



July 31, 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: - 1. Annual Audited Financial Results for the Fourth Quarter and Financial Year ended 31st March, 2020.

2. Outcome of Board Meeting held on 31st July, 2020

This is to inform you that the Board of Directors of the Company at their meeting held today i.e on Friday July 31, 2020, inter-alia considered and approved the following:

1. Approved the Annual audited Standalone financial results, for the fourth quarter and financial year ended 31 March 2020.

The said financial results along with the Auditor's Report, Statements of Assets and Liabilities, Cash Flow Statement as on 31 March 2020 and the statement showing impact of audit qualification pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 is enclosed as **Annexure- I**.

2. Approved the re-appointment of Mr. Ramesh Sivaraman as Manager of the Company w.e.f 01.07.2020

The term of Mr. Ramesh Sivaraman as Manager of the Company was upto 30.06.2020. The Board of Directors of the Company at its meeting held today i.e 31st July, 2020, has considered and approved the re-appointment of Mr. Ramesh Sivaraman as Manager of the Company w.e.f 01.07.2020 for a further period of 3 years pursuant to the recommendation of nomination and remuneration committee subject to approval of the Shareholders of the Company at the ensuing Annual General Meeting.



Further, brief profile of Mr. Ramesh Sivaraman is enclosed herewith as **Annexure-II**.

Mr. Ramesh Sivaraman is not related to any of the Directors or Key Managerial Personnel of the Company.

3. Voluntary Delisting of Equity Shares of the Company from National Stock Exchange of India Limited

The Board has considered and approved the proposal of Voluntary delisting of Equity shares of the Company from National Stock Exchange of India Limited (“NSE”) without giving any exit opportunity to its shareholders in accordance with the Regulation 6 & 7 of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (“**SEBI Delisting Regulations**”). The Equity Shares of the Company would remain listed on the BSE Limited (“**BSE**”).

The Public Notice of the proposed delisting will be published in the newspapers in terms of the SEBI Delisting Regulations.

4. Approved Declassification of Gati Limited from Promoter Group and reclassification of its shareholding as public in terms of Regulation 31A of the SEBI (LODR) Regulations, 2015.

The Board of Directors of the Company at its meeting held today i.e 31st July, 2020 has considered and approved the request received from Gati Limited (Promoter of the Company) on 04.12.2019 for reclassifying them from ‘Promoter Group’ to ‘Public Category’. The approval of the Board towards reclassification is subject to the approval of the members of the Company and the other regulatory authorities if any, in terms of Regulation 31 A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and amendments thereof.

We herewith attached certified extracts of the minutes of the Board meeting held on 31st July, 2020 for your kind perusal as an **Annexure- III**



5. Resignation of Mr. Ramesh Sivaraman as Chief Financial Officer of the Company

We wish to inform you that Mr. Ramesh Sivaraman, Chief Financial Officer of the Company, has given a notice of resignation as Chief Financial Officer of the Company w.e.f 31st July, 2020 on account of personal reasons, which has been accepted by the Company.

6. Appointment of Mr. Amit kumar Ray as Chief Financial Officer of the Company

The Board of Directors of the Company at its Meeting held today i.e Friday 31st March, 2020 has appointed Mr. Amit Kumar Ray as Chief Financial Officer (CFO) of the Company w.e.f. 31st July, 2020.

The details required under SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 is given in the enclosed **Annexure IV**.

The meeting of Board of Directors was commenced at 3:35 PM and concluded at 5.50 Pm.

This is for you 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 AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020

	Particulars	Quarter Ended			Year Ended	
		31-03-2020 Audited	31-12-2019 Unaudited	31-03-2019 Audited	31-03-2020 Audited	31-03-2019 Audited
	Revenue from operations					
i	Interest Income	145	80	256	387	901
ii	Dividend Income	-	33	-	34	45
iii	Rental Income	-	-	-	-	2
iv	Others	-	-	81	-	81
I	Total Revenue from operations	145	113	337	421	1,029
II	Others Income	2	-	(36)	2	119
III	Total Income (I+II)	147	113	301	423	1,148
	Expenses					
i	Finance Costs	66	103	132	392	607
ii	Employee Benefits Expenses	19	13	14	67	61
iii	Depreciation, amortization and impairment	1.00	-	1	2	2
iv	Others expenses	15	9	13	57	58
v	Loss on sale of investments	389	-	74	510	74
vi	Impairment loss on loans	1,398	-	-	1,404	(4)
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	Total Expenses (IV)	4,865	125	234	5,652	798
V	Profit / (loss) before exceptional items and tax	(4,718)	(12)	67	(5,229)	350
VI	Exceptional items	-	-	-	-	-
VII	Profit / (loss) before tax (V-VI)	(4,718)	(12)	67	(5,229)	350
VIII	Tax Expenses					
	1. Current Tax	-	-	29	-	100
	2. Deferred Tax	1	-	-	3	3
IX	Profit / (loss) for the period from continuing operations (VII-VIII)	(4,719)	(12)	38	(5,232)	247
X	Profit / (loss) for the period	(4,719)	(12)	38	(5,232)	247
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	505	322	(64)	(1,746)	(161)
	Remeasurement gain/(loss) on Corporate Gurantee	(270)	(270)	(232)	(1,078)	(927)
	Remeasurement gain/(loss) on Defined Benefit Plan	(3)	-	(2)	(3)	(2)
	(ii) Income tax relating to items that will not be reclassifies to profit or loss	-	-	-	-	-
	Subtotal (A)	232	52	(298)	(2,827)	(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)	232	52	(298)	(2,827)	(1,090)
XII	Total Comprehensive Income for the period (XIII+XIV)(comprising Profit (Loss) and other Comprehensive Income for the period)	(4,487)	40	(260)	(8,059)	(843)
XIII	Earning per equity share (for continuing operations)*					
	Basic (Rs.)	(36.67)	(0.09)	0.30	(40.65)	1.92
	Diluted (Rs.)	(36.67)	(0.09)	0.30	(40.65)	1.92

* Quarter/ year Earnings Per share figures are not annualised

Notes
1 Disclosure of standalone assets and liabilities (Balance Sheet) as per Regulations 33 fo the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2020 (₹ in Lakhs)

	Particulars	As at	As at
		31-03-2020	31-03-2019
		Audited	Audited
A	Assets		
1	Financial assets		
	Cash and cash equivalents	11	7
	Bank balances other the cash and cash equivalents	-	-
	Trade receivables	-	-
	Loans	4174	2915
	Investment in subsidiaries and joint ventures	-	-
	Other investments	2355	10100
	Other financial assets	179	700
	Sub-total - Financial assets	6719	13722
2	Non-Financial assets		
	Current tax assets (net)	128	136
	Deferred tax assets (net)	-	2
	Investment Property	88	88
	Property, plant and equipment	40	40
	Capital work-in-progress	-	-
	Other non-financial assets	-	-
	Sub-total - Non- financial assets	256	266
	Total Assets	6975	13988
B	Liabilities and equity		
1	Financial liabilities		
	Trade payable		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	42	43
	Loans	3174	3426
	Other financial liabilities	8056	6761
	Sub-total - Financial liabilities	11272	10230
2	Non-financial liabilities		
	Current tax liabilities (net)	-	-
	Provisions	11	6
	Other non-financial liabilities	-	-
	Sub-total - Non- financial liabilities	11	6
3	Equity		
	Equity Share capital	1420	1420
	Other equity	(5,727)	2332
	Sub-total - Equity	(4,308)	3752
	Total Liabilities and Equity	6975	13988

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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 audited 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 financial results have been reviewed by the audit committee and approved by the Board of Directors at their meeting held on July 31, 2020. In accordance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The financial results for the quarter and year ended March 31, 2020 have been subjected to audit by the statutory auditors and the report thereon is modified.
- 3 The Company is mainly engaged in financing activities which constitutes a single business segment.
- 4 The Ind AS compliant figures for the corresponding quarter ended March 31, 2020, year ended March 31, 2020, including the reconciliation of profit/ (Loss) under Ind AS of the corresponding quarter 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.
- 5 a. A reconciliation between the Profits/ losses as reported earlier (previous IGAAP) and the Ind AS recast profits / loss for the corresponding quarter ended March 31, 2019 and year ended March 31, 2019, are given below

S.No	Particulars	Quarter ended 31-03-2019	Year ended 31-03-2019
1	Net Profit/ (Loss) reported as per the IGAAP	206	427
2	Adjustments		
3	Less: Profit on sale of investments recognised as per IGAAP	(95)	(106)
4	Less: Fair value adjustment on sale of investments	(73)	(74)
5	Net Profit/ (Loss) reported as per Ind AS	38	247
6	Adjustments to other comprehensive income		
	Remeasurement gain/(loss)on investments	(64)	(161)
	Remeasurement gain/(loss)on Corporate Guarantee	(231)	(929)
	Remeasurement gain/(loss)on defined benefit plan	(3)	
	Total	(260)	(843)

- b. A reconciliation between balancesheet items as reported earlier (previous IGAAP) and the Ind AS for the corresponding years ended March 31, 2019 and April 01, 2018 are given below:

As at March 31, 2019

S.No	Particulars	Note reference	As per Previous GAAP	As per Ind AS
1	Investments	i	4,792	10,100
2	Other financial liabilities	ii	40	6,761
3	Other Equity	ii	3,745	2,332

As at April 01, 2018

S.No	Particulars	Note reference	As per Previous GAAP	As per Ind AS
1	Investments	i	4,947	10,598
2	Other financial liabilities	ii	37	5,830
3	Other Equity	iii	3,318	3,175

- i. Investments in listed equity shares were fair valued as per the market price and investments in unlisted equity shares were valued based on the valuation techniques for which the lowest level of inputs that is significant to the fair value measurement is unobservable as at the reporting date in IND AS financial statements.

Notes:

- ii. The Company has recognised the liability of the corporate guarantee given to the lenders of the Amrit Jal Ventures Private Limited and its subsidiary of Gati Infrastructure Bhasmey Power Private Limited.
- iii. Changes in other equity on the transition date i.e as at April 01, 2018 is due to fair valuation of the listed equity shares and recognition of the corporate guarantee.

6 Exposures to Amrit Jal Ventures Private Limited (AJVPL) and its subsidiaries:

a. The Company has various exposures to Amrit Jal Ventures Pvt Ltd (AJVPL) in the form of investment in Equity Shares of AJVPL – Fair Value as at March 31, 2019 - Rs. 627.86 Lakhs (Gross Value of Investment – Rs. 1,500 Lakhs), investments in Optionally Convertible Debentures issued by AJVPL – Rs. 2,349.28 Lakhs, Inter Corporate Deposit (including tax deducted at source by AJVPL on interest but not remitted to the authorities) – Rs. 1,401.03 Lakhs and Interest accrued in 2018-19 – Rs. 242.94 Lakhs. Aggregate carrying value of exposures – Rs. 4,621.11 Lakhs. 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. In view of the adverse developments in AJVPL, management was expecting that the chances of recovery of these balances are remote. In view of the same, management made a provision for these balances. Further, no interest was recognised for year ended March 31, 2020 on such inter corporate loans and on Optionally Convertible Debentures.

b. Further, the Company in the earlier years, has given Corporate Guarantees to the lenders of AJVPL and it's wholly owned subsidiary – Gati Bhasmey Limited – aggregating to Rs. 31,336.71 Lakhs. During 2019 – 20, certain lenders of these entities have invoked the Guarantees and raised claims on the Company aggregating to Rs. 25,619.80 Lakhs. The Company has 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.

7 Exposures to Mahendra Investment Advisors Private Limited (MIAPL):

As at March 31, 2020, the Company is having a carrying value of advances given to MIAPL Rs. 4,184.52 Lakhs. These advances include the fair value of 31,79,385 equity shares in Gati Limited held by the Company, invoked by the lenders of MIAPL given as guarantee by the Company. Fair Value of the said shares invoked by the company, as on the date of invocation aggregating to Rs. 2,379.13 Lakhs. The Company recognised the difference between the Fair Value of the said shares as on March 31, 2019 and the date of sale aggregating to Rs. 388.52 as loss and included the same in Loss on Sale of Investments in the Statement of Profit and Loss. Further the Company has interest receivable aggregating to Rs. 174.85 Lakhs as on March 31, 2020. Out of the said interest receivable, the Company could realise an amount of Rs. 109 Lakhs subsequent to March 31, 2020.

Management of the Company is expecting to recover the above said balances in it's entirety and is of the opinion that no provision is warranted at this moment.

8 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 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 and the Company entered into a 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".

Notes:

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".

d) During the year under report, two lenders of the Company have sold 274,820 equity shares of Gati Limited held by the Company as Investments. Loss, being the difference between the Fair Value as at March 31, 2019 and on the date of sale – Rs. 121.77 Lakhs has been recognised and included in the Loss on Sale of Investments in Statement of Profit and Loss.

9 **Liability for sale of shares of other entities given as guarantee for the loans availed by the Company:**

During the year 2018 – 19, the Company availed borrowings from two lenders and by way of an amendment loan agreement, arranged the certain shares held by Mahendra Kumar Agarwal & son HUF and Manish Agarwal Benefit Trust (Guarantors) as an additional security for the said borrowings. The said lenders, due to defaults by 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. 246.69 Lakhs.

10 **Going Concern:**

During the year ended on March 31, 2020, the Company has incurred a loss of Rs. 8059.28 Lakhs and as at March 31, 2020, the Company was having a negative networth of Rs. 4307.71 Lakhs. 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 indicated 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.

11 **Petition before NCLT, Hyderabad:**

During the year, 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 **In terms of the Covid 19 regulatory package of the RBI issued from time to time ,the company has availed the moratorium of 6 months for the term loan availed by the company from a financial institution.The company has not granted any moratorium to any of its borrowers.**

There remains a high level of uncertainty about the impact and time required for the economic activity to normalise.The extent to which the Covid 19 epidemic will impact the business and financial results is at this juncture dependent on future developments which are highly uncertain.

13 **The Statutory Auditors of the Company have qualified in their report with regards to matters stated in paragraphs 6b, 7,8b, 8c and 10 above and drawn emphasis of matter with respect to matters stated in paragraphs 6a,8a and 11 above.**

Notes:

- 14 The figures for the current quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2020 and March 31, 2019 and the published year to date figures upto the end of the quarter ended December 31, 2019 and December 31, 2018.
- 15 The figures for the corresponding previous period ended have been regrouped / reclassified wherever necessary to make them comparable.
- 16 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.

For and on behalf of the Board

Place: Hyderabad
Date: July 31, 2020

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Mahendra Kumar Agarwal
Director (DIN: 00179779)

TCI Finance Limited		
Standalone Cash Flow Statement for the Year ended March 31, 2020		
PARTICULARS	Year ended	Year ended
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
A. Cash Flow from Operating Activities		
Net profit before tax and extra ordinary items	(5,229)	350
Adjustments for:		
Depreciation and Amortisation	2	2
Loss on sale of Investments	510	74
Profit on sale of assets	-	(90)
Provision for investments	2,977	-
Provision for interest receivable	243	-
provision for doubtful loans	1,404	-
Dividend received (Long Term Investments)	(34)	(45)
	(127)	292
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other financial assets	278	(476)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	-1	(6)
Other financial Liabilities	217	3
Long Term Provisions	3	(0)
Cash used in Operations	370	(187)
Net Income Tax Refunded	7	(133)
Net Cash used in Operations	377	(320)
Loans Received back/ (Disbursed) (Net)	(2,663)	1,761
Net Cash from / (used in) Operating Activities (A)	(2,286)	1,440
B. Cash Flow from Investing Activities		
Proceeds from Sale of Fixed assets	-	100
Purchase of Investment Property	-	(88)
Purchase of Intangible assets	-	-
Purchase of Property, Plant and Equipment	(3)	-
Sale of Long Term Investments	2,512	263
Dividend received (Long term Investments)	34	45
Net cash from / (used in) Investing Activities (B)	2,543	319
C. Cash Flow from Financing Activities		
Repayment of long term and Short Term Borrowings (net)	(252)	(1,771)
Net cash from Financing Activities (C)	(252)	(1,771)
Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)	4	(11)
Cash and Cash Equivalents at the beginning of the year	7	18
Cash and Cash Equivalents at the end of the year	11	7
Components of Cash and Bank Balances comprises of :		
Cash on Hand	0	0
With Banks		
- in Current Accounts	11	7
- Deposit account	-	-
Cash and Bank Balances at the end of the year	11	7
Accompanying notes form an integral part of the Standalone Financial Statements		
As per our report of even date attached.		
For M.Bhaskara Rao & Co. Chartered Accountants	For and on behalf of the Board	
V K Muralidhar Partner Hyderabad, July 31, 2020	Digitally signed by MAHENDRA AGARWAL Date: 2020.07.31 16:48:21 +05'30' Mahendra Kumar Agarwal Director (DIN: 00179779)	

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.tcifl.com)

Statement on Impact of Audit Qualifications submitted along-with Annual Audited Financial Results for the Financial Year ended March 31, 2020.

[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	423	423
	2	Total Expenditure	5652	5651
	3	Net Profit/(Loss)	(5229)	(5229)
	4	Earnings Per Share (in Rs.) (- Negative)	(40.65)	(40.65)
	5	Total Assets	6975	6975
	6	Total Liabilities	11283	11283
	7	Net Worth	(4308)	(4308)
II.	A.	Audit Qualification		
		<p>1. Note 6 (b) 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 the 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 a provision of Rs. 7798.91 Lakhs, which resulted in non-recognition of the claim to the extent of Rs. 17,820.89 Lakhs. This in our opinion is not accordance with Indian Accounting Standards and generally accepted accounting standards. Accordingly, the loss for the year is understated and the reserves are overstated by Rs.17,820.89 Lakhs</p> <p>2. Note no 7 of the accompanying statement regarding exposures to Mahendra Investment Advisors Private Limited (MIAPL) in the form of Inter Corporate deposits (ICD's) and interest receivable aggregating to Rs. 4359.37 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.</p> <p>3. Note no 8 (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 have invoked the pledge and same were disclosed as "Investments" as at 31 March 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 loss for the year and reserves and carrying value of investments at this stage.</p> <p>4. Note no 8(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 have invoked the pledge and same were disclosed as "Investments" as at 31 March 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 loss for the year and reserves and carrying value of investments at this stage.</p> <p>5. Note no 10 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</p>		
	b.	Type of Audit Qualification: Qualified Opinion		

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c. Frequency of qualification: First Time	
d. For Audit Qualification(s) where the impact is quantified by the auditor:	
i. Management views:	
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
<ol style="list-style-type: none"> 1. The Company has made a provision on an estimated basis considering the disputed nature of the claim and unlawful invocation of the Corporate Guarantee.. 2. 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. 3. 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. 4. The Company has taken necessary legal recourse for the restoration of the invoked shares. 5. 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 	
<u>Signatories:</u>	
Director (Mr.Mahendra Kumar Agarwal)	MAHENDRA AGARWAL <small>Digitally signed by MAHENDRA AGARWAL Date: 2020.07.31 16:57:09 +05'30'</small>
CFO (Mr.Ramesh Sivaraman)	<i>Ramesh</i>
Audit committee Chairman (Mr. Ashok Goyal)	<i>A.K. Goyal</i>
Statutory Auditor For M Bhaskar Rao & Co. Chartered Accountants Firm Registration No: 000459S V.K Muralidhar Partner Membership No: 201570 UDIN:	KESAVAMU <small>Digitally signed by KESAVAMURALID HAR VADAKATTU Date: 2020.07.31 17:45:20 +05'30'</small> RALIDHAR VADAKATTU U
Place: Hyderabad	
Date: July 31, 2020	

M.BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS
PHONES : 23311245, 23393900
FAX : 040-23399248

5-D, FIFTH FLOOR, "KAUTILYA".
6-3-652, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA
e-mail : mbr_co@mbrc.co.in

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 year ended 31 March 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, 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 Loss and other financial information for the year ended 31 March 2020.

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 6 (b) 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 a provision of Rs. 7798.91

Lakhs, which resulted in non-recognition of the claim to the extent of Rs. 17,820.89 Lakhs. This in our opinion is not accordance with Indian Accounting Standards and generally accepted accounting principles. Accordingly, the loss for the year is understated and the reserves are overstated by Rs.17,820.89 Lakhs.

- b. Note no 7 of the accompanying statement regarding exposures to Mahendra Investment Advisors Private Limited (MIAPL) in the form of Inter Corporate deposits (ICD's) and interest receivable aggregating to Rs. 4359.37 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 no 8 (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 have invoked the pledge and same were disclosed as "Investments" as at 31 March 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 loss for the year and reserves and carrying value of investments at this stage.
- d. Note no 8.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 have invoked the pledge and same were disclosed as "Investments " as at 31 March 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 loss for the year and reserves and carrying value of investments at this stage.
- e. Note no 10 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.

Emphasis of Matter:

5. We draw attention to:
 - a. Note no 6.a of the accompanying statement regarding the various exposures to Amrit Jal Ventures Private Limited (AJVPL) in the form of Equity, Optionally Convertible Debentures (OCDS), Inter Corporate Deposit (ICD'S) and tax deducted at source having a carrying value of Rs. 4621.11 Lakhs. For the reasons stated in the said note, the Company has made a provision for these balances as at 31 March 2020. Further no interest was recognised as at 31 March 2020 for the loans gives and OCDS.
 - b. Note no 8.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.
 - c. 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.

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 of these standalone annual financial results that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Indian 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 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

8. The comparative financial information of the Company for the quarter and year ended 31 March, 2019 included in this Statement has been prepared after adjusting the previously issued financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. Adjustments made to the previously issued comparative financial information to comply with Ind AS have not been audited by us.

Our report is not modified in respect of this matter.

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

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VADAKATTU

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VADAKATTU
Date: 2020.07.31 17:35:06
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V K Muralidhar
Partner

Membership No.201570

UDIN: 20201570AAAAED3684

Hyderabad, July 31, 2020



Annexure- II

Details required under Regulation 30 of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015

Sr. No	Details of events that need to be provided	Information of such event
1.	Reason of change viz. appointment, resignation, removal, death or otherwise	Re-appointment of Mr. Ramesh Sivaraman as Manager of the Company
2.	Date of Appointment	w.e.f 1 st July, 2020
3.	Term of Appointment	3 Years
4.	Brief Profile (in case of appointment)	Mr Ramesh Sivaraman is a Commerce Graduate and a member of the Institute of Chartered Accountants of India since 1991. He has experience of more than two decade in Non Banking Finance companies. He is also Director in TCI- Hi ways Private Limited, Bhoruka Classic Finance Private Limited and Avaan Shakti Limited.
5.	Disclosure of relationships between Directors (in case of appointment of Director)	Mr. Ramesh Sivaraman is not related to any director of the Company or Key Managerial Personnel of the Company.



Annexure- III

Extract of the minutes of the meeting of the Board of Directors of TCI Finance Limited held on July 31, 2020

Reclassification of Gati Limited belonging to Promoter Group as "Public"

The request received from M/s Gati Limited belonging to Promoter Group dated 4th December, 2019 was placed before the Board.

The board reviewed the application thoroughly and decided to consider the application due to the fact that the holding of the above Promoter Group was not exceeding 10% of the shareholding of the Company.

The Shareholding of Gati Limited as on date is Nil as the shares of Gati Limited were transferred to Giri Roadlines and Commercial Trading Private Limited and Gati Intellect Systems Limited pursuant to inter-se transfer of Shares.

Further, it was informed that Gati Limited do not have control over the affairs of the Company or in any decision making process of the Company and hence make request for the reclassification from 'Promoter Group' to 'Public'.

Gati Limited has specifically mentioned in the application that he is satisfying all the conditions specified in sub-clause (i) to (vii) of clause (b) of sub-regulation (3) of Regulation 31A of SEBI (LODR) (Sixth Amendment) Regulations, 2018 and also confirmed that at all times from the date of such reclassification, shall continue to comply with conditions mentioned Regulation 3 I A of SEBI (LODR) (Sixth Amendment) Regulations, 2018 post reclassification from "Promoter Group" to "Public".

In view of the provisions of Regulation 31A of SEBI (LODR) (Sixth Amendment) Regulations, 2018 and on satisfaction of the conditions (i) to (vii) specified in clause (b) of sub-regulation (3) and compliance of sub-regulation (4) of Regulation 31A of SEBI (LODR) (Sixth Amendment) Regulations, 2018, the members of the Board are of the view that application for reclassification from Promoter Group to Public be accepted and be placed before the Members of the Company for their approval. On approval of the same by the members, application be made by the Company to National Stock Exchange of India Limited and BSE Limited and/or to any other authority for their approval as may be necessary. Members of the Board then passed the following resolutions unanimously.



"RESOLVED THAT pursuant to Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to approval from the BSE Limited, National Stock Exchange of India Limited, the Securities and Exchange Board of India and such other authorities as may be required and pursuant to other laws and regulations, as may be applicable from time to time (including any statutory modifications or re-enactments thereof for the time being in force) and subject to the consent of the members, the approval of the Board be and is hereby accorded to the reclassification of Gati Limited, " Promoter Group" Category to the "Public" Category in the shareholding of the Company. "

RESOLVED FURTHER THAT on approval of the Stock Exchange(s) upon application for reclassification of the aforementioned applicant, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.

RESOLVED FURTHER THAT any Director of the Company and the Company Secretary of the Company, be and are hereby severally authorized to perform and execute all such acts, deeds, matters and things including but not limited to making intimation/filings to stock exchange(s), seeking approvals from the Securities and Exchange Board of India, BSE Limited, the National Stock Exchange of India Limited(as applicable), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and amend such details and to represent before such authorities as may be required and to take all such steps and decisions in this regard to give full effect to the aforesaid resolutions.



Annexure- IV

Appointment of Mr. Amit Kumar Ray as Chief Financial Officer of the Company

Sr. No	Details of events that need to be provided	Information of such event
1.	Reason of change viz. appointment, resignation, removal, death or otherwise	Appointment of Mr. Amit Kumar Ray as Chief Financial Officer of the Company in place of Mr. Ramesh Sivaraman The Board wished to have a dedicated personnel to look after the Finance wing of the Company
2.	Date of Appointment	31 st July, 2020
3.	Term of Appointment	NA
4.	Brief Profile (in case of appointment)	Mr. Amit Kumar Ray is a Commerce Graduate and is having more than 18 years of experience in Accounts and Finance department and having thorough knowledge of Accounting Policies and Procedures, experience in establishing internal reporting systems
5.	Disclosure of relationships between Directors (in case of appointment of Director)	Mr. Amit Kumar Ray is not related to any director of the Company or Key Managerial Personnel of the Company.