

**TCI FINANCE LIMITED**

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

CIN No : L65910TG1973PLC031293

www.tcifl.in

(₹ in Lakhs)

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2020 Un-audited	30-06-2020 Un-audited	30-09-2019 Un-audited	30-09-2020 Un-audited	30-09-2019 Un-audited	31-03-2020 Audited
	<b>Revenue from operations</b>						
i	Interest Income	174	172	81	346	162	387
ii	Dividend Income	-	-	1	-	1	34
iii	Rental Income	-	-	-	-	-	-
iv	Others	-	-	-	-	-	-
I	<b>Total Revenue from operations</b>	<b>174</b>	<b>172</b>	<b>82</b>	<b>346</b>	<b>163</b>	<b>421</b>
II	Others Income	-	-	-	-	-	2
III	<b>Total Income ( I+II )</b>	<b>174</b>	<b>172</b>	<b>82</b>	<b>346</b>	<b>163</b>	<b>423</b>
	<b>Expenses</b>						
I	Finance Costs	61	68	108	129	223	392
II	Employee Benefits Expenses	11	10	13	21	34	67
III	Depreciation, amortization and impairment	-	1	1	1	1	2
iv	Others expenses	32	12	138	44	405	57
v	Loss on sale of investments	-	-	-	-	-	510
vi	Impairment loss on loans	-	-	-	-	-	1,404
vii	Provision for interest receivable	-	-	-	-	-	243
viii	Fair value loss on Optionally Convertible Debentures	-	-	-	-	-	2,349
ix	Fair value loss on unquoted equity shares	-	-	-	-	-	628
IV	<b>Total Expenses ( IV )</b>	<b>104</b>	<b>91</b>	<b>260</b>	<b>195</b>	<b>663</b>	<b>5,652</b>
V	<b>Profit / (loss) before exceptional items and tax (III-IV)</b>	<b>70</b>	<b>81</b>	<b>(178)</b>	<b>151</b>	<b>(500)</b>	<b>(5,229)</b>
VI	Exceptional items	-	-	-	-	-	-
VII	<b>Profit / (loss) before tax (V-VI)</b>	<b>70</b>	<b>81</b>	<b>(178)</b>	<b>151</b>	<b>(500)</b>	<b>(5,229)</b>
VIII	<b>Tax Expenses</b>						
	1. Current Tax	-	-	-	-	-	-
	2. Deferred Tax	-	-	-	-	1	3
IX	<b>Profit / (loss) for the period from continuing operations ( VII-VIII)</b>	<b>70</b>	<b>81</b>	<b>(178)</b>	<b>151</b>	<b>(501)</b>	<b>(5,232)</b>
X	<b>Profit / (loss) for the period</b>	<b>70</b>	<b>81</b>	<b>(178)</b>	<b>151</b>	<b>(501)</b>	<b>(5,232)</b>
XI	<b>Other Comprehensive Income</b>						
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)						
	Remeasurement gain/(loss) on investments	392	(212)	(1,447)	180	(2,573)	(1,746)
	Remeasurement gain/(loss) on Corporate Guarantee	-	-	(270)	-	(539)	(1,078)
	Remeasurement gain/(loss) on Defined Benefit Plan	-	-	-	-	-	(3)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	<b>Subtotal (A)</b>	<b>392</b>	<b>(212)</b>	<b>(1,717)</b>	<b>180</b>	<b>(3,112)</b>	<b>(2,827)</b>
	(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 reclassified to profit or loss	-	-	-	-	-	-
	<b>Subtotal (B)</b>						
	<b>Other Comprehensive Income (A+B)</b>	<b>392</b>	<b>(212)</b>	<b>(1,717)</b>	<b>180</b>	<b>(3,112)</b>	<b>(2,827)</b>
XII	<b>Total Comprehensive Income for the period (XIII+XIV)(comprising Profit (Loss) and other Comprehensive Income for the period)</b>	<b>462</b>	<b>(131)</b>	<b>(1,894)</b>	<b>331</b>	<b>(3,613)</b>	<b>(8,059)</b>
XIII	<b>Paid Up Equity Share Capital (Face value ₹ 10/- each)</b>	<b>1,287</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>(5,727)</b>
XV	<b>Earning per equity share ( for continuing operations)*</b>						
	Basic (Rs.)	0.54	0.63	(1.38)	1.18	(3.89)	(40.65)
	Diluted (Rs.)	0.54	0.63	(1.38)	1.18	(3.89)	(40.65)

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



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Notes  
**1 Disclosure of standalone assets and liabilities (Balance Sheet) as per Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended September 30, 2020**

A	Particulars	As at	As at	As at
		30-09-2020	30-09-2019	31-03-2020
		Unaudited	Unaudited	Audited
	<b>Assets</b>			
1	<b>Financial assets</b>			
	Cash and cash equivalents	15	12	11
	Bank balances other than cash and cash equivalents	-	-	-
	Trade receivables	-	-	-
	Loans	4,174	3,234	4,174
	Investment in subsidiaries and joint ventures	-	-	-
	Other investments	2,534	7,267	2,355
	Other financial assets	292	88	179
	Sub-total - Financial assets	7,016	10,601	6,719
2	<b>Non-Financial assets</b>			
	Current tax assets (net)	162	133	128
	Deferred tax assets (net)	-	2	-
	Investment Property	88	88	88
	Property, plant and equipment	41	38	40
	Capital work-in-progress	-	-	-
	Other non-financial assets	-	-	-
	Sub-total - Non- financial assets	291	261	256
	<b>Total Assets</b>	<b>7,306</b>	<b>10,862</b>	<b>6,975</b>
B	<b>Liabilities and equity</b>			
1	<b>Financial liabilities</b>			
	Trade payable			
	Total outstanding dues of micro enterprises and small enterprises	-	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	35	48	42
	Loans	3,153	3,140	3,174
	Other financial liabilities	8,083	7,529	8,056
	Sub-total - Financial liabilities	11,271	10,717	11,272
2	<b>Non-financial liabilities</b>			
	Current tax liabilities (net)	-	-	-
	Provisions	11	6	11
	Other non-financial liabilities	-	-	-
	Sub-total - Non- financial liabilities	11	6	11
3	<b>Equity</b>			
	Equity Share capital	1,420	1,420	1,420
	Other equity	(5,396)	(1,281)	(5,727)
	Sub-total - Equity	(3,976)	139	(4,308)
	<b>Total Liabilities and Equity</b>	<b>7,306</b>	<b>10,862</b>	<b>6,975</b>



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**Notes:**

- 1 The above unaudited financial results have been reviewed by the audit committee and approved by the Board of Directors at their meeting held on November 12, 2020. In accordance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The financial results for the period ended September 30, 2020 have been subjected to Limited Review by the statutory auditors and the report thereon is modified.
- 2 The Company is mainly engaged in financing activities which constitutes a single business segment.
- 3 **Exposures to Amrit Jal Ventures Private Limited (AJVPL) and its subsidiaries:**  
The Company in the earlier years, has given Corporate Guarantees to the lenders of AJVPL and its wholly owned subsidiary – Gati Bhasmey Limited – aggregating to Rs. 31,336.71 Lakhs. Certain lenders of these entities have invoked the Guarantees and raised claims on the Company aggregating to Rs. 25,619.80 Lakhs. 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):**  
As at September 30, 2020, the Company is having a carrying value of advances given to MIAPL Rs. 4184.52 Lakhs. These advances include, 31,79,385 equity shares in Gati Limited held by the Company, invocation by the lenders of MIAPL given as guarantee by the Company aggregating to Rs. 2379.13 Lakhs. Further the Company has interest receivable and TDS receivable amounting to Rs. 289.15 and Rs. 115.89 Lakhs respectively as on September 30, 2020. Out of the said interest receivable and TDS receivable, the Company could realise an amount of Rs. 166 lakhs against loan and Rs. 44 lakhs against interest respectively subsequent to September 30, 2020.  
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.
- 5 **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, AJVPL and the Company entered into a tripartite 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".
  - 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.



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**Notes:**

- 6 **Liability for sale of shares of other entities given as guarantee 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 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. 279.60 Lakhs.
- 7 **Going Concern:**  
The Company was having a negative networth of Rs. 3,974.91 Lakhs as at 30 September, 2020. 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 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 has not recognised the interest expenses on certain borrowings to Rs. 40.55 Lakhs for the half year ended September 30, 2020 in view of the litigations with the respective lenders
- 9 **Petition before NCLT, Hyderabad:**  
During the year 19-20, 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.
- 10 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 at this juncture is dependent on future developments which are highly uncertain.
- 11 Employee benefits expenses include salary and other benefits of Rs. 5.68 Lakhs for the period from July 01, 2020 till to the AGM date i.e September 29, 2020 of EX-Manager of the Company. The reappointment of the EX-Manager of the company for the period from 01.07.2020 was approved in the board meeting held on July 31, 2020. However the same was not approved in the AGM held on 29.09.2020. The same was accounted basing on the opinion obtained from experts dated November 02, 2020.
- 12 The Statutory Auditors of the Company have qualified their conclusion in their review report with respect to the matters stated paragraphs 3,4, 5.b,5.c,7 and 8 above and emphasised the matters stated at 5.a and 9 above.
- 13 The figures for the corresponding previous period ended have been regrouped / reclassified wherever necessary to make them comparable.
- 14 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: November 12, 2020



For and on behalf of the Board

Mahendra Kumar Agarwal  
Director (DIN: 00179779)



TCI Finance Limited			
Standalone Cash Flow Statement for the period ended September 30, 2020			
PARTICULARS	Half year ended		Year ended
	Sep 30, 2020	Sep 30, 2019	March 31, 2020
	₹	₹	₹
<b>A. Cash Flow from Operating Activities</b>			
Net profit before tax and extra ordinary items	151	(500)	(5,229)
Adjustments for:			
Depreciation and Amortisation	2	1	2
Loss on sale of Investments	-	122	510
Income derecognised relating to earlier years	-	243	-
Profit on sale of assets	-	-	-
Provision for investments	-	-	2,977
Provision for interest receivable	-	-	243
provision for doubtful loans	-	-	1,404
Dividend received (Long Term Investments)	(0)	(1)	(34)
	153	(135)	(127)
<b>Changes in working capital:</b>			
<b>Adjustments for (increase) / decrease in operating assets:</b>			
Other financial assets	(113)	369	278
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
Trade Payables	(7)	5	(1)
Other financial Liabilities	28	229	217
Long Term Provisions	-	1	3
<b>Cash used in Operations</b>	60	469	370
Net Income Tax Refunded	(35)	8	7
<b>Net Cash used in Operations</b>	26	476	377
<b>Loans Received back/ (Disbursed) (Net)</b>	-	(319)	(2,663)
<b>Net Cash from / (used in) Operating Activities (A)</b>	26	157	(2,286)
<b>B. Cash Flow from Investing Activities</b>			
Proceeds from Sale of Fixed assets	-	-	-
Purchase of Investment Property	-	-	-
Purchase of Intangible assets	(1)	-	-
Purchase of Property, Plant and Equipment	-	-	(3)
Sale of Long Term Investments	-	133	2,512
Dividend received (Long term investments)	0	1	34
<b>Net cash from / (used in) Investing Activities (B)</b>	(1)	134	2,543
<b>C. Cash Flow from Financing Activities</b>			
Repayment of long term and Short Term Borrowings (net)	(21)	(286)	(252)
<b>Net cash from Financing Activities (C)</b>	(21)	(286)	(252)
<b>Net Increase / Decrease in Cash and Cash Equivalents (A+B+C)</b>	3	5	4
<b>Cash and Cash Equivalents at the beginning of the period</b>	12	7	7
<b>Cash and Cash Equivalents at the end of the period</b>	15	12	11
Components of Cash and Bank Balances comprises of :			
Cash on Hand	0	0	0
With Banks			
- In Current Accounts	15	12	11
- Deposit account	-	-	-
<b>Cash and Bank Balances at the end of the period</b>	15	12	11
Accompanying notes form an integral part of the Standalone Financial Statements			
As per our report of even date attached.			
For M. Bhaskara Rao & Co.		For and on behalf of the Board	
Chartered Accountants			
V K Muralidhar		Mahendra Kumar Agarwal	
Partner		Director (DIN: 00179779)	
Hyderabad, November 12, 2020			



*Mahendra Kumar Agarwal*  
Mahendra Kumar Agarwal  
Director (DIN: 00179779)

