

May 11, 2023

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

**Sub: - 1. Annual Audited Financial Results for the Fourth Quarter and Financial Year ended 31<sup>st</sup> March, 2023.**  
**2. Outcome of Board Meeting of the Company held on 11<sup>th</sup> May, 2023.**

This is to inform you that the Board of Directors of the Company at their meeting held today i.e on Thursday, May 11, 2023, inter-alia considered and approved the following:

**1. Financial Results**

The Board approved the Audited Financial Results (Standalone) for the fourth quarter and financial year ended 31<sup>st</sup> March, 2023. In this regard, please find enclosed:

- Audited Standalone Financial Results of the Company for the fourth quarter and financial year ended 31<sup>st</sup> March, 2023;
- Auditor's Report in respect of the Audited Standalone Financial Results of the Company for the financial year ended 31<sup>st</sup> March, 2023;
- Statement of Impact of Audit Qualifications pursuant to Regulation 33(3)(d) of the Listing Regulations.

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 3:55 PM and concluded at 4:22 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





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

**CHARTERED ACCOUNTANTS**

15-1-53, 11nd Floor, (Upstairs Andhra Bank)  
Opp. Goshamahal High School,  
Siddiamber Bazar, Hyderabad - 12.  
☎ : (040) 24743082, 24650095  
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**Independent Auditor's Report on the Audited 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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To  
**The Board of Directors  
TCI Finance Limited**

**Qualified Opinion**

1. We have audited the accompanying statement of Audited financial results of TCI Finance Limited for the Quarter and year ended 31<sup>st</sup> March, 2023 ("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 3 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 March 31, 2023



Branch :

38-39 1st Floor Gurunanak Market G.G Road, Nanded - 431 601 ☎ (02462) 242647, 09850551008

**Basis for Qualified Opinion:**

3. 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. 7,798.91 Lakhs. As at March 31, 2023 The Company has disclosed the balance amount of liability Rs.17,820.89 Lakhs as contingent liability in its 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 year 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 March 31, 2023 despite invocation for the reasons stated in the said note. Fair value of the invoked shares considered as an asset which aggregates to Rs. 973.77 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 March 31, 2023.
  - 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 March 31, 2023 despite invocation for the reasons stated in the said note. Fair value of the invoked shares considered as an asset which aggregates to Rs.810.64 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 March 31, 2023.

- 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.

In view of the matters reported at para (a) to (c) 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 year ended and the retained earnings, had these matters been given effect in the financial results and financial information for the current year.

**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.

4. 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 RA 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 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.

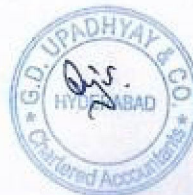
**Emphasis of Matter:**

5. We draw attention to following notes to the financial results:
  - a. Note no 8 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 9 regarding non-provision of current tax for the year ended March 31, 2023 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.

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

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

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



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

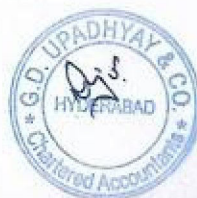
#### **Auditor's Responsibilities for the Audit of the annual Financial Results**

7. Our objectives are to obtain reasonable assurance about whether the 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 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 annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of 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 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 annual financial results, including the disclosures, and whether the 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.

### **Other Matters**

The annual financial results include the results for the quarter ended March 31, 2023 and March 31, 2022 being the balancing figures between the audited figures in respect of the financial year ended March 31, 2023 and March 31, 2022 and the published unaudited year-to-date figures up to December 31, 2022 and December 31, 2021, which were subjected to a limited review by us, as required under the Listing Regulation.

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



**(Inderjeet Upadhyay)**

**Partner**

M.No 220791

**Place:** Hyderabad

**Date:** 11/05/2023

**UDIN:** 23220791BGVBNW3686



**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023**

	Particulars	Quarter Ended			Year Ended	
		31-03-2023 Audited *	31-12-2022 Unaudited	31-03-2022 Audited *	31-03-2023 Audited	31-03-2022 Audited
	<b>Revenue from operations</b>					
i	Interest Income	-	-	-	-	-
ii	Dividend Income	0	-	-	0	-
iii	Rental Income	-	-	1	-	3
iv	Others	-	-	294	-	450
I	<b>Total Revenue from operations</b>	<b>0</b>	<b>-</b>	<b>295</b>	<b>0</b>	<b>453</b>
II	Others Income	-	-	7	-	9
III	<b>Total Income ( I+II )</b>	<b>0</b>	<b>-</b>	<b>302</b>	<b>0</b>	<b>462</b>
	<b>Expenses</b>					
i	Finance Costs	16	62	38	153	153
ii	Employee Benefits Expenses	10	10	4	36	21
iii	Depreciation, amortization and impairment	0	1	1	2	2
iv	Others expenses (to be specified)	14	13	13	61	52
v	Loss on sale of investments	-	-	-	-	-
vi	Impairment loss on loans	-	-	3,466	-	3,466
vii	Provision for interest receivable	-	-	-	-	-
viii	Fair value loss on Optionally Convertible Debentures	-	-	-	-	-
ix	Fair value loss on unquoted equity shares	-	-	-	-	-
IV	<b>Total Expenses ( IV )</b>	<b>40</b>	<b>86</b>	<b>3,522</b>	<b>251</b>	<b>3,694</b>
V	<b>Profit / (loss) before exceptional items and tax (III-IV)</b>	<b>(40)</b>	<b>(86)</b>	<b>(3,220)</b>	<b>(251)</b>	<b>(3,232)</b>
VI	Exceptional items	-	-	-	-	-
VII	<b>Profit / (loss) before tax (V-VI)</b>	<b>(40)</b>	<b>(86)</b>	<b>(3,220)</b>	<b>(251)</b>	<b>(3,232)</b>
VIII	<b>Tax Expenses</b>					
	1. Current Tax	-	-	-	-	64
	2. Deferred Tax	-	-	-	-	-
IX	<b>Profit / (loss) for the period from continuing operations ( VII-VIII)</b>	<b>(40)</b>	<b>(86)</b>	<b>(3,220)</b>	<b>(251)</b>	<b>(3,296)</b>
X	<b>Profit / (loss) for the period</b>	<b>(40)</b>	<b>(86)</b>	<b>(3,220)</b>	<b>(251)</b>	<b>(3,296)</b>
XI	<b>Other Comprehensive Income</b>					
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	Subtotal (A)	-	-	-	-	-
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)					
	Remeasurement gain/(loss) on investments	(1,021)	(315)	(2,003)	(1,524)	1,625
	Deferred tax on remeasurement gain on investments	103	35	317	164	(16)
	Remeasurement gain/(loss) on Corporate Gurantee	-	-	-	-	-
	Remeasurement gain/(loss) on Defined Benefit Plan	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Subtotal (B)	(918)	(280)	(1,686)	(1,360)	1,608
	<b>Other Comprehensive Income (A+B)</b>	<b>(918)</b>	<b>(280)</b>	<b>(1,686)</b>	<b>(1,360)</b>	<b>1,608</b>
XII	<b>Total Comprehensive Income for the period (XIII+XIV)(comprising Profit (Loss) and other Comprehensive Income for the period)</b>	<b>(958)</b>	<b>(366)</b>	<b>(4,906)</b>	<b>(1,611)</b>	<b>(1,688)</b>
XIII	<b>Paid Up Equity Share Capital (Face value Rs. 10/- each)</b>	<b>1,287</b>	<b>1,287</b>	<b>1,287</b>	<b>1,287</b>	<b>1,287</b>
XIV	<b>Other Equity</b>				<b>(7,705)</b>	<b>6,094</b>
XV	<b>Earning per equity share { for continuing operations}*</b>					
	Basic (Rs.)	(0.31)	(0.66)	(25.02)	(1.95)	(25.61)
	Diluted (Rs.)	(0.31)	(0.65)	(25.02)	(1.95)	(25.61)

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

**Mahendra  
Kumar Agarwal**

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## Notes

- 1 Disclosure of standalone assets and liabilities (Balance Sheet) as per Regulations 33 to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2023

	Particulars	As at	As at
		31-03-2023	31-03-2022
		Audited	Audited
<b>A</b>	<b>Assets</b>		
1	<b>Financial assets</b>		
	Cash and cash equivalents	5	7
	Bank balances other than cash and cash equivalents	-	-
	Trade receivables	-	-
	Loans	-	-
	Investment in subsidiaries and joint ventures	-	-
	Other investments	2,609	4,284
	Other financial assets	1,879	1,878
	<b>Sub-total - Financial assets</b>	<b>4,493</b>	<b>6,169</b>
2	<b>Non-Financial assets</b>		
	Current tax assets (net)	-	-
	Deferred tax assets (net)	-	-
	Investment Property	88	88
	Property, plant and equipment	35	36
	Capital work-in-progress	0	1
	Other non-financial assets	-	-
	<b>Sub-total - Non- financial assets</b>	<b>123</b>	<b>125</b>
	<b>Total Assets</b>	<b>4,616</b>	<b>6,294</b>
<b>B</b>	<b>Liabilities and equity</b>		
1	<b>Financial liabilities</b>		
	Trade payable	-	-
	Total outstanding dues of micro enterprises and small enterprises	58	48
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,149	2,282
	Borrowings	9,488	8,268
	Other financial liabilities	-	-
	<b>Sub-total - Financial liabilities</b>	<b>10,695</b>	<b>10,598</b>
2	<b>Non-financial liabilities</b>		
	Current tax liabilities (net)	46	46
	Provisions	2	1
	Deferred tax liabilities	158	323
	Other non-financial liabilities	-	-
	<b>Sub-total - Non- financial liabilities</b>	<b>206</b>	<b>370</b>
3	<b>Equity</b>		
	Equity Share capital	1,420	1,420
	Other equity	(7,705)	(6,094)
	<b>Sub-total - Equity</b>	<b>(6,285)</b>	<b>(4,674)</b>
	<b>Total Liabilities and Equity</b>	<b>4,616</b>	<b>6,294</b>

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TCI Finance Limited		
Standalone Cash Flow Statement for the Year ended March 31, 2023		
PARTICULARS	Year ended	Year ended
	March 31, 2023	March 31, 2022
	₹	₹
<b>A. Cash Flow from Operating Activities</b>		
Net profit before tax and extra ordinary items	(251)	(3,232)
Adjustments for:		
Depreciation and Amortisation	2	2
Profit on sale of Investments	-	(450)
Profit on sale of assets	-	-
Provision for investments	-	-
Provision for interest receivable	-	-
Impairment loss on loans	-	3,317
Dividend received (Long Term Investments)	(0)	-
	(250)	(363)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other financial assets	(0)	(1,877)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	9	8
Other financial Liabilities	1,220	(179)
Long Term Provisions	1	-
Cash used in Operations	980	(2,411)
Net Income Tax Refunded	-	151
Net Cash used in Operations	980	(2,260)
Loans Received back/ (Disbursed) (Net)		-
Net Cash from / (used in) Operating Activities (A)	980	(2,260)
<b>B. Cash Flow from Investing Activities</b>		
Proceeds from Sale of Fixed assets	-	-
Purchase of Investment Property	-	(0)
Purchase of Intangible assets	-	-
Purchase of Property, Plant and Equipment	-	-
Sale of Long Term Investments	150	2,516
Dividend received (Long term Investments)	0	(0)
Net cash from / (used in) Investing Activities (B)	150	2,515
<b>C. Cash Flow from Financing Activities</b>		
Repayment of long term and Short Term Borrowings (net)	(1,133)	(253)
Net cash from Financing Activities (C)	(1,133)	(253)
Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)	(2)	2
Cash and Cash Equivalents at the beginning of the year	7	5
Cash and Cash Equivalents at the end of the year	5	7
Components of Cash and Bank Balances comprises of:		
Cash on Hand	0	0
With Banks		
- In Current Accounts	5	7
- Deposit account	-	-
Cash and Bank Balances at the end of the year	5	7



For and on behalf of the Board  
TCI Finance Limited

Mahendra Kumar Agarwal  
Director  
DIN : 0179779



Mahendra  
Kumar  
Agarwal

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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 May 11, 2023. In accordance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The financial results for the year ended March 31, 2023 have been subjected to the audit by the statutory auditors and the report thereon is modified.
- 2 The Company is mainly engaged in financing activities which constitutes a single business segment.
- 3 **Exposures to Amrit Jal Ventures Private Limited (AJVPL) and its subsidiaries:**  
The Company in the earlier years, has given Corporate Guarantees to the lenders of AJVPL and its wholly owned subsidiary – Gati Bhasmey Limited – aggregating to Rs. 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 March 31, 2023, 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. 302.95 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. 206.37 Lakhs and the balance of Rs. 96.58 Lakhs is outstanding as at March 31, 2023.  
During the year ended March 31, 2023, the above said lenders have invoked the shares given as guarantee by Mr. Mahendra Kumar Agarwal and realised an amount of Rs. 1215.03 Lakhs. The company has recognised liability of Rs. 1215.03 Lakhs in favour of Mr. Mahendra Kumar Agarwal in place of original lenders.
- 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 The Company had received a letter from the Reserve Bank of India to surrender the Certificate of Registration (COR) for voluntary deregistration as NBFCL 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.
- 9 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 shown in receivable, there is no cash transactions. Refere case no [1997] 227 ITR 802 (Kerala)/[1997] 140 CTR 541 (Kerala), High Court of Kerala.
- 10 The Statutory Auditors of the Company have qualified their opinion in their Audit report with respect to the matters stated paragraphs 3, 5.a, 5.b, 5.c, and 7 above and emphasised the matters stated at 8 and 9 above.
- 11 The figure for the corresponding previous period ended have been regrouped / reclassified wherever necessary to make them comparable.
- 12 The copy of this notice is also posted on the website of the Company at [www.tcifl.in](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).

Place: Hyderabad  
Date: May 11, 2023



Mahendra  
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Agarwal

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For and on behalf of the Board  
TCI Finance Limited

Mahendra Kumar Agarwal  
Director, DIN : 0179779



**TCI FINANCE LIMITED**

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

CIN: L66910TG1973PLC031293, www.tcifl.in

Phone No : 040-71204284 & Fax No : 040-23112318

**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023**

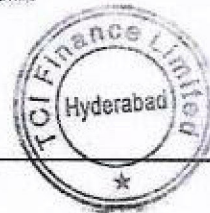
(₹ in Lakhs)

Particulars	Quarter Ended			Year ended	
	31-03-2023 Audited	31-12-2022 Unaudited	31-03-2022 Audited	31-03-2023 Audited	31-03-2022 Audited
Total income from operations (Net)	0	-	295	0	453
Net Profit / (Loss) from ordinary activities after tax	(40)	(86)	(3,220)	(251)	(3,296)
Net Profit / (Loss) for the period after tax (after Extraordinary items)	(40)	(86)	(3,220)	(251)	(3,296)
Total Comprehensive Income for the period (comprising Profit (Loss) and other Comprehensive Income for the period)	(958)	(366)	(4,906)	(1,611)	(1,688)
Equity Share Capital	1267	1287	1287	1287	1287
Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)				(7,705)	(6,094)
Earnings Per Share (before extraordinary items) (₹ 10/-each)					
Earnings Per Share (before extraordinary items) (₹ 10/-each)					
Basic :	(0.31)	(0.66)	(25.02)	(1.95)	(25.61)
Diluted :	(0.31)	(0.66)	(25.02)	(1.95)	(25.61)
Earnings Per Share (after extraordinary items) (₹ 10/- each)					
Earnings Per Share (after extraordinary items) (₹ 10/- each)					
Basic :	(0.31)	(0.66)	(25.02)	(1.95)	(25.61)
Diluted :	(0.31)	(0.66)	(25.02)	(1.95)	(25.61)

**Notes:**

- The above results have been reviewed by the audit committee and approved by the Board of Directors at their meeting held on dated May 11, 2023.
- The above is an extract of the detailed format of year ended March 31, 2023 Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the year ended March 31, 2023 are available for investors at www.tcifl.in, www.bseindia.com & www.nseindia.com.
- The auditors have provided the Audit report with modified opinion and the same can be accessed from the financial results submitted alongwith the Audit report to the Stock Exchanges at www.bseindia.com & www.nseindia.com and also from the website of the Company at www.tcifl.in

Place : Hyderabad  
Date : May 11, 2023



For and on behalf of the Board

TCI Finance Limited

Mahendra Kumar Agarwal  
Director, DIN : 0179779

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Kumar  
Agarwal

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**TCI FINANCE LIMITED**

(Regd. Office: Plot No 20, Survey No 12, 4th Floor, Kothaguda, Kondapur, Hyderabad- 500081)  
(CIN No: L65910TG1973PLCO31293; Phones: 040- 7120 4284; website: [www.tcifl.com](http://www.tcifl.com))

Statement on Impact of Audit Qualifications submitted along-with Annual Audited Financial  
Results for the Financial Year ended March 31, 2023.

[As per Regulation 33/ 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. In Lakhs)

I.	SLNo	Particulars	Audited Figure (as reported before adjusting for Qualifications)	Audited Figure (as reported after adjusting for Qualifications)
	1	Turnover/Total Income	0.06	0.06
	2	Total Expenditure	251.09	19947.01
	3	Net Profit/(Loss)	(251.03)	(19946.95)
	4	Earnings Per Share (in Rs.) (-Negative)	(2)	(15.49)
	5	Total Assets	4616.39	2741.36
	6	Total Liabilities	10901.70	28722.59
	7	Net Worth	6285.31	4410.28
II.	<p>a. Audit Qualification</p> <p>I. Note no 3 of the accompanying statement regarding claims on the Company by the lenders of Amrit Jal Ventures Private Limited and Gati Infrastructure Bhasmey Power Private Limited aggregating to Rs. 25,619.80 Lakhs due to the invocation of corporate guarantee given by the Company. Against the said liability, the company during the year 2019-2020, considering the disputing nature of the claim and unlawful invocation of the corporate guarantee made a provision of Rs. 7,798.91 Lakhs. As at March 31, 2023, the company has disclosed the balance amount of liability Rs. 17,820.89 Lakhs as contingent liability in its financial statements. In the absence of adequate basis for recognition of partial liability In our opinion the Company ought to have recognised the liability in its books. Had the liability been recognised the loss for the year and accordingly the other equity (negative balance) will be higher by Rs.17,820.89 Lakhs</p> <p>II. Note no 5 (a) of the accompanying statement 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 lender to the Company. However, the Company continued to present the said equity shares as investment at fair value as at March 31, 2023 despite invocation for the reasons stated in the said note. Fair value of the invoked shares considered as an asset aggregates to Rs. 973.77 Lakhs. Considering that investments have been sold, we are unable to comment on the appropriateness of presentation of fair value of said equity shares as investments in the financial statements. Further in view of the uncertainty relating to recoverability of the said investment, we are unable to comment on the impact, if any, on the loss for the year and other equity as at March 31, 2023.</p>			

Mahendra  
Kumar  
Agarwal

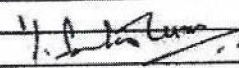
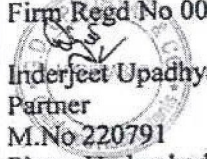
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	<p>III. Note no 5 (b) of the accompanying statement regarding the investments in equity shares of the Company held in GATI Limited pledged for the facilities availed by Amrit Jal Ventures Private Limited (AJVPL). The lenders of GIPL invoked the pledge and realised their dues in the year 2016-17. However, the company continued to present the said equity shares as investment at fair value as at March 31, 2023 despite invocation for the reasons stated in the said note. During the year 2022-23, the company has accounted for the invoked shares and value realised of RS. 1875.03 Lakhs as receivable. However, the latest audited financial statements of GIPL which shows negative networth and there are substantial amount of borrowings in the Company. These circumstances raise a doubt on the realisability of the amounts receivable from GIPL. In the absence of adequate evidence with respect to realisation of Rs. 1875.03 Lakhs, we are unable to comment on the ultimate recovery and short fall, if any, as at the yearend</p> <p>IV. Note 5 (c) regarding the investments in equity shares of the Company held in Gati Limited pledged for the facilities availed by Amit Jal Ventures Private Limited (AJVPL). The lenders of AJVPL invoked the pledge and realised their dues. However, the Company continued to present the said equity shares as investment at fair value as at March 31, 2021 despite invocation for the reasons stated in the said note. Fair value of the invoked shares considered as an asset aggregates to Rs. 810,64 Lakhs Considering that investments have been sold, we are unable to comment on the appropriateness of presentation of fair value of said equity shares as investments in the financial statements. Further in view of the uncertainty relating to recoverability of the said investment, we are unable to comment on the impact, if any, on the loss for the year and other equity as at March 31, 2023</p> <p>V. Note no 7 of the accompanying statement regarding preparation of the 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 financial statements on a going concern is not appropriate. Hence, we are unable to comment on the effect on carrying value of assets and liabilities had the financial statements been prepared not as a going concern.</p> <p>VI. Note 9 regarding non-provision of current tax for the year 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.</p> <p>VII. The Company has received communication from RBI regarding non-reporting of matters reported at para II , III and IV and a direction to account the same in the financial statements of March 31, 2020. As the Company received the complaint, post the audit of March 31, 2021, the Company has submitted the revised financial position [i.e. special purpose reporting] by adjusting the above said qualifications. These financial results and the financial information for the current year do not include any adjustments contained in the directions of the RBI. We are unable to comment on effect on presentation and disclosure of financial results and the financial information had the Company followed the directions of the RBI</p>
	<p>b. Type of Audit Qualification: Qualified Opinion</p>

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	<p>c. Frequency of qualification:</p> <ol style="list-style-type: none"> <li>I. Emphasized in March 31, 2019 Audit report and limited review of June 2019, September 2019, December 2019 and as qualification since March 31, 2020.</li> <li>II. Emphasized since Year ended March 31, 2019 Audit report and limited reviews for the quarters till June 30, 2021. Given as a qualification since limited review of September 30, 2021.</li> <li>III. Emphasized in March 31, 2019 Audit report and limited review of June 2019, September 2019, December 2019 and as qualification since March 31, 2020.</li> <li>IV. Emphasized in March 31, 2019 Audit report and limited review of June 2019, September 2019, December 2019 and as qualification since March 31, 2020.</li> <li>V. Emphasized in March 31, 2019 Audit report and limited review of June 2019, September 2019, December 2019 and as qualification since March 31, 2020.</li> <li>VI. Qualification since June 30, 2020 limited review.</li> <li>VII. Qualification since March 31, 2022 Audit Report.</li> <li>VIII. Qualification since March 31, 2022 Audit Report.</li> </ol>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor:</p>
	<p><b>Management views:</b></p> <ol style="list-style-type: none"> <li>I. The Company has made a provision on an estimated basis considering the disputed nature of the claim and unlawful invocation of the corporate guarantee.</li> <li>III. Management of the Company is expecting to recover the above said balances in its entirety and is of opinion that no provision is warranted at this moment.</li> <li>VI. In view of the discussion and negotiations, management is of the view that interest expenses is not required to be recognised.</li> </ol>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <ol style="list-style-type: none"> <li>ii. The Company has taken necessary legal recourse for the restoration of the invoked shares</li> <li>iv. The Company has taken necessary legal recourse for the restoration of the invoked shares</li> <li>v. Management of the Company is in the process of identifying various alternatives / new areas to venture into for reviving the company. In view of the same, financial statements of the company have been prepared on going concern basis</li> <li>vii. Management is of the view that Income tax is to be paid on the gain on the sale of investments only when the amount is realized.</li> <li>viii. 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</li> </ol>
	<p>Signatories :</p>
	<p>Director</p>
	<p>CFO V Santosh Kumar </p>
	<p>Audit Committee Chairman</p>
	<p>Statutory Auditor  For G.D, Upadhyay &amp; Co.,  Chartered Accountants  Firm Regd No 005834S    Inderjeet Upadhyay  Partner  M.No 220791  Place: Hyderabad, TS  Date: 11/05/2023</p>

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