

May 30, 2022

<p>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</p> <p>Scrip Code: 501242</p>	<p>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</p> <p>Scrip Code : TCIFINANCE</p>
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Dear Sir,

Sub: - 1. Annual Audited Financial Results for the Fourth Quarter and Financial Year ended 31st March, 2022.

2. Outcome of Board Meeting of the Company held on 30th May, 2022.

This is to inform you that the Board of Directors of the Company at their meeting held today i.e on Monday, May 30, 2022, 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 31st March, 2022. In this regard, please find enclosed:

- Audited Standalone Financial Results of the Company for the fourth quarter and financial year ended 31st March, 2022;
- Auditor's Report in respect of the Audited Standalone Financial Results of the Company for the financial year ended 31st March, 2022;
- 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, on the website of the National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com).

The meeting of Board of Directors was commenced at 01:30 PM and concluded at 2:00 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



Independent Auditor's Report

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

Report on the audit of the Annual Financial Results

Qualified Opinion

1. We have audited the accompanying annual financial results of **TCI Finance Limited** ("the Company") for the quarter and year ended March 31, 2022 ("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, 2022.

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 2019-2020, 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, 2022 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.
 - b. Note no 4 (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 lender to the Company. However, the Company continued to present the said equity shares as investment at fair value as at March 31, 2022 despite invocation for the reasons stated in the said note. Fair value of the invoked shares considered as an asset aggregates to Rs.1,584.42 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, 2022.
 - c. Note no 4 (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 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, 2021 despite invocation for the reasons stated in the said note. During the year 2021-22, 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 amount's 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 year end. Further, the accounting of sale transaction in the current financial year is not in accordance with Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors. We are unable to comment on effect of the accounting of sale on loss for the year, other comprehensive income and retained earnings had the Company accounted for the sale in accordance with Ind AS 8.

- d. Note no 4 (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 realised their dues. However, the Company continued to present the said equity shares as investment at fair value as at March 31, 2022 despite invocation for the reasons stated in the said note. Fair value of the invoked shares considered as an asset aggregates to Rs. 1,388.99 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, 2022.
- e. Note no 6 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, in opinion, preparation of financial statements on a going concern is not appropriate. Hence, we are unable to comment on the effect on carrying value of assets and liabilities had the financial statements been prepared not as a going concern.
- f. Note no 7 regarding non recognition of interest expense of Rs. 96.00 Lakhs for the year ended March 31, 2022 for the reasons stated in the said note. The interest expense not recognised, upto March 31, 2022 aggregates to Rs. 215.87 Lakhs. Consequently, loss for the year is lower by Rs. 96.00 Lakhs and Other Equity (negative balance) and borrowings are lower by Rs. 215.87 Lakhs.
- g. Note 10 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.
- h. The Company has received communication from RBI regarding non-reporting of matters reported at para (b), (c) and (d) above 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.

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

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 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:
- Note no 8 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.
 - Note no 9 of the accompanying statement regarding the receipt of the 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.

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, 2022 and March 31, 2021 being the balancing figures between the audited figures in respect of the financial year ended March 31, 2022 and March 31, 2021 and the published unaudited year-to-date figures up to December 31, 2021 and December 31, 2020, which were subjected to a limited review by us, as required under the Listing Regulation.

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



M V Ramana Murthy
Partner

Membership No.206439

UDIN: 22206439AJXPEO5826

Hyderabad, May 30, 2022.

TCL FINANCE LIMITED

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

CIN No : L65910TG1973PLC031293

www.tcifl.in

(Rs. in Lakh)

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

	Particulars	Quarter Ended			Year Ended	
		31-03-2022 Audited *	31-12-2021 Unaudited	31-03-2021 Audited *	31-03-2022 Audited	31-03-2021 Audited
	Revenue from operations					
i	Interest Income	-	-	(98)	-	422
ii	Dividend Income	-	-	-	0	3
iii	Rental Income	1	1	-	3	-
iv	Others	294	-	-	450	-
I	Total Revenue from operations	295	1	(98)	453	425
II	Others Income	7	-	-	9	-
III	Total Income (I+II)	302	1	(98)	462	425
	Expenses					
i	Finance Costs	38	39	42	153	224
ii	Employee Benefits Expenses	4	6	6	21	40
iii	Depreciation, amortization and impairment	1	1	1	2	3
iv	Others expenses (to be specified)	13	9	17	52	79
v	Loss on sale of investments	-	-	-	-	-
vi	Impairment loss on loans	3,466	-	856	3,466	856
vii	Provision for interest receivable	-	-	-	-	-
viii	Fair value loss on Optionally Convertible Debentures	-	-	-	-	-
ix	Fair value loss on unquoted equity shares	-	-	-	-	-
IV	Total Expenses (IV)	3,522	55	922	3,694	1,202
V	Profit / (loss) before exceptional items and tax (III-IV)	(3,220)	(54)	(1,020)	(3,232)	(777)
VI	Exceptional Items	-	-	-	-	-
VII	Profit / (loss) before tax (V-VI)	(3,220)	(54)	(1,020)	(3,232)	(777)
VIII	Tax Expenses					
	1. Current Tax	-	(12)	(49)	64	-
	2. Deferred Tax	-	-	-	-	0
IX	Profit / (loss) for the period from continuing operations (V+VII-VIII)	(3,220)	(42)	(971)	(3,296)	(777)
X	Profit / (loss) for the period	(3,220)	(42)	(971)	(3,296)	(777)
XI	Other Comprehensive Income					
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	Subtotal (A)					
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)					
	Remeasurement gain/(loss) on investments	(2,003)	2,199	154	1,625	2,405
	Deferred tax on remeasurement gain on investments	317	(220)	(307)	(16)	(307)
	Remeasurement gain/(loss) on Corporate Guarantee	-	-	-	-	-
	Remeasurement gain/(loss) on Defined Benefit Plan	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Subtotal (B)	(1,686)	1,979	(153)	1,608	2,098
	Other Comprehensive Income (A+B)	(1,686)	1,979	(153)	1,608	2,098
XII	Total Comprehensive Income for the period (XIII+XIV)(comprising Profit (Loss) and other Comprehensive Income for the period)	(4,906)	1,937	(1,124)	(1,688)	1,321
XIII	Paid Up Equity Share Capital (Face value Rs. 10/- each)	1,287	1,287	1,287	1,287	1,287
XIV	Other Equity				(6,094)	(4,406)
XV	Earning per equity share (for continuing operations)*					
	Basic (Rs.)	(25.02)	(0.33)	(7.54)	(25.61)	(6.04)
	Diluted (Rs.)	(25.02)	(0.33)	(7.54)	(25.61)	(6.04)

* Quarter Earnings Per share figures are annualised

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Rs. in Lakhs

Notes

1 Disclosure of standalone assets and liabilities (Balance Sheet) as per Regulations 33 for the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2022

	Particulars	As at	As at
		31-03-2022	31-03-2021
		Audited	Audited
A	Assets		
1	Financial assets		
	Cash and cash equivalents	7	5
	Loans	-	3,317
	Other investments	4,284	4,724
	Other financial assets	1,878	2
	Sub-total - Financial assets	6,169	8,048
2	Non-Financial assets		
	Current tax assets (net)	-	170
	Deferred tax assets (net)	-	-
	Investment Property	88	88
	Property, plant and equipment	36	37
	Capital work-in-progress	1	1
	Sub-total - Non- financial assets	125	296
	Total Assets	6,294	8,344
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	48	40
	Borrowings	2,282	2,535
	Other financial liabilities	8,268	8,447
	Sub-total - Financial liabilities	10,598	11,022
2	Non-financial liabilities		
	Current tax liabilities (net)	46	-
	Provisions	1	1
	Deferred tax liabilities	323	307
	Sub-total - Non- financial liabilities	370	308
3	Equity		
	Equity Share capital	1,420	1,420
	Other equity	(5,094)	(4,406)
	Sub-total - Equity	(4,674)	(2,986)
	Total Liabilities and Equity	6,294	8,344

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TCI Finance Limited		
Standalone Cash Flow Statement for the Year ended March 31, 2022		
PARTICULARS	Year ended	Year ended
	March 31, 2022	March 31, 2021
	Rs. in Lakhs	Rs. in Lakhs
A. Cash Flow from Operating Activities		
Net profit before tax and extra ordinary items	(3,232)	(777)
Adjustments for:		
Depreciation and Amortisation	2	3
Profit on sale of Investments	(450)	-
Impairment loss on loans	3,317	856
Dividend received (Long Term Investments)	(0)	(3)
	(363)	79
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other financial assets	(1,877)	177
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	8	(2)
Other financial Liabilities	(179)	(33)
Long Term Provisions	(0)	(10)
Cash used in Operations	(2,411)	212
Net Income Tax Refunded	151	(42)
Net Cash used in Operations	(2,260)	170
Loans Received back/ (Disbursed) (Net)		-
Net Cash from / (used in) Operating Activities (A)	(2,260)	170
B. Cash Flow from Investing Activities		
Proceeds from Sale of Fixed assets	-	1
Purchase of Investment Property	(0)	(2)
Sale of Long Term Investments	2,516	35
Dividend received (Long term Investments)	0	3
Net cash from / (used in) Investing Activities (B)	2,515	38
C. Cash Flow from Financing Activities		
Repayment of long term and Short Term Borrowings (net)	(253)	(214)
Net cash from Financing Activities (C)	(253)	(214)
Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)	2	(6)
Cash and Cash Equivalents at the beginning of the year	5	11
Cash and Cash Equivalents at the end of the year	7	5
Components of Cash and Bank Balances comprises of :		
Cash on Hand	0	0
With Banks		
- in Current Accounts	7	5
- Deposit account	-	-
Cash and Bank Balances at the end of the year	7	5
For and on behalf of the Board		
Rajesh Kundra Director (DIN: 08959859)		

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Notes:

- 1 The above audited financial results have been reviewed by the audit committee and approved by the Board of Directors at their meeting held on May 30, 2022. In accordance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The financial results for the year ended March 31, 2022 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. 31,336.71 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. 25,619.80 Lakhs.
 - (ii) The Company made a provision of Rs. 7,798.91 Lakhs on an estimated basis considering the disputed nature of the claim and unlawful invocation of the corporate guarantee.
- 4 **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 their consent. 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".
- 5 **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 fair value of shares sold on the date of sale as interest free amount payable to said Guarantors – Rs. 297.56 Lakhs. Out of the said amount, the Company has paid an amount of Rs. 204.72 Lakhs and the balance of Rs. 92.84 Lakhs is outstanding as at March 31, 2022

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- 6 **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.
- 7 The Company has not recognised the interest expenses on certain borrowings amounting to Rs. 96.00 Lakhs for the year ended March 31, 2022 in view of the litigations with the respective lenders. Total interest expense not recognised upto March 31, 2022 aggregating to Rs. 215.87 Lakhs
- 8 **Petition before NCLT, Hyderabad:**
During the year 2019-20, three shareholders of the Company filed a petition before National Company Law Tribunal (NCLT), Hyderabad Bench, against the Company and the management alleging oppression of minority shareholders and mismanagement of affairs of the Company with regard to investments and loans and advances to certain related parties. In the said petition, the petitioners also included the statutory auditors of the Company regarding reporting requirements of said transactions. The Company and the respondents have taken necessary measures to contest the petition before the Honourable NCLT Bench and the hearings are in progress.
- 9 The Company had received a letter from the Reserve Bank of India to surrender the Certificate of Registration (COR) for voluntary deregistration as NBFC on account of non maintenance of minimum Net owned Funds (NOF). The company had sought a further period of 12 months for augmenting the NOF.
- 10 The company has not made provision for income tax on the gain realised on the accounting of the investments pledged as security for the credit facilities availed by Gati Infrastructure Private Limited and same was showed in receivable, there is no cash transactions. Refere case no [1997] 227 ITR 802 (Kerala)/[1997] 140 CTR 541 (Kerala) , High Court of Kerala
- 11 The Statutory Auditors of the Company have qualified their opinion in their Audit report with respect to the matters stated paragraphs 3, 4, 6, 7 and 10 above are emphasised the matters stated at 8 and 9 above.
- 12 The figure for the corresponding previous period ended have been regrouped / reclassified wherever necessary to make them comparable.
- 13 The copy of this notice is also posted on the website of the Company at www.tcifl.in and also on the websites of the stock exchanges at www.bseindia.com & www.nseindia.com.

For and on behalf of the Board

Rajesh Kundra
Director (DIN: 08959859)

Place: Hyderabad
Date: May 30, 2022

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TCI FINANCE LIMITED

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

CIN: L65910TG1973PLC031293, www.tcifl.in

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STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2022

(₹ In Lakhs)

Particulars	Quarter Ended			Year ended	
	31-03-2022 Audited	31-12-2021 Unaudited	31-03-2021 Audited	31-03-2022 Audited	31-03-2021 Audited
Total income from operations (Net)	295	1	(98)	453	425
Net Profit / (Loss) from ordinary activities after tax	(3,220)	(42)	(971)	(3,296)	(777)
Net Profit / (Loss) for the period after tax (after Extraordinary items)	(3,220)	(42)	(971)	(3,296)	(777)
Total Comprehensive Income for the period (comprising Profit (Loss) and other Comprehensive Income for the period)	(4,906)	1,937	(1,124)	(1,688)	1,321
Equity Share Capital	1287	1287	1287	1287	1287
Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)				(6,094)	(4,406)
Earnings Per Share (before extraordinary items) (₹ 10/- each)					
Earnings Per Share (before extraordinary items) (₹ 10/- each)					
Basic :	(25.02)	(0.33)	(7.54)	(25.61)	(6.04)
Diluted :	(25.02)	(0.33)	(7.54)	(25.61)	(6.04)
Earnings Per Share (after extraordinary items) (₹ 10/- each)					
Earnings Per Share (after extraordinary items) (₹ 10/- each)					
Basic :	(25.02)	(0.33)	(7.54)	(25.61)	(6.04)
Diluted :	(25.02)	(0.33)	(7.54)	(25.61)	(6.04)

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 30, 2022.
- The above is an extract of the detailed format of year ended March 31, 2022 Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the year ended March 31, 2022 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 30, 2022

For and on behalf of the Board

Rajesh Kundra
Director (DIN: 08959859)

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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, 2022.
[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	462	462	
	2	Total Expenditure	3693	23485	
	3	Net Profit/(Loss)	(3232)	(23023)	
	4	Earnings Per Share (in Rs.) (- Negative)	(26)	(17.89)	
	5	Total Assets	6294	4419	
	6	Total Liabilities	10969	29006	
	7	Net Worth	(4675)	(2457)	
II.	a.	Audit Qualification			
	i.	<p>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, 2022, 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>			
	ii.	<p>Note no 4 (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, 2022 despite invocation for the reasons stated in the said note. Fair value of the invoked shares considered as an asset aggregates to Rs. 1,584.42 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, 2022.</p>			
	iii.	<p>Note no 4 (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 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, 2021 despite invocation for the reasons stated in the said note. During the year 2021-22, 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 amount's receivable from GIPL. In the absence of adequate evidence with respect to realisation of Rs. 1875.03</p>			

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Lakhs, we are unable to comment on the ultimate recovery and short fall, if any, as at the year end. Further, the accounting of sale transaction in the current financial year is not in accordance with Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors. We are unable to comment on effect of the accounting of sale on loss for the year, other comprehensive income and retained earnings had the Company accounted for the sale in accordance with Ind AS 12.

- iv. Note 4 (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 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. 1,388.99 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, 2022.
- v. Note no 6 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.
- vi. Note no 7 of the accompanying statement regarding non recognition of interest expense of Rs. 96.00 Lakhs for the year ended March 31, 2022 for the reasons stated there under. Total interest expense not recognised, upto March 31, 2022, aggregates to Rs. 215.87 Lakhs. Consequently, loss for the year 2021-2022 is higher by Rs. 96.00 Lakhs and as at March 31, 2022 and Other Equity (negative balance) and Borrowings were lower by Rs. 215.87 Lakhs.
- vii. Note 10 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.
- viii. The Company has received communication from RBI regarding non-reporting of matters reported at para (b), (c) and (d) 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.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification:

- 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.
- 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.
- 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.
- 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.
- 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.
- vi. Qualification since June 30, 2020 limited review.

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	vii. First time
	viii. First time
d. For Audit Qualification(s) where the impact is quantified by the auditor:	
Management views:	
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.
iii.	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.
vi.	In view of the discussion and negotiations, management is of the view that interest expenses is not required to be recognised.
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
ii.	The Company has taken necessary legal recourse for the restoration of the invoked shares
iv.	The Company has taken necessary legal recourse for the restoration of the invoked shares
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
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.
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
Signatories:	
Director	
CFO V Santosh Kumar	
Audit committee Chairman	
Statutory Auditor	
For M Bhaskara Rao & Co.	
Chartered Accountants	
Firm Registration No: 0004595	
 M V Ramana Murthy Partner Membership No: 206439 	
Place: Hyderabad	
Date: May 30, 2022	

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