b>	29	(373)	(2,260)
<b>B. Cash Flow from Investing Activities</b>			
Proceeds from Sale of Fixed assets	-	-	(0)
Purchase of Investment Property	-	(0)	-
Purchase of Intangible assets	-	-	-
Purchase of Property, Plant and Equipment	86	527	2,516
Sale of Long Term Investments	-	-	(0)
Dividend received (Long term Investments)	-	-	-
	86	527	2,515
<b>Net cash from / (used in) Investing Activities (B)</b>	86	527	2,515
<b>C. Cash Flow from Financing Activities</b>			
Repayment of long term and Short Term Borrowings (net)	(116)	(150)	(253)
	(116)	(150)	(253)
<b>Net cash from Financing Activities (C)</b>	(116)	(150)	(253)
<b>Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)</b>	(1)	4	2
Cash and Cash Equivalents at the beginning of the period	7	5	5
Cash and Cash Equivalents at the end of the period	6	9	7
Components of Cash and Bank Balances comprises of :			
Cash on Hand	0	0	0
With Banks			
- In Current Accounts	6	9	7
- Deposit account	-	-	-
Cash and Bank Balances at the end of the period	6	9	7
Accompanying notes form an integral part of the Standalone Financial Statements			
As per our report of even date attached.		For and on behalf of the Board	
For G.D.Upadhyay & Co., Chartered Accountants Firm Reg No. 058345		Rajesh Kundra Director (DIN: 08959859)	
  G.D.Upadhyay Partner Hyderabad, 10 November 2022			

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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 November 10, 2022. In accordance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The financial results for the half year ended September 30, 2022 have been subjected to the 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. 25,619.80 Lakhs. During the year 2019-2020:

  - (i) Certain lenders of these entities have invoked the Guarantees and raised claims on the Company aggregating to Rs. 17,820.89 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 September 30, 2022, the Company is having a carrying value of advances given to MIAPL Rs. 4333.09 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. The Company stopped recognising interest income since October 2020. 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 CRIP proceedings is under process and provision has been made in the books of account. Despite, the adverse developments in MIAPL the management expects recovery of the amounts receivable. However, the company has created an impairment loss of Rs.4,333.09 Lakhs against the company's total exposure of Rs. 4,333.09 Lakhs.
5. **Investments - Sale of pledged shares:**
  - a) During the year 2015-2016, the Company availed 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. GIPL, AJVPL and the Company entered into a tripartite agreement for restoration of such invoked shares to the Company. The Company has accounted for the invoked shares and the value realised amounting to Rs. 1875.03 lakhs has been shown as "Receivable". Management is confident of recovery therefore no provision is considered necessary at this point of time.
  - 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 liability in favour of guarantors to the extent of Rs. 297.56 Lakhs, being amount of loan extinguished by the lenders out of the sale proceeds of shares. Out of the said amount, the Company has paid an amount of Rs. 204.72 Lakhs and the balance of Rs. 92.84 Lakhs is outstanding as at March 31, 2022.

During the half year ended September 30, 2022, the above said lenders have invoked the shares given as guarantee by Mr. Mahendra kumar Agarwal and realised an amount of Rs. 102.77 Lakhs. The company has recognised liability of Rs. 102.77 Lakhs in favour of Mr. Mahendra Kumar Agarwal in place of original lenders.



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7 **Going Concern:**

Due to adverse developments in the entities to whom the company has advanced loans / given guarantees / investments made, the Company had substantial exposures. These exposures adversely affect the future incomes. 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 **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.

9 The Company had received a letter from the Reserve Bank of India to surrender the Certificate of Registration (COR) for voluntary deregistration as NBFC on account of non maintenance of minimum Net owned Funds(NOF). The company had sought a further period of 12 months for augmenting the NOF.

10 The company has not made provision for income tax for the year ended 31.03.2022 on the gain realised on the accounting of the investments pledged as security for the credit facilities availed by Gati Infrastructure Private Limited and same was showed in receivable, there is no cash transactions. Refere case no [1997] 227 ITR 802 (Kerala)/[1997] 140 CTR 541 (Kerala), High Court of Kerala.

11 The Statutory Auditors of the Company have qualified their opinion in their limited review report with respect to the matters stated paragraphs 3, 5.a, 5.b, 5.c, 7, 8 and 11 above and emphasised the matters stated at 9 and 10 above.

12 The figure for the corresponding previous period ended have been regrouped / reclassified wherever necessary to make them comparable.

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**  
Director (DIN: 08959859)

Place: Hyderabad  
Date: November 10 2022



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**TCI FINANCE LIMITED**

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CIN: L65910TG1973PLC031293, www.tcifl.in

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**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

( ₹ in Lakhs)

Particulars	Quarter Ended		Half Year Ended
	30-09-2022 Unaudited	30-09-2021 Unaudited	30-09-2022 Unaudited
Total income from operations (Net)	-	97	-
Net Profit / (Loss) from ordinary activities after tax	(69)	(40)	(126)
Net Profit / (Loss) for the period after tax (after Extraordinary items)	(69)	(40)	(126)
Total Comprehensive Income for the period (comprising Profit (Loss) and other Comprehensive Income for the period)	431	(1,041)	(288)
Equity Share Capital	1287	1287	1287
Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)			
Earnings Per Share (before extraordinary items) ( ₹ 10/- each) Earnings Per Share (before extraordinary items) ( ₹ 10/- each)			
Basic	(0.53)	(0.31)	(0.98)
Diluted :	(0.53)	(0.31)	(0.98)
Earnings Per Share (after extraordinary items) ( ₹ 10/- each) Earnings Per Share (after extraordinary items) ( ₹ 10/- each)			
Basic	(0.53)	(0.31)	(0.98)
Diluted :	(0.53)	(0.31)	(0.98)

**Notes:**

- The above results have been reviewed by the audit committee and approved by the Board of Directors at their meeting held on November 10, 2022.
- The above is an extract of the detailed format of period ended September 30, 2022 Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the half year ended September 30, 2022 are available for investors at [www.tcifl.in](http://www.tcifl.in), [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com).

Place : Hyderabad

Date : November 10, 2022



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## **G.D. UPADHYAY & CO.**

CHARTERED ACCOUNTANTS

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Opp. Goshamahal High School,  
Siddiamber Bazar, Hyderabad - 12.  
☎ : (040) 24743082, 24650095  
Email : gdu\_ca@rediffmail.com

### **Independent Auditor's Limited Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended**

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**Limited Review Report to  
The Board of Directors  
TCI Finance Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of TCI Finance Limited for the Quarter ended 30<sup>th</sup> September, 2022 ("the statement") being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019.

Attention is drawn to the fact that the figures for the corresponding quarter ended 30<sup>th</sup> September, 2022, as reported in these financial results have been approved by the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance about whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



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**Basis for Qualified Conclusion:**

We draw attention to following notes to financial results:

- a. Note no 3 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 2019-20, considering the disputed nature of the claim and unlawful invocation of the corporate guarantee made a provision of Rs. 7,798.81 Lakhs. The Company has treated the balance amount of liability Rs.17,820.89 Lakhs as contingent liability in its interim financial reporting. In the absence of adequate basis for recognition of partial liability, in our opinion the Company ought to have recognized the liability in its books. Had the liability been recognized, the loss for the quarter and accordingly the other equity (negative balance) will be higher by Rs.17,820.89 Lakhs.
- b. Note no 5 (a) regarding the invocation of Company's investment in equity shares of Gati Limited pledged as security for the credit facilities availed by Godavari Commercial Services Private Limited (Godavari), one of the lenders to the Company. However, the Company continued to treat the said equity shares as investment at fair value as at September 30, 2022 despite invocation for the reasons stated in the said note. Fair value of the invoked shares considered as an asset which aggregates to Rs.1,524.47 Lakhs. Considering that the investments have been sold, we are unable to comment on the appropriateness of said treatment. Further in view of the uncertainty relating to recoverability the said investment, we are unable to comment on the impact, if any, on the loss for the quarter and other equity as at September 30, 2022.
- c. Note no 5 (b) 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 realized their dues in the year 2016-17. In the year 2021-22, the





Company has accounted for the invoked shares and value realized of Rs.1,875.03 Lakhs as receivable. However, the latest audited financial statements of GIPL which shows negative networth and there is substantial amount of borrowings in the Company. These circumstances raise a doubt on the realizability of the amount's receivable from GIPL. In the absence of adequate evidence with respect to realization of Rs.1,875.03 Lakhs, we are unable to comment on the ultimate recovery and short fall, if any, as at the quarter end.

- d. Note no 5 (c) 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 realized their dues. However, the Company continued to treat the said equity shares as investment at fair value as at September 30, 2022 despite invocation for the reasons stated in the said note. Fair value of the invoked shares considered as an asset which aggregates to Rs.1,269.08 Lakhs. Considering that investments have been sold, we are unable to comment on the appropriateness of treatment 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 quarter and other equity as at September 30, 2022.

- e. Note no 7 regarding preparation of 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, in our opinion, preparation of 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 regarding the petition filed by the three shareholders on the Company and the management regarding oppression and the mismanagement of affairs of the Company





and the statutory auditors of the Company regarding reporting requirements of the said transactions.

In view of the matters reported at para (a) to (f) above and considering cumulative effect of these matters on the carrying values of assets and liabilities as at end of the quarter, we are unable to comment on the effect on the loss for the current quarter and the retained earnings, had these matters been given effect in the financial results and financial information for the current quarter.

**Qualified Conclusion:**

Based on our review conducted and procedures performed, except for the matter, mentioned in the Basis for Qualified Conclusion section of this report, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared by the management of the Company, in accordance with the applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Emphasis of Matter:**

We draw attention to following notes to the financial results:

- a. Note no 9 regarding the receipt of communication from Reserve Bank of India regarding the non-compliance with the maintenance of minimum Net Owned Funds as required under RBI Act 1934 advising the Company for surrender of Certificate of Registration.



- b. Note no 10 regarding non-provision of current tax for the year ended March 31, 2022 in accordance with Ind AS 12: Income Taxes considering the gain on the accounting of the investments pledged as security for the credit facilities availed by Gati Infrastructure Private Limited; amount not ascertained.

**For G.D.Upadhyay & Co.,  
Chartered Accountants  
FRN: 005834S**



**(G.D. Upadhyay)  
Partner**

**Place: Hyderabad**

**Date: 10-11-2022**

**UDIN: 22027187BCSCGG9788**