



# TRANSWARRANTY FINANCE LIMITED

TFL\SEC\2017\28

23/08/2017

The Manager,  
Corporate Relations Dept.,  
Bombay Stock Exchange Ltd.,  
P.J. Towers,  
Dalal Street, Fort  
Mumbai- 400 001

The Manager  
Listing Department  
National Stock Exchange of India Ltd.  
Bandra Kurla Complex  
Bandra (East)  
Mumbai

**BSE Scrip Code : 532812**

**NSE Scrip Code : TFL**

Dear Sir,

**Sub: Annual report 2016-17 pursuant to Regulation 34 of SEBI Listing Regulations**

Please find attached the Annual Report of our Company for the financial year 2016-17 as required Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, duly approved and adopted by the members at the Annual General Meeting held on 10/08/2017.

We request you to kindly take the same on record.

Thanking you

Yours faithfully,  
For Transwarranty Finance Limited

Company Secretary



Encl : as above

**CIN : L65920MH1994PLC080220**

403, Regent Chambers, Nariman Point, Mumbai - 400 021. • Tel : 6630 6090 / 2204 7965  
Fax : 6630 6655 / 4001 0999 • e-mail : mail@transwarranty.com • website : www.transwarranty.com



**TRANSWARRANTY FINANCE LIMITED**

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**FINANCIAL ENGINEERS**

**23<sup>rd</sup> Annual Report 2016-17**

# Board of Directors



**Mr. Kumar Nair**  
*Managing Director*

**Mr. Kumar Nair**, is a qualified F.C.A. and OPM (HBS). He has over two decades of experience in Financial Services, Capital Market and Investment Banking. Prior to this he was a key member of the core senior

management team at Kotak Mahindra Finance Limited.



**Mr. Ramachandran U.**  
*Director & CFO*

**Mr. U. Ramachandran**, B.Com, FCA, has close to 3 decades experience in Audit and Accounting profession.



**Mr. Sudharsanan Nair**  
*Director*

**Mr. Sudharsanan Nair**, is B.Com. (Hons.) from Mumbai University. He started as a Banker with Syndicate Bank foreign exchange department. He was associated in promoting Verdia Marble Pvt. Ltd., a

marble mining Company. He was Managing Director of Intellvisions Software Ltd., a listed Company, till 2014.



**Mr. Pravin Khatau**  
*Director*

**Mr. Pravin Khatau**, was a Senior Director in Goldman Sachs & Co., and Barings in London. He has done his Master in Business Administration from Wharton. Presently he is a private investor through his company LRM Holdings, Monaco.



**Mrs. Nirmala Sachin Parab**  
*Director*

**Mrs. Nirmala Sachin Parab**, B.Com., MBA, has over 10 years experience in project financing with IFCI Ltd.

## CORPORATE INFORMATION

### Board of Directors

Mr. Kumar Nair	<i>Managing Director</i>
Mr. U. Ramachandran	<i>Director &amp; CFO</i>
Mr. Sudharsanan Nair	<i>Director</i>
Mr. Pravin D. Khatau	<i>Director</i>
Mrs. Nirmala Sachin Parab	<i>Director</i>

### Company Secretary

Mr. Sreedhar H.

### Auditors

Rahul Gautam Divan & Associates  
Chartered Accountants  
C/o. Midsnell, 134, Mittal Tower C,  
Nariman Point, Mumbai 400 021.

### Bankers

ICICI Bank Limited  
The Catholic Syrian Bank Limited  
The Federal Bank Limited  
HDFC Bank Limited  
Axis Bank Limited

### Registered and Corporate Office

CIN: L65920MH1994PLC080220  
403, Regent Chambers,  
Nariman Point, Mumbai – 400021.  
Tel. No. : 91-022-66306090, 40010900  
Fax No. : 91-022-66306655  
Website : [www.transwarranty.com](http://www.transwarranty.com)  
e-mail id : [mail@transwarranty.com](mailto:mail@transwarranty.com)

### Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.  
C-101, 247 Park, LBS Marg,  
Vikhroli (W), Mumbai – 400 083.  
Tel. No. 91-022-49186270  
Fax No. 91-022-49186060  
e-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
website: [www.linkintime.co.in](http://www.linkintime.co.in)

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## NOTICE

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of Transwarranty Finance Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, on Thursday, 10<sup>th</sup> August, 2017 at 10.30 a.m. to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2017 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. U. Ramachandran (DIN 00493707) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. Rahul Gautam Divan & Associates, Chartered Accountants (Firm Registration No. 120294W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 24<sup>th</sup> Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company or any Committee thereof.”

### Special Business:

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT as recommended by the Nomination, Remuneration & Compensation Committee and pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V of the said Act, consent and approval of the Company be and is hereby accorded to the re-appointment of and remuneration to Mr. Kumar Nair (DIN 00320541) as Managing Director and Chief Executive Officer of the Company for a period of three (3) years with effect from 1<sup>st</sup> September, 2017 on the following terms:

### Terms of Remuneration:

- 1) **Salary:** Remuneration not exceeding ₹ 60 lakhs p.a. including perquisites and other allowances as may be determined by the Board of Directors of the Company or Nomination, Remuneration & Compensation Committee.

### 2) Perquisites and other allowances:

- i. Provident Fund-12 % of basic salary
- ii. Company provided furnished accommodation
- iii. Re-imbursment of medical expenses, gas, telephone, society maintenance charges, electricity, water – At actual
- iv. Company provided Car
- v. Children’s education allowance: In case children studying in or outside India, an allowance limited to maximum of ₹ 12,000 per month per child or actual expenses incurred, whichever is less. Such allowance is admissible upto a maximum of two children.
- vi. Leave Travel Concession: Return passage for self and family in accordance with the rules specified by the Company.

### 3) The following perquisites will not be included in the computation of the ceiling of perquisites:

- i. Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service.
- ii. Encashment of leave at the end of tenure.
- iii. Performance incentive- As per the rules of the Company

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Kumar Nair’s office as Managing Director, the remuneration set out above be paid or granted to Kumar Nair as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in the Schedule V to the Companies Act, 2013 or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactments thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things at its absolute discretion, it may consider necessary or desirable in order to give effect to this resolution.”

For **Transwarranty Finance Limited**

Place : Mumbai

Sd/-

Date : April, 27, 2017

Company Secretary

### Regd Office:

403, Regent Chambers,  
Nariman Point, Mumbai 400021

**NOTES:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No. 2 of the Notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 4<sup>th</sup> August, 2017 to Thursday, 10<sup>th</sup> August, 2017 (both days inclusive).  
Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by notifying the Company at [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com) or Registrar & Share Transfer Agents of the Company, Link Intime India Pvt. Ltd. at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
5. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents (RTA), Link Intime India Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.  
  
The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA.
7. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The facility of casting the votes by the members using electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
8. The facility for voting through polling paper/ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
9. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on the cut-off date i.e. 3<sup>rd</sup> August, 2017 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 AM on 7<sup>th</sup> August, 2017 and will end at 5.00 PM on 9<sup>th</sup> August, 2017. The Company has appointed Mr. M.P. Sharma, Practicing Company Secretary (C. P. No. 4536) to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

**PROCEDURE FOR E-VOTING:**

The remote e-voting period commences at 9.00 AM on 7<sup>th</sup> August, 2017 and will end at 5.00 PM on 9<sup>th</sup> August, 2017. During this period, the members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 3<sup>rd</sup> August, 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolution is cast by the member, the member shall not be allowed to change it subsequently.



**The instructions for members for voting electronically are as under:-**

- I. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
  - (iii) Click on Shareholder - [Login](#)
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select “EVEN” of “Transwarranty Finance Limited”.
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [mpsharma1952@gmail.com](mailto:mpsharma1952@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

<b>EVEN (Remote e-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/ PIN</b>
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- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 3<sup>rd</sup> August, 2017.
- VI. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 3<sup>rd</sup> August, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.
- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. Mr. M. P. Sharma, Practicing Company Secretary (CP No. 4536) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty-eight hours of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.transwarranty.com](http://www.transwarranty.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited & NSE Limited, Mumbai.
10. Members may please note that pursuant to the provisions of Section 124 of the Companies Act, 2013, unclaimed dividend for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government and no claim shall lie against the said fund or the Company for the amounts of dividend so transferred to the said fund when the same falls due for such transfer.

The details of dividend paid by the Company and respective due dates of transfer to the said Fund which remain unclaimed are as under:

Date of Declaration	Dividend for the year	Amount unclaimed (₹)	Due date for transfer
12-09-2012	2011 - 12	25,523.50/-	18-10-2019

11. Members are requested to address all correspondences, including dividend matters to the Registrars and Transfer Agents of the Company.
12. The Company has designated an exclusive email Id viz. [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com) to enable the investors to post their grievances and monitor its redressal.

**Explanatory Statement pursuant to Sec. 102 (1) of the Companies Act, 2013 & additional information on directors recommended for appointment/re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

#### Item No.2

##### Re-appointment of Mr. U. Ramachandran (DIN 00493707)

Mr. U. Ramachandran is B.Com. F.C. A. He was a senior partner with M/s. Haridas Associates, a leading firm of Chartered Accountants in Mumbai.

Mr. U. Ramachandran is the Managing Director of the Subsidiary Company, Vertex Securities Limited.

Mr. U. Ramachandran has excellent knowledge in Audit, Capital Market and Investment Banking.

Mr. U. Ramachandran is a director of following Companies:

- Vertex Securities Limited
- Vertex Commodities & Finpro Pvt. Ltd.
- Transwarranty Capital Market Services Pvt. Ltd.
- Welworth Sales & Services Pvt. Ltd.
- Suncem Surface Coatings Pvt. Ltd.

Mr. U. Ramachandran holds 2,66,909 equity shares of ₹ 10/- each in the Company.

Except Mr. U. Ramachandran none of the directors or Key Managerial Personnel and their relatives is interested or concerned in the appointment of Mr. U. Ramachandran.

#### Item No. 4

##### Re-appointment of Mr. Kumar Nair as the Managing Director and Chief Executive Officer of the Company (DIN 00320541)

Mr. Kumar Nair was re-appointed as the Managing Director of the Company at the 20<sup>th</sup> Annual General Meeting of the Company held on 19<sup>th</sup> September, 2014 for a period of three years with effect from 1<sup>st</sup> September, 2014 with a remuneration not exceeding ₹ 42 lakhs p.a.

The Board of Directors has approved the terms of re-appointment of Mr. Kumar Nair for a period of three (3) years with effect from 1st September, 2017 with a remuneration not exceeding ₹ 60 lakhs p.a. as per the recommendation of the Nomination and Remuneration Committee subject to the further approval by the members of the Company.

The Board recommends the resolution under Item No. 4 for your approval.

A statement containing information required to be provided to the shareholders as per the provisions of Schedule V in respect of re-appointment of Mr. Kumar Nair (DIN 00320541) is given below:

#### I. General Information:

**Nature of Industry:** The Company is a Reserve Bank of India (RBI) registered Non-banking Finance Company (NBFC) engaged in wide spectrum of financial services, both advisory and fund based lending. The Company has three major business operations in advisory services consisting of Trade Finance, Corporate Finance and Investment Banking.

#### Financial performance based on given indicators:

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
	Standalone		
Total Income	11,85,61,730	10,01,47,997	8,02,97,524
Total Expenditure (including Finance Cost, depreciation and tax and exceptional items)	11,11,24,703	9,87,18,242	7,92,01,894
Profit/Loss After Tax	74,37,027	14,29,755	10,95,630
Earning per share	0.30	0.06	0.04

**Foreign investments or collaborations:** No foreign investments or collaborations

#### II. Information about appointee:

1. **Background details:** Mr. Kumar Nair is BSc., FCA and OPM (Harvard Business School) with over 27 years of experience in Financial Services, Capital Market and Investment Banking. He is a Promoter Director of the Company since inception and prior to starting Transwarranty Finance Limited he was a key member of the core senior management team, in Kotak Mahindra Finance Ltd.
2. **Past remuneration:** Remuneration drawn by Mr. Kumar Nair in his capacity as Managing Director during the last three years is as follows:





Particulars	2016-17	2015-16	2014-15
Salary drawn (in ₹)	24,00,008	24,00,008	24,00,008

3. Recognition or rewards: Nil
4. Job profile and suitability: Mr. Kumar Nair is responsible for the overall management of the Company. His qualification, outstanding experience and general management skills are most suitable for the responsibilities shouldered by him.
5. Remuneration proposed: Remuneration not exceeding ₹ 60 lakhs p.a. including perquisites as may be determined by the Board of Directors of the Company or Nomination and Remuneration Committee.
6. Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration offered to Mr. Kumar Nair is it par with the industry norms considering the industry, size of the Company, profile of the position and person.
7. Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel: Mr. Kumar Nair is a promoter director of the Company holding 1,27,08,694 equity shares in the Company.

**III. Other information:**

- (1) Reasons of loss or inadequate profits: The Company has three major business operations consisting of Trade Finance, Corporate Finance and Investment Banking. Investment Banking continues to have deals. However, due to unforeseen circumstances, the Company could not close all the deals in pipeline. The lending business, which is providing loans to the economically challenged sections of the society against security of gold jewelry, is losing its

shine and the company is exploring other innovative lending products.

- (2) Steps taken or proposed to be taken for improvement: The Company has taken various measures for achieving the aspiration and goals of the organization.
- (3) Expected increase in productivity and profits in measurable terms: The Company will be committed to its vision which will increase the productivity and profitability of the Company

Mr. Kumar Nair is a director of following Companies:

- Vertex Securities Limited
- Vertex Commodities & Finpro Pvt. Ltd.
- Transwarranty Capital Market Services Pvt. Ltd.
- Welworth Sales & Services Pvt. Ltd.
- Consolidated Eutectics (Kolhapur) Pvt. Ltd.
- Vizor International Pte. Ltd.(Singapore)

Except Mr. Kumar Nair, none of the directors or Key Managerial Personnel and their relatives is interested or concerned in the resolution as set out in item No. 4 of the Notice.

The draft letter of appointment of Mr. Kumar Nair as the Managing Director will be made available for inspection on any working day between 11 A.M to 02.00 PM up to the date of Annual General Meeting of the Company.

The Board recommends the Ordinary Resolution as set out in Item no. 4 for approval of members.

Place : Mumbai  
Date : April 27, 2017

By order of the Board  
Company Secretary

**Regd. Office:**  
403, Regent Chambers  
Nariman Point, Mumbai 400021



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report on the business and operations of the Company along with the financial statements for the financial year ended 31<sup>st</sup> March, 2017.

### Financial Highlights

The table given below gives the financial highlights of the Company for the year ended 31st March, 2017, as compared to the previous financial year.

(₹ in Lacs)

Financial Results	2016-17	2015-16
	Standalone	
Total Income	1185.62	1001.48
Total Expenses	1097.27	992.15
Provision for taxation	16.75	2.80
MAT Credit Entitlement	(2.74)	(3.21)
Deferred tax	(0.03)	0.11
Reversal of excess provision	-	4.67
Net profit for the year	74.37	14.30
Profit available for appropriation	74.37	14.30
<b>Appropriations:</b>		
Reserves u/s.45 1C of RBI Act	14.87	2.86

### Dividend:

In order to consolidate the financial position of the Company, the Board has decided to skip the dividend for the financial year ended 31st March, 2017.

### Subsidiary Companies:

Vertex Securities Limited(VSL), Vertex Commodities And Finpro Private Limited (VCFPL), Transwarranty Capital Market Services Private Limited (TCMSPL) and Transwarranty Consultants Private Limited (TCPL) are the subsidiaries of the Company.

VSL and VCFPL are engaged in the following businesses:

1. Stock and currency broking services to retail, HNI and institutional clients.
2. Commodity broking services through Vertex Commodities And Finpro Pvt. Ltd (VCFPL) to retail, HNI and corporate clients.
3. Merchant banking.

### Vertex Securities Limited (VSL) is a member of: -

1. National Stock Exchange of India Limited (NSE)

2. Bombay Stock Exchange Limited, (BSE)
3. National Securities Depository Ltd., (NSDL) (for depository services)
4. SEBI registration as a Merchant Banker
5. Association of Mutual Funds of India(AMFI) registered Mutual Fund Advisor.

**Vertex Commodities And Finpro Private Limited(VCFPL)** is a member of following commodity exchanges: -

1. Multi Commodity Exchange of India (MCX)
2. National Commodity and Derivative Exchange (NCDEX)
3. National Multi Commodity Exchange (NMCE)

During the financial year 2016-17, Transwarranty Capital Market Services Pvt. Ltd. (TCMSPL) and Transwarranty Consultants Pvt. Ltd. (TCPL) become the wholly owned subsidiaries of the Company. TCMSPL and TCPL are engaged in the business of financial and management consultancy and advisory services.

During the year ended 31st March, 2017, the subsidiary company, Vertex Securities Limited earned revenue of ₹ 659.35 lakhs as compared to ₹ 523.72 lakhs in the previous year. The operations have recorded a profit of ₹ 39.33 lakhs as compared to a loss of ₹ 61.04 lakhs in the previous year.

The subsidiary company, Vertex Commodities And Finpro Private Limited had total revenue of ₹ 139.78 lakhs and profit of ₹ 9.01 lakhs as on 31<sup>st</sup> March, 2017 as against the total revenue of ₹ 96.84 lakhs and profit of ₹ 0.33 lakhs respectively in the previous year.

The subsidiary company, Transwarranty Capital Market Services Pvt. Ltd had recorded a loss of ₹ 0.56 lakh as on 31<sup>st</sup> March, 2017 as against ₹ 0.07 lakh in the previous year and Transwarranty Consultants Pvt. Ltd. had recorded a loss of ₹ 0.11 lakh as on 31st March, 2017.

During the year under report, the consolidated revenue of the Company was ₹ 1983.45 lakhs as against ₹ 1622 lakhs in the previous year. The net profit after tax was ₹ 122.04 lakhs as against net loss of ₹ 46.42 lakhs in the previous year.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the Company's subsidiaries in Form AOC 1 is attached to the financial statements of the Company.

### Management Discussion and Analysis:

A detailed review on the operations and performance of the Company and its business is given in the Management Discussion and Analysis, which forms part of this report as **Annexure A**.

**Corporate Governance Report:**

A detailed report on Corporate Governance and Auditors Certificate on compliance with Corporate Governance Requirements by the Company is attached and also forms part of this report as **Annexure B**.

**Consolidated Financial Statements:**

Pursuant to Section 136 of the Companies Act, 2013, the standalone financial statements of the Company, consolidated financial statements along with the relevant documents form part of the Annual Report and separate audited accounts in respect of the subsidiaries are available on the website of the Company.

**Auditors' Report**

There are no qualifications in the Auditors' Report for standalone accounts for the financial year ended 31<sup>st</sup> March 2017. Referring to observations given under "Basis for Qualified Opinion" in the Independent Auditors Report for Consolidated Accounts, it is clarified that as the Company has initiated legal actions for the recovery of the dues and it will not be prudent to make any provisions as the cases are in various stages in different Courts.

The Statement on Impact of Audit Qualification submitted to the stock exchange pursuant to SEBI Listing Regulations for modified opinion in Audit Report for consolidated accounts is appended to this report as **Annexure C**.

**Directors' Responsibility Statement:**

In terms of Section 134 (3) (c) of the Companies Act, 2013 your Directors state that:

1. In preparation of annual accounts for the year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and profit of the Company for the year ended on that date;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis;
5. They have laid down proper internal financial controls to be followed by the Company and they were adequate and operating effectively and
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

**Deposits:**

During the financial year under report the Company has not accepted deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. No amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**Particulars of Loans, Guarantees and Investments:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**Directors:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. U. Ramachandran, Director of the Company (DIN 00493707), retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board has recommended his re-appointment.

**Familiarization Programme for Directors:**

At the time of appointment of a Director, a formal letter of appointment is given to the Director. The Director is also explained in detail the role, function, duties and responsibilities expected from him/her and also compliance required from him/her under the Companies Act, 2013, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 [Listing Regulations]. Further the Managing Director also will have one to one discussion with the newly appointed Director to familiarize with the Company's operation.

**Performance of Board Evaluation**

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by SEBI Listing Regulations.

The evaluation was done on various parameters like vision and strategy, Board participation, disclosure of interest, review of risk management policies, leadership skills, good governance, marketing and corporate communications etc.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The board reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as

a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

### Meetings

The details regarding the meeting of the Board of Directors, Committees of the Board and meeting of Independent Directors are provided in the Report on Corporate Governance, which forms part of the Annual Report.

### Extract of Annual Return

An extract of Annual return in Form MGT-9 is appended to this report as **Annexure D**.

### Risk Management:

The Company has adopted a Risk Management Policy for the Company including identification therein the elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. After identifying the risk and assessing the level of impact, controls are put in place to mitigate the risk by the concerned executives/the Board to control the exposure of the risk and balance the impact of risk on a continuous basis.

### Nomination & Remuneration Policy

The Board on the recommendation of Nomination, Remuneration & Compensation Committee has adopted a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. The details of this Policy are provided in the Corporate Governance Report.

### Sexual Harassment Policy

In line with the requirements of Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 (Act), the Company has in place a policy to prevent sexual harassment of women at workplace. Your Directors state that during the year under review, there were no cases filed pursuant to the above Act.

### Whistle Blower Policy:

The Company has adopted a Whistle Blower Policy as part of vigil mechanism to provide appropriate avenues to the Directors and Employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business of the Company. The employees are encouraged to voice their concerns by way of whistle blower policy and all the employees have been given access to the Audit Committee. All cases registered under the Code of Business Principles and Whistle Blower Policy will be reported to the Audit Committee.

### Employees' Stock Option Plan 2008 (ESOP):

During the financial year 2016-17, 61,650 equity shares of ₹ 10 each have been vested pursuant to ESOP Scheme. Disclosures as per the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and disclosure pursuant to the Rule 12(9) of Companies (Share Capital and Debenture) Rules, 2014 are provided as **Annexure E** to the Board's Report.

### Independent Directors:

The Independent Directors of the Company have furnished necessary declarations to the Company under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed for independent directors under Section 149(6) of the Act and Regulation 16(b) of the SEBI Listing Regulations.

During the year under review a meeting of Independent Directors was held on 20.02.2017.

### Related Party Transactions:

All related party transactions that were entered into during the year were on arm's length basis and in the ordinary course of business. The Audit Committee has approved the related party transactions and subsequently the same were approved by the Board of Directors. The disclosures on the Related Party Transactions in Form AOC-2 is provided as **Annexure F** to the Board's Report.

### Auditors:

Pursuant to the provisions of Section 139 of the Act and the rules framed thereafter, M/s. Rahul Gautam Divan and Associates, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the twenty first annual general meeting (AGM) of the Company held on September 11, 2015 till the conclusion of the twenty fifth AGM to be held in the year 2019, subject to ratification of their appointment at every AGM. The Company has received eligibility certificate in terms of Section 139 of the Companies Act, 2013 and consent from the auditors.

### Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under the Company has appointed Mr. M. P. Sharma, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as part of this Report as **Annexure G**. The Report does not contain any qualifications, reservations, or adverse remarks.

### Energy Conservation, Technology Absorption:

Because of the nature of activities being carried on by the Company, the particulars are not applicable.

### Foreign Exchange Earnings and outgo:

Earnings	- Nil
Outgo	- ₹ 4.33 lakhs



**Particulars of Employees and related disclosure:**

There are no employees drawing a monthly or yearly remuneration in excess of the limits specified under Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendments thereof.

The information containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time is attached herewith as **Annexure H**.

**Acknowledgement:**

Your Directors acknowledge the support and counsel extended by the bankers, government agencies, shareholders, investors, employees and others associated with the Company. The Directors look forward the same in future also.

For and on behalf of Board of Directors

Place: Mumbai

Date: April 27, 2017

**Kumar Nair**

*Managing Director*

(DIN 00320541)

**U. Ramachandran**

*Director & CFO*

(DIN 00493707)

## Annexure "A" to the Directors' Report

## MANAGEMENT DISCUSSION AND ANALYSIS

**Background:**

Transwarranty Finance Limited is a non-deposit accepting Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") engaged in a wide spectrum of financial services, both advisory and fund based lending.

The Company is headquartered in Mumbai and has a capital market subsidiary engaged in equity / commodities / currency broking and Merchant Banking.

**Economic Scenario:**

The Indian economy is continuing its positive momentum with GDP growth rate of around 7%. However, the banking system continues to deal with stressed assets, which impacted asset formation and credit expansion. Consumption is slowly picking up leading to improving industrial & economic activity.

**Industry Structure and developments:**

The financial services business India is poised for greater growth particularly in lending business, which bridges the gap unfulfilled by banks. Use of technology to reach newer target segments is creating opportunities in the Fintech space.

**Review of operations of the Company:**

The Company along with its subsidiary companies achieved consolidated revenue of ₹ 1983.45 lakhs compared to ₹ 1622 lakhs in the previous year.

The Company has three major business operations in advisory services consisting of Trade Finance, Corporate Finance and Investment Banking.

Trade finance, which caters to the working capital needs of companies, continues to be impacted by the weak industrial activity and executed business transactions of ₹ 2533.14 crores (previous year ₹ 3,620.96 crores) with income of ₹ 91.75 lakhs (previous year ₹ 133.34 lakhs) for the year.

Corporate Finance & Investment Banking too were impacted due to lack of credit growth in banking and most of the companies deferring investments. Business transactions worth of ₹ 52.05 crores (previous year ₹ 85 crores) was executed with an income of ₹ 294 lakhs (previous year ₹ 255 lakhs)

The lending business, which is providing loans to the economically challenged sections of the society against security of gold jewelry, is losing its shine due to falling gold price due to various government measures to discourage import of Gold and stringent directives by RBI to banks and NBFC for taking exposures to gold lending business. The company had decided to lower its exposure to gold lending business till full clarity emerges.

**Strengths, Weakness, Opportunities and Threats (SWOT) analysis****Strengths:**

- Professional and ethical management
- Stringent cost control
- Follows risk management system prescribed by exchanges

**Weakness:**

Small lending business

**Opportunities:**

- Wealth management
- Distribution of various financial products
- Use of technology for scaling up
- Expand and grow the lending business

**Threats:**

- Exposed to systemic risks like political and economic risks

**Business Outlook:**

TRANSWARRANTY, an RBI registered NBFC is the flagship company of the Transwarranty Group, which is active in a wide gamut of Financial Services like Corporate Finance, Project Finance, Real Estate & Infrastructure Finance, Trade Finance, Gold Loans, Margin Finance, Stock / Commodities / Currencies / Interest Rates / Other Derivatives Broking, Inter-Bank Forex Broking, Merchant Banking, Investment Banking etc. Excellent domain expertise combined with a strong client and institutional relationship network nurtured over 22 years has ensured that all the Companies in the group are well poised to unlock value for its shareholders in the fast evolving financial landscape in India.

TRANSWARRANTY conducts all regulated capital market businesses through its subsidiary company, Vertex Securities Limited (listed on BSE), which in turn has a subsidiary company, Vertex Commodities & Finpro Pvt Ltd for the commodities broking business.

Both the companies are well placed to exploit the opportunities when the economy begins to grow and industrial activity picks up. To give impetus to the overall revenue, the fund based lending business is being given renewed focus. The company is also exploring equity capital from strategic / financial investors for the fund based lending business.

**Risk Management**

Risk Management is an integral part of the Company's business strategy. The Company is exposed to specific risks that are particular to its business including interest rate volatility, economic cycle, market risk and credit risk. The management continuously assesses the risk and monitors the business and risk management policies to minimize the risk.



### Internal Control Systems And Their Adequacy

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

### Human Resource Development

The Company believes that the human resources are vital in giving the company a competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented

work culture, knowledge acquisition/ dissemination, creativity and responsibility. As in the past the Company has enjoyed cordial relations with the employees at all levels. Our employee strength is 23 as on 31<sup>st</sup> March, 2017.

### Cautionary statements

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectation may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

For and on behalf of Board of Directors

Place: Mumbai

Date: April 27, 2017

**Kumar Nair**

*Managing Director*

(DIN 00320541)

**U. Ramachandran**

*Director & CFO*

(DIN 00493707)

## Annexure “B” to the Directors’ Report

**CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017****Mandatory Requirements:****1. Corporate Governance :**

Corporate governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically, generate long term wealth and create value for all its stakeholders. The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

**Company’s Philosophy on Code of Corporate Governance:**

Transparency, fairness, disclosure and accountability are central to the working of the Company and its Board of Directors. The Company has always been guided by conviction of adhering to transparency, accountability and integrity. The Company believes and acknowledges individual and collective responsibilities to manage the business activities with integrity.

The Company lays great emphasis on regulatory compliances and strives to ensure that high standard of professionalism and ethical conducts are maintained throughout the organization. The Board undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair-play and independence in its decision making.

**2. Code of Conduct:**

The Company has well defined policy framework which lays down procedures to be adhered to by all Board Members and Senior Management for ethical professional conduct. The Code outlines fundamental ethical considerations as well as specified considerations that need to be maintained for professional conduct. Senior Management includes personnel of the core management team excluding Board of Directors but including all functional heads. The Code of Conduct is also posted on the website of the company [www.transwarranty.com](http://www.transwarranty.com).

**3 Board of Directors (the “Board”):**

The Board reviews and approves the Company’s strategic, operational and financial plans. It also guides corporate strategy, takes key strategic decisions, reviews major plans of action etc. Besides, the plans of action also include the risk policy, review and approval of annual budget and business plans and monitor performance against corporate strategy.

**(i) Composition and size of the Board**

The Company’s policy is to have an appropriate mix of Executive & Non-Executive Directors. The size and composition of the Board, conforms to the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The present strength of the Board of Directors is five members including one woman director, all the members with good academic background and with rich professional experience in various fields. The Managing Director and Finance Director are the Executive Directors and the other three are Non-Executive Directors. More than half of the Board consists of Independent Directors.

**(ii) Independent Directors:**

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 (6) of the Companies Act, 2013 and the Rules made there under and meet with the requirements of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(iii) Meetings of the Board :**

During the financial year 2016-17, the Board met 5 times on 24<sup>th</sup> May 2016, 21<sup>st</sup> July, 2016, 8<sup>th</sup> November, 2016, 30<sup>th</sup> January, 2017 and 20<sup>th</sup> February, 2017 respectively. The gap between any two meetings was not more than 120 days.

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Managing Director and circulates the same in advance to the Directors. Every Director is free to suggest inclusion of items on the agenda. The Board meets at least once in every quarter inter-alia to review the quarterly financial results. Additional Meetings are held as and when necessary. The Minutes of the proceedings of the Meetings of the Board of Directors are noted and the draft minutes are circulated amongst the Members of the Board for their perusal. Comments, if any, received from the Directors are also





incorporated in the minutes, in consultation with the Chairman of the meeting. Senior Management Personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when necessary.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. The necessary disclosure regarding Directorships and Committee positions have been made by the Directors who are on the Board of the Company as on March 31, 2017. The composition of Board of Directors, attendance at the Board Meetings during the financial year and attendance at the last Annual General Meeting and number of outside Directorships, Chairman/ Membership of Committees held by them as under:

Name of Director	Director Identification No.	Category	No. of Board meetings attended	Last AGM attendance	No of Directorships	Chairmanship/ membership of Board Committees*
Mr. Kumar Nair	00320541	Managing Director Promoter Director	4	Yes	1	2
Mr. Pravin D. Khatau	02425468	Director – Independent	1	No	Nil	2
Mr. U. Ramachandran	00493707	Director- – Finance & CFO	5	Yes	1	2
Mrs. Nirmala Sachin Parab	07149007	Director – Independent	5	No	Nil	2
Mr. Sudharsanan Nair	01510505	Director- Independent	5	Yes	Nil	2

\* Alternate Directorships, Directorships in private companies, foreign companies, companies under section 8 of the Companies Act, 2013 and Memberships in governing councils, chambers and other bodies are excluded. Memberships in public companies, listed and unlisted alone have been considered.

None of the directors are related to each other.

**(iv) Details of equity shares held by the Directors as on 31<sup>st</sup> March, 2017 are given below:**

Name	Category	Number of equity shares
Mr. Kumar Nair	Executive Director	1,27,08,694
Mr. U. Ramachandran	Executive Director	2,66,909
Mr. Pravin D. Khatau	Non-Executive – Independent Director	2,500
Mr. Sudharsanan Nair	Non-Executive – Independent Director	500

**(v) Information to the Board:**

- The Board of Directors has complete access to the information within the Company, which inter alia includes :-
- Annual revenue budgets and capital expenditure plans;
- Quarterly results and results of operations of Independent Company and business segments;
- Financing plans of the Company;
- Minutes of meeting of Board of Directors, Audit Committee, Remuneration and Compensation Committee and Stakeholders' Relationship Committee;
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non- payment of dividend, delay in share transfer, etc., if any.

**4. Cessation/Appointment/Re-appointment of Directors:**

**Appointment /Re-appointment of Directors:**

Mr. Sudharsanan Nair (DIN 01510505) was appointed as the Independent Director of the Company for a period of 5 years at the last Annual General Meeting of the Company held on 19<sup>th</sup> September, 2016.

**5. Meeting of Independent Directors:**

During the year under review the Independent Directors met on 20<sup>th</sup> February, 2017 to discuss inter alia:

- (i) Evaluation of performance of Non-Independent Directors and Board of Directors as a whole.
- (ii) Evaluation of the performance of the Chairman of the Company.
- (iii) Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**6. Board Committee**

The Board constitutes the following Committees of Directors:

- (a) Audit Committee
- (b) Nomination Remuneration & Compensation Committee
- (c) Stakeholders Relationship Committee

The Board is responsible for constituting, assigning and co-opting the members of the Committees.

**(a) Audit Committee:****(i) Composition**

The Audit Committee comprised of 4 members, out of which Mr. Sudharsanan Nair, Mr. Pravin Khatau and Mrs. Nirmala Parab are Independent Directors and Mr. Kumar Nair is an Executive Director. Mr. Sudharsanan Nair is the Chairman of Audit Committee. All the members of the Committee are financially literate.

**(ii) Attendance at the Audit Committee Meeting:**

During the financial year 2016-17, the Committee met 4 times on 24<sup>th</sup> May, 2016, 21<sup>st</sup> July, 2016, 8<sup>th</sup> November, 2016 and 30<sup>th</sup> January, 2017 respectively and the gap between any 2 meetings was not more than 120 days. The attendance of Members at the Meetings was as follows:

Name	Designation	Category	Attendance out of 4 meetings held
Mr. Sudharsanan Nair	Chairman	Independent	4
Mr. Kumar Nair	Member	Executive	4
Mr. Pravin D. Khatau	Member	Independent	0
Mrs. Nirmala Parab	Member	Independent	4

The Board has designated Company Secretary to act as Secretary of the Audit Committee.

**(iii) Powers of Audit Committee:**

- (a) To investigate any activity within the terms of reference.
- (b) To seek information from any employee
- (c) To obtain outside legal or other professional advice.
- (d) To secure attendance of outsiders with relevant expertise, if considered necessary

**(iv) Terms of Reference:**

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Recommending the Board, the appointment, re-appointment, terms of appointment and if required replacement or removal of Auditors and fixation of Audit Fees.
- (c) Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors.
- (d) Reviewing with management the annual financial statements and auditor's report before submission to the Board for approval, with particular reference to :
  - Matters required to be included in Directors' Responsibility Statement to be included in the Board's Report.
  - Changes if any, in accounting policies and practices and reasons for the same.



- Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statement arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosures of related party transactions.
  - Qualifications in draft Audit Report.
- (e) Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.
- (f) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- (g) Approval or any subsequent modification of transactions with related parties.
- (h) Scrutiny of inter-corporate loans and investments
- (i) Reviewing, with the management the performance of Statutory and Internal Auditors, adequacy of internal control systems.
- (j) Reviewing the adequacy of Internal audit function, if any, including the structure of the internal audit department, staffing and the seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- (k) Discussion with Internal Auditors any significant findings and follow up there on.
- (l) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- (m) Discussion with the Statutory Auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (n) To look into the reasons for the substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (o) To review the functioning of Whistle Blower Mechanism.
- (p) Carrying out any other function as is mentioned in the terms of reference of Audit Committee.

**(b) Stakeholders' Relationship Committee:**

(i) Terms of reference:

The Terms of reference to the Stakeholders Relationship Committee focuses on shareholders' grievances and strengthening of investors' relations, specifically looking into redressal of grievances pertaining to

- 1) Redressal of Shareholders / Investors' complaints
- 2) Allotment, transfer and transmission of shares
- 3) Non-receipt of balance sheet
- 4) Non-receipt of declared dividend
- 5) Matters relating to demat / remat
- 6) Other related issues

The committee comprises of following Directors:-

Name	Designation	Category
Mr. Sudharsanan Nair	Chairman	Independent
Mr. Kumar Nair	Member	Executive
Mr. Pravin D. Khatau	Member	Independent
Mrs. Nirmla Sachin Parab	Member	Independent

Mr. Sreedhar H. Company Secretary has been designated as Compliance Officer. The investors may register their complaints at the email-id: [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com)

During the financial year 2016-17 one meeting was held on 17<sup>th</sup> June, 2016

**(ii) Number of Complaints:**

Details of investor complaints received and redressed during the year 2016- 17 are as follows:

Opening Balance	Received	Resolved	Pending
Nil	Nil	Nil	Nil

**(c) Nomination and Remuneration Committee:****(i) Composition**

The Board has constituted a Remuneration/Compensation Committee comprising the following Directors:

Name	Designation	Category	Attendance
Mrs. Nirmala Sachin Parab	Chairman	Independent	1
Mr. Pravin D. Khatau	Member	Independent	Nil
Mr. Sudharsanan Nair	Member	Independent	1

**(ii) Meetings**

During the financial year 2016-17 one meeting was held on 24<sup>th</sup> May, 2016

**(iii) Terms of Reference**

- To recommend to the Board composition of the Board and its committees.
- To formulate the criteria for evaluation of performance of Independent Directors and the Board
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
- To recommend to the Board the appointment or reappointment of directors.
- To recommend to the Board appointment of Key Managerial Personnel
- To carry out evaluation of every Director's performance
- Performing such other duties and responsibilities as may be required.

**(iv) Nomination & Remuneration Policy**

The Company's Nomination and Remuneration Policy aims to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company. The Remuneration Policy is designed to attract talented personnel and remunerate them fairly and reasonably.

**(v) Performance evaluation criteria for Independent Directors**

Performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. The evaluation of performance is carried out by considering the factors such as experience and skills, participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

**(d) Corporate Social Responsibility Committee**

Directors would like to state that the Provisions of Section 135 of the Companies Act 2013 is at present not applicable to the Company. Therefore, Corporate Social Responsibility Committee (CSR) has not been formed.

**(e) Whistle Blower Policy**

Pursuant to Section 177 (9) and (10) of the Companies Act 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for visual mechanism for Directors and Employees to report to the Management about the unethical behavior, fraud or violation of code of conduct. The



mechanism provides for adequate safeguards against victimization of Employees and Directors who use such mechanism and makes provisions for direct access to the Chairperson of Audit Committee. None of the Personnel has been denied access to the Audit Committee.

**(f) Risk Management**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

**(g) Details of remuneration paid to the Directors.**

Directors	Salary (including Performance Incentive, if any and other allowance) (₹)	Perquisites (₹)	Contribution to P. F. superannuation and Gratuity (₹)	Sitting Fees (₹)	Others (Professional Fees) (₹)	Total (₹)
Mr. Kumar Nair	22,70,408	-	1,29,600	-	-	24,00,008
Mr. Pravin D. Khatau	-	-	-	20,000	-	20,000
Mr. U. Ramachandran	65,806	-	-	-	1,77,500	2,43,306
Mrs. Nirmala Sachin Parab	-	-	-	1,82,000	-	1,82,000
Mr. Sudharsanan Nair	-	-	-	1,82,000	-	1,82,000

**6. General Body Meetings:**

Venue and Time of Annual General Meetings during the last three years.

Financial Year	Day, Date & Time	Venue	Special Resolution passed
2013-14	Friday 19 <sup>th</sup> September, 2014 11.00 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai - 400 001	<p>(i) Pursuant to Sec. 196,197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V appointment of Mr. Kumar Nair (DIN 00320541) as Managing Director of the Company for a period of 3 (three) years with effect from 1<sup>st</sup> September, 2014.</p> <p>(ii) Pursuant to the provisions of Foreign Exchange Management 1999 and the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 and subject to relevant laws, rules and regulations applicable from time to time approval of members was accorded for acquiring and holding equity shares by Foreign Institutional Investors (FIIs) upto an aggregate of 100% of the paid up equity capital of the company provided, that equity shareholding of a single FII or sub-account of an FII should not exceed 10% of the paid up equity capital of the company.</p> <p>Further, pursuant to provisions of FEM (Transfer or Issue of security by a person resident outside India) Regulations,2000 and subject to relevant laws, rules and regulations applicable from time to time approval of members was accorded for raising the ceiling on the aggregate value of shares of the Company that can be purchased by all NRIs put together to 24% of the paid up share capital of the Company.</p>

Financial Year	Day, Date & Time	Venue	Special Resolution passed
2014-15	Friday 11 <sup>th</sup> September, 2015 11.00 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai - 400 001	(i) Pursuant to Section 180(1)(c) of the Companies Act, 2013 ,approval accorded to the Board of Directors to borrow money in excess of the aggregate of the paid-up capital and free reserves of the Company provided that the total amount so borrowed shall not exceed Rs. 100 crores over and above the aggregate of the paid-up capital and free reserves of the Company  (ii) Pursuant to Section 146 of the Companies Act, 2013 approval accorded to the Board of Directors to consider giving exemptions to the Auditors of the Company to attend the General Meetings to be held from time to time
2015-16	Monday 19 <sup>th</sup> September, 2016 10.30 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai 400001	No Special resolution was passed.

No Resolution was passed through Postal Ballot last year.

#### 7. Disclosures:

- There were no transactions of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives during the period that may have potential conflict with the interest of the company at large.
- Transactions with related parties are disclosed in Note No. 28 in the notes to the accounts in the Annual Report as required by Accounting Standards under AS 18 issued by Institute of Chartered Accountants of India.
- None of the transactions with related parties were in conflict with the interest of the Company. All the transactions were in the normal course of business and had no potential conflict with the interest of the company at a large and were carried out on an arm's length basis or fair value.
- There were no non-compliances by the Company during the year. No penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities on any matters related to the capital markets, during the previous three financial years.
- The policy for determining material subsidiaries and related party transactions is available on the website [www.transwarranty.com/Investors/Policies](http://www.transwarranty.com/Investors/Policies).
- The Board has adopted a Code of Conduct including Business Ethics Policy for its Directors and Senior Management. This is available on the Company's web-site [www.transwarranty.com](http://www.transwarranty.com).
- The Managing Director has submitted before the Board a declaration of compliance with the Code of Conduct by the Directors during the financial year ended March 31, 2017.
- The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of the financial statement; the Company has not adopted a treatment different from that prescribed by any Accounting Standard.
- Risk assessment and minimization procedures are periodically reviewed by the Audit Committee and the Board of Directors of the Company.
- The Chief Executive Officer and the Chief Financial Officer have certified to the Board of Directors as per the format prescribed in Part B of Schedule II of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. This has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company.
- During the financial year 2016-17, the information as mentioned in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration.
- The details of the familiarization programme of the Independent Directors are available on the website of the Company (<http://www.transwarranty.com/Investors>).

**8. Means of Communication:**

Sl. No	Particulars		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
1	English Newspapers in Which quarterly results were published / to be published	Active Times (Mumbai edition)	22 <sup>nd</sup> July 2016	9 <sup>th</sup> November, 2016	31 <sup>st</sup> January 2017	28 <sup>th</sup> April, 2017
2	Vernacular Newspapers in which quarterly results were published / to be published	Mumbai Lakshdeep	22 <sup>nd</sup> July 2016	9 <sup>th</sup> November, 2016	31 <sup>st</sup> January 2017	28 <sup>th</sup> April, 2017
3	Website Address of the Company on which financial results are posted	www.transwarranty.com				
4	Name of the Stock Exchange(s) on which financial results are posted	Website Address				
	BSE Limited (BSE)	www.bseindia.com	21 <sup>st</sup> July 2016	8 <sup>th</sup> November, 2016	28 <sup>th</sup> January, 2017	27 <sup>th</sup> April, 2017
	National Stock Exchange of India Limited (NSE)	www.nseindia.com	21 <sup>st</sup> July 2016	9 <sup>th</sup> November, 2016	28 <sup>th</sup> January, 2017	27 <sup>th</sup> April, 2017

Un-audited financial results are published in leading English/Vernacular newspapers. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to the shareholders at their registered address with the Company and also put up on Company's web site [www.transwarranty.com](http://www.transwarranty.com).

**9. General Shareholders Information:**

Sl. No.	Particulars	Details		
1	Annual General Meeting for the financial year 2016-17	Thursday, 10 <sup>th</sup> August, 2017 10.30 a.m. M C Ghia Hall, Bhogilal Hargovindas Building, 3rd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001		
2	<b>Financial Calendar (Tentative)</b>			
	Financial reporting for the quarter ending June 30, 2017	Second Week of July/August, 2017		
	Financial reporting for the quarter ending September 30, 2017	Second Week of November/December, 2017		
	Financial reporting for the quarter ending December 31, 2017	Second Week of January/February, 2018		
	Financial reporting for the quarter ending March 31, 2018	Last week of April/May 2018		
	Annual General Meeting for the year ended March 31, 2018	August-September, 2018		
3	Date of Book Closure	4 <sup>th</sup> August, 2017 to 10 <sup>th</sup> August, 2017 (inclusive of both days)		
4	Listing on Stock Exchanges	Name & Address of Stock Exchange	Stock Code	Demat ISIN for NSDL & CDSL
		Bombay Stock Exchange Ltd (BSE)	532812	INE 804H01012
		National Stock Exchange of India Ltd (NSE)	TFL	INE 804H01012

Sl. No.	Particulars	Details
5	Payment of Annual Listing fees	Listing fees for the financial year 2017 - 2018 has been paid to both the Stock Exchanges BSE & NSE
6	Registrar & Transfer Agents  Contact person  Contact No  Email	Link Intime India Pvt. Ltd, C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai – 400083  Ms. Ashwini Nemlekar  +91 22 49186270 Fax. : +91 22 49186060  <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
7	Custodial Fees to Depositories	The Company has paid custodial fees for the year 2017-18 to NSDL and CDSL.
8	Address for correspondence	Transwarranty Finance Limited, 403, Regent Chambers, Nariman Point, Mumbai - 400 021. Phone : 022 – 6630 6090/4001 0900
9	Investor Grievances	The Company has designated an exclusive e-mail id viz. <a href="mailto:companysecretary@transwarranty.com">companysecretary@transwarranty.com</a> to enable investors to register their complaints, if any.  For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non receipt of dividend or annual report or any other query relating to shares be addressed to Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai – 400083.  Phone: 022 49186270, Fax: 022 49186060  (Email : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> )
10	Functional website of the Company as per Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015	Pursuant to the requirement of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company maintains a functional website of the Company and website address of the Company is <a href="http://www.transwarranty.com">www.transwarranty.com</a> . Website of the Company provides the basic information about the Company e.g. details of its business, financial information, shareholding pattern etc. and the Company is regularly updating the Information provided on its website.

#### 10. Share Transfer System:

Securities lodged for transfer at the Registrar's Office are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Company Secretary is empowered to approve transfer of shares and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc are processed by the Registrars within 30 days.





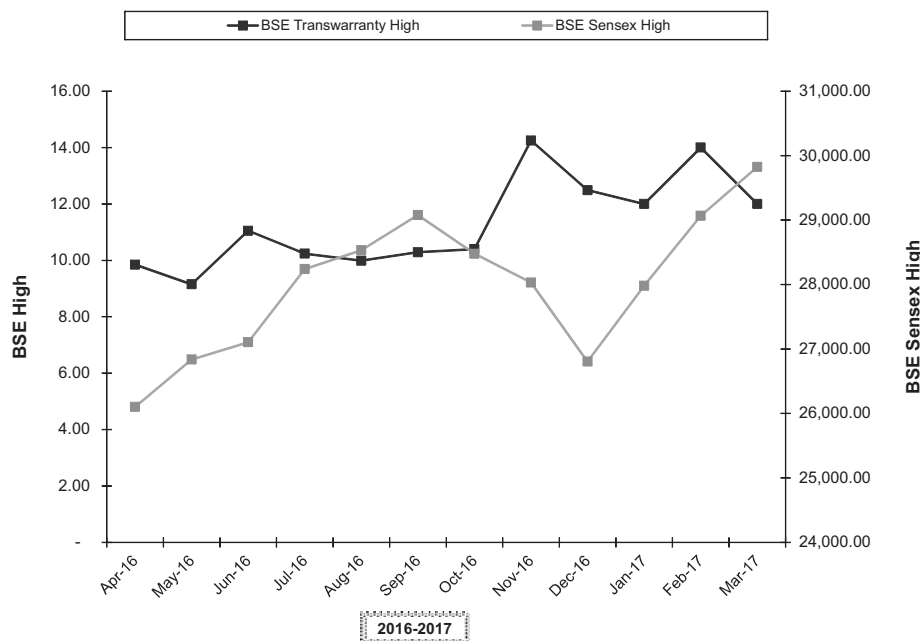
Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

Pursuant to Regulation 40 of the SEBI(Listing Obligations & Disclosure Requirements)Regulations, 2015, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the shares of the Company and for conducting a Secretarial Audit on a quarterly basis for reconciliation of the Share Capital of the Company. Members holding shares in Demat mode should address all their correspondence to their respective Depository Participant.

**11. Stock performance vs BSE Sensex and NSE**

**Market Price Data during the year ended 31.03.2017**

Month	BSE		
	High (₹)	Low (₹)	BSE Sensex (High)
April 2016	9.85	6.48	26,100.54
May 2016	9.15	7.06	26,837.20
June 2016	11.05	7.04	27,105.41
July 2016	10.24	8.98	28,240.20
August 2016	9.99	8.26	28,532.25
September 2016	10.29	6.89	29,077.28
October 2016	10.40	8.14	28,477.65
November 2016	14.25	8.79	28,029.80
December 2016	12.49	9.81	26,803.76
January 2017	12.00	10.00	27,980.39
February 2017	14.00	10.00	29,065.31
March 2017	12.00	9.45	29,824.62



Month	NSE	
	High (₹)	Low (₹)
April-2016	9.25	7.00
May-2016	9.45	6.80
June-2016	10.95	7.10
July-2016	10.20	8.90
August-2016	10.05	8.25
September-2016	10.35	8.10
October-2016	10.00	8.45
November-2016	14.20	8.80
December-2016	12.65	9.60
January-2017	12.00	9.70
February-2017	13.55	9.35
March-2017	12.60	9.20

#### Shareholding Pattern as on 31-03-2017

Category code	Category of Shareholder	Total number of shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	13092210	53.52
(b)	Bodies Corporate	0	0
	<b>Sub Total(A)(1)</b>	<b>13092210</b>	<b>53.52</b>
2	Foreign		
(a)	NRIs-Individuals	22717	0.09
	<b>Sub Total(A)(2)</b>	<b>22717</b>	<b>0.09</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>13114927</b>	<b>53.62</b>
(B)	Public shareholding		
B1	Institutions	0	0.00
(i)	Any Other (specify)	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0.00</b>
B2	Non-institutions		
(a)	Bodies Corporate	1340732	5.48
(b)	Individuals		
I	Individual shareholders holding nominal share capital up to ₹ 1 lakh	1918168	7.84
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1250838	5.11
(c)	Any Other (specify)		
(c-i)	Trusts	5225000	21.36



Category code	Category of Shareholder	Total number of shares	As a percentage of (A+B+C)
(c-ii)	Non Resident Indians (Repat)	1361102	5.56
(c-iii)	Non Resident Indians (Non-Repat)	11585	0.05
(c-iv)	Clearing Members	22328	0.09
(c-v)	Hindu Undivided Family	126362	0.52
(c-vi)	Office Bearers	89526	0.36
	<b>Sub-Total (B)(2)</b>	<b>11345641</b>	<b>46.38</b>
(B)	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>11345641</b>	<b>46.38</b>
	<b>TOTAL (A) + (B)</b>	<b>24460568</b>	<b>100.00</b>
(C)	Shares held by Custodians and Depository Receipts have been issued against which	–	–
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>24460568</b>	<b>100.00</b>

#### Distribution of Shareholding as on 31-03-2017:

No. of equity shares held	No. of shareholders	Total no. of shares held	% of shares held
1 - 500	3883	6,56,341	2.68
501 - 1000	428	3,48,630	1.43
1001 - 2000	185	2,85,711	1.17
2001 - 3000	83	2,12,699	0.87
3001 - 4000	44	1,54,627	0.63
4001 - 5000	34	1,57,458	0.64
5001 - 10,000	49	3,71,811	1.52
10,001 - and above	59	2,22,73,291	91.06
<b>Total</b>	<b>4765</b>	<b>2,44,60,568</b>	<b>100</b>

## 12. Corporate Benefits to Shareholders

### (i) Dividend History

Financial Year	Dividend	Dividend (₹ per Share)
2008-09	3.00%	0.30/-
2009-10	Nil	Nil
2010-11	Nil	Nil
2011-12	5.00%	0.50/-
2012-13	Nil	Nil
2013-14	Nil	Nil
2014-15	Nil	Nil
2015-16	Nil	Nil

**(ii) Transfer of unclaimed Dividend in to the Investors Education and Protection Fund**

As provided in Section 124(5) of the Companies Act, 2013, dividend amount which was due and payable and remained unclaimed and unpaid for a period of seven years has already been transferred to Investors Education & Protection Fund (IEPF) established by the Central Government.

The Company's Shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form. The Company had sent letters to shareholders holding shares in physical form emphasizing the benefits of dematerialization and 99.85% of the shares have been dematerialized so far.

The number of shares held in dematerialized and physical mode as on 31<sup>st</sup> March, 2017 is as under :

	No. of shares	% of total capital
Held in dematerialized form in NSDL	2,19,53,688	89.75
Held in dematerialized form in CDSL	24,71,187	10.10
Physical	35,693	0.15
<b>Total</b>	<b>2,44,60,568</b>	<b>100.00</b>

**Reconciliation of Share Capital Audit:**

A qualified practicing Company Secretary has carried out Secretarial Audit every quarter to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that total issued / paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**Non-mandatory requirements:**

- 1 Chairman of the Board** –The Company does not maintain separate office for chairman at the Company's expenses.
- 2 Shareholder Right** – The Company has not sent half yearly financial performance including summary of the significant events to each household of the shareholders, since the results were published in 2 news papers, one in Vernacular and one in English newspaper.
- 3 Audit Qualifications** – During the year under review, auditor's have qualified the consolidated financial statement which has been replied by the Director's. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- 4 Reporting of Internal Auditor** – The Internal Auditor attends Audit Committee meeting every quarter and reports to Audit Committee.

For and on behalf of Board of Directors

Place: Mumbai  
Date: 27 April, 2017

**Kumar Nair**                      **U. Ramachandran**  
*Managing Director*              *Director & CFO*  
(DIN 00320541)                      (DIN 00493707)

**CEO / CFO CERTIFICATION**

We hereby certify to the Board that:

- We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2017 and to the best of our knowledge and belief
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - These statements together present a true and fair view of the company's affairs and are in compliance with the existing



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

### To the Members of Transwarranty Finance Limited

1. The accompanying Corporate Governance Report prepared by Transwarranty Finance Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations")(Applicable criteria) with respect to Corporate Governance for the year ended 31 March 2017. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
- Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

- Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
- Obtained and read the Directors Register as on 31 March 2017 and verified that atleast one women director was on the Board during the year;
- Obtained and read the minutes of the following committee meetings held 1 April 2016 to 31 March 2017:
  - Board of Directors meeting;
  - Audit committee;
  - Nomination and remuneration committee;
  - Stakeholders' Relationship Committee.
- Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Other matters and Restriction on Use

8. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
9. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **Rahul Gautam Divan & Associates**  
ICAI Firm registration number: 120294W  
Chartered Accountants

**Rahul Divan**  
Partner

Place : Mumbai  
Date : 27 April 2017

Membership No.: 100733

accounting standards, applicable laws and regulations.

- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that, we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps we have taken or propose to take steps to rectify these deficiencies.
- d) We further certify that we have indicated to the Auditors and the Audit Committee that:
- i) There have been no significant changes in internal control over financial reporting during the year;
  - ii) There have been no significant changes in accounting policies during the year;
  - iii) To the best of our knowledge, there have been no instances of fraud, involving management or an employee having a significant role in the Company's internal control systems.

For Transwarranty Finance Limited

For Transwarranty Finance Limited

Place : Mumbai  
Date : 27 April, 2017

**Kumar Nair**  
*Managing Director & Chief Executive Officer*  
(DIN 00320541)

**U. Ramachandran**  
*Director & Chief Financial Officer*  
(DIN 00493707)

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct and Ethics during the financial year ended March 31, 2017.

Place : Mumbai  
Date : 27 April, 2017

**Kumar Nair**  
Managing Director  
DIN 00320541



## Annexure "C" to the Directors' Report

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017  
(Consolidated Accounts)

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

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	198,344,813	Not applicable. Refer Item No. II.d. below.
	2	Total Expenditure	184,743,128	
	3	Net Profit/(Loss) before tax	13,601,685	
	4	Earnings Per Share	0.50	
	5	Total Assets	848,434,939	
	6	Total Liabilities	848,434,939	
	7	Net Worth	59,269,592	
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	a.	<b>Details of Audit Qualification:</b>	Sundry debtors under the head current assets include old outstanding dues. The sundry debtors outstanding for more than six months amount to ₹ 27,658,040. Further, out of total sundry debtors, for a sum of ₹ 10,017,298, the Company has initiated legal and recovery actions, the proceedings of which are in different stages. In view, of the above, the quantum of realisability of old outstanding sundry debtors/legally initiated debts is not ascertainable at this stage	
	b.	<b>Type of Audit Qualification :</b>	Qualified Opinion	
	c.	<b>Frequency of qualification:</b>	Repetitive since 31/03/2002	
	d.	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>	Not applicable	
	e.	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>		
	(i)	<b>Management's estimation on the impact of audit qualification:</b>	Not ascertainable	
	(ii)	<b>If management is unable to estimate the impact, reasons for the same:</b>	As the Company has initiated legal actions for recovery of dues, it will not be prudent to make any provisions as the cases are in various stages in different Courts.	
	(iii)	<b>Auditors' Comments on (i) or (ii) above:</b>	No comments further to details in Audit Qualification in II(a) above	
<b>III.</b>	<b>Signatories:</b>			
	<b>CEO/Managing Director</b>	Kumar Nair	Managing Director	
	<b>CFO</b>	U. Ramachandran	Director & CFO	
	<b>Audit Committee Chairman</b>	Sudharsanan Nair	Audit Committee Chairman	
	<b>Statutory Auditor</b>	Rahul Divan Partner Membership No. 100733 Rahul Gautam Divan & Associates Firm Registration Number 120294W		

Place : Mumbai  
Date : 27.04.2017

## Annexure "D" to the Directors' Report

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L65920MH1994PLC080220
2.	Registration Date	09/08/1994
3.	Name of the Company	Transwarranty Finance Limited
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	403, Regent Chambers, Nariman Point, Mumbai – 400 021, Maharashtra Tel.:- 022 – 4001 0900 / 6630 6090 Fax:- 022 – 6630 6655
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai – 400083 Tel - +91 22 49186270 Fax. : +91 22 49186060 Email ID - <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Non-Banking Financial Services	64990	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name & Address of the Company	CIN / GIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Vertex Securities Ltd.	L67120KL1993PLC007349	Subsidiary Company	50.74	2(87)(ii)
2.	Vertex Commodities & Finpro Pvt. Ltd.	U67120KL1995PTC008610	Subsidiary Company	–	2(87)
3.	Transwarranty Capital Market Services Pvt. Ltd.*	U65923MH2012PTC228272	Subsidiary Company	100	2(87)
4.	Transwarranty Consultants Pvt. Ltd.*	U65999MH2017PTC292889	Subsidiary Company	100	2(87)

\* Transwarranty Capital Market Services Pvt. Ltd. became the wholly owned subsidiary of the Company w.e.f 21.07.2016 and Transwarranty Consultants Pvt. Ltd. was incorporated as the wholly owned subsidiary of the Company on 23.03.2017.





**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**A) Category-wise Share Holding**

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% change in shareholding during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a)	Individual/ HUF	13035067	48540	13083607	53.4886	13092210	0	13092210	53.5237	0.0351
b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
d)	Any Other (Specify) Bodies Corp.	6653	0	6653	0.0272	0	0	0	0.0000	-0.0272
<b>Sub Total (A)(1)</b>		<b>13041720</b>	<b>48540</b>	<b>13090260</b>	<b>53.5158</b>	<b>13092210</b>	<b>0</b>	<b>13092210</b>	<b>53.5237</b>	<b>0.0079</b>
<b>(2) Foreign</b>										
a)	Individuals (Non-Resident Individuals / Foreign Individuals)	22717	0	22717	0.0929	22717	0	22717	0.0929	0.0000
b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
e)	Any Other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A) (2)</b>		<b>22717</b>	<b>0</b>	<b>22717</b>	<b>0.0929</b>	<b>22717</b>	<b>0</b>	<b>22717</b>	<b>0.0929</b>	<b>0.0000</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>		<b>13064437</b>	<b>48540</b>	<b>13112977</b>	<b>53.6086</b>	<b>13114927</b>	<b>0</b>	<b>13114927</b>	<b>53.6166</b>	<b>0.0080</b>
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
f)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
i)	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-total (B)(1):-</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>2. Central Government/ State Government(s)/ President of India</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Sub-total (B)(2):-</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% change in shareholding during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>3.</b>	<b>Non-Institutions</b>									
a)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1896545	6643	1903188	7.7806	1913475	4693	1918168	7.8419	0.0613
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1192108	0	1192108	4.8736	1250838	0	1250838	5.1137	0.2401
b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
d)	Overseas Depositories(holding DRs)	0	0	0	0.0000	0	0	0	0.0000	0.0000
e)	Any Other (Specify)									
	Trusts	5225000	0	5225000	21.3609	5225000	0	5225000	21.3609	0.0000
	Hindu Undivided Family	112201	0	112201	0.4587	126362	0	126362	0.5166	0.0579
	Non Resident Indians (Non Repat)	6991	0	6991	0.0286	11585	0	11585	0.0474	0.0188
	Non Resident Indians (Repat)	1352814	0	1352814	5.5306	1361102	0	1361102	5.5645	0.0339
	Office Bearers	62472	33500	95972	0.3924	58526	31000	89526	0.3660	-0.0264
	Clearing Members	20382	0	20382	0.0833	22328	0	22328	0.0913	0.0080
	Bodies Corporate	1438935	0	1438935	5.8827	1340732	0	1340732	5.4812	-0.4015
	<b>Sub-total (B)(3):-</b>	<b>11307448</b>	<b>40143</b>	<b>11347591</b>	<b>46.3914</b>	<b>11309948</b>	<b>35693</b>	<b>11345641</b>	<b>46.3834</b>	<b>-0.0080</b>
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2) + (B)(3)</b>	<b>11307448</b>	<b>40143</b>	<b>11347591</b>	<b>46.3914</b>	<b>11309948</b>	<b>35693</b>	<b>11345641</b>	<b>46.3834</b>	<b>-0.0080</b>
	Total (A)+(B)	24371885	88683	24460568	100.0000	24424875	35693	24460568	100.0000	0.0000
	<b>C) Non Promoter - Non Public</b>									
	1) Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
	2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Grand Total (A+B+C)</b>	<b>24371885</b>	<b>88683</b>	<b>24460568</b>	<b>100.0000</b>	<b>24424875</b>	<b>35693</b>	<b>24460568</b>	<b>100.0000</b>	



**B) Shareholding of Promoters -**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 2016			Shareholding at the end of the year 2017			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	KUMAR NAIR	12708694	51.9558	0	12708694	51.9558	0	0
2	LEENA KUMAR NAIR	267473	1.0935	0	267473	1.0935	0	0
3	ANITHA PLAKKOT	50000	0.2044	0	50000	0.2044	0	0
4	C. CHANDRAN	28950	0.1184	0	35603	0.1456	0	0.0272
5	JAYACHANDRAN K	22717	0.0929	0	22717	0.0929	0	0
6	SHEILA SATISH	9990	0.0408	0	0	0.0000	0	-0.0408
7	C. D. PADMINI DEVI	8900	0.0364	0	20840	0.0852	0	0.0488
8	K. KARTHIKEYAN	7650	0.0313	0	7650	0.0313	0	0
9	TRANSWARRANTY ADVISORS PVT LTD	6653	0.0272	0	0	0.0000	0	-0.0272
10	K. INDIRA DEVI	1950	0.0080	0	1950	0.0080	0	0
<b>Total</b>		<b>13112977</b>	<b>53.6086</b>	<b>0</b>	<b>13114927</b>	<b>53.6166</b>	<b>0</b>	<b>0.0080</b>

**C) Change in Promoters' Shareholding**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year 2016		Transaction during the year		Cumulative Shareholding at the end of the year 2017	
		No. of shares	% of total shares of the company	Date of Transaction	No. of shares	No. of shares	% of total shares of the company
1	KUMAR NAIR	12708694	51.9558			12708694	51.9558
	AT THE END OF THE YEAR					12708694	51.9558
2	NAIR LEENA KUMAR	267473	1.0935			267473	1.0935
	AT THE END OF THE YEAR					267473	1.0935
3	ANITHA PLAKKOT	50000	0.2044			50000	0.2044
	AT THE END OF THE YEAR					50000	0.2044
4	CHERALATH CHANDRAN	28950	0.1184			28950	0.1184
	Transfer			31 Mar 2017	6653	35603	0.1456
	AT THE END OF THE YEAR					35603	0.1456
5	JAYACHANDRAN K	22717	0.0929			22717	0.0929
	AT THE END OF THE YEAR					22717	0.0929

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year 2016		Transaction during the year		Cumulative Shareholding at the end of the year 2017	
		No. of shares	% of total shares of the company	Date of Transaction	No. of shares	No. of shares	% of total shares of the company
6	C. D. PADMINI DEVI	8900	0.0364			8900	0.0364
	Transfer			30 Jun 2016	11940	20840	0.0852
	AT THE END OF THE YEAR					20840	0.0852
7	KARTHIKEYAN KARKATVALLIL	7650	0.0313			7650	0.0313
	AT THE END OF THE YEAR					7650	0.0313
8	SHEILA SATISH	9990	0.0408			9990	0.0408
	Transfer			24 Jun 2016	(9990)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
9	TRANSWARRANTY ADVISORS PVT LTD	6653	0.0272			6653	0.0272
	Transfer			24 Mar 2017	(6653)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
10	K. INDIRA DEVI	1950	0.0080			1950	0.0080
	AT THE END OF THE YEAR					1950	0.0080

**D) Shareholding Pattern of top ten Shareholders:**  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year 2016		Transaction during the year		Cumulative Shareholding at the end of the year 2017	
		No. of shares	% of total shares of the company	Date of Transaction	No. of shares	No. of shares	% of total shares of the company
1.	KUMAR NAIR- TRUSTEE OF TFL, TCCPL & TFCPL MERGER TRUST	5225000	21.3609			5225000	21.3609
	AT THE END OF THE YEAR					5225000	21.3609
2.	SATPAL KHATTAR	680000	2.7800			680000	2.7800
	AT THE END OF THE YEAR					680000	2.7800
3.	VINCO SALES AND SERVICES PVT. LTD.	661986	2.7063			661986	2.7063
	AT THE END OF THE YEAR					661986	2.7063
4.	ARVIND KHATTAR	0	0.0000			0	0.0000
	Transfer			27 May 2016	659670	659670	2.6969
	AT THE END OF THE YEAR					659670	2.6969
5.	STERLING BIOTECH LIMITED	538124	2.2000			538124	2.2000
	AT THE END OF THE YEAR					538124	2.2000



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year 2016		Transaction during the year		Cumulative Shareholding at the end of the year 2017	
		No. of shares	% of total shares of the company	Date of Transaction	No. of shares	No. of shares	% of total shares of the company
6.	VINAYAK TRIPATHI	75410	0.3083			75410	0.3083
	AT THE END OF THE YEAR					75410	0.3083
7.	ATUL MADHUKAR TIDKE	50085	0.2048			50085	0.2048
	Purchase			17 Jun 2016	5670	55755	0.2279
	Purchase			29 Jul 2016	9270	65025	0.2658
	Purchase			16 Sep 2016	2025	67050	0.2741
	Purchase			23 Sep 2016	2970	70020	0.2863
	Purchase			14 Oct 2016	4995	75015	0.3067
	AT THE END OF THE YEAR					75015	0.3067
8.	RAJU AJIT BHANDARI	29431	0.1203			29431	0.1203
	Purchase			08 Jul 2016	1000	30431	0.1244
	Purchase			15 Jul 2016	4221	34652	0.1417
	Purchase			22 Jul 2016	7348	42000	0.1717
	Purchase			29 Jul 2016	50	42050	0.1719
	Purchase			11 Nov 2016	7667	49717	0.2033
	Purchase			25 Nov 2016	3826	53543	0.2189
	Purchase			02 Dec 2016	2608	56151	0.2296
	Purchase			10 Mar 2017	400	56551	0.2312
	AT THE END OF THE YEAR					56551	0.2312
9.	ALANKIT ASSIGNMENTS LTD.	72984	0.2984			72984	0.2984
	Sale			27 May 2016	(397)	72587	0.2968
	Purchase			03 Jun 2016	100	72687	0.2972
	Purchase			29 Jul 2016	20	72707	0.2972
	Sale			05 Aug 2016	(120)	72587	0.2968
	Purchase			02 Sep 2016	100	72687	0.2972
	Sale			11 Nov 2016	(12519)	60168	0.2460
	Sale			18 Nov 2016	(500)	59668	0.2439
	Sale			16 Dec 2016	(290)	59378	0.2427
	Purchase			23 Dec 2016	2000	61378	0.2509
	Sale			10 Feb 2017	(5735)	55643	0.2275
	Sale			24 Feb 2017	(600)	55043	0.2250
	AT THE END OF THE YEAR					55043	0.2250
10.	KAREENA A. ROHERA	51233	0.2095			51233	0.2095
	AT THE END OF THE YEAR					51233	0.2095
11.	VINOD MOHAN NAIR	659670	2.6969			659670	2.6969
	Sale			20 May 2016	(659670)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

**E) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Kumar Nair</b>				
	At the beginning of the year	12708694	51.96		
	Change during the year	0	0	12708694	51.96
	At the end of the year	12708694	51.96		
2.	<b>Mr. U. Ramachandran</b>				
	At the beginning of the year	266909	1.09		
	Change during the year	0	0	266909	1.09
	At the end of the year	266909	1.09		
3.	<b>Mr. Pravin Khatau</b>				
	At the beginning of the year	2500	0.01		
	Change during the year	0	0	2500	0.01
	At the end of the year	2500	0.01		
4.	<b>Mr. Sudharsanan Nair</b>				
	At the beginning of the year	500	0.002		
	Change during the year	0	0	500	0.002
	At the end of the year	500	0.002		
5.	<b>Mr. Sreedhar H.</b>				
	At the beginning of the year	425	0.002		
	Change during the year	0	0	425	0.002
	At the end of the year	425	0.002		

**V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding / accrued but not due for payment.**

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	49.56	40.62	–	90.18
ii) Interest due but not paid	–	32.47	–	32.47
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>49.56</b>	<b>73.09</b>	<b>–</b>	<b>122.65</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	NIL	512.00	–	512.00
* Reduction	(12.00)	(40.28)	–	(52.28)
<b>Net Change</b>	<b>(12.00)</b>	<b>471.72</b>	<b>–</b>	<b>459.72</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	37.56	542.00	–	579.56
ii) Interest due but not paid	–	2.81	–	2.81
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>37.56</b>	<b>544.81</b>	<b>–</b>	<b>582.37</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	MD Mr. Kumar Nair
1	<b>Gross salary</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.70
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.30
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, please specify	-
	<b>Total (A)</b>	<b>24.00</b>

## B. Remuneration to other Directors

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Pravin Khatau	Mrs. Nirmala Sachin Parab	Mr. Sudharsanan Nair	
	<b>Independent Directors</b>				
1	Fee for attending board committee meetings	0.20	1.82	1.82	3.84
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>Total (1)</b>	<b>0.20</b>	<b>1.82</b>	<b>1.82</b>	<b>3.84</b>
	<b>Other Non-Executive Directors</b>	-	-	-	-
2	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Managerial Remuneration</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>0.20</b>	<b>1.82</b>	<b>1.82</b>	<b>3.84</b>

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
		Mr. Sreedhar H.	Mr. U Ramachandran	
	Gross salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.40	NIL	2.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, Professional fees	-	2.43	-
	<b>Total</b>	<b>2.40</b>	<b>2.43</b>	<b>4.83</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments, compounding of offences for the year ended 31st March, 2017.

For and on behalf of Board of Directors

Place: Mumbai  
Date: April 27, 2017

**Kumar Nair**                      **U. Ramachandran**  
*Managing Director*              *Director & CFO*  
(DIN 00320541)                      (DIN 00493707)





## Annexure "E" to the Directors' Report

## DISCLOSURES ON EMPLOYEES' STOCK OPTION SCHEME

Sl. No	Particulars	Details
a)	Options granted during the year	No options have been granted during the year
b)	Pricing formula	As approved by the shareholders in the Annual General Meeting held on 5 <sup>th</sup> August, 2009, the exercise price for options is ₹ 10 per share
c)	Options vested during the year	61,650
d)	Options exercised during the year	Nil
e)	The total number of shares arising as a result of exercise of Option	Nil
f)	Options lapsed during the year	Nil
g)	Options forfeited during the year	Nil
h)	Exercise price	₹ 10 per share
i)	Variation of Terms of Options	The exercise price of the options was fixed at par, i.e. ₹ 10 at the Annual General Meeting held on 5 <sup>th</sup> August, 2009
j)	Money realised by exercise of options	Nil
k)	Total number of Options in force	Nil
l)	Employee wise details of Options Granted to:-	
	i. Key Managerial Personnel	Nil
	ii. Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Nil
	iii. Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant	Nil
m)	Diluted Earnings per share(EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS)20	₹ 0.30
n)	Difference between employee compensation cost calculated as per intrinsic value of stock options and fair value of the options.	Not Applicable
o)	Impact of the difference on profits and EPS.	Not Applicable
p)	Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock : - Weighted average price (₹) - Weighted average Fair Value	Not Applicable
q)	A description of the method and significant assumptions used during the year to estimate the fair values of options	Since no options have been granted during the year, hence not applicable

For and on behalf of Board of Directors

Place: Mumbai  
Date: April 27, 2017

<b>Kumar Nair</b> Managing Director (DIN 00320541)	<b>U. Ramachandran</b> Director & CFO (DIN 00493707)
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## Annexure "F" to the Directors' Report

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto****1. Details of contracts or arrangements or transactions not at arm's length basis:**

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts/arrangements/transactions	Nil
c)	Duration of the contracts / arrangements/transactions	Nil
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date(s) of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Vertex Securities Limited, Subsidiary Company
b)	Nature of contracts/arrangements/transactions	Inter Corporate Transactions
c)	Duration of the contracts / arrangements/transactions	FY 2016-17
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Transactions for an amount of ₹ 0.70 Crore
e)	Date(s) of approval by the Board	24.05.2016 21.07.2016 08.11.2016 30.01.2017
f)	Amount paid as advances, if any	Transactions for an amount of ₹ 0.60 Crore

For and on behalf of Board of Directors

Place: Mumbai  
Date: April 27, 2017

<b>Kumar Nair</b> Managing Director (DIN 00320541)	<b>U. Ramachandran</b> Director & CFO (DIN 00493707)
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Annexure "G" to the Directors' Report

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**TRANSWARRANTY FINANCE LIMITED,**  
403, Regent Chambers, Nariman Point,  
Mumbai 400021

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TRANSWARRANTY FINANCE LIMITED (CIN - L65920MH1994PLC080220)**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit period)

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);

The other laws as may be applicable to the Company are based on the Compliance Certificates issued by the Director and submitted to the Board of Directors of the Company. As per the Compliance Certificate, we report that the Company has generally complied with the provisions of those laws that are applicable to the Company.

- (i) On examination of the relevant documents and records on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

➤ Reserve Bank of India Act, 1934 (“RBI Act”)

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committee of the Board as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, Transwarranty Capital Market Services Private Limited became the wholly owned subsidiary of the Company and also the Company has incorporated another wholly owned subsidiary Company named Transwarranty Consultants Private Limited. Further the Company has not taken any other actions or entered into events having a major bearing on the company’s affairs in above referred laws, rules, regulations, guidelines, standards, etc.

For **M. P. Sharma & Co.**

Place : MUMBAI

Date : 27.04.2017

**M. P. Sharma**

FCS: 2673, C. P: 4536

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.

## APPENDIX A

To,  
The Members,  
**TRANSWARRANTY FINANCE LIMITED,**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was one on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Whenever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules ,regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M. P. Sharma & Co.**

**M. P. Sharma**

FCS: 2673, C. P: 4536

**Annexure "H" to the Directors' Report****PARTICULARS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016.**

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-2017:

<b>Name of the Director</b>	<b>Ratio</b>
Mr. Kumar Nair (Managing Director)	4.15:1
Mr. U. Ramachandran (Director & CFO)	Nil

Other Directors of the Company are paid only sitting fees which are not considered as remuneration.

- (ii) The percentage increase / decrease in the remuneration of each Director, Chief Financial Officer and Company Secretary or Manager in the Financial Year 2016-2017:

<b>Name</b>	<b>% increase/ (decrease)</b>
Mr. Kumar Nair (Managing Director)	Nil
Mr. U. Ramachandran (Director & CFO)	Nil
Mr. Sreedhar H. (Company Secretary)	Nil

Other Directors of the Company are paid only sitting fees which are not considered as remuneration.

- (iii) The percentage increase in the median remuneration of employees in the Financial Year 2016-17: Nil
- (iv) The number of permanent employees on the rolls of the Company: 23 employees as on March 31, 2017
- (v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase in managerial remuneration and for employees other than Managerial Personnel is Nil.
- (vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company: The Company affirms that the remuneration is as per the Remuneration Policy of the Company.
- (vii) The names of the top ten employees in terms of remuneration drawn and the name of every employee who :
- If employed throughout the financial year, was in receipt of remuneration for that year in which, in the aggregate, was not less than one crore and two lakhs rupees- Not applicable
  - If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month- Not applicable
  - If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or alongwith his spouse and dependent children, not less than two percent of the equity shares of the company - Not applicable

For and on behalf of Board of Directors

Place: Mumbai  
Date: April 27, 2017

**Kumar Nair**  
Managing Director  
(DIN 00320541)

**U. Ramachandran**  
Director & CFO  
(DIN 00493707)

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
TRANSWARRANTY FINANCE LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Transwarranty Finance Limited ("the Company") which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **Annexure 'A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure 'B'**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 25 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosure in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with books maintained by the company.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**  
*Chartered Accountants*  
(Firm's Registration Number: 120294W)

**RAHUL DIVAN**  
*Partner*

Membership Number: 100733

Place : Mumbai  
Date : 27 April 2017

**ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT**  
**(Annexure referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date.)**

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, some of the fixed assets have been physically verified by the management according to a programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (c) The Company did not own any immovable property during the year. Accordingly paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company is a Non-Banking Financial Company. Accordingly, it does not hold any physical inventory. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit attracting the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder. Thus, paragraph 3(v) of the Order is not applicable to the Company.

- (vi) In our opinion and according to the information and explanation given to us, pursuant to the Rules made by the Central Government, the maintenance of cost records as prescribed under Section 148 (1) of the Companies Act, 2013, is not applicable to the Company for the year under report.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31<sup>st</sup> March, 2017 outstanding for a period of more than six months from the date they become payable.
- (b) The disputed statutory dues aggregating to ₹ 29,04,820/- that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Tax/Penalty	546,710	Assessment Year 2011-2012	Commissioner of Income Tax (Appeals)
2	Income Tax Act, 1961	Tax/Penalty	2,358,110	Assessment Year 2012-2013	Commissioner of Income Tax (Appeals)

- (viii) Based on our audit procedures and according to the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions. The Company did not have any outstanding loans or borrowings from government or dues to debenture holders.
- (ix) According to the information and explanations given to us, term loan taken by the Company was applied for the purpose for which it was raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge, and according to the information and explanations to us, no material fraud on or by the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company, being a Non-Banking Financial Company (NBFC), is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. The Company had applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and has been granted certificate of registration dated 6 August, 1998 from the Reserve Bank as a NBFC.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**  
Chartered Accountants  
(Firm's Registration Number: 120294W)

**RAHUL DIVAN**  
Partner

Place : Mumbai  
Date : 27 April 2017

Membership Number: 100733





## **ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT**

**(Annexure referred to under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date.)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of Transwarranty Finance Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017. However, the Company is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

*Chartered Accountants*

(Firm's Registration Number: 120294W)

**RAHUL DIVAN**

*Partner*

Membership Number: 100733

Place : Mumbai

Date : 27 April 2017

## NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

TO THE BOARD OF DIRECTORS OF  
**TRANSWARRANTY FINANCE LIMITED**

As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016 issued by Reserve Bank of India (RBI) on the matters specified in Para 3 and 4 of the said Directions to the extent applicable to Transwarranty Finance Limited ("the Company") and according to the information and explanations given to us for the purpose of audit, we report that:

- a. The Company had applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and has been granted certificate of registration dated 6 August, 1998 from the Reserve Bank of India as a Non-Banking Financial Company (NBFC). Further, the company is entitled to continue to hold such Registration in terms of its asset/income pattern as on 31<sup>st</sup> March, 2017.
- b. The company meets the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- c. The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits;
- d. The company has not accepted any public deposits during the year under reference; and
- e. The company has complied with prudential norms relating to the income recognition, accounting standards, asset classification and provision of bad and doubtful debts as applicable to it.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

*Chartered Accountants*

(Firm's Registration Number: 120294W)

**RAHUL DIVAN**

*Partner*

Membership Number: 100733

Place : Mumbai

Date : 27 April 2017

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

Particulars	Note No.	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
		(₹)	(₹)	(₹)	(₹)
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	2	244,605,680		244,605,680	
(b) Reserves and Surplus	3	<u>333,839,290</u>		<u>326,402,263</u>	
			578,444,970		571,007,943
<b>(2) Non - Current Liabilities</b>					
(a) Long Term Borrowings	4	–		207,614	
(b) Other Long Term Liabilities	5	<u>557,879</u>		<u>692,880</u>	
			557,879		900,494
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	6	57,748,567		8,347,394	
(b) Other Current Liabilities	7	7,786,175		6,194,611	
(c) Short Term Provisions	8	<u>928,246</u>	<u>66,462,988</u>	<u>866,098</u>	<u>15,408,103</u>
<b>Total Equity And Liabilities</b>			<u><u>645,465,837</u></u>		<u><u>587,316,540</u></u>
<b>II ASSETS</b>					
<b>(1) Non Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	9	1,080,111		1,435,176	
(ii) Intangible Assets	10	660,473		849,311	
(b) Non Current Investments	11 (A)	332,257,383		331,757,383	
(c) Deferred Tax Assets (Net)	12	426,498		423,186	
(d) Long Term Loans and Advances	13	<u>205,786,855</u>		<u>205,766,855</u>	
			540,211,320		540,231,911
<b>(2) Current Assets</b>					
(a) Current Investments	11 (B)	419,178		9,074,620	
(b) Inventories	14	572,144		–	
(c) Trade Receivables	15	1,476,771		2,007,801	
(d) Cash and Cash Equivalents	16	936,898		1,351,280	
(e) Short Term Loans and Advances	17	76,903,742		28,828,418	
(f) Other Current Assets	18	<u>24,945,784</u>	<u>105,254,517</u>	<u>5,822,510</u>	<u>47,084,629</u>
<b>Total Assets</b>			<u><u>645,465,837</u></u>		<u><u>587,316,540</u></u>

Notes 1 to 34 form an integral part of the Financial Statements.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants**Rahul Divan**  
PartnerMumbai  
April 27, 2017

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director  
DIN No. 00320541**Nirmala Parab**  
Director  
DIN No. 07149007**U. Ramachandran**  
Director & CFO  
DIN No. 00493707**Sridhar H.**  
Company Secretary**Sudharsanan Nair**  
Director  
DIN No. 01510505

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	Note No.	For the year Ended 31 <sup>st</sup> March, 2017 (₹)	For the year Ended 31 <sup>st</sup> March, 2016 (₹)
<b>REVENUE</b>			
Revenue From Operations	19	116,720,546	99,940,781
Other Income	20	1,841,184	207,216
<b>Total Revenue</b>		<b>118,561,730</b>	<b>100,147,997</b>
<b>EXPENSES</b>			
Purchase of Shares held in Stock in Trade	21	72,720,111	58,758,158
Employee Benefits Expenses	22	17,884,342	23,382,130
Finance Costs	23	756,445	733,072
Depreciation and Amortisation Expenses	9 & 10	543,903	633,721
Other Expenses	24	17,822,189	15,708,201
<b>Total Expenses</b>		<b>109,726,990</b>	<b>99,215,282</b>
<b>Profit Before Exceptional and Extra ordinary items and Tax</b>		<b>8,834,740</b>	<b>932,715</b>
Exceptional Items			
Reversal of Excess Provision		-	466,090
<b>Profit Before Extra ordinary items and Tax</b>		<b>8,834,740</b>	<b>1,398,805</b>
Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>8,834,740</b>	<b>1,398,805</b>
<b>Tax Expense</b>			
Current Tax		1,675,000	280,000
Less: MAT Credit Entitlement		(273,975)	(321,500)
Deferred Tax		(3,312)	10,550
<b>Profit After Tax</b>		<b>7,437,027</b>	<b>1,429,755</b>
Prior Period Expenses		-	-
Prior Period Items - Short Tax Provision Written off/ (Written back)		-	-
<b>Profit After Tax from Continuing Operations</b>		<b>7,437,027</b>	<b>1,429,755</b>
<b>Profit from Discontinuing Operations</b>		-	-
Tax Expense of Discontinuing Operations		-	-
<b>Profit from Discontinuing Operations After Tax</b>		-	-
<b>Profit For the Year</b>		<b>7,437,027</b>	<b>1,429,755</b>
Basic Earning Per Share of ₹ 10/- each (In Rupees)	26	0.30	0.06
Diluted Earning Per Share of ₹ 10/- each (In Rupees)	26	0.30	0.06

Notes 1 to 34 form an integral part of the Financial Statements.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants

**Rahul Divan**  
Partner

Mumbai  
April 27, 2017

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director  
DIN No. 00320541

**Nirmala Parab**  
Director  
DIN No. 07149007

**U. Ramachandran**  
Director & CFO  
DIN No. 00493707

**Sridhar H.**  
Company Secretary

**Sudharsanan Nair**  
Director  
DIN No. 01510505

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars	2016-17 Amount (₹)	2015-16 Amount (₹)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	8,834,740	1,398,805
<b>Add: Non Operating Expenses/ Non Cash Expenses</b>		
Depreciation & Amortisation	543,903	633,721
Provision for diminution in value of quoted investments (net)	–	41,890
Interest Paid	756,445	1,211,779
Bad debts Written off	1,857,471	266,910
	<b>3,157,819</b>	<b>2,154,300</b>
<b>Less : Interest / Dividend/ Other Non Operating Income Adjustments</b>		
Interest Received	1,065,290	9,000
Dividend Received	6,080	2,884
Profit on sales of shares/ Mutual Fund	621,397	140,517
Provision for diminution in value of quoted investments (net)	74,028	–
Sundry Creditors written back	–	24,193
Reversal of Excess Provision	–	466,090
	<b>1,766,795</b>	<b>642,684</b>
<b>Operating Profit before Working Capital Changes</b>	<b>10,225,764</b>	<b>2,910,421</b>
<b>Adjusted for:</b>		
(Increase)/Decrease in Trade Receivables & Other Assets	<b>(20,179,339)</b>	<b>(836,802)</b>
(Increase)/Decrease in Loans & Advances	<b>1,197,655</b>	<b>2,672,746</b>
Increase /(Decrease) in Current Liabilities	<b>1,869,348</b>	<b>248,237</b>
Increase /(Decrease) in Non-Current Liabilities	<b>(135,000)</b>	<b>(620,000)</b>
Increase /(Decrease) in Provisions	<b>136,176</b>	<b>255,782</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars	2016-17 Amount (₹)	2015-16 Amount (₹)
<b>Cash Generated from Operation</b>	<b>(6,885,397)</b>	<b>4,630,384</b>
Income Tax Refund / (Paid)	3,679,495	(3,868,087)
<b>Net Cash From Operating Activities</b>	<b>(3,205,901)</b>	<b>762,297</b>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
(Purchase)/ Sale of Investments (Net)	8,776,840	(8,906,997)
Inter Corporate Deposits received / (Given)	(5,274,685)	7,100,801
Micro Finance Gold Loan (Given) / Received Back	196,330	(930,955)
Interest Received	1,065,290	9,000
Dividend Received	6,080	2,884
<b>Net Cash used in Investing Activities</b>	<b>4,769,855</b>	<b>(2,725,267)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (Decrease) in Secured Loans	(1,199,362)	265,157
Interest Paid	(756,445)	(1,211,779)
Dividend Paid ( including tax thereon)	(22,528)	(56,081)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(1,978,335)</b>	<b>(1,002,703)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalent</b>	<b>(414,382)</b>	<b>(2,965,672)</b>
<b>Opening Balance of Cash and Cash Equivalent</b>	<b>1,351,280</b>	<b>4,316,952</b>
<b>Closing Balance of Cash and Cash Equivalent</b>	<b>936,898</b>	<b>1,351,280</b>

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants**Rahul Divan**  
PartnerMumbai  
April 27, 2017

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director  
DIN No. 00320541**Nirmala Parab**  
Director  
DIN No. 07149007**U. Ramachandran**  
Director & CFO  
DIN No. 00493707**Sridhar H.**  
Company Secretary**Sudharsanan Nair**  
Director  
DIN No. 01510505



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### (A) Basis of Preparation of Financial Statements

These Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles under the historical cost convention, on an accrual basis of accounting. Generally Accepted Accounting Principles comprises of mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts Rules), 2014 and provisions of the Act to the extent notified.

#### (B) Fixed Assets & Depreciation

- (i) All the fixed assets have been stated at cost less depreciation. Cost includes cost of purchase and other costs attributable to bringing the assets to working condition for intended use.
- (ii) Fixed assets are depreciated on straight line method over the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

#### (C) Current Assets

- (i) Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.
- (ii) Debit and Credit balances are subject to confirmation of parties.

#### (D) Leases

Leases are accounted for and disclosure made as per the requirements of Accounting Standard 19 - Leases, issued by the Institute of Chartered Accountants of India.

#### (E) Revenue Recognition

- (i) The company's income from operations is accounted for on accrual basis.
- (ii) Service Income is recognized as per the term of the contract/ agreements entered into with the customer when the related services are performed.
- (iii) Dividend income is recognized when the right to receive the dividend is established.
- (iv) Interest income is recognized on the time proportion basis.
- (v) Profit or loss arising on account of sale of trade investments in forward contract in respect of firm commitment were booked as income or expenditure as on the date of such contract entered.

#### (F) Retirement Benefits

- (i) Gratuity is accounted for on accrual basis by way of contribution to Group Gratuity Scheme of Life Insurance Corporation of India.
- (ii) The company contributes the employers share of the Provident Fund and the Employees Pension Scheme with the Regional Provident Fund Commissioner and the charges all such amounts to the Statement of Profit and Loss on an accrual basis.

#### (G) Taxation

- (i) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income tax Act, 1961.
- (ii) The deferred tax charge or credit reflects the tax effect of timing differences between the book and the tax profits accounted for using the tax rates and laws that have been substantially enacted as on the Balance Sheet date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

- (iii) Deferred Tax Assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future.

### (H) Investments

- (i) Long term investments are valued at cost.
- (ii) Short Term Investments are valued at cost or fair value whichever is lower determined on an individual investment basis.
- (iii) Trade investments are valued at cost or fair value whichever is lower determined on an individual investment basis.

### (I) Earning per Share

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

### (J) Foreign Currency Transactions

Transaction in foreign currencies pertaining to revenue accounts are accounted at approximate exchange rate prevalent on the transaction date. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment / realization in Statement of Profit and Loss. The amount outstanding at the year end are translated at exchange rate prevailing at year end and the profits / loss so determined are recognized in the Statement of Profit and Loss.

### (K) Provisions

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the best current estimate.

### (L) Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

### (M) Employee Stock Option

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share based Payments, issued by The Institute of Chartered Accountants of India. Compensation expenses is amortised over the vesting period of the option on a straight line basis. The Company measures compensation cost relating to employee stock options using the intrinsic value method.





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2017 ( ₹ )	As at 31 <sup>st</sup> March, 2016 ( ₹ )
<b>2. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
31,000,000 Equity Shares of ₹ 10/- each	310,000,000	310,000,000
	<u>310,000,000</u>	<u>310,000,000</u>
<b>Issued, Subscribed and Fully Paid Up</b>		
24,460,568 Equity Shares of ₹ 10/- each fully paid up	244,605,680	244,605,680
<b>Total</b>	<u>244,605,680</u>	<u>244,605,680</u>

**Note:-**

**1) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year.**

Particulars	2016-17		2015-16	
	No. of Shares	( ₹ )	No. of Shares	( ₹ )
<b>EQUITY SHARES</b>				
<b>A) Fully Paid Up Shares</b>				
No of shares outstanding at the beginning of the year	24,460,568	244,605,680	24,460,568	244,605,680
Add / (Less) : Issued / (Buy back) during the Year	-	-	-	-
<b>No of shares outstanding at the end of the year</b>	<u>24,460,568</u>	<u>244,605,680</u>	<u>24,460,568</u>	<u>244,605,680</u>

**2) Terms and rights attached to Equity Share.**

The company has only one class of Equity share having a Par Value of ₹ 10/- each. Each holder of equity share is entitled for one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the share holders in the ensuring Annual General Meeting.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**3) Details of Share holders holding more than 5% shares in the company.**

**Equity Shares**

Name of the Person / Firm / Company	2016-17		2015-16	
	No. of Shares	%	No. of Shares	%
<b>EQUITY SHARES</b>				
<b>a) Fully Paid Up Shares</b>				
1) Kumar Nair	12,708,694	51.96	12,708,694	51.96
2) TFL-TCCPL and TFCPL Merger Trust	5,225,000	21.36	5,225,000	21.36

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

### 4) Employees Stock Option Scheme

- The Transwarranty Finance Limited (TFL) Employee Stock Option Scheme has been approved by the Board Of Directors of the company on 10<sup>th</sup> March, 2008.
- The vesting period is over five years from the date of grant, commencing after one year from the date of grant.
- Exercise Period would commence one year from date of grant and will expire on completion of five years from the date of vesting.
- The options will be settled in equity shares of the company.
- The company used the intrinsic value method to account for ESOPs.
- The exercise price has been determined to be ₹ 10/-
- Consequently, no compensation cost has been recognized by the company in accordance with the "Guidance Note on Accounting for Employee Share-Based payments" issued by the Institute of Chartered Accountants of India".
- Details of movement of Options

Particulars	As at 31 <sup>st</sup> March, 2017 Nos.	As at 31 <sup>st</sup> March, 2016 Nos.
Options outstanding at the beginning of the year	61,650	152,775
Prior Period Adjustments	-	-
Options granted during the year	-	-
Options vested during the year	61,650	66,375
Options exercised during the year	Nil	Nil
Options forfeited during the year	-	24,750
Options lapsed /surrendered during the year	-	-
Options outstanding at the end of the year	<u>61,650</u>	<u>61,650</u>

- Had fair value method been used, the compensation cost would have been higher by ₹ Nil (Previous Year ₹ 5.86 Lakhs). Profit after tax would have been lower by ₹ Nil (Previous year ₹ 5.86 Lakhs) and EPS both basic and diluted - would have been ₹ 0.30 per share (Previous Year ₹ 0.03 per share).

Particulars	As at 1 <sup>st</sup> April, 2016 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 <sup>st</sup> March, 2017 (₹)
<b>3. RESERVES AND SURPLUS</b>				
a) Capital Reserve	37,893,245	-	-	37,893,245
b) Securities Premium Reserve	208,291,145	-	-	208,291,145
c) Other Reserves				
- Reserve U/S 45IC of RBI Act	32,236,771	1,487,405	-	33,724,176
- General Reserve	10,410,757	-	-	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1)	37,570,345	5,949,622	-	43,519,967
	<u>326,402,263</u>	<u>7,437,027</u>	<u>-</u>	<u>333,839,290</u>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	As at 1 <sup>st</sup> April, 2015 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 <sup>st</sup> March, 2016 (₹)
a) Capital Reserve	37,893,245	–	–	37,893,245
b) Securities Premium Reserve	208,291,145	–	–	208,291,145
c) Other Reserves				
- Reserve U/S 45IC of RBI Act	31,950,820	285,951	–	32,236,771
- General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1)	36,426,541	1,143,804	–	37,570,345
	<u>324,972,508</u>	<u>1,429,755</u>	<u>–</u>	<u>326,402,263</u>

	2016-17	2015-16
<b>Note:- 1</b>		
<b>1) Profit for the year</b>	7,437,027	1,429,755
Less:-		
Transfer to Reserve U/S 45 IC of RBI Act	<u>1,487,405</u>	<u>285,951</u>
	<u>1,487,405</u>	<u>285,951</u>
	<u>5,949,622</u>	<u>1,143,804</u>

Particulars	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>NON-CURRENT LIABILITIES</b>		
<b>4. LONG TERM BORROWINGS</b>		
<b>I. Secured Loans</b>		
Car Loan Account - HDFC Bank (Secured against hypothecation of Motor Car)	–	207,614
<b>Total (A)</b>	<u>–</u>	<u>207,614</u>
<b>II. Unsecured Loans</b>		
<b>From Others:</b>		
Inter Corporate Deposits	–	–
<b>Total (B)</b>	<u>–</u>	<u>–</u>
<b>Total (A) + (B)</b>	<u>–</u>	<u>207,614</u>

**Note:-**

**Terms of Repayment**

- 1) Vehicle loan from HDFC Bank was sanctioned on 17.09.2012 for a period of 5 years. Current EMI per month is ₹ 42,620/-, under other current liabilities

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2017 ( ₹ )	As at 31 <sup>st</sup> March, 2016 ( ₹ )
<b>5. OTHER LONG TERM LIABILITIES</b>		
a) Trade Payables		
- Gold Loan	557,879	692,880
	<u>557,879</u>	<u>692,880</u>
<b>CURRENT LIABILITIES</b>		
<b>6. SHORT TERM BORROWINGS</b>		
<b>A) Secured Loans</b>		
<b>1) Loans Repayable on Demand</b>		
a) From Banks		
Catholic Syrian Bank - Gold Loan Overdraft Account (Secured against Gold Loan Receivables and Personal Guarantee given by the Managing Director)	3,548,567	4,285,059
<b>Note:-</b>		
1) Overdraft from CSB is Working Capital Facility for Gold Loan against the securities not older than six months and personal guarantee of the Managing Director. Tenure of the loan is for 12 months and repayable on demand. Limit shall be renewed before the expiry of the sanctioned period of one year. Current Interest rate is 15.25% p.a.		
<b>Total - (A)</b>	<u>3,548,567</u>	<u>4,285,059</u>
<b>B) Unsecured Loans</b>		
1) From Others		
i) Inter Corporate Deposits		
- From Subsidiary Company	-	1,062,335
- From Others	54,200,000	3,000,000
<b>Total - (B)</b>	<u>54,200,000</u>	<u>4,062,335</u>
<b>Total - (A) + (B)</b>	<u>57,748,567</u>	<u>8,347,394</u>
<b>7. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debt	207,614	462,870
Book Overdraft	3,060,470	-
Interest Accrued & Due on borrowings	280,515	3,246,589
Unclaimed Dividends	25,624	48,152
Other Payables (Creditors for Expenses)	4,211,952	2,437,000
	<u>7,786,175</u>	<u>6,194,611</u>
<b>8. SHORT - TERM PROVISIONS</b>		
a) <b>Provision for Employees</b>		
Provision for Leave Encashment	800,564	664,388
b) <b>Others</b>		
Provision for Diminution in value of Quoted Investments	127,682	201,710
	<u>928,246</u>	<u>866,098</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

9. FIXED ASSETS -TANGIBLE

Sr. No.	Description	GROSS BLOCK/ COST/BOOK VALUE				DEPRECIATION /AMORTISATION				NET BLOCK	
		Total As at 01-Apr-16 (₹)	Additions/ Adjustments during the Year (₹)	Deductions/ Adjustments during the Year (₹)	Total As at 31-Mar-17 (₹)	Total As at 01-Apr-16 (₹)	Provided during the Year (₹)	Deductions/ Adjustments during the Year (₹)	Total As at 31-Mar-17 (₹)	As at 31-Mar-17 (₹)	As at 31-Mar-16 (₹)
1	Furniture	688,665	-	-	688,665	590,242	42,859	-	633,101	55,564	98,423
2	Computers	921,991	-	-	921,991	921,991	-	-	921,991	-	-
3	Office Equipments	627,718	-	-	627,718	596,193	22,948	-	619,141	8,577	31,525
4	Vehicles	3,872,140	-	-	3,872,140	2,566,912	289,258	-	2,856,170	1,015,970	1,305,228
	<b>Total</b>	<b>6,110,514</b>	<b>-</b>	<b>-</b>	<b>6,110,514</b>	<b>4,675,338</b>	<b>355,065</b>	<b>-</b>	<b>5,030,403</b>	<b>1,080,111</b>	<b>1,435,176</b>
	<b>Previous Year</b>	<b>6,110,514</b>	<b>-</b>	<b>-</b>	<b>6,110,514</b>	<b>4,246,174</b>	<b>429,164</b>	<b>-</b>	<b>4,675,338</b>	<b>1,435,176</b>	

10. FIXED ASSETS - INTANGIBLE

Sr. No.	Description	GROSS BLOCK/ COST/BOOK VALUE				DEPRECIATION /AMORTISATION				NET BLOCK	
		Total As at 01-Apr-16 (₹)	Additions/ Adjustments during the Year (₹)	Deductions/ Adjustments during the Year (₹)	Total As at 31-Mar-17 (₹)	Total As at 01-Apr-16 (₹)	Provided during the Year (₹)	Deductions/ Adjustments during the Year (₹)	Total As at 31-Mar-17 (₹)	As at 31-Mar-17 (₹)	As at 31-Mar-16 (₹)
1	Goodwill	400,000	-	-	400,000	-	-	-	-	400,000	400,000
2	Computer Software	3,418,425	-	-	3,418,425	2,969,114	188,838	-	3,157,952	260,473	449,311
	<b>Total</b>	<b>3,818,425</b>	<b>-</b>	<b>-</b>	<b>3,818,425</b>	<b>2,969,114</b>	<b>188,838</b>	<b>-</b>	<b>3,157,952</b>	<b>660,473</b>	<b>849,311</b>
	<b>Previous Year</b>	<b>3,818,425</b>	<b>-</b>	<b>-</b>	<b>3,818,425</b>	<b>2,764,557</b>	<b>204,557</b>	<b>-</b>	<b>2,969,114</b>	<b>849,311</b>	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	Face Value (₹)	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		Quantity (Nos)	Value (₹)	Quantity (Nos)	Value (₹)
<b>11 (A) NON-CURRENT INVESTMENTS (AT COST)</b>					
<b>a) Investments in Equity Instruments</b>					
<b>i) In Subsidiary Companies</b>					
<b>a) Quoted</b>					
Vertex Securities Limited (Market Value ₹ 105,526,163/-)	2	37,420,625	133,190,024	37,420,625	133,190,024
<b>b) Unquoted</b>					
Transwarranty Capital Market Services Pvt. Ltd	2	50,000	100,000	–	–
Transwarranty Consultants Pvt. Ltd	10	40,000	400,000	–	–
<b>ii) Others</b>					
<b>a) Quoted</b>					
South Indian Bank (Right Shares) (Market Value ₹ 214/-)	1	10	40	10	40
NEPC India Ltd. (Market Value ₹ 3,000/-)	10	2,000	85,156	2,000	85,156
Shree Rama Newsprint Limited (Market Value ₹ 41,313/-)	10	1,250	86,838	1,250	86,838
Anil Limited (Market Value ₹ 3,592/-)	10	39	780	39	780
<b>b) Unquoted</b>					
Catholic Syrian Bank Ltd.	10	700	31,000	700	31,000
<b>b) Investments in Preference Shares</b>					
<b>a) In Subsidiary Companies (Un Quoted)</b>					
15% Non Cumulative Redeemable Preference Shares of Vertex Securities Limited	100	6,863	1,372,600	6,863	1,372,600
<b>b) Others (Un Quoted)</b>					
8% Non Cumulative Redeemable Preference Shares of Transwarranty Advisors Pvt. Ltd	100	837,340	83,734,000	837,340	83,734,000
8% Non Cumulative Redeemable Preference Shares of Transwarranty Pvt. Ltd	100	1,132,380	113,238,000	1,132,380	113,238,000
<b>c) Investments in Government or Trust Securities</b>					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
UTI Master Share (Market Value ₹ 35,932/- )	–	1,000	13,945	1,000	13,945
<b>Total</b>			<b>332,257,383</b>		<b>331,757,383</b>

- 1) Aggregate amount of Quoted investments is ₹ 133,376,784/- (P.Y. ₹ 133,376,784/-) and market value is ₹ 105,610,213/- (P.Y. ₹ 84,279,289/-)
- 2) Aggregate amount of Un Quoted investments is ₹ 198,880,600 /- ( P.Y. 198,380,600/-)
- 3) Aggregate provision made for diminution in value of investments is ₹ 127,682/- (P.Y. ₹ 201,710/-).



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

**11 (B) CURRENT INVESTMENTS**

Particulars	Face Value (₹)	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		Quantity (Nos/Units)	Value (₹)	Quantity (Nos/Units)	Value (₹)
<b>(a) Investments in Equity Shares</b>					
Axis Bank	2	–	–	500	286,933
<b>(b) Mutual Fund</b>					
SBI Ultra Short Term Debt Fund-Regular Plan Growth		29,529	60,106	785,470	1,518,483
HDFC Liquid Fund - Growth		–	–	1,457,410	4,268,152
HDFC Cash Management Fund - Treasury Advantage - Plan Retail Regular Plan - Growth		1,653,179	55,173	–	–
UTI- Money Market Fund - Institutional Plan-Growth		–	–	1,803,690	3,001,052
UTI Liquid Cash Plan - Institutional Daily Dividend - Reinvestment		1,032	1,052	–	–
UTI - Floating Rate Fund-STP - Direct Growth Plan		3,860	10,302	–	–
Franklin Templeton - Low Growth Fund		11,212,404	199,757	–	–
Franklin Ultra Short Bond Fund -Super Institutional Plan - Growth		4,241,769	92,788	–	–
<b>Total</b>			<u>419,178</u>		<u>9,074,620</u>

- (a) Aggregate amount of quoted investments is ₹ Nil (P.Y. ₹ 286,933/-) and market value is ₹ Nil (P.Y. ₹ 2,22,275/-).  
(b) Aggregate amount of un quoted investments is ₹ 4,19,177/- (P.Y. ₹ 8,787,687).

Particulars	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>NON CURRENT ASSETS</b>		
<b>12. DEFERRED TAX ASSET</b>		
Deferred Tax Assets on Depreciation	426,498	423,186
Deferred Tax Asset	<u>426,498</u>	<u>423,186</u>
<b>13. LONG TERM LOANS AND ADVANCES</b>		
<b>A) Unsecured, Considered Good</b>		
a) Capital Advances	40,775,000	40,775,000
b) Security Deposits	292,259	272,259
c) Other Loans and Advances		
Inter Corporate Deposits	88,957,096	88,957,096
TFL-TCCPL and TFCPL Merger Scheme Trust	75,762,500	75,762,500
	<u>205,786,855</u>	<u>205,766,855</u>
<b>CURRENT ASSETS</b>		
<b>14. INVENTORIES</b>		
Shares Held as Stock In Trade	572,144	–
	<u>572,144</u>	–

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2017 ( ₹ )	As at 31 <sup>st</sup> March, 2016 ( ₹ )
<b>15. TRADE RECEIVABLES</b>		
<b>Unsecured, Considered Good</b>		
Debts outstanding for a period exceeding six months	91,411	163,438
Other Debts	<u>1,385,360</u>	<u>1,844,363</u>
	<u>1,476,771</u>	<u>2,007,801</u>
Less:- Provision for Doubtful Debts	-	-
	<u>1,476,771</u>	<u>2,007,801</u>
<b>16. CASH AND CASH EQUIVALENTS</b>		
a) Cash on Hand	143,620	167,717
b) Balance with Banks		
In Current Account	767,654	1,135,411
In Dividend Account	25,624	48,152
In Deposit Accounts :-		
Less than 12 months Maturity	-	-
	<u>936,898</u>	<u>1,351,280</u>
<b>17. SHORT TERM LOANS AND ADVANCES</b>		
<b>A) Secured, Considered Good</b>		
a) Others		
Gold Loans	4,637,786	5,676,636
Loan Against Property	81,837	81,837
<b>B) Unsecured, Considered Good</b>		
a) Loans and advances to Related Parties	15,000	352,496
b) Others		
Inter Corporate Deposits	63,587,187	8,174,837
Loans and advances to Employees	-	11,000
Deposits	27,362	27,362
MAT Credit Entitlement	1,339,017	423,134
Advance Payment of Income Tax (Including TDS, Net of Provisions) { Provision For Tax ₹ 12,025,800/- (P.Y. ₹ 10,452,800/-) }	6,568,536	12,564,939
Other Short Term Advances	<u>647,017</u>	<u>1,516,177</u>
	<u>76,903,742</u>	<u>28,828,418</u>
<b>18. OTHER CURRENT ASSETS</b>		
Income Receivable	22,500,000	-
Interest Accrued on ICD's	1,450,396	4,252,327
Interest Accrued on Gold Loan , etc.	995,388	1,570,183
	<u>24,945,784</u>	<u>5,822,510</u>





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	For the year ended 31 <sup>st</sup> March, 2017 ( ₹ )	For the year ended 31 <sup>st</sup> March, 2016 ( ₹ )
<b>19. REVENUE FROM OPERATIONS</b>		
a) Sale of Shares held in Stock -in -Trade	72,383,189	58,503,817
b) Interest		
Interest on Gold Loan	1,200,012	1,324,865
Interest on Loan Against Shares	-	19,587
Interest Received on ICD	4,562,227	1,257,939
c) Other Financial Services		
Trade Finance	9,175,118	13,334,273
Corporate Finance	5,700,000	2,500,000
Investment Banking	23,700,000	23,000,300
	<u>116,720,546</u>	<u>99,940,781</u>
<b>20. OTHER INCOME</b>		
a) Dividend Income	6,080	2,884
b) Net Gain on Sale of Investments	621,397	140,517
c) Bad Debts Written Off Recovered	69,446	39,391
d) Other Non Operating Income		
- Interest Income Others	1,065,290	9,000
- Miscellaneous Income	4,943	15,424
- Provision For Quoted Investments Written Back	74,028	-
	<u>1,841,184</u>	<u>207,216</u>
<b>21. PURCHASE OF SHARES HELD IN STOCK-IN-TRADE</b>	<u>72,720,111</u>	<u>58,758,158</u>
	<u>72,720,111</u>	<u>58,758,158</u>
<b>22. EMPLOYEE BENEFITS EXPENSES</b>		
a) Salaries, Wages, Bonus, Gratuity & Allowances	17,039,884	22,552,318
b) Contribution to Provident Fund	665,859	609,876
c) Staff Welfare Expenses	178,599	219,936
	<u>17,884,342</u>	<u>23,382,130</u>
<b>23. FINANCE COST</b>		
a) Interest Expense		
On Term Loans	48,570	94,539
On Overdrafts & Other Borrowings	591,637	563,972
b) Other Borrowing Costs		
Financial and Bank Charges	116,238	74,561
	<u>756,445</u>	<u>733,072</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	For the year ended 31 <sup>st</sup> March, 2017 ( ₹ )	For the year ended 31 <sup>st</sup> March, 2016 ( ₹ )
<b>24. OTHER EXPENSES</b>		
Rent	3,219,500	3,202,138
Rates & Taxes	246,054	178,673
Insurance	522,367	531,081
Advertisement , Publicity & Sales Promotion	781,034	627,551
Travelling & Other Incidental Expenses	1,658,797	1,535,412
Office Maintenance	2,507,590	2,530,354
Vehicle Running & Maintenance	89,166	97,622
Printing & Stationery	204,317	180,146
Communication Expenses	303,341	347,470
Electricity	321,953	441,853
Donation	25,000	3,000
Auditor's Remuneration		
- As Statutory Auditors	170,000	170,000
- For Tax Audit	30,000	30,000
- For Other Services	58,644	46,325
Legal, Professional & Consultancy Charges	733,396	2,615,396
Directors Sitting Fees	384,000	466,000
Other Operational Expenses	4,709,559	2,396,380
Bad Debts written off	1,857,471	266,910
Provision for Quoted Investment (Net)	-	41,890
	<u>17,822,189</u>	<u>15,708,201</u>
<b>Note:-</b>		
<b>1) EARNING / EXPENDITURE IN FOREIGN CURRENCY</b>		
Earnings in Foreign Exchange as fees for Professional Services rendered	-	-
Expenditure incurred in Foreign Currency	433,472	2,388,592
<b>25. CONTINGENT LIABILITIES</b>		
1) Guarantees issued by the company on behalf of its associates for acquiring office premises	40,600,000	40,600,000
2) Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for Exchange Margin requirements	40,000,000	30,000,000
3) Corporate Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for OD Facility	50,000,000	25,000,000
4) Claims against the company not acknowledged as debt		
a) Tax Demand in respect of which company's Appeal is pending before the first appellate authority (Income Tax) for the Assessment Year 2011-12.	546,710	546,710
b) Tax Demand in respect of which company's Appeal is pending before the first appellate authority (Income Tax) for the Assessment Year 2012-13.	2,358,110	2,358,110
	<u>133,504,820</u>	<u>98,504,820</u>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	For the year ended 31 <sup>st</sup> March, 2017 ( ₹ )	For the year ended 31 <sup>st</sup> March, 2016 ( ₹ )
<b>26. EARNINGS PER SHARE</b>		
I. Net Profit as per Statement of Profit and Loss available for Equity Share Holders	7,437,027	1,429,755
II. Weighted Average number of equity shares for Earnings per share computation		
A) For Basic Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
B) For Diluted Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
No of Shares for Basic EPS as per II A (No's)	24,460,568	24,460,568
No of shares for Diluted Earnings per Share of ₹ 10/- Each	24,460,568	24,460,568
III. Earnings Per Share ( Face Value of ₹ 10/- each)		
Basic ( ₹ )	0.30	0.06
Diluted ( ₹ )	0.30	0.06

**27. DISCLOSURE AS REQUIRED UNDER ACCOUNTS STANDARD 15 ON EMPLOYEE BENEFITS FOR GRATUITY AND LEAVE ENCASHMENT IS AS UNDER**

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
<b>Change in the benefit Obligations:</b>				
Present value of obligations as on 01. 04. 2016	2,800,957	2,466,452	664,388	408,606
Current Service Cost	151,807	142,821	478,940	517,761
Past Service Cost	-	-	-	-
Interest Cost	206,529	217,940	49,209	30,888
Actuarial (Gain)/Loss on obligation	(662,258)	(541,849)	(386,022)	(247,866)
Benefits Paid	(50,065)	515,593	(5,951)	(45,001)
<b>Present value of obligations as on 31.03.2017</b>	<b>2,446,970</b>	<b>2,800,957</b>	<b>800,564</b>	<b>664,388</b>
<b>Change in Plan Assets:</b>				
Fair Value of Plan Assets as on 01.04.2016	3,417,345	2,553,033	-	-
Adjustment to the opening balance	(1,056,130)	66,448	-	-
Expected Return on Plan Assets	195,071	261,880	-	-
Employer's Contributions	-	64,999	5,951	45,001
Benefits Paid	(50,065)	515,593	(5,951)	(45,001)
Actuarial Gain/(Loss) on Plan Assets	(601)	(44,608)	-	-
<b>Fair Value of plan assets as on 31.03.2017</b>	<b>2,505,620</b>	<b>3,417,345</b>	<b>-</b>	<b>-</b>
<b>Net (Asset) Liability (i) - (ii) :</b>	<b>(58,650)</b>	<b>(616,388)</b>	<b>800,564</b>	<b>664,388</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
<b>Net Cost for the year ended 31.03.2017</b>				
Current Service Cost	151,807	142,821	478,940	517,761
Past Service Cost	-	-	-	-
Interest Cost	206,529	217,940	49,209	30,888
Expected Return on plan Assets	(195,071)	(261,880)	-	-
Actuarial (Gain)/ Loss recognised during the year	(661,657)	(497,241)	(386,022)	(247,866)
Adjustment (Gain) to opening value of planned assets	-	-	-	-
<b>Net Cost</b>	<b>(498,392)</b>	<b>(398,360)</b>	<b>142,127</b>	<b>300,783</b>
Amount recognised in the Balance sheet (Asset) / Liability	(58,650)	(616,388)	800,564	664,388
Amount recognised in the Statement of Profit and Loss (Gain)/Loss	(498,392)	(398,360)	142,127	300,783
<b>Principal actuarial Assumptions:-</b>				
Discount rate	6.90%	7.44%	6.90%	7.44%
Expected Return on plan assets	8.35%	9.00%	-	-
Salary Escalation Rate	3.00%	3.00%	3.00%	3.00%
Attrition Rate	4.00%	24.00%	4.00%	8.00%
<b>Demographic Assumptions:</b>				
Retirement age				60 Year
Mortality rate				Unlimited

**28. RELATED PARTY DISCLOSURES**

As per Accounting Standard (AS-18) on Related Party Disclosures issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related party as defined in the Accounting Standard are given below:-

**(I) List of Related parties**

- (a) Subsidiaries of the company : Vertex Securities Limited (VSL)  
Vertex Commodities and Finpro (P) Ltd. (VCFPL)  
Transwarranty Capial Market Services Private Limited (TCMSPL)  
Transwarranty Consultants Private Limited (TCSP)
- (b) Common Controlled Entity : Transwarranty Advisors Pvt. Ltd. (TAPL)
- (c) Key Management Personnels : Mr. Kumar Nair (Managing Director)  
Mr. U. Ramachandran ( Director & Chief Financial Officer)



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

**Details of Related Party Transactions**

Name of the Company/ Transactions	2016-17 (₹ in Millions)	2015-16 (₹ in Millions)
1) Inter Corporate Deposits Given - Subsidiary Companies VSL	7.03	10.36
2) Inter Corporate Deposits Received Back - Subsidiary Companies VSL	5.97	9.92
3) Inter Corporate Deposits Given - Common Controlled Entity TAPL	-	5.23
4) Inter Corporate Deposits Received Back - Common Controlled Entity TAPL	-	5.05
5) Share Trading Debit - Subsidiary Companies VSL	19.80	12.81
6) Share Trading Credit - Subsidiary Companies VSL	20.44	13.40
7) Current Account Debit - Subsidiary Companies VSL	0.02	0.01
8) Current Account Credit - Subsidiary Companies VSL	0.10	0.10
9) Current Account Credit - Common Controlled Entity TAPL	0.06	0.02
10) Interest Paid on ICD- Subsidiary Companies VSL	0.16	0.16
11) Interest Paid on ICD - Common Controlled Entity TAPL	-	0.02
12) Interest Received on ICD - Common Controlled Entity TAPL	-	0.01
13) Brokerage Paid on Share Trading - Subsidiary Companies VSL	0.23	0.18
14) Amount paid for shares subscribed - Subsidiary Companies TCSPL	0.40	-
15) Salary and Other Allowances to Key Management Person Kumar Nair	2.40	2.40
U. Ramachandran	0.07	0.51
16) Professional Charges paid to Key Management Person U. Ramachandran	0.18	1.36
17) Shares of TCMSPL purchased from Key Management Person Kumar Nair	0.10	-
<b>Balance as on 31-03-2017 [ Debit /(Credit) ]</b>		
<b>Inter Corporate Deposit - Subsidiary Company</b> VSL	-	(1.06)
<b>Current Account - Subsidiary Company</b> VSL	(0.17)	(0.09)
<b>Current Account - Common Controlled Entity</b> TAPL	-	0.06
<b>Share Account - Subsidiary Company</b> VSL - Share Trading Account	(0.30)	0.34

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

29. The company is primarily engaged in a single segment viz. Financial Services and related activities, therefore the separate disclosures required under Accounting Standard (AS-17) on Segment Reporting issued by ICAI are not applicable.
30. Operating Leases: The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 22 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognised in the Statement of Profit and Loss as 'Rent' under Note No. 23 is ₹ 3,219,500/- (P.Y. ₹ 3,202,138/-). Future minimum lease rent payable are as follows:

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Not later than one year	3,224,000	3,126,400
Later than one year but not later than five years	8,800	–
Later than five years	–	–

31. (a) Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.  
(b) Debit and Credit balances are subject to confirmation of parties.
32. Provision for taxation has been made during the year under "Minimum Alternate Tax" (MAT) as per the provisions of the Indian Income Tax Act, 1961, which can be setoff in the subsequent year based on the provisions of Section 115 JB.
33. Pursuant to the notification no. G.S.R. 308 (E) dated 30th March 2017 issued by the Ministry of Corporate Affairs, the details of Specified Bank Notes (SBNs) held and transacted by the Company during the period from 08th November 2016 to 30th December 2016 is as follows:

Particulars	SBN's	Other Denomi- nation Notes	Total
Closing Cash In Hand as on 08.11.2016	6,000	932	6,932
<u>Add:- Permitted Receipts:</u>			
Withdrawn from Bank	–	44,000	44,000
<u>Less:- Permitted Payments:</u>			
Office Expenses	–	43,804	43,804
<u>Less:- Amount Deposited in Banks</u>	6,000	–	6,000
Closing Cash in hand as on 30.12.2016	–	1,128	1,128

34. Previous Year figures are regrouped or rearranged wherever necessary to correspond with the current year figures.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants

**Rahul Divan**  
Partner

Mumbai  
April 27, 2017

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director  
DIN No. 00320541

**Nirmala Parab**  
Director  
DIN No. 07149007

**U. Ramachandran**  
Director & CFO  
DIN No. 00493707

**Sridhar H.**  
Company Secretary

**Sudharsanan Nair**  
Director  
DIN No. 01510505



## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Members of

**TRANSWARRANTY FINANCE LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Transwarranty Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Basis for Qualified Opinion**

*As stated in Note 34 forming part of the Consolidated Financial Statements, sundry debtors under the head current assets include old outstanding dues. The sundry debtors outstanding for more than six months amount to ₹ 2,76,58,040/-. Further out of the total sundry debtors, for a sum of ₹ 1,00,17,298/-, the Group has initiated legal and recovery actions, the proceedings of which are in different stages.*

*In view of the above, the quantum of realisability of old outstanding sundry debtors/ legally initiated debts is not ascertainable at this stage.*

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and its subsidiaries, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in **Annexure 'A'**.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 27 to the consolidated financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
    - iv. The Company has provided requisite disclosure in its consolidated financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with books maintained by the Group.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

*Chartered Accountants*  
(Firm's Registration Number: 120294W)

Place : Mumbai  
Date : 27 April 2017

**RAHUL DIVAN**  
*Partner*  
Membership Number: 100733





## ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Transwarranty Finance Limited ("the Holding Company") and its subsidiary companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017. However, the Company is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

*Chartered Accountants*

(Firm's Registration Number: 120294W)

Place : Mumbai  
Date : 27 April 2017

**RAHUL DIVAN**

*Partner*

Membership Number: 100733

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

Particulars	Note No.	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		(₹)	(₹)	(₹)	(₹)
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	2	244,605,680		244,605,680	
(b) Reserves and Surplus	3	314,663,912		304,843,565	
			559,269,592		549,449,245
<b>(2) Minority Interest</b>	4		57,186,834		54,283,086
<b>(3) Non - Current Liabilities</b>					
(a) Long Term Borrowings	5	6,681,522		6,600,828	
(b) Other Long Term Liabilities	6	13,025,768		13,038,714	
			19,707,290		19,639,542
<b>(4) Current Liabilities</b>					
(a) Short Term Borrowings	7	76,552,804		24,009,207	
(b) Trade Payables	8	119,495,380		77,756,579	
(c) Other Current Liabilities	9	13,745,417		11,739,479	
(d) Short Term Provisions	10	2,477,622		2,047,305	115,552,570
<b>Total Equity And Liabilities</b>			<b>848,434,939</b>		<b>738,924,443</b>
<b>II ASSETS</b>					
<b>(1) Non Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	11	8,995,990		10,781,576	
(ii) Intangible Assets	12	2,069,503		3,026,431	
(b) Goodwill on Consolidation		56,662,512		56,592,197	
(c) Non Current Investments	13 (A)	199,702,459		232,402,459	
(d) Deferred Tax Assets (Net)	14	426,498		423,186	
(e) Long Term Loans and Advances	15	205,786,855		205,766,855	
			473,643,817		508,992,704
<b>(2) Current Assets</b>					
(a) Current Investments	13 (B)	419,177		9,074,620	
(b) Inventories	16	572,144		-	
(c) Trade Receivables	17	67,905,519		45,951,238	
(d) Cash and Cash Equivalents	18	31,462,025		22,803,967	
(e) Short Term Loans and Advances	19	201,039,586		137,034,043	
(f) Other Current Assets	20	73,392,671		15,067,871	229,931,739
<b>Total Assets</b>			<b>848,434,939</b>		<b>738,924,443</b>

Notes 1 to 41 form an integral part of the Financial Statements.

As per our attached report of even date  
For **Rahul Gautam Divan & Associates**  
Chartered Accountants

**Rahul Divan**  
Partner

Mumbai  
April 27, 2017

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director  
DIN No. 00320541

**Nirmala Parab**  
Director  
DIN No. 07149007

**U. Ramachandran**  
Director & CFO  
DIN No. 00493707

**Sridhar H.**  
Company Secretary

**Sudharsanan Nair**  
Director  
DIN No. 01510505

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
<b>REVENUE</b>			
Revenue From Operations	21	179,763,148	152,852,565
Other Income	22	18,581,665	9,347,659
<b>Total Revenue</b>		<b>198,344,813</b>	<b>162,200,224</b>
<b>EXPENSES</b>			
Purchase of Shares held in Stock in Trade	23	72,720,111	58,758,158
Employee Benefits Expense	24	36,275,250	43,049,943
Finance Costs	25	7,280,936	7,175,591
Depreciation and Amortisation Expenses	11 & 12	3,402,646	4,142,305
Other Expenses	26	65,064,185	54,213,181
<b>Total Expenses</b>		<b>184,743,128</b>	<b>167,339,178</b>
<b>Profit/(Loss) Before Exceptional and Extra ordinary items and Tax</b>		<b>13,601,685</b>	<b>(5,138,954)</b>
Exceptional Items:-			
Reversal of Excess Provisions		–	466,090
<b>Profit / (Loss) Before Extra ordinary items and Tax</b>		<b>13,601,685</b>	<b>(4,672,864)</b>
Extraordinary Items		–	–
<b>Profit / (Loss) Before Tax</b>		<b>13,601,685</b>	<b>(4,672,864)</b>
<b>Tax Expense</b>			
Current Tax		1,675,000	280,000
Less: MAT Credit Entitlement		(273,975)	(321,500)
Deferred Tax		(3,312)	10,550
<b>Profit / (Loss) After Tax</b>		<b>12,203,972</b>	<b>(4,641,914)</b>
Prior Period Expenses		–	–
<b>Profit / (Loss) for the year from Continuing Operations</b>		<b>12,203,972</b>	<b>(4,641,914)</b>
<b>Profit / (Loss) from Discontinuing Operations</b>		<b>–</b>	<b>–</b>
Tax Expense of Discontinuing Operations		–	–
<b>Profit / (Loss) from Discontinuing Operations After Tax</b>		<b>–</b>	<b>–</b>
<b>Profit / (Loss) For the Year</b>		<b>12,203,972</b>	<b>(4,641,914)</b>
Basic Earning Per Share of ₹ 10/- each ( In Rupees)	28	0.50	(0.19)
Diluted Earning Per Share of ₹ 10/- each ( In Rupees)	28	0.50	(0.19)

Notes 1 to 41 form an integral part of the Financial Statements.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants

**Rahul Divan**  
Partner

Mumbai  
April 27, 2017

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director  
DIN No. 00320541

**Nirmala Parab**  
Director  
DIN No. 07149007

**U. Ramachandran**  
Director & CFO  
DIN No. 00493707

**Sridhar H.**  
Company Secretary

**Sudharsanan Nair**  
Director  
DIN No. 01510505

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars	2016-17 (₹)	2015-16 (₹)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit / (Loss) before Tax and Extraordinary items</b>	<b>13,601,685</b>	<b>(4,672,864)</b>
<b>Add: Non Operating Expenses/ Non Cash Expenses</b>		
Depreciation & Amortisation	3,402,646	4,142,305
Interest Paid	7,280,936	7,175,591
Bad Debts Written Off	1,857,471	266,910
Provision for diminution in value of quoted investments (net)	–	41,890
	<u>12,541,053</u>	<u>11,626,696</u>
<b>Less : Interest / Dividend/ Other Non Operating Income Adjustments</b>		
Interest Received	8,880,076	2,186,381
Profit on Sale of Fixed Assets (Net)	–	50,985
Dividend Received	6,080	2,884
Gain on Sale of Investments	836,669	1,168,943
Provision for diminution in value of quoted investments written back	74,028	–
Sundry Creditors balances written back	4,943	15,424
Reversal of Excess Provision	–	466,090
	<u>9,801,796</u>	<u>3,890,707</u>
<b>Operating Profit before Working Capital Changes</b>	<b>16,340,942</b>	<b>3,063,125</b>
<b>Adjusted for:</b>		
(Increase)/Decrease in Trade Receivables & Other Assets	(46,883,896)	617,818
(Increase)/Decrease in Loans & Advances	(14,700,551)	(7,385,242)
Increase /(Decrease) in Current Liabilities	47,121,958	4,150,801
Increase /(Decrease) in Non-Current Liabilities	(12,946)	(462,901)
Increase /(Decrease) in Provisions	504,345	820,932
<b>Cash Generated from Operation</b>	<b>2,369,851</b>	<b>804,532</b>
Income Tax Refund / (Paid)	3,686,468	(3,401,685)
<b>Net Cash From Operating Activities</b>	<b>6,056,319</b>	<b>(2,597,153)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars	2016-17 (₹)	2015-16 (₹)
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Purchase of Fixed Assets	(660,132)	(1,674,388)
Sale of Fixed Assets	–	68,000
(Purchase) / Sale of Investments (Net)	9,421,796	(7,898,571)
Inter Corporate Deposits Received / (Given)	(6,390,029)	1,747,923
Gold Loan Received / (Given)	1,613,645	(762,636)
Interest Received	7,319,175	665,104
Dividend Received	6,080	2,884
<b>Net Cash used in Investing Activities</b>	<b>11,310,535</b>	<b>(7,851,684)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (Decrease) in Secured Loans	776,011	8,619,210
Increase/ (Decrease) in Unsecured Loans	(2,701,467)	160,282
Issue of Equity Shares under ESOP	520,123	–
Dividend Paid ( including tax thereon)	(22,528)	(56,080)
Interest Paid	(7,280,936)	(7,175,591)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(8,708,797)</b>	<b>1,547,821</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalent</b>	<b>8,658,058</b>	<b>(8,901,016)</b>
<b>Opening Balance of Cash and Cash Equivalent</b>	<b>22,803,967</b>	<b>31,704,983</b>
<b>Closing Balance of Cash and Cash Equivalent</b>	<b>31,462,025</b>	<b>22,803,967</b>

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants**Rahul Divan**  
PartnerMumbai  
April 27, 2017

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director  
DIN No. 00320541**Nirmala Parab**  
Director  
DIN No. 07149007**U. Ramachandran**  
Director & CFO  
DIN No. 00493707**Sridhar H.**  
Company Secretary**Sudharsanan Nair**  
Director  
DIN No. 01510505



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)

### 1. SIGNIFICANT ACCOUNTING POLICIES

A) Investments other than in Subsidiaries have been accounted as per Accounting Standard-13- "Accounting for Investments".

#### B) Other Significant Accounting Policies

Other Significant accounting policies are set out under " Significant Accounting Policies" as given in the standalone financial statements of the parent company.

Particulars	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>2. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
31,000,000 Equity Shares of ₹ 10/- each	310,000,000	310,000,000
	<u>310,000,000</u>	<u>310,000,000</u>
<b>Issued, Subscribed and Fully Paid Up</b>		
24,460,568 Equity Shares of ₹ 10/- each fully paid up	244,605,680	244,605,680
<b>Total</b>	<u>244,605,680</u>	<u>244,605,680</u>

#### Note:-

1) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year.

Particulars	2016-17		2015-16	
	No of Shares	(₹)	No of Shares	(₹)
<b>EQUITY SHARES</b>				
<b>A) Fully Paid Up Shares</b>				
No of shares outstanding at the beginning of the year	24,460,568	244,605,680	24,460,568	244,605,680
Add / (Less) :- Issued / (Buy back)	-	-	-	-
<b>No of shares outstanding at the end of the year</b>	<u>24,460,568</u>	<u>244,605,680</u>	<u>24,460,568</u>	<u>244,605,680</u>

### 2) Terms and rights attached to Equity Share.

The company has only one class of Equity share having a Par Value of ₹ 10/- each. Each holder of equity share is entitled for one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval by the share holders in the ensuring Annual General Meeting.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)

### 3) Details of Share holders holding more than 5% shares in the company.

#### Equity Shares

Name of the Person / Firm / Company	2016-17		2015-16	
	No. of Shares	%	No. of Shares	%
<b>EQUITY SHARES</b>				
<b>a) Fully Paid Up Shares</b>				
1) Kumar Nair	12,708,694	51.96	12,708,694	51.96
2) TFL-TCCPL and TFCPL Merger Trust	5,225,000	21.36	5,225,000	21.36

### 4) Employees Stock Option Scheme

#### A) Transwarranty Finance Limited

- The Transwarranty Finance Limited (TFL) Employee Stock Option Scheme has been approved by the Board Of Directors of the company on 10<sup>th</sup> March, 2008.
- The vesting period is over five years from the date of grant, commencing after one year from the date of grant.
- Exercise Period would commence one year from date of grant and will expire on completion of five years from the date of vesting.
- The options will be settled in equity shares of the company.
- The company used the intrinsic value method to account for ESOPs.
- The exercise price has been determined to be ₹ 10/-
- Consequently, no compensation cost has been recognized by the company in accordance with the "Guidance Note on Accounting for Employee Share Based payments" issued by the Institute of Chartered Accountants of India".
- Details of movement of Options

Particulars	As at 31 <sup>st</sup> March, 2017 (Nos.)	As at 31 <sup>st</sup> March, 2016 (Nos.)
Options outstanding at the beginning of the year	61,650	152,775
Prior Period Adjustments	-	-
Options granted during the year	-	-
Options vested during the year	61,650	66,375
Options exercised during the year	-	-
Options forfeited during the year	-	24,750
Options lapsed /surrendered during the year	-	-
Options outstanding at the end of the year	<u>61,650</u>	<u>61,650</u>

- Had fair value method been used, the compensation cost would have been higher by ₹ Nil (Previous Year ₹ 5.86 Lakhs) Profit after tax would have been lower by ₹ Nil (Previous year ₹ 5.86 Lakhs) and EPS both basic and diluted would have been ₹ 0.30 Per share (Previous Year ₹ 0.03 per share)





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)

### B) Vertex Securities Limited

- The " Vertex Employee Stock Option Plan 2010" has been approved by the Board Of Directors of the company on 10th March, 2008.
- The vesting year is over five years from the date of grant, commencing after one year from the date of grant.
- Exercise year would commence one year from date of grant and will expire on completion of five years from the date of vesting.
- The options will be settled in equity shares of the company.
- The company used the intrinsic value method to account for ESOPs.
- The exercise price has been determined as follows:

Grant	Options (Face Value of ₹ 10/- per share)	Price Per Option	Options (Split to Face Value of ₹ 2/- per share)	Price Per Option (After Share Split)	Re-pricing of the options done on 07-09-2016
Grant -I	462,500	69.00	2,312,500	13.80	2.00
Grant -II	50,000	145.50	250,000	29.10	2.00
Grant -III	17,500	145.50	87,500	29.10	2.00
Grant-IV	25,000	145.50	125,000	29.10	2.00
Grant-V	100,000	145.50	500,000	29.10	2.00
Grant-VI	–	–	1,013,750	29.10	2.00
Grant-VII	–	–	200,000	5.46	2.00
Grant-VIII	–	–	1,875,000	5.46	2.00

- Consequently, no compensation cost has been recognized by the company in accordance with the "Guidance Note on Accounting for Employee Share-Based payments" issued by the Institute of Chartered Accountants of India".
- Details of movement of Options

Particulars	As at 31 <sup>st</sup> March, 2017 (Nos.)	As at 31 <sup>st</sup> March, 2016 (Nos.)
Options outstanding at the beginning of the year split to face value of ₹ 2/- share	226,188	701,064
Prior Period Adjustments	–	–
Options granted during the year	–	–
Options vested during the year	110,563	303,191
Options exercised during the year	258,439	–
Options forfeited during the year	27,500	41,625
Options lapsed /surrendered during the year	–	130,060
Options outstanding at the end of the year	88,125	226,188

- Had fair value method been used , the compensation cost would have been higher by ₹ 1.67 Lakhs (Previous Year ₹ 2.04 Lakhs). Profit after tax would have been higher by ₹ 1.67 Lakhs (Previous year ₹ 2.04 Lakhs) and Basic EPS would have been ₹ 0.05 Per share (Previous Year ₹ (0.09) per share) and Diluted EPS would have been ₹ 0.05 (Previous Year ₹ (0.09)).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	As at 1 <sup>st</sup> April, 2016 (₹)	Additions / Created during the year	Deductions during the year	As at 31 <sup>st</sup> March, 2017 (₹)
<b>3. RESERVES AND SURPLUS</b>				
a) Capital Reserve	37,893,245	–	–	37,893,245
b) Securities Premium Reserve	208,291,145	–	–	208,291,145
c) Other Reserves				
- Reserve U/S 45 IC of RBI Act	32,236,771	1,487,405	–	33,724,176
- General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1)	16,011,647	8,332,942	–	24,344,589
	<u>304,843,565</u>	<u>9,820,347</u>	<u>–</u>	<u>314,663,912</u>

Particulars	As at 1 <sup>st</sup> April, 2015 (₹)	Additions / Created during the year	Deductions during the year	As at 31 <sup>st</sup> March, 2016 (₹)
a) Capital Reserve	37,893,245	–	–	37,893,245
b) Securities Premium Reserve	208,291,145	–	–	208,291,145
c) Other Reserves				
- Reserve U/S 45IC of RBI Act	31,950,820	285,951	–	32,236,771
- General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1)	17,948,464	(1,936,817)	–	16,011,647
	<u>306,494,431</u>	<u>(1,650,866)</u>	<u>–</u>	<u>304,843,565</u>

**Note -1 :-**

Particulars	2016-17	2015-16
1) Profit / (Loss) for the year	12,203,972	(4,641,914)
Less:-		
Transfer to Reserve U/S 45 IC of RBI Act	1,487,405	285,951
Share of Profit transferred to Minority Interest -VSL	2,383,624	(2,991,071)
Share of Profit / (Loss) transferred to Minority Interest - VCFPL	1	23
	<u>3,871,030</u>	<u>(2,705,097)</u>
	<u>8,332,942</u>	<u>(1,936,817)</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>4. MINORITY INTEREST</b>		
Vertex Commodities & Finpro (P) Limited	204	203
Vertex Securities Limited	57,186,630	54,282,883
	<u>57,186,834</u>	<u>54,283,086</u>

Particulars	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>NON- CURRENT LIABILITIES</b>		
<b>5. LONG TERM BORROWINGS</b>		
I. Secured Loans		
A. Loan From Banks		
Car Loans Account- HDFC Bank (Secured against hypothecation of Motor Car )	283,219	606,808
<b>Total (A)</b>	<u>283,219</u>	<u>606,808</u>
II. Unsecured Loans		
From Others , Security Deposit From Franchises	6,398,303	5,994,020
<b>Total (B)</b>	<u>6,398,303</u>	<u>5,994,020</u>
<b>Total (A) + (B)</b>	<u>6,681,522</u>	<u>6,600,828</u>

**Note:-**

**Terms of Vehicle Loan**

- Vehicle loan of Transwarranty Finance Limited was sanctioned on 17.09.2012 from HDFC Bank for a period of 5 years. Current EMI per month is ₹ 42,620/-.
- Vehicle loan of Vertex Securities Limited was sanctioned on 05.05.2016 from HDFC Bank for a period of 5 years. Current EMI per month is ₹ 12,630/-.

Particulars	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>6. OTHER LONG TERM LIABILITIES</b>		
a) Trade Payables		
Amount Payable to Clients	11,589,296	11,397,374
Gold Loan	557,879	692,880
b) Others		
Other Creditors	878,593	948,460
	<u>13,025,768</u>	<u>13,038,714</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>CURRENT LIABILITIES</b>		
<b>7. SHORT TERM BORROWINGS</b>		
<b>A) Secured Loans</b>		
<b>1) Loan from Bank</b>		
Overdraft Account - The Catholic Syrian Bank Ltd (Secured against Gold Loan Receivables and personal guarantee given by the Managing Director)	3,548,567	4,285,059
<b>Note:-</b> Overdraft from CSB is the Working Capital Facility for Gold Loan against the securities not older than six months and personal guarantee of the Managing Director. Tenure of the loan is for 12 months and repayable on demand. Limit shall be renewed before the expiry of the sanctioned period of one year. Current Interest rate is 15.25% p.a.		
Overdraft Account- Axis Bank	18,804,237	16,724,148
<b>Note:-</b> Overdraft from Axis bank is Working Capital Facility secured against mortgage of property owned by Transwarranty Private Limited - ₹ 25,000,000/- (P.Y. 20,000,000/-), Corporate Guarantee of Holding Company and Personal Guarantee of the Chairman. Limits shall be renewed before the expiry of the sanctioned period of one year. Current interest rate is 10.75%).		
<b>Total - (A)</b>	<u>22,352,804</u>	<u>21,009,207</u>
<b>B) Unsecured Loans</b>		
- From Others	54,200,000	3,000,000
<b>Total - (B)</b>	<u>54,200,000</u>	<u>3,000,000</u>
<b>Total - (A) + (B)</b>	<u>76,552,804</u>	<u>24,009,207</u>
<b>8. TRADE PAYABLES</b>		
a) Amount Due to Micro, Small & Medium Enterprises	-	-
b) Other Creditors		
- Amount due to Clients	119,495,380	77,756,579
	<u>119,495,380</u>	<u>77,756,579</u>
<b>9. OTHER CURRENT LIABILITIES</b>		
a) Current Maturities of Long Term Debt	323,590	567,587
b) Book Overdraft	3,060,470	
c) Interest Accrued & Due on borrowings	-	3,105,750
d) Unclaimed Dividends	25,624	48,152
e) Other Payables		
- Creditors for Expenses	10,335,733	8,017,990
	<u>13,745,417</u>	<u>11,739,479</u>
<b>10. SHORT - TERM PROVISIONS</b>		
<b>a) Provision for Employees</b>		
Provision for Gratuity	71,849	87,604
Provision for Leave Encashment	1,186,090	1,112,051
<b>b) Others</b>		
Provision for Diminution in value of Quoted Investments	127,682	201,710
Provision Others	1,092,001	645,940
	<u>2,477,622</u>	<u>2,047,305</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)**

**11. FIXED ASSETS -TANGIBLE**

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE				DEPRECIATION / AMORTISATION				NET BLOCK	
		Total As at 01-Apr-16	Additions / Adjustments during the year	Deductions / Adjustments during the year	Total As at 31-Mar-17	Total As at 01-Apr-16	Provided during the year	Deductions / Adjustments during the year	Total As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1	Furniture & Fixture	10,732,158	181,591	-	10,913,749	8,569,288	644,986	-	9,214,274	1,699,475	2,162,870
2	Computers	21,387,976	139,985	-	21,527,961	21,297,998	75,571	-	21,373,569	154,392	89,978
3	Office Equipments	14,213,399	338,556	-	14,551,955	7,958,656	1,145,151	-	9,103,807	5,448,148	6,254,743
4	Vehicles	6,675,987	-	-	6,675,987	4,402,002	580,010	-	4,982,012	1,693,975	2,273,985
	<b>Total</b>	<b>53,009,520</b>	<b>660,132</b>	<b>-</b>	<b>53,669,652</b>	<b>42,227,944</b>	<b>2,445,718</b>	<b>-</b>	<b>44,673,662</b>	<b>8,995,990</b>	<b>10,781,576</b>
	<b>Previous Year</b>	<b>52,188,122</b>	<b>1,416,924</b>	<b>595,526</b>	<b>53,009,520</b>	<b>40,106,541</b>	<b>2,699,914</b>	<b>578,511</b>	<b>42,227,944</b>	<b>10,781,576</b>	<b>-</b>

**12. FIXED ASSETS - INTANGIBLE**

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE				DEPRECIATION / AMORTISATION				NET BLOCK	
		Total As at 01-Apr-16	Additions / Adjustments during the year	Deductions / Adjustments during the year	Total As at 31-Mar-17	Total As at 01-Apr-16	Provided during the year	Deductions / Adjustments during the year	Total As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1	Goodwill	400,000	-	-	400,000	-	-	-	-	400,000	400,000
2	Computer Software	9,514,639	-	-	9,514,639	8,887,995	269,585	-	9,157,580	357,059	626,644
3	License	11,826,335	-	-	11,826,335	9,985,520	625,494	-	10,611,014	1,215,321	1,840,815
4	Bombay Stock Exchange	1,000,000	-	-	1,000,000	994,110	5,890	-	1,000,000	-	5,890
5	NMCE	100,000	-	-	100,000	100,000	-	-	100,000	-	-
6	MCX	251,000	-	-	251,000	251,000	-	-	251,000	-	-
7	NCDEX	500,000	-	-	500,000	469,041	30,959	-	500,000	-	30,959
8	NSEL	250,000	-	-	250,000	127,877	25,000	-	152,877	97,123	122,123
	<b>Total</b>	<b>23,841,974</b>	<b>-</b>	<b>-</b>	<b>23,841,974</b>	<b>20,815,543</b>	<b>956,928</b>	<b>-</b>	<b>21,772,471</b>	<b>2,069,503</b>	<b>3,026,431</b>
	<b>Previous Year</b>	<b>23,584,510</b>	<b>257,464</b>	<b>-</b>	<b>23,841,974</b>	<b>19,373,152</b>	<b>1,442,391</b>	<b>-</b>	<b>20,815,543</b>	<b>3,026,431</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)

### 13(A) NON-CURRENT INVESTMENTS (AT COST)

Particulars	Face Value (₹)	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		Quantity (Nos)	Value (₹)	Quantity (Nos)	Value (₹)
<b>a) Investments in Equity Instruments</b>					
<b>i) Quoted Investments</b>					
South Indian Bank (Right Share) (Market Value ₹ 214/-)	1	10	40	10	40
NEPC India Ltd. (Market Value ₹ 3,000/-)	10	2,000	85,156	2,000	85,156
Rama Newsprint Papers Ltd. (Market Value ₹ 41,313/-)	10	1,250	86,838	1,250	86,838
Anil Limited (Market Value ₹ 3,592/-)	10	39	780	39	780
<b>ii) Unquoted Investments</b>					
Catholic Syrian Bank Ltd.	10	700	31,000	700	31,000
Cochin Stock Exchange	10	905	2,507,700	905	2,507,700
<b>b) Investments in Preference Shares</b>					
<b>i) Associate Companies</b>					
8% Non-Cumulative Redeemable Preference Shares of Transwarranty Advisors Private Limited	100	837,340	83,734,000	837,340	83,734,000
<b>ii) Others</b>					
8% Non-Cumulative Redeemable Preference Shares of Transwarranty Private Limited	100	1,132,380	113,238,000	1,459,380	145,938,000
<b>c) Investments in Government or trust securities</b>					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
UTI Master Share (Market Value ₹ 35,932/- )	-	1,000	13,945	1,000	13,945
<b>Total</b>			<b>199,702,459</b>		<b>232,402,459</b>

1) Aggregate amount of Quoted investments is ₹ 186,760/- (P.Y. ₹ 186,760/- ) and market value is ₹ 84,050/- (P.Y. ₹ 82,884/-).

2) Aggregate amount of Unquoted investments is ₹ 199,515,700/- (P.Y. ₹ 232,215,700/-).

3) Aggregate provision made for diminution in value of investments is ₹ 127,682/- ( P.Y. ₹ 201,710/-).

### 13(B) CURRENT INVESTMENTS

Particulars	Face Value (₹)	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		Quantity (Nos./Units)	Value (₹)	Quantity (Nos./Units)	Value (₹)
<b>(a) Investment in Equity Shares</b>					
Axis Bank	2.00	-	-	500	286,933
<b>(b) Mutual Fund</b>					
SBI Ultra Short Term Debt Fund - Regular Plan Growth		29.529	60,106	785.470	1,518,483
HDFC Liquid Fund-Growth		-	-	1,457.410	4,268,152
HDFC Cash Management Fund - Treasury Advantage - Plan Retail Regular Plan- Growth		1,653.179	55,173	-	-
UTI - Money Market Fund- Institutional Plan - Growth		-	-	1,803.690	3,001,052
UTI Liquid Cash Plan - Institutional Daily Dividend - Reinvestment		1.032	1,052	-	-
UTI- Floting Rate Fund-STP- Direct Growth Plan		3.860	10,302	-	-
Franklin Templeton- Low Growth Fund		11,212.404	199,757	-	-
Franklin Ultra Short Bond Fund - Super Institutional Plan - Growth		4,241.769	92,787	-	-
<b>Total</b>			<b>419,177</b>		<b>9,074,620</b>

(a) Aggregate amount of quoted investments is ₹ Nil (P.Y. ₹ 2,86,933/-) and market value is ₹ Nil (P. Y. ₹ 2,22,275/-).

(b) Aggregate amount of un quoted investments is ₹ 4,19,177/- (P.Y. ₹ 8,787,687/-).



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>NON CURRENT ASSETS</b>		
<b>14. DEFERRED TAX ASSETS</b>		
1) The Deferred Tax Assets( Net) at the year end comprises of timing differences arising on account of :-		
Deferred Tax Asset:-		
Depreciation	426,498	423,186
	<u>426,498</u>	<u>423,186</u>
<b>15. LONG TERM LOANS AND ADVANCES</b>		
<b>A) Unsecured, Considered Good</b>		
a) Capital Advances	40,775,000	40,775,000
b) Security Deposits	292,259	272,259
c) Other Loans and Advances		
Inter Corporate Deposits to Others	88,957,096	88,957,096
TFL - TCCPL and TFCPL Merger Scheme Trust	75,762,500	75,762,500
	<u>205,786,855</u>	<u>205,766,855</u>
<b>CURRENT ASSETS</b>		
<b>16. INVENTORIES</b>		
Shares held as Stock - In - Trade	572,144	-
	<u>572,144</u>	<u>-</u>
<b>17. TRADE RECEIVABLES</b>		
Un-Secured considered Good		
Debts outstanding for a period exceeding six Months	27,658,070	26,315,264
Other Debts	40,247,449	19,635,974
	<u>67,905,519</u>	<u>45,951,238</u>
Less:- Bad Debts Written off	-	-
	<u>67,905,519</u>	<u>45,951,238</u>
<b>18. CASH AND CASH EQUIVALENTS</b>		
a) Cash on Hand	215,801	179,468
b) Balance with Banks		
In Current Account	10,220,600	4,076,347
In Dividend Account	25,624	48,152
In Deposit Accounts :-		
Less than 12 months Maturity	21,000,000	18,500,000
More than 12 months Maturity	-	-
<b>Note:-</b>		
1. Fixed Deposit of ₹ 20,000,000/- (P.Y. ₹ 17,500,000/-) are pledged against Bank Guarantees and ₹ 1,000,000/- (P.Y. ₹ 1,000,000/-) are pledged against Trading Guarantee for Exchange.		
	<u>31,462,025</u>	<u>22,803,967</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>19. SHORT TERM LOANS AND ADVANCES</b>		
<b>A) Secured Considered Good</b>		
a) Others		
Gold Loans	4,637,786	5,676,636
Loan Against Property	81,837	81,837
<b>B) Unsecured, Considered Good</b>		
a) Loans and advances to Related Parties	15,000	352,496
b) Others		
Inter Corporate Deposits	124,937,214	69,485,879
Loans and advances to Employees	–	11,000
Deposits	55,770,416	39,786,134
MAT Credit Entitlement	1,339,017	423,134
Advance Payment of Income Tax (Including TDS, Net of Provisions) { Provision For Tax ₹ 12,025,800/- (P.Y. ₹ 10,172,800/-) }	9,423,194	15,426,570
Other Short Term Advances	1,828,675	899,789
Advance Receivable	3,006,447	4,890,568
	<u>201,039,586</u>	<u>137,034,043</u>
<b>20. OTHER CURRENT ASSETS</b>		
Amount Receivable on Sale of Preference Shares	32,700,000	–
Income Receivable	22,500,000	–
Interest Accrued on ICD's	11,357,216	9,218,522
Interest Accrued on Fixed Deposits	5,840,067	4,279,166
Interest Accrued on Gold Loan , etc.	995,388	1,570,183
	<u>73,392,671</u>	<u>15,067,871</u>
Particulars	For the year ended on 31 <sup>st</sup> March, 2017 (₹)	For the year ended on 31 <sup>st</sup> March, 2016 (₹)
<b>21. REVENUE FROM OPERATIONS</b>		
a) Sale of Shares held in Stock-in-Trade	72,383,189	58,503,817
b) Interest		
Interest on Gold Loan	1,200,012	1,324,865
Interest on Loan Against Shares	–	19,587
Interest on Inter Corporate Deposits	4,562,227	6,931,595
c) Other Financial Services		
Trade Finance	9,175,118	13,334,273
Corporate Finance	5,700,000	2,500,000
Investment Banking	23,700,000	23,000,300
Brokerage Income	59,395,487	44,518,856
Merchant Banking Fees	1,075,000	286,000
Income From DP Operations	2,547,115	2,433,272
Consultancy Services	25,000	–
	<u>179,763,148</u>	<u>152,852,565</u>





**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	For the year ended on 31 <sup>st</sup> March, 2017 (₹)	For the year ended on 31 <sup>st</sup> March, 2016 (₹)
<b>22. OTHER INCOME</b>		
a) Dividend Income	6,080	2,884
b) Net Gain on sale of Investments	836,669	1,168,943
c) Bad Debts Written Off Recovered	69,446	39,391
d) Other Non Operating Income		
– Interest Income	8,880,076	2,186,381
– Miscellaneous Income	4,947,784	3,918,621
– Provision For Quoted Investments Written Back	74,028	–
– Late Payment Charges	3,534,582	1,980,454
– Software & AMC Charges Recovered	233,000	–
– Profit on Sale of Fixed Assets	–	50,985
	<u>18,581,665</u>	<u>9,347,659</u>
<b>23. PURCHASE OF SHARES HELD IN STOCK-IN-TRADE</b>	<u>72,720,111</u>	58,758,158
	<u>72,720,111</u>	<u>58,758,158</u>
<b>24. EMPLOYEE BENEFITS EXPENSES</b>		
a) Salaries, Wages, Bonus, Gratuity & Allowances	33,851,371	40,121,098
b) Contribution to Provident Fund	1,678,584	2,111,095
c) Staff Welfare Expenses	745,295	817,750
	<u>36,275,250</u>	<u>43,049,943</u>
<b>25. FINANCE COST</b>		
a) Interest Expense		
On Term Loans	95,412	141,382
On Overdrafts & Other Borrowings	6,284,518	5,843,424
b) Other Borrowing Costs		
Interest on ICD	–	478,707
Bank Charges	440,408	301,149
Bank Guarantee Expenses	460,598	410,929
	<u>7,280,936</u>	<u>7,175,591</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	For the year ended on 31 <sup>st</sup> March, 2017 (₹)	For the year ended on 31 <sup>st</sup> March, 2016 (₹)
<b>26. OTHER EXPENSES</b>		
Rent	5,668,612	5,646,545
Rates & Taxes	275,604	198,003
Insurance	539,651	560,523
Advertisement , Publicity & Sales Promotion	1,053,606	1,062,662
Travelling & Other Incidental Expenses	2,968,626	2,330,424
Office Maintenance	5,402,796	5,445,454
Vehicle Running & Maintenance	205,117	203,973
Printing & Stationery	631,137	571,506
Communication Expenses	1,551,025	1,451,472
Electricity	1,342,233	1,702,893
Donation	25,000	3,000
Auditor's Remuneration		
– As Auditors	357,000	345,000
– For Tax Audit	75,000	75,000
– For Other Services	98,644	86,325
Legal, Professional & Consultancy Charges	3,772,442	5,965,940
Directors Sitting Fees	493,288	599,159
Other Operational Expenses	38,717,763	27,656,502
Preliminary and Pre Incorporation Expenses	29,170	–
Bad Debts written off	1,857,471	266,910
Provision for Quoted Investments (Net)	–	41,890
	<u>65,064,185</u>	<u>54,213,181</u>
<b>Note:-</b>		
<b>EARNING / EXPENDITURE IN FOREIGN CURRENCY</b>		
Expenditure incurred in Foreign Currency	433,472	2,388,592



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	For the year ended on 31 <sup>st</sup> March, 2017 (₹)	For the year ended on 31 <sup>st</sup> March, 2016 (₹)
<b>27. CONTINGENT LIABILITIES</b>		
1) Guarantees issued by the company on behalf of its associates for acquiring office premises	40,600,000	40,600,000
2) Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for Exchange Margin requirements	40,000,000	30,000,000
3) Corporate Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for OD Facility	50,000,000	25,000,000
4) Counter Guarantee issued by Vertex Securities Limited in favour of the banker for guarantee given by them for Exchange Margin requirements.	37,500,000	17,500,000
5) Guarantees issued by Vertex Securities Limited on behalf of its Subsidiary Company Vertex Commodities & Finpro Pvt. Ltd. for Exchange Margin requirements	20,000,000	5,000,000
6) i) Claims against the company not acknowledged as debt:- Vertex Securities Limited		
a. Tax demand in respect of which:-		
– Income tax for Assessment Year 2013-14	127,290	–
– Service Tax orders for FY 2006-07 to 2009-10	622,000	622,000
– Service Tax orders for FY 2008-09 to 2012-13	881,042	881,042
– Service Tax orders for FY 2009-10 to 2013-14	4,174,056	–
– Service Tax orders for FY 2011-12 to 2013-14	1,086,974	–
– Service Tax orders for FY 2013-14	54,560	–
– Service Tax orders for FY 2014-15	110,971	–
ii) Claims against the company not acknowledged as debt:- Transwarranty Finance Limited		
– Income tax for Assessment Year 2011-12	546,710	546,710
– Income tax for Assessment Year 2012-13	2,358,110	2,358,110
	<u>198,061,713</u>	<u>122,507,862</u>
<b>28. EARNINGS PER SHARE</b>		
I. Net Profit/(Loss) as per Statement of Profit and Loss available for Equity Share Holders	12,203,972	(4,641,914)
II. Weighted Average number of equity shares for Earnings per share computation		
A) For Basic Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
B) For Diluted Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
III. Earnings Per Share ( Face Value of ₹ 10/- each)		
Basic ( ₹ )	0.50	(0.19)
Diluted ( ₹ )	0.50	(0.19)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)

29. Disclosure as required under Accounts Standard 15 on employee benefits for gratuity and leave encashment is as under:

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
<b>Change in the benefit Obligations:</b>				
Present value of obligations as on 01. 04. 2016	4,861,158	4,330,927	1,112,051	891,041
Current Service Cost	414,561	401,834	760,045	754,155
Past Service Cost	-	-	-	-
Interest Cost	347,630	353,732	76,416	58,012
Actuarial (Gain)/Loss on obligation	(910,242)	(406,789)	(590,562)	(259,390)
Benefits Paid	(387,583)	181,454	(171,860)	(331,767)
<b>Present value of obligations as on 31.03.2017</b>	<b>4,325,524</b>	<b>4,861,158</b>	<b>1,186,090</b>	<b>1,112,051</b>
<b>Change in Plan Assets:</b>				
Fair Value of Plan Assets as on 01.04.2016	6,278,095	4,966,043	-	-
Adjustment to the opening balance	(1,125,564)	84,431	-	-
Expected Return on Plan Assets	425,769	490,930	-	-
Employer's Contributions	280,597	627,141	171,860	331,767
Benefits Paid	(387,583)	181,454	(171,860)	(331,767)
Actuarial Gain/(Loss) on Plan Assets	(3,014)	(71,897)	-	-
<b>Fair Value of plan assets as on 31.03.2017</b>	<b>5,468,300</b>	<b>6,278,102</b>	<b>-</b>	<b>-</b>
<b>Net (Asset) Liability (i) - (ii) :</b>	<b>(1,142,776)</b>	<b>(1,416,944)</b>	<b>1,186,090</b>	<b>1,112,051</b>
<b>Net Cost for the year ended 31.03.2017</b>				
Current Service Cost	414,561	401,834	760,045	754,155
Past Service Cost	-	-	-	-
Interest Cost	347,630	353,732	76,416	58,012
Expected Return on plan Assets	(425,769)	(490,930)	-	-
Actuarial (Gain)/ Loss recognised during the year	(907,228)	(334,892)	(590,562)	(259,390)
Adjustment (Gain) to opening value of planned assets	-	-	-	-
<b>Net Cost</b>	<b>(570,806)</b>	<b>(70,256)</b>	<b>245,899</b>	<b>552,777</b>
Amount recognised in the Balance sheet (Asset) / Liability	(1,142,776)	(1,416,944)	1,186,090	1,112,051
Amount recognised in the Statement of Profit and Loss (Gain) / Loss	(570,806)	(70,256)	245,899	552,777
<b>Principal actuarial Assumptions:-</b>				
<b>a) Transwarranty Finance Limited</b>				
Discount rate	6.90%	7.44%	6.90%	7.44%
Expected Return on plan assets	8.35%	9.00%	-	-
Salary Escalation Rate	3.00%	3.00%	3.00%	3.00%
Attrition Rate	4.00%	0 to 24%	4.00%	0 to 24%
<b>b) Vertex Securities Limited</b>				
Discount rate	6.84%	7.46%	6.84%	7.46%
Expected Return on plan assets	8.35%	9.00%	-	-
Salary Escalation Rate	3.00%	3.00%	3.00%	3.00%
Attrition Rate	10.00%	0 to 5%	10.00%	0 to 5%
<b>Demographic Assumptions:</b>				
Retirement age				60 Year
Mortality rate				Unlimited



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)

### 31. PRINCIPLES OF CONSOLIDATION:

- The consolidated financial statements relate to Transwarranty Finance Limited, the holding company and its majority owned subsidiaries. The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements'. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.
- In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investment in the subsidiaries and/or joint ventures over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment as stated above.
- Investments in Associates are dealt with in accordance with Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India. As on the reporting date the company does not have any associate company.
- The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as of the Company i.e., for the year ended March 31, 2017.

### 32. INFORMATION ON SUBSIDIARIES :

The Subsidiary companies considered in the consolidated financial statement are :

Name of the Company	Country of Incorporation	Percentage of Holding at 31-03-2017
Vertex Securities Limited (VSL)	India	50.56%
Vertex Commodities & Finpro Pvt. Ltd (Subsidiary of VSL)	India	99.9996%
Transwarranty Capital Market Services Private Limited	India	100.00%
Transwarranty Consultants Private Limited	India	100.00%

- Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.
  - Debit and Credit balances are subject to confirmation of parties.
- Sundry debtors include old outstanding debts amounting to ₹ 10,017,298/- (₹ 10,017,298/-) in respect of which Company has initiated legal and other recovery actions, the proceedings of which are in different stages of progress. No provision for doubtful debts has been made in the accounts during the year since the management is confident that the debts are good and recoverable.
  - Lien has been marked in favour of Axis bank in respect of Bank Deposits worth ₹ 20,000,000/- (P.Y ₹ 17,500,000/) together with accumulated interest thereon, against bank guarantees issued by them on account of the Company. Lien has been marked in favour of BSE against trading guarantee in respect of Bank Deposit worth ₹ 1,000,000 /- (P.Y. ₹ 1,000,000 /-) together with accumulated interest thereon.
  - The management has evaluated the long term investments and confirms that there exist no circumstances which warrant provision on account of permanent diminution in the value of investments.

Vertex Securities Limited, the subsidiary company, has long term investments in quoted securities which were written off in the books of accounts in the financial year 2009-10 as there was a permanent diminution in the value of investment. However, as at the end of the current financial year, some of these securities have regained some value. The details of the above long term investments as written off in the financial year 2009-10 and its market value, if available, as the end of the current financial year is as follows:



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Investments in Equity Instruments	Number of shares	Market Price per share as at 31.03.2017	Market Value as at 31.03.2017
Atlos Ltd.	100	Not Available	Not Available
Apple Credit Corp. Ltd.	100	1.60	160
Arihant Cotsyn Ltd.	50	Not Available	Not Available
Cauvery Software Engg. Systems Ltd.	100	0.65	65
Classic Diamond India Ltd.	100	0.46	46
Computer Power	500,000	Not Available	Not Available
Dunlop Ltd.	100	10.41	1,041
Femnor Mineral	100	Not Available	Not Available
Goldstone Infrastructure	100	76.30	7,630
Indo French Biotech Enterprise Ltd.	1,000	0.60	600
Kerala Ayurveda Ltd.	100	93.00	9,300
Kitex Garments Ltd.	1,000	428.00	428,000
Koluthara Exports	4,900	Not Available	Not Available
MOH Ltd.	20,000	0.10	2,000
Nagarjuna Finance Ltd.	200	3.05	610
Superstar Distillaries & Foods Ltd.	2,600	2.60	6,760
Synthetics & Chemicals Ltd.	100	1.25	125
TISCO SPN	15	Not Available	Not Available
Trend Design	800	Not Available	Not Available
TTK Health Care	100	792.75	79,275
UTI Master share	50	Not Available	Not Available
Vanady Chemicals	200	Not Available	Not Available
Vatsa Corporation Ltd.	4,200	Not Available	Not Available
Vysali Pharmaceuticals Ltd.	11,600	4.28	49,648
<b>TOTAL</b>	<b>547,615</b>		<b>585,260</b>

No write back in the value of investments has been done as a matter of prudence.

37. The company is primarily engaged in a single segment viz. Financial Services and related activities , therefore the separate disclosures required under Accounting Standard (AS-17) on Segment Reporting issued by ICAI are not applicable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 ( ALL AMOUNTS MENTIONED ARE IN RUPEES)

38. Operating Leases: The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 60 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognised in the Statement of Profit and Loss as 'Rent' under Note No. 25 is ₹ 5,668,612/- (P.Y. 5,646,545/-). Future minimum lease rent payable are as follows:-

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Not later than one year	5,004,218	5,488,302
Later than one year but not later than five year	2,328,417	1,350,738
Later than five year	960,000	–

39. Provision for taxation has been made during the year under "Minimum Alternate Tax" (MAT) as per the provisions of the Indian Income Tax Act, 1961, which can be set off in the subsequent year based on the provisions of Section 115 JB.
40. Pursuant to the notification no. G.S.R. 308 (E) dated 30th March 2017 issued by the Ministry of Corporate Affairs, the details of Specified Bank Notes (SBNs) held and transacted by the Group during the period from 08th November 2016 to 30th December 2016 is as follows:

	SBN's	Other Deno- mination Notes	Total
Closing Cash In Hand As on 08.11.2016	18,500	4,733	23,233
Add:- Permitted Receipts			
Given to employees as advance for expense, taken back	7,500	–	7,500
Others (including withdrawal from banks)	–	269,700	269,700
Less:- Permitted Payments			
Office Expenses	–	258,817	258,817
Less:- Amount Deposited in Banks	26,000	–	26,000
Closing Cash in hand As on 30.12.2016	–	15,616	15,616

41. Previous Year figures are regrouped or rearranged wherever necessary to correspond with the current year figures.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**

Chartered Accountants

**Rahul Divan**

Partner

Mumbai  
April 27, 2017

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director  
DIN No. 00320541

**Nirmala Parab**  
Director  
DIN No. 07149007

**U. Ramachandran**  
Director & CFO  
DIN No. 00493707

**Sridhar H.**  
Company Secretary

**Sudharsanan Nair**  
Director  
DIN No. 01510505





**DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND JOINT VENTURE COMPANIES:**

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Profit or Loss	
	2016-17		2015-16		2016-17		2015-16	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit / (Loss)	As % of Consolidated Profit or Loss	Profit / (Loss)
<u>Parent Company</u>								
Transwarranty Finance Limited	71.86	443,382,346	72.57	436,445,319	60.94	7,437,027	(30.80)	1,429,755
<u>Indian Subsidiaries:</u>								
<u>Direct Subsidiaries</u>								
1. Vertex Securities Limited	11.53	71,113,807	11.08	66,660,704	32.23	3,932,979	131.51	(6,104,453)
2. Transwarranty Capital Market Services Pvt. Ltd.	(0.00)	(26,599)	-	-	(0.46)	(56,283)	-	-
3. Transwarranty Consultants Private Limited	0.06	388,930	-	-	(0.09)	(11,070)	-	-
<u>Indirect Subsidiaries</u>								
1. Vertex Commodities & Finpro Private Limited	7.28	44,935,430	7.32	44,034,110	7.39	901,320	(0.71)	32,784
Minority Interest in All Subsidiaries:	9.27	57,186,834	9.03	54,283,086	-	-	-	-
<b>TOTAL</b>	<b>100</b>	<b>616,980,748</b>	<b>100</b>	<b>601,423,219</b>	<b>100</b>	<b>12,203,972</b>	<b>100</b>	<b>(4,641,914)</b>

Note: The above figures are after eliminating intra group transactions and intra group balances as at 31<sup>st</sup> March, 2017.

**FORM NO. AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ Associate companies/ Joint ventures.

(Amount in ₹)

S.No.	Particulars	1	2	3	4
1	Serial Number	1	2	3	4
2	Name of the Subsidiary	Vertex Securities Limited	Vertex Commodities & Finpro Private Limited	Transwarranty Capital Market Services Private Limited	Transwarranty Consultants Private Limited
3	Reporting Period of the Subsidiary	01/04/2016 to 31/03/2017	01/04/2016 to 31/03/2017	01/04/2016 to 31/03/2017	23/03/2017 to 31/03/2017
4	Reporting Currency & Exchange Rate	INR ₹ 1/-	INR ₹ 1/-	INR ₹ 1/-	INR ₹ 1/-
5	Share Capital	150,800,178	58,615,000	100,000	400,000
6	Reserves & Surplus	(21,071,041)	(13,679,570)	(126,599)	(11,070)
7	Total Assets	273,111,758	67,065,747	35,001	411,830
8	Total Liabilities	273,111,758	67,065,747	35,001	411,830
9	Investments	61,123,030	-	-	-
10	Turnover	65,935,299	13,977,981	-	25,000
11	Profit/(Loss) before Taxation	3,932,979	901,320	(56,283)	(11,070)
12	Provision For Taxation	Nil	Nil	Nil	Nil
13	Profit / (Loss) after Taxation	3,932,979	901,320	(56,283)	(11,070)
14	Proposed Dividend	Nil	Nil	Nil	Nil
15	% of Share Holding	50.56%	99.9996%	100 %	100 %

**Notes:**

1. There are no subsidiaries which are yet to, commence operations
2. There are no subsidiaries which have been liquidated or sold during the year
3. The company has no Associates Companies and Joint Ventures.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants**Rahul Divan**  
PartnerMumbai  
April 27, 2017

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director  
DIN No. 00320541**Nirmala Parab**  
Director  
DIN No. 07149007**U. Ramachandran**  
Director & CFO  
DIN No. 00493707**Sridhar H.**  
Company Secretary**Sudharsanan Nair**  
Director  
DIN No. 01510505





Form No. MGT-11

# PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



## TRANSWARRANTY FINANCE LIMITED

CIN: L65920MH1994PLC080220

**Registered Office:**

403, Regent Chambers, Nariman Point, Mumbai - 400 021

Tel.: +91-40010900 Fax.: +91-22-6630 6655

Website: [www.transwarranty.com](http://www.transwarranty.com)

Email: [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com)

Name of the member(s): .....
Registered address: .....
E-mail Id: .....
Folio No / Client Id: ..... DP ID: .....

I/We, being the member (s) of ..... shares of the above named Company, hereby appoint

1. Name: .....

Address: .....

E-mail Id: ..... Signature: ....., or failing him
2. Name: .....

Address: .....

E-mail Id: ..... Signature: ....., or failing him
3. Name: .....

Address: .....

E-mail Id: ..... Signature: .....



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, on 10<sup>th</sup> August, 2017 at 10.30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

RslnNo	Ordinary Business	Optional	
		*For	*Against
1.	Adoption of financial statement for the year ended March 31, 2017		
2.	Re-appointment of Mr U. Ramachandran (DIN 00493707) Director in place of Director who retires by rotation		
3.	Ratification of M/s. Rahul Gautam & Associates., Chartered Accountants as Auditors and fixation of remuneration thereof		
	<b>Special Business</b>		
4.	Appointment of Mr. Kumar Nair (DIN 00320541) as a Managing Director and CEO of the Company for a term of three years		

Signed this ..... day of ..... 2017.

.....  
Signature of shareholder

.....  
Signature of Proxy holder(s)

Affix Revenue Stamp of ₹ 1/-
---------------------------------------

- Note:**
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  - A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- \* It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.





## Transwarranty Finance Limited

Transwarranty Finance Limited (TFL) is a RBI registered full service Investment Bank providing a wide range of Financial Services to over 1000 large and mid cap companies and thousands of retail clients all over India since 1994.

### Advisory Businesses:

#### Investment Banking

- Mergers and Acquisitions
- Venture Capital
- Private Equity
- International Capital Markets through FCCB / ADR / GDR / AIM listing
- Joint Ventures (Indian / International)
- Corporate Advisory Services
- Business Re-Structuring

#### Trade Finance

- LC Bills Discounting
- Clean Bills Discounting
- Inter Corporate Deposits
- Unsecured Working Capital Loan
- Import and Export Finance (Supplier's / Buyer's Credit)

### Fund Based Businesses:

#### Gold Loans

- Retail loans against security of Gold

#### Corporate Finance

- Structured Finance
- Rupee / Foreign Currency Loans
- External Commercial Borrowing (ECB)
- Working Capital Facilities from Banks
- Acquisition Finance both in India and abroad
- Stressed Assets Finance
- Debt Re-structuring

#### Project Finance

- Financial Structuring
- Project Report and Financial Feasibility Study
- Raising Project Equity
- Raising Rupee and Foreign Currency Loans for Projects

#### Secured Loans

- Secured Loans to Corporates and Individuals against security of listed shares, property etc.

## Our Subsidiary Company

### Vertex Securities Limited

Vertex Securities Limited is national level retail broking company with around 200 branch / franchise offices across India having membership in National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE), and depository services (NSDL).

The Company is also a SEBI registered full service Merchant Banker.

- Retail Stock Broking
- Distribution of Mutual Funds, IPO and other financial products
- Retail Investment advisory services
- Depository Participant
- Institutional Broking
- Arbitrage
- AMFI Certified Corporate Agent



## Merchant Banking

- Management of Initial Public Offers / Follow on Offers / Rights Issue
- Management of debt (Bond) issues for Companies / Institutions / Corporations / Government Undertakings / Any other entity eligible to make a bond issue
- Placement of Equity Shares with QIP / Private Equity Funds
- Placement of Preference Shares
- Corporate Restructuring
- Valuations of Companies / Enterprises / Shares
- Listing services on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE)
- Buy Back of Shares
- Take Over & Offer for Sale
- ESOPs
- Certifications

## Vertex Commodities And Finpro Pvt. Ltd.

Vertex Commodities And Finpro Pvt. Ltd., a subsidiary of Vertex Securities Limited is also a national level retail broking company with around 200 branch / franchise offices across India having membership in the National Commodities & Derivatives Exchange (NCDEX), Multi Commodity Exchange (MCX) and National Multi Commodity Exchange of India Limited (NMCE).

## Membership and Licenses

- Reserve Bank of India (RBI) Registration for Financial Services
- Securities and Exchange Board of India (SEBI) Registration for Merchant Banking
- SEBI Registration for Securities Broking
- Association of Mutual Funds of India (AMFI) Registration for Mutual Funds Distribution
- Member of the Association of Merchant Bankers of India (AMBI)
- Membership of the National Stock Exchange (NSE) for broking in Equities, Derivatives Segments and Currency Segments
- Membership of the Bombay Stock Exchange (BSE) for Broking in Equities Segment
- Membership of the National Commodities & Derivatives Exchange (NCDEX)
- Membership in the Multi Commodity Exchange (MCX) (Commodity and Currency)
- Membership in the National Multi Commodity Exchange of India Limited (NMCE)
- Membership in National Securities Depository Limited (NSDL)

### Registered Office Address:

CIN: L65920MH1994PLC080220

403, Regent Chambers, Nariman Point, Mumbai - 400 021.

Tel. : 022-6630 6090 / 4001 0900

Fax : 022-6630 6655

Website : [www.transwarranty.com](http://www.transwarranty.com) / [www.vertexbroking.com](http://www.vertexbroking.com)

E-mail : [mail@transwarranty.com](mailto:mail@transwarranty.com)



**TRANSWARRANTY FINANCE LIMITED**  
FINANCIAL ENGINEERS