



# TRANSWARRANTY FINANCE LIMITED

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September 06, 2024

The Manager,  
Listing Department  
**BSE Limited**  
P.J. Towers,  
Dalal Street, Fort  
Mumbai 400001  
**BSE Scrip Code: 532812**

The Manager,  
Listing Department  
**National Stock Exchange of India Limited**  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400051  
**NSE Symbol: TFL**

Dear Sir/Madam,

**Sub: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)**

With reference to captioned subject and in compliance with Regulation 30 read with Schedule III of Listing Regulations, we wish to inform you that the 30<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Monday, September 30, 2024 at 04.00pm through Video Conferencing / Other Audio-Visual Means (VC/OAVM) pursuant to and in compliance with the relevant Circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

We also wish to inform you that the Annual Report of the Company along with the Notice convening the 30<sup>th</sup> Annual General Meeting has been dispatched to all the eligible shareholders of the Company and will also be available on the Company's website [www.transwarranty.com](http://www.transwarranty.com) in due course.

Kindly take the same on record.

Thanking You,

Yours Faithfully,  
For **Transwarranty Finance Limited**

**Suhas Borgaonkar**  
Company Secretary and Compliance Officer  
Membership No.: A3391

**CIN: L65920MH1994PLC080220**

403, Regent Chambers, Nariman Point, Mumbai- 400021 • Tel: 6630 6090 / 2204 7965  
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# 30<sup>th</sup> ANNUAL REPORT 2023-2024



## Mission

Online small business loans to MSME, retail and wholesale trade as embedded finance.

## Vision

Financial inclusion, Financial Literacy and Bridging the digital divide

## Board of Directors



**Mr. Kumar Nair**  
**Chairman & Managing Director**

**Mr. Kumar Nair**, is B.Sc., FCA (ICAI), ACA (ICAEW) & OPM (Harvard Business School). 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 Unnikrishnan**  
**Director & CFO**

**Mr. Ramachandran Unnikrishnan**, B.Com, FCA has close to 4 decades experience in Audit and Accounting profession.



**Mr. Sudharsanan Nair**  
**Independent 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 Intellivision Software Ltd., a listed Company, till 2014.



**Mr. Pravin Khatau**  
**Independent Director**

**Mr. Pravin Khatau**, was a Senior Director in Goldman Sachs & Co., an 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 Parab**  
**Independent Director**

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



**Mr. Shishir Vasant Dalal (Upto 29<sup>th</sup> January, 2024)**  
**Independent Director**

**Mr. Shishir Dalal** is a renowned and accomplished Fellow Chartered Accountant. He was the Senior Co-Founder Partner in Dalal & Shah Chartered Accountants, a renowned firm which had clients like Jain Irrigation Group, Bajaj Group, Kalyani, Kirloskar, Raymond, Century Textiles, Parle Bisleri which later became a network firm of PwC India and PwC Worldwide. He also sits as a Honorary Vice President in BCJ & Asha Parekh Research Hospital in Santacruz.



**Mr. Gopalakrishnan Balakrishna (From 14<sup>th</sup> February, 2024)**  
**Independent Director**

**Mr. Gopalakrishnan Balakrishna** was the President and Head of Law Department of Axis Bank Ltd., Mumbai for 14 years. Also worked as Legal Advisor heading the Legal Operations & Human Resources Group of Asset Reconstruction Company (India) Ltd. (ARCIL), Mumbai, one of India's largest and premier ARCs. Former founding partner of SK Singhi and Co LLP, Mumbai Office and Partner of SNG & Partners, Mumbai.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Kumar Nair	Chairman & Managing Director
Mr. Ramachandran Unnikrishnan	Director & Chief Financial Officer (CFO)
Mr. Pravin Khatau	Independent Director
Mr. Sudharsanan Nair	Independent Director
Mrs. Nirmala Parab	Independent Director
Mr. Shishir Dalal	Independent Director (Upto 29th January, 2024)
Dr. Gopalakrishnan Balakrishna	Independent Director (Appointed w.e.f. 14th February, 2024)

### KEY MANAGERIAL PERSONNEL

Mr. Kumar Nair	Chairman & Managing Director
Mr. Ramachandran Unnikrishnan	Chief Financial Officer (CFO)
Mr. Sanjeev Kumar	Chief Executive Officer (CEO)
Mr. Suhas Borgaonkar	Company Secretary and Compliance Officer (CS)

### SENIOR MANAGEMENT

Mr. Haridas T.V	General Manager
Mr. Roby Sasidharan	General Manager – Accounts
Mr. Sachin Patil	Senior Manager
Mr. Rajaram Rajagopalan	Senior Manager
Mr. Raviraja Poojary	Senior Manager

### AUDITORS

**S S Khan and Co.,**  
Chartered Accountants  
Statutory Auditors

**Yogesh Sharma and Co.,**  
Company Secretaries  
Secretarial Auditor

### BANKERS

CSB Bank Limited  
South Indian Bank Limited  
ICICI Bank Limited

### REGISTERED 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 AGENTS

**M/s. Link Intime India Pvt. Ltd**  
C-101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai- 400 083  
Tel. No. 91-022-49186270  
Fax No. 91-022-49186060  
e-mail id: [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 Thirtieth Annual General Meeting of Transwarranty Finance Limited (TFL) will be held through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), on Monday, September 30, 2024 at 04:00 P.M (IST) to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2024 and the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2024 and the Report of Auditors thereon
3. To appoint a Director in place of Mr. Ramachandran Unnikrishnan (DIN 00493707), who retires by rotation and being eligible offers himself for re-appointment.
4. **Appointment of M/s Deoki Bijay and Co., Chartered Accountants as the Statutory Auditors of the Company**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with applicable rules made thereunder, and in accordance with the Circular No. RBI/2021-22/25-Ref. No. DoS.CO.ARG/ SEC.01/08.91.001/2021-22 dated 27th April, 2021 issued by The Reserve Bank of India, inter-alia, on Guidelines for appointment of Statutory Auditors of NBFCs (“RBI Circular”), including any statutory amendment(s), modification(s) thereto or re-enactment(s) thereof, for the time being in force and Company’s Policy on Appointment of Statutory Auditors, and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for appointment of M/s. Deoki Bijay and Co., Chartered Accountants (Firm Registration No. 313105E), who have confirmed their eligibility to be appointed in terms of Section 141 of the Act and said RBI Circular, as the Statutory Auditor of the Company, to hold office for a period of 5 (Five) consecutive years from the conclusion of the Thirtieth Annual General Meeting of the Company till the conclusion of the Thirty fifth Annual General Meeting of the Company to be held in the year 2029, at a remuneration to be determined by the Board of Directors (including any Committee thereof) of the

Company in addition to out-of-pocket expenses as may be incurred by them during the course of the audit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be authorised on behalf of the Company, including but not limited to determine role and responsibilities/ scope of work of the Statutory Auditors, to negotiate, finalise, amend, sign, deliver and execute the terms of appointment, including any contract or document in this regard and to alter and vary any terms and conditions of the contract including vary the remuneration arising out of increase in scope of work, due to amendments to the Accounting Standards or the Act or Rules framed thereunder or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other requirements resulting in any change in the scope of work, etc., without being required to seek any further consent or approval of the Members of the Company and to do all such acts, deeds, matters and things as the Board may, in its absolute discretion deem necessary or desirable for the purpose of giving effect to this Resolution and with power to the Board to settle all questions, difficulties or doubts that may arise in respect of the implementation of this Resolution.”

### Special Business:

5. **Issuance of Non-Convertible Debentures on Private Placement Basis**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section(s) 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter called “Act”), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended and the Companies (Share Capital and Debentures) Rules, 2014, as amended, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the applicable rules of Reserve Bank of India regarding issue of Non-Convertible Debentures on Private Placement Basis by Non-Banking Financial Companies and subject to such other applicable approval(s), permission(s) and sanction(s), as may be required, the approval of members of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee

thereof constituted or to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) ("Board"), to offer or invite subscriptions for secured and/or unsecured redeemable Non-Convertible Debentures including subordinated debt ("NCDs"), in one or more series/ tranches upto an aggregate amount of Rs. 100 Crores (Rupees Hundred Crores Only) within the overall borrowing limits approved by the members from time to time under Section 180(1)(c) of the Act, on a private placement basis and on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company.

**RESOLVED FURTHER THAT** approval of the Company be and is hereby given to all offers or invitations to subscribe to the Non-Convertible Debentures to be issued by the Company for a period of one year commencing from Date of passing of this resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of the Company, be and is hereby authorized, to approve, decide, vary or modify the terms and conditions applicable to the issue of aforesaid Non - Convertible Debentures including the class of investors, securities to be offered, number of securities, series, tranches, issue price, denomination, currency, tenure, interest rate, premium/discount, repayment, listing or otherwise, howsoever, as it may think appropriate and to do all acts, deeds, and things, as it may, in its absolute discretion, consider necessary, expedient or desirable including appointment of intermediaries including Debenture Trustees and to sign and execute any deed(s)/ document (s)/ undertaking (s)/ agreement (s)/ paper(s)/ underwriting (s) and also to delegate all or any of the above powers, as may be required to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respects."

#### 6. Raising of funds by way of External Commercial Borrowings

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), including any amendment, modification, variation or re-enactment and other applicable guidelines, directions or laws, the consent

of the Company be and is hereby accorded to the Board of Directors of the Company, to make offers, invitations and issue of Secured Redeemable Foreign Currency/ Rupee Denominated Bonds or other instruments in one or more tranches/series, on private placement basis or otherwise, with the consent being valid for a period of 1 (one) year from the date of passing of this resolution, on such terms and conditions including the price, coupon, premium/discount, tenor, listing of Foreign Currency/ Rupee Denominated Bonds, obtaining credit ratings etc., as may be determined by the Board of Directors (or any other person so authorised by the Board of Directors), based on the prevailing market conditions;

**RESOLVED FURTHER THAT** the aggregate amount to be raised through the issuance of Foreign Currency/ Rupee Denominated Bonds or other instruments pursuant to the authority under this Resolution shall not exceed Rupee equivalent to USD 50 MN;

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee(s) constituted/to be constituted by the Board, from time to time to exercise its powers conferred by this resolution thereof), be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, application, etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid Resolution as it may deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or Officers of the Company, to give effect to this Resolution."

#### 7. To consider and approve entering into Related Party Transaction between the Company and its subsidiaries and Step-Down Subsidiaries on one hand and Vertex Securities Limited and any of its subsidiaries and Transwarranty Capital Market Services Private Limited (TCMSPL) on other hand

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to provision of Regulation 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the provisions of Section 177 and 188 of Companies Act, 2013 ("the Act") read with Rule 15 of Companies (Meetings of Board and its Powers) Rules 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transaction(s),



the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to continue with the existing contract(s)/ arrangement(s)/transaction(s) and/or enter into and/or carry out new contract(s)/ arrangement(s)/ transaction(s)(whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise),as mentioned in the Explanatory Statement annexed herewith, with the Vertex Securities Limited or any/ all of its Subsidiaries/ Associate Company/ companies, for an aggregate amount as mentioned in the explanatory statement to be entered/entered upto the 31<sup>st</sup> Annual General Meeting of the Company to be held in the year 2025, subject to such transaction(s) / contract(s) / arrangement(s) / agreement(s) being in the ordinary course of business and being carried out at an arm's length basis.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to the Director(s) or Chief Financial Officer or Company Secretary or any other officer(s) of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respects."

**8. Material related party transaction between the Company on one hand and after completion of sentence add on the other hand and Executive Directors/KMPs/ relatives thereof of the company/ subsidiaries/ step down subsidiaries/ associates on other hand**

To consider and if fit through pass the following resolution as an **Ordinary resolution**:

**"RESOLVED THAT** pursuant to provision of Regulation 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 ('SEBI Listing Regulations'), as amended from time to time, the provisions of Section 177 and 188 of Companies Act, 2013 ("the Act") read with Rule 15 of Companies (Meetings of Board and its Powers) Rules 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transaction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time to exercise its powers conferred by this Resolution), to continue with the existing contract(s)/ arrangement(s)/ transaction(s) and/or enter into and/or carry out new contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or a series of transactions or otherwise) with respect to availing loans/ NCDs/other borrowings from and repayments thereof to, the Executive Directors/ Key Management Personnel / relatives of EDs/KMPs, of the Company/ subsidiaries/ step down subsidiaries/ associates as mentioned in the Explanatory Statement annexed herewith on such terms and conditions as may be mutually agreed between the Company on one hand and Executive Directors/KMPs/ relatives thereof on the other hand, for an amount not exceeding Rs. 20 crores, individually from any of the EDs/KMPs/ relatives , entered/to be entered upto the 31<sup>st</sup> Annual General Meeting of the Company to be held in the year 2025 and being carried out in the ordinary course of business and at an arm's length basis.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to the Director(s) or Chief Financial Officer or Company Secretary of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respects."

**9. To consider and approve entering into Related Party Transaction between the company and TFL- TCCPL Merger Trust**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provision of Regulation 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the provisions of Section 177 and 188 of Companies Act, 2013 (“the Act”) read with Rule 15 of Companies (Meetings of Board and its Powers) Rules 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company’s Policy on Related Party Transaction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to continue with the existing contract(s)/ arrangement(s)/transaction(s) and/or enter into and/or carry out new contract(s)/ arrangement(s)/ transaction(s) for sale/ transfer/ pledge /charge / revoke / purchase of trust shares (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in the Explanatory Statement annexed herewith, with the **TFL-TCCPL Merger Trust** for an aggregate amount as mentioned in the explanatory statement to be entered/entered upto the 31<sup>st</sup> Annual General Meeting of the Company to be held in the year 2025, subject to such transaction(s) / contract(s) / arrangement(s) / agreement(s) being in the ordinary course of business and being carried out at an arm’s length basis.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to the Director(s) or Chief Financial Officer or Company Secretary or any other officer(s) of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respects.”

**10. To consider and approve ‘Employees Stock Option Plan 2024’ (‘ESOP 2024’)**

To consider, and if thought fit, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI SBEB Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant clauses of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded to the introduction of Employees Stock Option Plan 2024 (“ESOP 2024”) (referred to as “Plan”) authorising the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination, Remuneration and Compensation Committee (‘NRCC’), which the Board has constituted to exercise its powers, including the powers, conferred by this resolution read with Regulation 5 of SEBI SBEB Regulations) to create, issue and grant/allot such number of options thereunder, in one or more tranches, from time to time, to the eligible employees of the Company, as defined under SEBI SBEB Regulations and aforesaid Plan, which upon exercise shall not exceed in aggregate (including shares arising pursuant to grant of options to eligible employees of the subsidiary(ies) of the Company pursuant to resolution proposed under item no 11) upto 53,67,450 (Fifty Three Lakhs Sixty Seven Thousand Four Hundred Fifty) equity shares of face value of Rs. 10 /- (Rupees Ten) each fully paid-up of the Company, where one option upon exercise shall entitle for one equity share to be issued, subject to such terms and conditions as may be determined in accordance with the provisions of the applicable laws including SEBI SBEB Regulations and the provisions of the Plan.





**RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any, additional equity shares are issued by the Company to the grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs.10/- (Rupees Ten) per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.

**RESOLVED FURTHER THAT** the Board, including any Committee of the Board, be and is hereby authorized at any time to modify, change, revise, vary, alter, amend, suspend or terminate the Plan subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, revision, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deem necessary including authorizing or directing to appoint merchant bankers,

brokers, solicitors, registrars, compliance officer and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.”

**11. Approval of ‘Employees Stock Option Plan 2024’ (‘ESOP 2024’) to the employees of subsidiaries / step down subsidiaries of the Company**

To consider, and if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI SBEB Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant clauses of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination, Remuneration and Compensation Committee (‘NRCC’), which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations) to offer, create, and grant/ allot from time to time, in one or more tranches, such number of options under ‘Employees Stock Option Plan 2024’ (“ESOP 2024”) (referred to as “Plan”) within the limit prescribed under resolution proposed under item no 10, to eligible employees (as defined under SEBI SBEB Regulations and aforesaid Plan) of any present or future subsidiary or subsidiaries of the Company whether in or outside India as may be decided under the Plan, exercisable into corresponding number of equity shares of face value of Rs.10/- (Rupees Ten) each fully paid-up, where one option would convert into one equity share of

the Company to be issued, upon exercise, subject to such terms and conditions as may be determined in accordance with the provisions of the applicable laws including SEBI SBEB Regulations and the provisions of the Plan.

**RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs.10/- (Rupees Ten) per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.

**RESOLVED FURTHER THAT** the Board, including any Committee of the Board, be and is hereby authorized at any time to modify, change, revise, vary, alter, amend, suspend or terminate the Plan subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, revision, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deem necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.”

## 12. Grant of Options under ESOP 2024 exceeding 1% of issued share capital of the Company

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICYCELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI SBEB Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant clauses of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, and specifically under clause (d) of sub-regulation (3) of Regulation 6 of SEBI SBEB Regulations, the approval of the Company be and is hereby accorded to the Board, including the Nomination Remuneration and compensation Committee (NRCC) and any other committees so constituted by the Board thereof to grant options, during one year, exceeding one percent of the issued share capital (excluding outstanding warrants and conversions) of the Company to one or more eligible employees under Employees Stock Option Plan 2024 (“ESOP 2024”), upto 53,67,450 (Fifty Three Lakhs Sixty Seven Thousand Four Hundred Fifty) equity shares of face value of Rs. 10 /- (Rupees Ten) each fully paid-up of the Company, where one option upon exercise shall entitle for one equity share to be issued, subject to such terms and conditions as may be determined in accordance with the provisions of the applicable laws including SEBI SBEB Regulations and the provisions of the Plan.



**RESOLVED FURTHER THAT** the Board, including any Committee of the Board, be and is hereby authorized at any time to modify, change, revise, vary, alter, amend, suspend or terminate the Plan subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, revision, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deem necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.”

**13. Approval of variations in the terms of Employee Stock Option Plan, 2019 (ESOP 2019)**

To consider and, if thought fit, to pass the following resolution as **Special Resolution**:

**“RESOLVED THAT** in accordance with the applicable provisions of the Companies Act, 2013 or Companies (Share Capital and Debentures) Rules, 2014 or any amendments thereto, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2015 and the guideline by any other relevant statutory/regulatory authorities and the provisions of the Memorandum and Articles of Association of the Company, the consent of the shareholders be and is hereby accorded for the variations in the terms and conditions of the Employees Stock Option Plan 2019 ( ESOP 2019) as detailed in the explanatory Statement thereto.

**“RESOLVED FURTHER THAT** the Board, including its Committee, or any director or Company Secretary be and is hereby authorized to submit the documents required to be filed in this connection and to do all such acts, deeds, and things, as may, be necessary for the effective implementation and administration of the Plan.”

**By Order of the Board of Directors,  
For Transwarranty Finance Limited**

**Suhas Borgaonkar**  
Company Secretary and  
Compliance Officer

Regd Office:  
403, Regent Chambers,  
Nariman Point, Mumbai 400021  
CIN: L65920MH1994PLC080220  
Email Id: companysecretary@transwarranty.com  
Website: www.transwarranty.com  
Tel: 022 40010900 Fax: 022 66306655

Place: Mumbai  
Date : August 09, 2024

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

Further, Securities and Exchange Board of India ('SEBI'), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 ("the Act") read with the said Circulars and SEBI Listing Regulations, the Company has decided to convene its 29<sup>th</sup> AGM through VC/OAVM, and the Members can attend and participate in the ensuing AGM through VC/OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the Deemed Venue of the AGM. National Securities Depositories Limited (NSDL) will be providing the facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained in note no. 20 below and is also available on the website of the Company at [www.transwarranty.com](http://www.transwarranty.com).

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Item No. 3 to 13 forms part of this Notice. Additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') and Secretarial Standard - 2 on General Meetings, issued by The Institute of Company Secretaries of India, in respect of Director retiring by rotation seeking appointment/ re-appointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished forms Parts of Explanatory Statement to this Notice.

3. PURSUANT TO THE PROVISION OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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.

However, Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice to appoint proxy to attend and cast vote for the members. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

Further, in terms of the provisions of Section 112 and 113 of the Act read with the said Circulars, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC/OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately, hereinbelow). Institutional/ Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to [csymsharma@gmail.com](mailto:csymsharma@gmail.com) with a copy marked to the Company at [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com) and to its RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  6. In case of Joint holders, the Members whose name appears as the first holder in the order of names as per the Registered of Members of the Company will be entitled to vote at the AGM
  7. The Annual Report including Notice of the 30<sup>th</sup> AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by Email, to all the Shareholders whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes to the Shareholders and to all other persons so entitled.

Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the relevant Circulars issued by MCA and said SEBI Circulars, the Annual Report including Notice of the 30<sup>th</sup> AGM of the Company will also be available on the website of the Company at [www.transwarranty.com](http://www.transwarranty.com). The same can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL i.e. [www.evoting.nsdl.co.in](http://www.evoting.nsdl.co.in).
  8. Members are requested to send all their documents and communications pertaining to shares to Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent (RTA) of the Company at their address at C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra 400083, Telephone No. 022 - 4918 6000, [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in), for both physical and demat segment of Equity Shares. Please quote on all such correspondence - "Unit –Transwarranty Finance Limited".
  9. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, in line with MCA Circulars and/ or SEBI Circulars. 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.
  10. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com).
  11. The Company has fixed Friday, 30th August, 2024 as the "Record Date" for determining the members whose name are registered will be entitled to receive Notice of the AGM.
  12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
  13. 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 Registrar 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 the Company or 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.

14. SEBI vide its notification dated January 25, 2022 vide its circular number SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime India Pvt. Ltd., for consolidation into a single folio.
16. Members are requested:
- To quote their folio number/ DP ID and Client ID in all correspondence.
  - To notify immediately change of their address and bank particulars to the RTA in case the shares are held in physical form; and in case the shares are held in dematerialized form, the information should be passed on directly to their respective Depository Participant and not to the Company / RTA, without any delay.
17. In terms of provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in dematerialized form are requested to submit the said details to their Depository Participant(s) and the Members holding shares in physical form, are requested to submit the said details to the Company or RTA.
18. Norms for furnishing of PAN, KYC, Bank details and Nomination:
- Pursuant to SEBI Circular no. SEBI/HO/MIRSD/ MIRSDPoD- 1/P/ CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/ MIRSD/MIRSD RTAMB/P/CIR/2021/655 and SEBI/HO/MIRSD/ MIRSDRTAMB/P/CIR/2021/687 dated November 3, 2021 and December 14, 2021, respectively, SEBI has mandated all listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities. The folios wherein any one of the cited documents/details is not available on or after October 1, 2023, shall be frozen by the RTA.
- The securities in the frozen folios shall be eligible:
- To lodge any grievance or avail of any service, only after furnishing the complete documents / details as mentioned above;
  - To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode) only after they comply with the above stated requirements.
- In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest. The Company has dispatched a letter to the Members holding shares in physical form in relation to the above referred SEBI Circular. Members who hold shares in dematerialized form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective DPs.
- Further, Members holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios. Such frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, after December 31, 2025.
19. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company's RTA in case the shares are held by them in physical form.
20. The instructions and other information relating to voting through electronic means is given hereunder:
- VOTING TROUGH ELECTRONIC MEANS**
- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the (as amended), and the Circulars



issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is pleased to provide Members with the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means in respect of the business to be transacted at the AGM through e-voting. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") as well as e-voting during the proceeding of the AGM ("e-voting at the AGM") will be provided by National Securities Depository Limited (NSDL).

- II. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at August 18, 2023. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- III. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
- IV. Members who have cast their vote by remote e-Voting prior to the AGM can also attend the AGM but shall not be entitled to cast their vote again. Only those Members, who will be present at the AGM through VC / OAVM facility and who would not have cast their vote by remote e-Voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.
- V. The remote e-voting period commences on 25th September, 2024 9:00 a.m. and ends on 29th September, 2024 at 5.00 p.m. During this period, the Members, holding

shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 23, 2024 may cast their vote electronically by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 23, 2024.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on 25th September, 2024 9:00 a.m. and ends on 29th September, 2024 at 5.00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date 23rd September, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September, 2024. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.**

**How do I vote electronically using NSDL e-Voting system? ( I think NSDL send all these details to us)**


The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> 
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing Myeasi username &amp; password</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>





Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800-22-5533

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
    - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
    - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
    - c) How to retrieve your 'initial password'?
      - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
  6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) [Physical User Reset Password?](#) (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
  3. Now you are ready for e-Voting as the Voting page opens.
  4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  5. Upon confirmation, the message "Vote cast successfully" will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csymsharma@gmail.com](mailto:csymsharma@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.



- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022-48867000 and 022-24997000 or send a request to Ms. Pallavi Mhatre [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views or ask questions with respect to the agenda items of the meeting will be required to register themselves as speaker by sending e-mail to [secretarial@vertexbroking.com](mailto:secretarial@vertexbroking.com) from their registered e-mail address, mentioning their name, DP ID & Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker by 5.00 p.m. on Monday, September 23, 2024 will be able to speak at the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time, for smooth conduct of the AGM
21. Any person, who acquires shares of the Company and becomes Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [ashok.sherugar@linkintime.co.in](mailto:ashok.sherugar@linkintime.co.in).
22. 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 i.e. September 9, 2023 shall be entitled to avail the facility of remote e-Voting as well as E-Voting at the AGM.
23. Mr. Yogesh Sharma of M/s Yogesh Sharma & Co., Practicing Company Secretaries 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.
24. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by the Chairman after completion of the scrutiny of e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than Two working days the conclusion of the AGM. 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 within two working days of passing of resolutions at the AGM of the Company after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchange.
25. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for electronic inspection. Members seeking to inspect such documents can send an email to [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com).
26. Members of the Company are requested to appoint M/s. Deoki Bijay and Co., Chartered Accountants, as the Statutory Auditors at this AGM of the Company which is valid till the 35<sup>th</sup> AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by MCA, the appointment of Statutory Auditors is not required to be ratified at every AGM.
27. Members are requested to address all correspondence to the Registrars and Transfer Agents of the Company.
28. 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.

By Order of the Board of Directors,  
For **Transwarranty Finance Limited**

**Suhas Borgaonkar**

Company Secretary and Compliance Officer

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

Place: Mumbai  
Date : August 09, 2024

**ANNEXURE TO 30<sup>th</sup> AGM NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013****Item No. 3**

**Additional information on directors recommended for appointment/re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India:**

<b>Name of Director</b>	Mr. Ramachandran Unnikrishnan
<b>DIN</b>	00493707
<b>Date of Birth</b>	25/11/1956
<b>Nationality</b>	Indian
<b>Type of Appointment</b>	Director retiring by rotation and re-appointment as director
<b>Date of first appointment by the Board</b>	25/02/2015
<b>Qualification</b>	B. Com (Hons), F.C.A.
<b>No. of Shares held</b>	2,66,909 Equity Shares of Rs. 10 each
<b>Experience in Specific</b>	He is a successful Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India. He was a Senior Partner with M/s. Haridas Associates, a leading firm of Chartered Accountants in Mumbai. He has an excellent knowledge in Audit, Capital Market and Investment Banking. He is also the Managing Director of the subsidiary Company, Vertex Securities Limited and a Director of step down subsidiary Vertex Commodities And Finpro Pvt. Limited.
<b>Directorships held in other public companies (excluding foreign companies)</b>	1. Vertex Securities Limited 2. Vertex Commodities And Finpro Pvt. Ltd. 3. Transwarranty Capital Market Services Pvt. Ltd. 4. Suncem Surface Coatings Pvt. Ltd.
<b>Membership of Committees of other listed public companies</b>	Member of Audit Committee and Stakeholders' Relationship Committee in Vertex Securities Limited
<b>Disclosure of relationships between directors inter-se</b>	None of the directors are related to each other
<b>Justification for appointment</b>	Excellent knowledge in Audit and accounting profession, Financial Services and Capital Market.
<b>No. of Board Meetings attended during the financial year 2023-24</b>	4 meetings out of 5 meetings for FY 2023-24
<b>Details of last remuneration drawn from the Company (excluding sitting fees)</b>	Nil
<b>Terms and conditions of appointment/re-appointment</b>	Mr. Ramachandran Unnikrishnan is proposed to be reappointed as a Director of the Company and is liable to retire by rotation.

**SPECIAL BUSINESS****Item no. 4 - Appointment of M/s. M/s. Deoki Bijay and Co., Chartered Accountants as the Statutory Auditors of the Company****Background:**

The Members of the Company at their Annual General Meeting held on September 27, 2019 had appointed M/s. S. S. Khan & Co., Chartered Accountants as the Statutory Auditors of the Company for a period of five consecutive years to hold office till conclusion of the 30th AGM of the Company to be held in September 2024.

The current Statutory Auditor have completed their tenure of 5 consecutive years with the Company and as per the said RBI Guidelines, the said audit firms would not be eligible for reappointment in the Company for another term. Hence, it is necessary to appoint new Statutory Auditors.

After necessary due diligence and the recommendation of the Audit Committee, the Company has selected M/s. Deoki Bijay and Co. the Board of Directors have approved and recommended their appointments as Joint Statutory Auditors of the Company subject to the approval of the Members of the Company .

**Proposal:**

The approval of the Members of the Company is sought for appointment of Deoki Bijay and Co., Chartered Accountants (Firm Registration No. 313105E) as the Statutory Auditors of the Company, for a period of 5 (five) consecutive years, to hold office from the conclusion of the 30th AGM till the conclusion of the 35th AGM of the Company, to be held in the year 2029. They would replace the current set of Statutory Auditors M/s. S. S. Khan & Co. Chartered Accountants who would be retiring from the Company.

**Brief Profiles:**

M/s. Deoki Bijay and Co. is a ISO Certified firm of Chartered Accountants founded by Mr. D N Agarwal in the year 1984. The firm has offices in Kolkata, Mumbai, Ranchi, Raygadha and Bhubaneshwar. The Firm has been rendering services from Four Decades in the fields of Audit and Assurances, Taxation, Corporate Advisory, Valuation and Mergers and Acquisitions. The firm fulfills all the criterias for being appointed as Statutory Auditors of the company.

**Details of declarations /confirmations received from the firm:**

M/s. Deoki Bijay and Co. has declared/ confirmed as under :

- a) That their appointment, if made, will be within the limits specified under the Act and that they are qualified to be appointed as statutory auditors in terms of the provisions

of Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and the said RBI Circular.

- b) That they have subjected themselves to the peer review process of Institute of Chartered Accountants of India ('ICAI') and hold valid certificate issued by the Peer Review Board of ICAI as on date.
- c) That their firm or any partner of the firm has no business relationship with the Company or its Promoter Company. They do not have any common partners and they are not under the same network of audit firms.
- d) That there are no proceedings against the said firms or any partner of the firm with respect to professional matters of conduct under the Chartered Accountant Act, 1949 and the rules and regulations made thereunder or before any competent authority or any court.
- e) That they do not have any affiliation/association with the existing firm, (M/s. S. S. Khan & Co. , Chartered Accountants or with the Promoter of the Company.

M/s. Deoki Bijay and Co. comply with the technical specifications and requirements as stated in RBI Circular dated 27<sup>th</sup> April, 2021 in terms of number of partners, technology experience, statutory audit experience of NBFCs, capability, assessment of independence, association of fellow chartered accountant partners with the firms, partners with CISA/ISA qualification, minimum number of audit experience, etc. and fulfill the eligibility criteria prescribed under the Act and Companies (Audit and Auditors) Rules, 2014.

**Scope and Terms and Conditions of the appointment:**

Their scope of services would include audit of annual standalone and consolidated financial statements and financial results, audit of internal financial controls over financial reporting, limited reviews of quarterly/half-yearly results as per SEBI Listing Regulations, tax audit and permitted certifications.

The terms and conditions of the appointment of the Statutory Auditors of the Company will inter-alia also include the conditions mentioned in Clauses 6A & 6B of the SEBI Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019.

Basis the recommendation of the Audit Committee, the Board of Directors ("Board") have approved and recommended remuneration (comprising audit fees) of an aggregate amount of up to ₹2.50 Lakhs for FY 2025 to the Statutory Auditors of the Company, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. Besides the audit services, the Company would also avail other permitted services from the Statutory Auditors, as may be required from time to time, for which the Auditors will be remunerated separately on mutually agreed terms.



The remuneration proposed to be paid to the Statutory Auditors for the subsequent years till the end of their term (AGM 2029) will be determined judiciously by the Board from time to time based on the recommendations of the Audit Committee which would be commensurate with the services rendered by them during their tenure.

The Board may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The audit fee/ remuneration proposed to be paid to M/s. Deoki Bijay and Co. as mentioned above for FY 2025 is equivalent as compared to the audit fees paid to erstwhile Statutory Auditor, who was paid an aggregate remuneration of ₹2.50 Lakhs for FY 2024 (excluding fees paid for permitted services u/s 144 of the Act, applicable taxes and reimbursement of out-of-pocket expenses on actuals). The proposed fees are deemed commensurate with enhanced scale of operations of the Company's business and are comparable to audit fees in industry to Audit firms with similar credentials, clientele, repute and standing and enhanced scope of work due to increase in number of certifications in their Audit reports emanating from regulatory requirements.

The proposed appointment of M/s. Deoki Bijay and Co. as the Statutory Auditors of the Company is in compliance with the Company's Policy on appointment of Statutory Auditors of the Company, which can be accessed on the website of the Company.

The Board is of the opinion that appointment of the said Joint Statutory Auditors will enhance the internal financial processes and enable the Company to reap the benefit of technical competency, industry and domain expertise of both the firms and enhance stakeholders' trust in financial reporting framework.

#### **Interest and recommendation:**

None of the Directors, Key Managerial Personnel(s) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution(s) set out at Item No. 4 of this Notice.

The Board recommends ordinary resolution(s) as set out at Item Nos. 4 of this Notice for approval of the Members of the Company.

#### **Item No. 5 : Issuance of Non-Convertible Debentures on Private Placement Basis**

The Company, in the ordinary course of its business, is required to borrow from time to time, by way of loans, issue of debentures

(secured or unsecured) or other debt instruments, on private placement basis or otherwise. The inter-mix of borrowings by the Company depends upon the market conditions, cost of funds, tenor and security available in case of loans to be disbursed to customers, etc. The Company may issue secured and/or unsecured redeemable Non-convertible Debentures including subordinated debt ("NCDs") of upto Rs. 100 crores (Rupees Hundred Crores only) within the borrowing limits of the Company to banks/financial institutions/mutual funds/body corporate(s) and/or to other persons. The Company may offer or invite subscription for NCDs including subordinated debt, in one or more series and/ or tranches through private placement on preferential basis with authority to the Board of Directors (the "Board") to determine the terms and conditions, including the issue price, interest rate, repayment, security, currency or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit.

As per section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, (the 'Companies PAS Rules') a company may make an offer or invitation to subscribe to the debentures through an issue of a private placement offer with a previous special resolution of its members approving offer(s) or invitation(s) to subscribe to the non-convertible debentures of the Company on private placement basis. Such an approval can be obtained once a year for all the offers and invitations made for such NCD's during the year.

In terms of section 180(1)(c) of the Act, the shareholders had authorised the Board to borrow up to Rs. 250 crore. Pursuant to the said authority, the Board of Directors, at their meeting held on August 2, 2024, approved issue of NCDs for an aggregate amount not exceeding Rs. 100 crore. The proposed issue of NCDs will be within the aforesaid Board approved borrowing limits as may be decided by the Board from time to time.

The shareholders, at the Annual General Meeting held on 15<sup>th</sup> September, 2023 had accorded their approval to the Company for issuance of NCDs up to a limit of Rs. 100 crore. As on March 31, 2024 the outstanding amount of NCDs raised was Rs. 4.76 crores. The Company has successfully completed the redemption of NCDs due for redemption on respective due dates during the year.

The NCDs would be issued at face value with different coupon rates for different tenures. The issue price and rate of interest depends, inter alia, on the market rates, tenor and security. The debentures will be issued on private placement basis in accordance with the provisions of the Act and applicable RBI guidelines

In case of secured NCDs, principal amount of the Secured NCDs issued/ to be issued together with interest due on the Secured NCDs, is secured by way of first ranking pari passu

charge with the existing secured creditors on the movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

The purpose of NCDs issue is to augment long term resources for the purpose of onward lending, repayment/prepayment of principal and interest of existing borrowings and/or for general corporate purposes. The consent of the Members is being sought by way of a Special resolution.

Approval of the members is, therefore, sought under section 42 of the Act read with Rule 14 of the Companies PAS Rules, by way of a special resolution for making offer(s) or invitation(s) to eligible persons to subscribe to the non-convertible debentures of the Company on private placement basis for a period of one year commencing from date of passing this resolution in the AGM.

The Board recommends passing of the special resolution as set out in item no. 5 of this notice.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially, or otherwise in the said resolution, except to the extent of NCDs that may be subscribed by them/their relatives/ companies/ firms in which they are interested.

#### **Item No. 6: Raising of funds by way of External Commercial Borrowings:**

The Company has been raising funds through various modes in order to fulfil its working capital requirements. Recently RBI has relaxed end-use restrictions for the ECB, enabling the Companies to borrow for working capital, general corporate purpose & on-lending for the same, subject to certain conditions.

Pursuant to Section 42 of the Companies Act, 2013, read with the Rules made thereunder, the Company is required to obtain approval of its Members by way of a special resolution, before making any offer or invitation for issue of Foreign Currency/ Rupee Denominated Bonds on a private placement basis. The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of Bonds by the Company for a period of 1 (One) year from the date on which the Members have provided the approval by way of the special resolution.

In view of the above Board of Directors at its meeting held on August 09, 2024, has approved issue of Foreign Currency/ Rupee Denominated Bonds or other instruments, in one or more tranches, on private placement basis, up to Rupee equivalent USD 50 MN and within the overall borrowing limit of Rs. 250 crores (Rupees Two Hundred and Fifty crores Only), subject to the approval of the Members.

In this regard, the approval of the Members is sought for issue of Foreign Currency/ Rupee Denominated Bonds on a private placement basis, whether listed or not, rated or not in one or more tranches, for a period of 1 (one) year from the date of passing the Resolution, on such terms and conditions including the price, coupon, premium/ discount, tenor etc., as may be determined by the Board of Directors (or any other person authorised by the Board of Directors), at the prevailing market condition.

Accordingly, the Board recommends the Special resolution as set out at Item No. 6 of the accompanying Notice for the approval of the Members.

Save and except for the shares of the Company held by them, none of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way concerned or interested, financially or otherwise, in the said resolution.

#### **Context for Item Nos 7 and 8:**

##### **Material Related Party Transactions**

Regulation 23 of the SEBI Listing Regulations, inter alia, states that all Material Related Party Transactions ('RPTs') shall require prior approval of the Members by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1,000 crore or 10% of the annual consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Further, Regulation 2(1)(zb) of the SEBI Listing Regulations has provided the definition of Related Party and Regulation 2(1)(zc) of the SEBI Listing Regulations has enhanced the definition of Related Party Transaction which now includes a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not.

The Management has provided the Audit Committee with relevant details of the proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the RPTs. The Audit Committee has noted that the said transaction(s) will be at an arm's length pricing basis.

It is in the above context that, Resolution Nos. 7 and 8 are placed for approval of the Members of the Company.





**Item No. 7**

**To consider and approve entering into Related Party Transaction between the Company and its subsidiaries and Step-Down Subsidiaries on one hand and Vertex Securities Limited and any of its subsidiaries on other hand**

Sr. No	Description	Details of Proposed RPT between TFL and its subsidiaries/step-down subsidiary on one hand and VSL and its subsidiaries and Transwarranty Capital Services Private Limited on other hand
1.	Name of the Related Party and its relationship with the Company	Vertex Securities Limited (Subsidiary Company) Vertex Commodities and Finpro Private Limited (Subsidiary of Vertex Securities Limited) Transwarranty Capital Markets Private Limited (Wholly owned subsidiary of Company) The above mentioned companies are Related Party of the Company, as on the date of this Notice.
2.	Name of the director or key managerial personnel who is related, if any and nature of relationship	None of the other Directors, KMPs and/ or their respective relatives is in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 7 of the Notice.
3.	Type, material terms, monetary value and particulars of the proposed RPTs	The Company have entered into/ proposes to enter into the following RPTs from date of this AGM till date of next AGM, for an amount as mentioned below: i. Intercompany Loans/Deposits/advances taken/given/repaid for an aggregate value not exceeding Rs. 100 crores for each of the companies. (10 Times of the Annual Consolidated Turnover of the company) ii. Interest and other expenses paid for an aggregate value not exceeding Rs. 10 crores for each of the companies (100% of the Annual Consolidated Turnover of the Company) iii. Interest and any Income received for an aggregate value not exceeding Rs. 10 crores for each of the companies (100% of the Annual Consolidated Turnover of the Company) iv. Any sale / purchase of investments / assets and receipt / payments thereof for an amount not exceeding Rs. 20 crores for each of the companies. (200% of the Annual Consolidated Turnover of the Company)
4.	Percentage of the Company's annual consolidated Turnover	As stated above
5.	Value of Transaction	Not exceeding Rs. 100 / 10/10/20 Crores as mentioned above.
6.	Justification for the proposed RPTs	The Company and its subsidiary require funds from time to time to meet the urgent working capital requirements.
7.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its Related Party	As mentioned in the Item No 3 above
8.	Details of the source of funds in connection with the proposed transaction	The Company and its Subsidiaries/step-subsiaries shall provide loans from their own sources /internal accruals.
9.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: • Nature of Indebtedness • Cost of fund and • Tenure	No

10.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Terms as mentioned in Item No 3 above Tenure: Upto the Date of 31 <sup>st</sup> AGM to be held in year 2025 The above inter-corporate deposits are under unsecured category.
11.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	To meet the working capital requirement and other general corporate purposes of the Company.
12.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered e-mail address of the shareholder	Not Applicable.
13.	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.

**Item No. 8: Material Related Party transactions between Company on one hand with Executive Directors/ KMP/ relatives of the company/ subsidiaries/step down subsidiaries/ associates on other hand**

Details of the proposed RPTs between the Company and Executive Director of the Company including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

Sr. No	Description	Details of Proposed RPT between TFL on one hand and Directors/ KMPs/Relatives of the Company /Subsidiaries/Step-down subsidiaries on other hand
1.	Name of the Related Party and its relationship with the Company	Mr. Kumar Nair (Executive Director of the Company) Mr. Ramachandran Unnikrishnan ( Executive Director of the Company) and/ or relatives thereof Mr. George Mampilly (Executive Director of subsidiary) and / or relatives thereof The above-mentioned directors/ relatives are Related Party of the Company, as on the date of this Notice.
2.	Name of the director or key managerial personnel who is related, if any and nature of relationship	None of the other Directors, KMPs and/ or their respective relatives is in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 8 of the Notice.
3.	Type, material terms, monetary value and particulars of the proposed RPTs	The Company have already entered into / propose to enter into the following RPTs : For loans / NCDs taken/ repaid / redeemed from / to some of the executive Directors / KMPs / relatives individually for amounts not exceeding Rs. 20 Crores.
4.	Percentage of the Company's annual consolidated Turnover	As mentioned in Point No. 3
5.	Value of Transaction	Not exceeding Rs. 20 Crores for each executive directors/relatives
6.	Justification for the proposed RPTs	The Company requires funds from time to time to meet the urgent working capital requirements. Funds are arranged to meet the urgent working capital requirements of the Company at short notice at reasonable cost.



7.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its Related Party	As mentioned in point no 3
8.	Details of the source of funds in connection with the proposed transaction	The executive directors / relatives shall provide loans from their own sources funds.
9.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> <li>• Nature of Indebtedness</li> <li>• Cost of fund and</li> <li>• Tenure</li> </ul>	No
10.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	The transactions as mentioned above will be carried out in multiple tranches and/or at multiple times from individual executive director/relatives for an amount not exceeding in aggregate, Rs. 20 crores from each. Tenure: Upto the Date of 31 <sup>st</sup> AGM held to be in Year 2025 The above loans are under unsecured category.
11.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	To meet the working capital requirement of the Company
12.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered e-mail address of the shareholder	Not applicable.
13.	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.

None of the other Directors, KMPs and/ or their respective relatives is in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 8 of the Notice.

Based on the approval of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 8 of the Notice convening this AGM, for approval by the Members.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote on the Ordinary Resolution set forth at Item No. 8 of the Notice, whether the entity is a Related Party to the particular transaction(s) or not.

**Item No. 9:**

**To consider and approve entering into Related Party Transaction between the company and TFL- TCCPL Merger Trust**

Sr. No	Description	Details of Proposed RPT between Company and TFL-TCCPL Merger Trust
1.	Name of the Related Party and its relationship with the Company	TFL – TCCPL Merger Trust The above mentioned company is a Related Party of the Company, as on the date of this Notice.
2.	Name of the director or key managerial personnel who is related, if any and nature of relationship	None of the other Directors, KMPs and/ or their respective relatives is in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 9 of the Notice.

3.	Type, material terms, monetary value and particulars of the proposed RPTs	The Company have entered into/ proposes to enter into the following RPTs from date of this AGM till date of next AGM, for an amount as mentioned below: The transaction involves sale of the shares by trust, repayment of loan and payment of balance proceeds to the company; the value of the transaction not exceeding Rs. 100 crores.
4.	Percentage of the Company's annual consolidated Turnover	As stated above
5.	Value of Transaction	Not exceeding Rs. 100 Crores as mentioned above.
6.	Justification for the proposed RPTs	The Company and its subsidiary require funds from time to time to meet the urgent working capital requirements.
7.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its Related Party	As mentioned in the Item No 3 above
8.	Details of the source of funds in connection with the proposed transaction	Source of the funds would be from Trust
9.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: • Nature of Indebtedness • Cost of fund and • Tenure	No
10.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Terms as mentioned in Item No 3 above Tenure: Upto the Date of 31 <sup>st</sup> AGM to be held in year 2025 The above inter-corporate deposits are under unsecured category.
11.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	To meet the working capital requirement and other general corporate purposes of the Company.
12.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered e-mail address of the shareholder	Not Applicable.
13.	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.



**Item no. 10, 11 and 12:**

**Approval of 'Employees Stock Option Plan 2024' for the Company and Subsidiary Companies**

It is recognized that appreciated that with a view to achieve sustainable corporate growth and to retain and motivate key talent in the organization, companies provide equity based compensation as a part of the overall compensation. The Company had earlier implemented an employee stock option plans namely ESOP 2008 and 2019. With same underlying philosophy 'Employees Stock Option Plan 2024' is proposed by the Company. Through this plan, the Company intends to offer an opportunity of sharing the value created with those Employees who have contributed to the growth and development of the Company.

The main features of the Plan are as under:

**A. Brief Description of the Plans:**

ESOP 2024 contemplates grant of options to the eligible employees, whole-time/ executive directors of the Company and that of its subsidiaries. After vesting of options, the grantees shall earn a right (but not obligation) to exercise the vested options within the exercise period and obtain equity shares which the Company shall issue subject to receipt of exercise price and satisfaction of tax obligation arising thereon. The purpose of the Plan is to motivate talent in the organisation with the view to achieve long term business goals, to retain key talent in the organisation and to foster ownership and financial motivation.

The Nomination, Remuneration and Compensation Committee ("NRCC") of Directors shall act as Compensation Committee for the supervision and administration of the Plan as per Regulation 5 of the SEBI SBEB Regulations. All questions of interpretation of the Plan shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan.

**B. Total number of Options to be granted:**

Total number of Stock Options which upon exercise upto 53,67,450 (Fifty Three Lakhs Sixty Seven Thousand Four Hundred Fifty) equity shares of Rs 10/- each of the Company. The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adopt a fair reasonable adjustment to the quantum of options along with exercise price thereof as per principles of SEBI SBEB Regulations to ensure the restoration of value of such options after any such corporate action. Accordingly, the aforesaid ceiling of number of options shall stand adjusted.

As per SEBI SBES Regulation 6 (3) (d) approval of shareholders by way of separate resolution is required in case, grant of options, to identified employees, during one year, equal to or exceed one percent of the issued capital excluding outstanding warrants and conversions) of the Company at the time of grant of options. Hence shareholders' approval by way of separate resolution under item no. 12 is being sought.

**C. Identification of classes of employees entitled to participate in the Plan:**

The present as well as future employees and whole-time and executive Director(s) of the Company including that of its present and future subsidiary(ies) shall be entitled to participate in the Plan as determined by the Committee.

Provided however that the following persons shall not be eligible to participate in the Plan:

- (i) an employee who is a Promoter or belongs to the Promoter Group of the Company / its subsidiary(ies);
- (ii) a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company / its subsidiary(ies), and
- (iii) a director being an Independent Director in the Company or its Subsidiary(ies).

The ESOP 2024 plan is also applicable to identified employees of the subsidiaries of the Company. As per SEBI SBES Regulation 6 (3) (c) approval of shareholders by way of separate resolution is required in case, grant of options or other benefits are provided to employees of subsidiary or holding company. Hence shareholders' approval by way of separate resolution under item no. 11 is being sought.

**D. Requirements of vesting and period of vesting:**

All the options granted on any date shall vest not earlier than minimum of 1 (One) year and not later than a maximum of 5 (Five) years from the date of grant of options. The Committee shall determine the specific vesting percentage and schedule which may be different for different employees or class thereof at the time of grant.

Provided specifically that the Company may at its discretion introduce claw back provisions, vary the vesting percentage and schedule, not exceeding of five years of vesting period from the grant date, in case of non-achievement of predefined performance conditions, behavioral issues or other criteria in case of a grantee.

Options shall vest essentially based on continuation of employment as per requirement of SEBI SBEB Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

- E. Maximum period within which the Options shall be vested:**
- All the options granted on any date shall vest not later than a maximum of 5 (Five) years from the date of grant of options as stated above.
- F. Exercise price pricing formula:**
- Exercise Price shall be determined by Board or a Committee thereof from time to time based on the Market Price per Share as on date of grant of options. Exercise price will be market price on the date of the grant or face value of shares, whichever is higher.
- G. Exercise period and the process of exercise of options:**
- The exercise period in respect of options granted under ESOP 2024, would commence from the date of vesting and will expire on completion of maximum of 5 (Five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.
- The vested options shall be exercisable by the grantees by a written application to the Company expressing his/her desire to exercise such options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the grantee. The options shall lapse if not exercised within the specified exercise period.
- H. Appraisal process for determining the eligibility of employees under the Plan:**
- Before granting the options under ESOP 2024, the Company would inter alia take into consideration criticality of the role, grade and designation of the employee, length of service, conduct, past performance record, merit and future potential of the employee and/or such other criteria that may be determined by the Company/ Committee.
- I. Maximum number of options to be issued per employee and in aggregate:**
- During any one year, the maximum number of options (taken together) that may be granted per employee shall vary depending upon the designation and the appraisal / assessment process, however, shall be less than 1% (One Percentage) of the issued and paid-up capital (excluding outstanding warrants and conversions) of the Company at the time grant. Subject to this ceiling, the Company / Committee will decide the number of options to be granted and the maximum number of options that can be granted to each employee.
- J. Maximum quantum of benefits to be provided per employee under the Plan:**
- Apart from grant of options as stated above, no monetary benefits are contemplated under the Plan.
- K. Financial Assistance of the Employee for the purchase of ESOPs:**
- The NRC or Board of the company is empowered to grant financial assistance to eligible employees (excluding Directors and KMPs) for buying ESOP Shares, in compliance with Section 67 of the Act & rules made thereunder.
- L. Authority to fix Exercise date and related matters:**
- The Board/ NRCC is authorised to decide exercise date and communicate to the eligible employees regarding further steps to be taken to completed the process till allotment of shares for smooth implementation of the scheme.
- M. Whether the Plan is to be implemented and administered directly or through a trust:**
- The Plan shall be implemented and administered directly by the Company.
- N. Whether the Plan involves new issue of shares or secondary acquisition or both:**
- The Plan contemplate issue of fresh/ primary shares by the Company only, upon exercise of options.
- O. Amount of loan to be provided for implementation of the Plan by the Company to the trust, its tenure, utilization, repayment terms, etc.:**
- Not applicable
- P. Maximum percentage of secondary acquisition:**
- This is not relevant under the present Plan.
- Q. Accounting and Disclosure Policies**
- The Company shall follow the Guidance Note on accounting for employee share based payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing Guidance Note or Accounting Standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.



**R. Method of Option valuation:**

The Company shall adopt 'intrinsic value method' for valuation of options as prescribed under Guidance Note or under any Accounting Standard, as applicable, notified by appropriate authorities from time to time. In case, Indian Accounting Standards require fair value method for valuation of options, the method as prescribed from time to time shall be duly adopted in due compliance thereof.

**S. Declaration:**

In case, the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

Accordingly, the approval of members is being hereby sought by way of Special Resolutions as set out in item No. 10,11 and 12 of this Notice.

A draft copy of the Plan is available for inspection at the Company's Registered Office during official hours on all working days till the date of AGM.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted options under the Plan.

**13. Approval of variations in the terms of Employee Stock Option Plan, 2019 (ESOP 2019)**

The members are apprised that the existing Employee Stock Option Plan, 2019 (ESOP 2019) of the company which was approved by its Shareholders by way of Special Resolution on 27th September, 2019 is being modified with some enabling and procedural changes for better administration of the Plan and the main Scheme ESOP, 2019 remains unchanged.

As per SEBI (SBEB) Regulations, the necessary amendments and variations to the ESOP Scheme need to be approved by the shareholders of the Company by way of a special resolution and accordingly the same is being placed before the shareholders for their approval. The variations in the ESOP Scheme shall be applicable from the date of passing of this resolution.

The Nomination & Remuneration Committee and Board of Directors have already approved the amendments proposed in the Scheme vide resolutions dated August 09, 2024. The main variations are as follows:

**Financial Assistance of the Employee for the purchase of ESOPs:**

1. The Board or the Nomination Remuneration Committee ( NRCC) is now empowered to grant financial assistance to eligible employees ( excluding Directors and KMPs) for buying ESOP shares, in compliance with section 67 of the Act & the Rules made thereunder. Earlier this authority was explicitly not granted in the Scheme.

**Authority to fix Exercise date and related matters:**

2. The Board/ NRCC can decide the Exercise date and communicate to the eligible employees regarding further steps to be taken to complete the process till allotment of such shares. Earlier this was expressly not provided in the Scheme. With this clarity, the implementation and administration of the Scheme will improve.

The proposed variations are in enabling and procedural in nature. These amendments are not prejudicial to the interests of the current option grantees of the Company.

The approval of the Members is being sought by way of a Special Resolution under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, for the amendment of the existing Scheme.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in this resolution, except to the extent of Equity Shares held by them in the Company or the Options granted /as may be granted under the said Scheme.

Accordingly, the approval of members is being hereby sought by way of Special Resolutions as set out in item No. 13 of this Notice.

A draft copy of the Plan is available for inspection at the Company's Registered Office during official hours on all working days till the date of AGM.

By Order of the Board of Directors,  
For **Transwarranty Finance Limited**

**Suhas Borgaonkar**  
Company Secretary and Compliance Officer

Place : Mumbai  
Date : August 09,2024

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

## DIRECTORS' REPORT

To,

### The Members, Transwarranty Finance Limited

The Directors are pleased to present to you the 30th Annual Report of Transwarranty Finance Limited ("The Company" or "Your Company") along with the Audited Financial Statements for the Financial Year ended March 31, 2024.

### COMPANY OVERVIEW

Transwarranty Finance Limited is a non-deposit accepting Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India (RBI), offering a comprehensive range of financial services encompassing both advisory and fund-based lending. It has been actively involved in various financial services for the past 29 years with its headquarters located in Mumbai and has a capital market subsidiary that actively engages in providing comprehensive brokerage services.

### FINANCIAL HIGHLIGHTS

The summarized financial performance highlights of the Company for the Financial Year 2023-24, as compared to the previous year are as mentioned below:

(Rs. in lakh)

Particulars	Standalone Results		Consolidated Results	
	F.Y 2023-24	F.Y 2022-23	F.Y 2023-24	F.Y 2022-23
Total Income	851.20	386.82	1738.03	1203.09
Total Expenditure	816.11	1256.91	1658.31	2132.80
<b>Profit/ (Loss)but before Exceptional Items and Tax</b>	<b>35.10</b>	<b>(870.09)</b>	<b>79.72</b>	<b>(929.51)</b>
Exceptional Items	-	-	-	-
Total tax Expenses	-	-	-	-
<b>Profit/(Loss)for the Year</b>	<b>35.10</b>	<b>(870.09)</b>	<b>79.72</b>	<b>(929.00)</b>
Other Comprehensive Income	(2.44)	0.30	-	(0.20)
<b>Total Comprehensive Income</b>	<b>32.66</b>	<b>(869.79)</b>	<b>79.72</b>	<b>(929.20)</b>
<b>Appropriations:</b>				
Reserves u/s. 45 IC of RBI Act	-	-	-	-

### PERFORMANCE REVIEW

On Standalone basis, your Company earned revenue of Rs. 851.20 lakh for the FY 2023-24 as compared to Rs. 816.11 lakh in the previous year. The operations have recorded a profit of Rs. 35.10 lakh as compared to a loss of Rs. 870.09 lakh in the previous year.

The total consolidated revenue of the Company for FY 2023-24 stood at Rs. 1738.03 lakh as compared to Rs 1203.09 lakh in the previous year. The consolidated operations have

recorded a Profit of Rs 79.72 lakh as compared to a loss of Rs. 929.51 lakh in the previous year.

Detailed information on operational and financial performance of the Company for the financial year is given in the Management Discussion and Analysis Report which is set out separately with the Directors' Report.

### CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of the Company are prepared in accordance with Section 129 of the Companies Act, 2013 ("Act") read with relevant Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this Annual Report. Pursuant to Section 136 of the Act the standalone financial statements of the Company and the consolidated financial statements along with the relevant documents form part of this Annual Report and separate audited accounts in respect of the subsidiaries are available on the website of the Company <http://www.transwarranty.com/Investors/FinancialReport>

### STATE OF COMPANY'S AFFAIRS AND OPERATIONS

The Company has established its presence in the domain of personal and consumer lending through its digital platform. Its innovative approach led to the creation of its proprietary digital lending application named OROBORO app. Through strategic partnerships with various channel partners, the Company has successfully expedited its lending operations and there is huge potential to scale up the business.

To remain at the forefront of technological advancements, the Company has proactively enhanced its technology infrastructure. This proactive approach has enabled the Company to effectively manage and support a larger volume of operations.

### DIVIDEND

Considering the loss suffered by the Company, your Directors have not recommended any dividend for the year.

### TRANSFER TO RESERVE

The Company has not transferred any amount to the Reserves for the financial year ended March 31, 2024.

### SHARE CAPITAL STRUCTURE

#### Authorized Capital:

The Authorised Share Capital as on March 31, 2024 stood at Rs. 51,00,00,000/- comprising of 5,10,00,000 Equity Shares of the face value of Rs. 10/- each. There was no change in the Authorised Share Capital of the Company during the year.

The Authorised Share Capital of the Company was increased to Rs. 61,00,00,000/- comprising of 6,10,00,000 Equity Shares of the Face Value of Rs. 10/- each. The approval for the same was received by the company vide Resolution passed in Extra-Ordinary General Meeting dated June 10, 2024.





### Issued, Subscribed & Paid-up Capital:

The Issued & Subscribed Capital of the Company as on March 31, 2024 stood at Rs. 48,87,45,370/- comprising of 4,88,74,537 Equity Shares of the face value of Rs. 10/- each. The Paid-up share capital of the Company as on March 31, 2024 of Rs. 48,87,45,370/- consists of 4,88,74,537 fully paid equity shares of Rs 10/- each.

The details of stock options granted and vested during the year are provided in the Notes to Accounts in the financial statements.

### RIGHTS ISSUE

In terms of Letter of Offer dated November 7, 2022, the Company made an issue of upto 2,44,60,568 Partly Paid-Up Equity shares of Face Value of Rs. 10/- each for cash at an issue price of Rs. 10/- on rights basis in the ratio of 1:1 to the existing equity shareholders of the Company as on the record date i.e. November 4, 2022. Accordingly, the Company received an application money of Rs. 3/- per Equity Share and 2,44,60,568 partly paid-up Equity Shares were allotted on December 7, 2022 to the shareholders. Subsequently, the First and Final Call of Rs. 7/- per partly paid-up Equity Share was made on February 20, 2023 against which the Company received Call money in respect of 2,38,02,466 Equity Shares which were converted into Fully Paid Equity Shares on March 15, 2023. The company made first reminder to shareholder in July 2023 in which shareholders of 5,38,895 Equity Shares paid the first and final call. Further, the company made Final reminder cum forfeiture notice on November 08, 2023 in which holders of 72,608 Equity Shares paid the first and final call. The remaining 46,599 Equity shares were forfeited by the company pursuant to resolution passed by the Board of Directors on February 14, 2024.

Pursuant to the provisions of Regulation 32 of the SEBI Listing Regulations, your Directors confirm that the funds raised by through rights issue have been utilised for the objects stated in the letter of offer dated November 07, 2022. There is no deviation or variation in the use of proceeds of the Rights Issue from the objects stated in the Letter of Offer.

In May 2024, the company has made preferential allotment of 48,00,000 Equity Shares at the rate of Rs. 15.30/- per share (including premium of Rs. 5.30 per share) aggregating to Rs. 7,34,40,000/-. The members of the company approved the same on EGM Dated 10th June, 2024. Accordingly, additional 48,00,000 shares were allotted and total issued subscribed and paid up share capital of the company stands at Rs. 53,67,45,370/- comprising of 5,36,74,537 shares.

### OPERATIONS OF SUBSIDIARY COMPANIES

The Company has 3 (Three) subsidiaries including 2 (Two) direct, 1 (One) step-down subsidiary as on March 31, 2024. The details of the subsidiaries are as follows:

Vertex Securities Limited (VSL) and Transwarranty Capital

Market Services Private Limited (TCMSPL) are the subsidiaries of the Company. Vertex Commodities and Finpro Private Limited (VCFPL) is the step-down subsidiary.

### Vertex Securities Limited (VSL) :

1. Member of Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX)
2. Depository Participant of National Securities Depository Limited (NSDL)
3. Securities and Exchange Board of India (SEBI) registered Merchant Banker
4. Mutual Fund Advisor registered with Association of Mutual Funds of India (AMFI).

During the year ended 31st March, 2024, VSL earned revenue of Rs. 870.09 lakh as compared to Rs. 785.37 lakh in the previous year. The operations have recorded a profit of Rs 36.71 lakh as compared to a loss of Rs. 70.52 lakh in the previous year.

### Vertex Commodities and Finpro Private Limited (VCFPL):

VCFPL is a wholly owned subsidiary of VSL. During the year, VCFPL surrendered the Multi-Commodity Exchange (MCX) membership during the Financial Year 2023-24. During the year ended March 31, 2024, VCFPL had total revenue of Rs. 38.75 lakh and net profit of Rs. 8.55 lakh as against the total revenue of Rs. 52.81 lakh and net profit of Rs 15.77 lakh in the previous year.

### Transwarranty Capital Market Services Private Limited (TCMSPL):

TCMSPL is a technology platform for us. It provides all required support to the Company for API integrations & fintech applications. It is also engaged in developing Fintech App for the Company. During the year TCMSPL recorded a loss of Rs. 1.58 lakh for the year ended 31st March, 2024 as against loss of Rs.3.98 lakh in the previous year.

The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

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.

Your Company in accordance with the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (SEBI Listing Regulations) as amended, has formulated a Policy for determining its Material Subsidiaries. The said policy is uploaded on the website of the Company at [http://www.transwarranty.com/Transwarranty/PdfViewer?path=Policies/Policy%20for%20determining%20Material%20Subsidiaries/policies\\_1632132701.pdf](http://www.transwarranty.com/Transwarranty/PdfViewer?path=Policies/Policy%20for%20determining%20Material%20Subsidiaries/policies_1632132701.pdf)

## PUBLIC DEPOSITS

The Company has not accepted any deposits and as such no amount on account of principal or interest on public deposit under section 73 and 76 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014 was outstanding as on March 31, 2024.

## NON-CONVERTIBLE DEBENTURES (NCD)

Over the course of time, the Company has consistently issued Non-Convertible Debentures (NCDs) in multiple tranches. Correspondingly, during FY 2023-24, the Company has also issued further NCDs amounting to Rs 199 lakhs. Simultaneously, it has redeemed NCDs worth Rs. 117 lakhs As of March 31, 2024, the Company's outstanding NCDs amount to Rs. 476 lakhs.

## 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.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulation 34 of SEBI Listing Regulations, a separate section on Management Discussion and Analysis Report highlighting the business of your Company forms part of the Annual Report. It inter-alia, provides details about the economy, business performance review of the Company's various businesses and other material developments during the year 2023-24 and is separately attached as **Annexure A**.

## REPORT ON CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders. The Company has complied with the requirements under the Act and as stipulated under the provisions of the SEBI Listing Regulations.

The Report on Corporate Governance as stipulated under Regulation 27 of the SEBI Listing Regulations forms part of this Report as **Annexure B**. A certificate of the Statutory Auditor confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Directors:

Following mentioned are the Directors of the Company as on March 31, 2024 :

Sr. No	Name of Directors	Designation
1.	Mr. Kumar Nair	Chairman & Managing Director
2.	Mr. Ramachandran Unnikrishnan	Director & Chief Financial Officer

3.	Mr. Sudharshanan Nair	Independent Director
4.	Mr. Pravin Khatau	Independent Director
5.	Mrs. Nirmala Parab	Independent Director
6.	Mr. Shishir Dalal	Independent Director (Upto January 29, 2024)
7.	Dr. Gopalakrishnan Balakrishna	Independent Director (Appointed w.e.f. February 14, 2024)

### Retirement By Rotation:

In accordance with the provisions of Section 152 of the Act, read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Ramachandran Unnikrishnan (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.

Pursuant to Regulation 36(3) of the SEBI Listing Regulations, brief resume of the Director proposed for appointment/re-appointment has been given in the statement annexed to the Notice convening the Annual General Meeting.

### DECLARATION BY 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.

In the opinion of the Board, all the Independent Directors possess the requisite qualifications, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and the SEBI Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act.

### FAMILIARIZATION PROGRAMME FOR DIRECTORS

The Independent Directors of the Company are persons of integrity, possessing rich experience and expertise in the field of corporate management, finance, capital market, economic and business information. The Company has issued appointment letter to the Independent Directors setting out in detail, the terms of appointment, duties, roles & responsibilities and expectations of the Independent Director. The Board of Directors has complete access to the information within the Company. Presentations are regularly made to the Board of Directors / Audit Committee / Nomination, Remuneration and Compensation Committee / Stakeholders' Relationship Committee on various related matters, where Directors have interactive sessions with the Management. Further the Managing Director also holds one to one discussion with the newly appointed Director to familiarize with the Company's operations.



The details of the Company's familiarization programme for Independent Directors can be accessed at <http://www.transwarranty.com/Investors/Policies>.

**ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

The Nomination, Remuneration and Compensation Committee of the Company has laid down the criteria for performance evaluation of the Board and individual directors including the Independent Directors and Chairperson covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board Culture, execution and performance of specific duties, obligations and governance. It includes circulation of evaluation forms separately for evaluation of the Board, its Committees, Independent Directors / Non-Executive Directors / Executive Directors and the Chairman of your Company.

The Board and the Nomination, Remuneration And Compensation Committee reviewed the performance of individual Directors including the Chairman and the Managing Director on their personal performance, participation, contribution and offering guidance and understanding of the areas which were relevant to them in their capacity. The Directors were also assessed on selected parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the Company's Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

In a separate meeting of Independent Directors held on February 14, 2024, performance of Non-Independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Board expressed its satisfaction with the evaluation results, which reflects the high degree of engagement of the Board and its Committees with the Company and its Management.

**KEY MANAGERIAL PERSONNEL (KMP):**

Pursuant to the provisions of Section 203 of the Act, following are the KMP of the Company as on March 31, 2024:

Sr. No.	Name of KMP	Designation
1	Kumar Nair	Chairman & Managing Director
2	Ramachandran Unnikrishnan	Director & Chief Finance Officer
3	Suhas Borgaonkar	Company Secretary and Compliance Officer

**MEETINGS OF THE BOARD AND COMMITTEES**

The Board met 6 (Six) times during the financial year. The gap between these meetings was within the prescribed period under the Act and SEBI Listing Regulations. The details regarding the meetings 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.

The Board on the recommendation of the Nomination, Remuneration and Compensation Committee has adopted a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. The said policy is available on the website at <http://www.transwarranty.com/Investors/Policies>.

**BOARD COMMITTEES**

The Board has constituted following Committees in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders' Relationship Committee
- Debenture Issue Committee
- Rights Issue Committee

All decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference/role of the Committees are taken by the Board of Directors.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided in the Corporate Governance Report, which forms a part of the Annual Report.

**AUDIT COMMITTEE**

As on March 31, 2024 the Audit Committee comprises Mr. Sudharshanan Nair, Mr. Kumar Nair and Mrs. Nirmala S. Parab . The Committee comprises of majority of Independent Directors with Mr. Sudharshanan Nair, being the Chairman.

**NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE**

As on March 31, 2024 the Nomination, Remuneration and Compensation Committee comprises Mrs. Nirmala S. Parab, Mr. Kumar Nair and Mr. Sudharshanan Nair. The Committee comprises of majority of Independent Directors with Mrs. Nirmala S. Parab, being the Chairman.

**STAKEHOLDER RELATIONSHIP COMMITTEE**

As on March 31, 2024 the Stakeholder Relationship Committee comprises Mr. Sudharsanan Nair, Mr. Kumar Nair and Mrs. Nirmala S. Parab as its Members. The Committee comprises of majority of Independent Directors with Mr. Sudharshanan Nair, being the Chairman.

**DEBENTURE ISSUE COMMITTEE**

The Composition of Debenture Issue Committee as on March 31, 2024 comprises Mr. Sudharshanan Nair, Mr. Kumar Nair and Mr. Ramachandran Unnikrishnan as its Members.

**RIGHTS ISSUE COMMITTEE**

The Composition of Rights Issue Committee as on March 31, 2024 comprises Mrs. Nirmala S. Parab, Mr. Kumar Nair and Mr. Ramachandran Unnikrishnan as its Members.

The details with respect to the composition, powers, roles, terms of reference, etc. of the aforesaid Committees are given in the Corporate Governance Report which is presented in a separate section and forms part of the Annual Report.

**COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS**

The Board of Directors affirms that the Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. The Company has complied with the applicable Secretarial Standards.

**INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The 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. The Company's internal financial control over financial reporting includes those policies and procedures that pertain to maintenance of records, provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's Board and Audit Committee reviews the adequacy and effectiveness of internal control systems, internal audit reports and legal compliances and provides guidance for further strengthening them. The Audit Committee reviews

all quarterly and yearly financial results of the Company and recommends the same to the Board for its approval.

**SIGNIFICANT AND MATERIAL ORDERS IMPACTING GOING CONCERN STATUS**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**MAINTENANCE OF COST RECORDS**

The provisions of Section 148 of the Act are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under Section 148(1) of the Act.

**SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of Act and the Rules made there under the Company has appointed Mr. Yogesh M. Sharma, a Company Secretary in Practice to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the year under review issued by Mr. Yogesh Sharma is annexed to this Report as **Annexure C**. There are no audit qualifications in the said Report.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India, the Company has obtained the Annual Secretarial Compliance Report for the financial year ended March 31, 2024, thereby confirming compliance of the applicable SEBI Regulations and circulars / guidelines issued thereunder, on behalf of the Company.

**STATUTORY AUDITORS**

At the 25th Annual General Meeting (AGM) of the Company held in the year 2019, the Shareholders had approved the appointment of S. S. Khan & Co., Chartered Accountants, (Firm Registration No.133324W), as the Statutory Auditors of the Company for a period of five years from the conclusion of the 25th AGM till the conclusion of the 30th AGM., in terms of the applicable provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The Auditors' Report on the Financial Statements (Standalone and Consolidated) of the Company for the year under review, "with an unmodified opinion", as given by the Statutory Auditors, is disclosed in the Financial Statements forming part of this Annual Report. The Auditors' Report is clean and there are no qualifications in their Report. Also, no frauds in terms of the provisions of Section 143(12) of the Act have been reported by the Statutory Auditors in their report for the year under review.

The Notes to the Financial Statements (Standalone and Consolidated) are self-explanatory and do not call for any further comments.



The company now proposes to appoint M/s. Deoki Bijay & Co. as Statutory Auditors of the company from the conclusion of this AGM till 35th AGM which will be held in the Year 2029. The said item has been included in the notice of AGM as item No. 4 and corresponding explanatory statement is attached.

#### **REPORTING OF FRAUD BY AUDITORS**

During the year under review, neither the Statutory Auditors or Secretarial Auditors have reported to the Audit Committee under Section 143(12) of the Act, any instances of fraud committed against your Company by its officers and employees, details of which would need to be mentioned in the Directors' Report.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE ACT, 2013**

All related party transactions that were entered into during the year were on arm's length basis and in the ordinary course of business except as disclosed in Form AOC-2 which form part of the Board report as **Annexure D**. The Audit Committee has approved the related party transactions and subsequently the same were approved by the Board of Directors from time to time and the same are disclosed in the Financial Statements of the Company for the year under review.

Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board of Directors has, on recommendation of its Audit Committee, adopted a Policy on Related Party Transactions and the said policy is available on the website of the Company at <http://www.transwarranty.com/Investors/Policies>.

#### **EMPLOYEES' STOCK OPTION PLAN (ESOP 2024)**

Disclosures in terms of 'Guidance note on accounting for employee share-based payments' issued by ICAI and diluted EPS in accordance with Indian Accounting Standard (Ind AS) 33 - Earnings Per Share are provided in the Notes of Standalone Financial Statements in this Annual Report.

Disclosures as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, 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.

A certificate from S. S. Khan & Co., Chartered Accountants, Statutory Auditors of the Company, confirming that ESOP 2019 has been implemented in accordance with the SEBI SBEB Regulations and that the respective resolutions passed by the Company in General Meetings would be placed in the ensuing Annual General Meeting for inspection by the members. The details of vesting are mentioned in the said Annexure.

The Company has not issued any sweat equity shares or equity shares with differential rights during the year ended March 31, 2024.

#### **ANNUAL RETURN**

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for the financial year ended March 31, 2024 is uploaded on the website of the Company and can be accessed at <http://www.transwarranty.com/Investors/Other-Filings-with-StockExchanges>

#### **POLICIES**

##### **NOMINATION AND REMUNERATION POLICY**

Pursuant to Section 178 of the Act, the Board has devised Nomination and Remuneration Policy for determining director attributes and remuneration of Directors, Key Managerial Personnels and Senior Management Employees. The said Policy is available on the website of the Company <http://www.transwarranty.com/Investors/Policies>

##### **CODE FOR PREVENTION OF INSIDER TRADING**

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Code of Fair Disclosure to formulate a framework and policy for disclosure of events and occurrences that could impact price discovery in the market for its securities as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code of Fair Disclosure has been made available on the Company's website at <http://www.transwarranty.com/Investors/Policies>.

##### **RISK MANAGEMENT POLICY**

Risks are an integral part of business and it is imperative to manage these risks at acceptable levels in order to achieve business objectives. The risks to which the Company is exposed to are both external and internal. The Company has in place a Risk Management Policy, to identify and evaluate the various elements of risk, which may pose a threat to the business and existence of the Company. After identifying the risk and assessing the level of impact, controls are put in place to mitigate the risk. The policy has different risk models, which help in identifying risks trend, exposure and potential impact analysis at the Company Level.

##### **WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The Company has Whistle Blower Policy encompassing vigil mechanism to report genuine concerns and grievances of directors and employees in confirmation with section 177(9) of the Act and Regulation 22 of SEBI Listing Regulation. The Policy provides adequate safeguards against victimization of persons who use the Whistle Blower mechanism. It provides appropriate avenues to the employees to bring to the attention of the management any issue, which is perceived to be in violation or in conflict with the fundamental business of the

Company. The employees are encouraged to voice their concerns by way of the policy and have been given access to the Audit Committee. The policy is available on the website of the Company at <http://www.transwarranty.com/Investors/Policies>.

#### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

The provisions pertaining to Corporate Social Responsibility (CSR) are not applicable to the Company.

#### **POLICY ON SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

The Company has constituted an Internal Complaints Committee as per Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Directors state that during the year under review, there was no complaint received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company ensures optimized and efficient consumption of energy in all the offices/branches of the Company. With the implementation of its digital initiatives the Company has also substantially reduced its paper consumption.

The Company has always leveraged technological innovations to improve its operational efficiency and satisfy and retain its customer base. Keeping in line with the SEBI guidelines, the Company has been automating the customer on-boarding process. This has enabled the Company to reduce time-consuming activities and complexity of physical on-boarding of clients.

The details regarding foreign exchange earnings and outgo are given below:

Earnings: Nil

Outgo - Nil

#### **HUMAN RESOURCES**

As a service Company, the Company's operations are heavily dependent on qualified and competent personnel. As on 31st March 2024, the total strength of the Company's permanent

employees stood at 34 excluding casual & contract staff. Your Company takes significant effort in training all employees at various levels.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

There are no employees drawing a monthly or yearly remuneration in excess of the limits specified under Section 197 of the Act, 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 of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time is attached herewith as **Annexure F**.

#### **MATERIAL CHANGES AND COMMITMENTS**

There has been no change in the nature of business during the year. There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134 (5) of the Companies Act, 2013 your Directors state that:

1. In preparation of annual accounts for the year ended 31st March, 2024, 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 31st March, 2024 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



### **CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT**

The Board has adopted a Code of Conduct for Directors & Senior Management in accordance with the provisions of the Companies Act, 2013 and Regulation 17(5) of SEBI Listing Regulations. The Code also incorporates the duties of Independent Directors. All the Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director forms part of the Corporate Governance Report. A copy of the Code has been put on the Company's website.

### **TRANSFER OF FUNDS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 ("Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF" or "Fund") Account established by the Central Government, after completion of seven years from the date the dividend is transferred to unpaid/ unclaimed account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority after complying with the procedure laid down under the Rules.

During FY 2023-24, the Company had not transferred any shares to 'IEPF' Account.

### **INSOLVENCY AND BANKRUPTCY CODE**

During the financial year under review, no applications was made or proceeding initiated against the Company under

the Insolvency and Bankruptcy Code, 2016 nor any such proceeding was pending at the end of the financial year 2023-24.

### **THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

There was no instance of one-time settlement with any Bank or Financial Institutions during the period under review.

### **RBI GUIDELINES**

The Company continues to fulfil all the norms and standards laid down by RBI.

### **ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation for the co-operation and continued support received from customers, shareholders, investors, parent company, collaborators, vendors, financial institutions, banks, regulatory authorities and the society at large during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

**For and on behalf of the Board of Directors**

**Kumar Nair**  
Chairman  
(DIN: 00320541)

Place: Mumbai  
Date: August 09, 2024

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Background:

Transwarranty Finance Limited is a non-deposit accepting Non-Banking Finance Company (“NBFC”), holding a license from the Reserve Bank of India (“RBI”) engaged in a wide spectrum of financial services, with focus on fund based lending. The Company has a capital market subsidiary engaged in equity / commodities / currency broking and Merchant Banking activities and a wholly owned subsidiary operating a technology platform.

### Global Economic Overview:

Despite conflict in Ukraine and the war between Israel and Gaza, a persistent threat of a global recession and elevated interest rates, the global economy showcased remarkable resilience, maintaining a low but steady growth in economic activity. Factors such as expansionary government spending, robust household consumption, and strong labour markets and normalisation of supply chain issues have contributed to this steady growth. The inflation is falling across all major countries and the IMF has projected the world real GDP growth at 3.2% in 2024 and 3.2% in 2025.

### Indian Economic Overview:

India emerged as the fastest growing major economy of the world amidst the slowdown in the global economy and geopolitical adversities. It is the world’s fifth-largest economy, with GDP growth estimates at 8.2% in FY2024. This growth was propelled by robust domestic consumption, increased government capital investment, a strengthened financial sector, and stable monetary policies. The RBI has raised India’s real GDP forecast to 7.2% for FY2025. The CPI averaged at the rate of 5.4% in FY2024, and it is expected to further reduce to 4.5% in FY2025 subject to, of course, the usual upside risks. Overall retail inflation is now stable and within the tolerance band of the RBI.

### Industry Overview:

The Financial Services sector in India is a diversified sector consisting of commercial banks, insurance companies, non-banking financial companies, housing finance companies, co-operatives, pension funds, mutual funds and various other smaller financial entities.

NBFCs have emerged as the crucial source of finance for a large segment of the population, including SMEs and economically unserved and underserved people. They continue to leverage their superior understanding of regional dynamics and customised products and services to cover

financial inclusion in India. Lower transaction costs, innovative products, quick decision making and prompt customer service and efficient last-mile credit delivery with the help of technology have differentiated NBFCs from banks.

Digital payment transactions have increased significantly as a result of the coordinated efforts of the government. During the past five years, various easy and convenient modes of digital payments, have experienced significant growth and transformed the Fin Tech ecosystem making it the most preferred mode of payment.

As per RBI’s Financial Stability Report, aggregate lending by NBFCs rose by 20.8% from 10.8% a year ago, primarily led by personal loans and loans to industry. The gross nonperforming assets (GNPA) and net non-performing assets (NNPA) ratios of NBFCs continued on their downward trend indicating better asset quality.

Over the past two years, banks and NBFCs have seen rapid and persistent growth in retail loans, especially unsecured retail lending. Concerned with the risk of a spillover effect, the RBI has taken various regulatory measures to address governance issues, strengthen risk management practices, and ensure higher levels of supervision. These include scale based regulation, higher risk base to unsecured lending, capping first loss default guarantee (FLDG), tightening of NPA provisioning norms, extension of prompt corrective action (PCA) to select NBFCs etc.

Overall, the BFSI sector in India will continue to demonstrate resilience, innovation, and adaptability, thereby positioning itself for sustained growth and financial inclusion in the years ahead.

### Review of Operations of the Company:

The performance of the company has been remarkable during the year. Total revenue increased to Rs. 851.20 lakhs compared to Rs. 386.82 lakhs in previous year. This was mainly due to better performance of Lending business. The company made a profit of Rs. 35.10 lakhs as compared to loss of Rs. 870.09 lakhs in previous year. On a consolidated basis, total revenue increased from Rs. 1203.09 lakhs to Rs. 1738.03 during the year.

The Company has been in the personal and consumer lending business on digital platform. It has developed its own digital lending OROBORO app as well. The Company has collaborated with many channel partners and have accelerated lending activities. The number of disbursements during the





year have increased substantially to Rs. 2698.70 lakhs from 2150.35 Lakhs in the previous year. The Company has taken necessary steps to further upgrade the technology platform and has put in place systems to cater to higher scale of operations. The business activity is very encouraging and there is huge potential to scale up the business.

The Company has only one segment of activity namely, Financial services.

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

**Strengths:**

- Professional and ethical management
- Infusion of equity funds
- Various Channel partners
- Stringent cost control
- Prudent risk management systems
- Strong collection field force
- Strong Technological base

**Weakness:**

Limitations in capturing adequate scale of business

**Opportunities:**

- Scalability of digital lending business
- Leveraging technology for ease of operations
- Distribution of various financial products
- Wealth management

**Threats:**

- Exposed to systemic, regulatory and economic risks

**Business Outlook:**

The Company has collaborated with multiple channel partners for lending. This will accelerate the scale up in fund based digital lending business. The Company strives to be an important player in pocket loans segment. The Company has completed its Rights issue and a Preferential issue. The company is poised to accelerate the growth in coming years.

The Company has developed OROBORO app for seamless digital lending. It is in the process of integrating it with other technology platforms for complete automation. Application Program Interface (API) based integrations and full set of digital payment options and the integration with partner networks is likely to improve operational efficiency.

The Company, conducts all capital market activities through its subsidiary company, Vertex Securities Limited. This includes broking of equity & equity derivatives, commodities and currency broking and distribution of third-party products.

**FINANCIAL REVIEW:**

During the year under review, Total revenue of the company increased to Rs. 851.20 lakhs as compared to Rs. 386.82 Lakhs in the previous year. This was mainly attributable to substantial rise in lending activity during the year. The company has turned the corner and made a profit of Rs. 33.10 lakhs during the year against loss of Rs. 870.09 lakhs in previous year.

On consolidated basis, the Company achieved total revenue of Rs. 1738.03 lakhs as compared to Rs. 1203.09 Lakhs in the previous year.

The subsidiary company, Vertex Securities limited achieved consolidated revenue of Rs. 908.85 lakhs against RS.838.19 lakhs in the previous year.

**Key Ratios**

Particulars	2023-24	2022-23
Debtors Turnover ratio	0.26:1	0.58:1
Interest Coverage Ratio	1.17	(0.86)
Current Ratio	1.34	1.15
Net Profit Margin (%)	4.12	(226.70)
PBT/Total Income	0.04	(224.93)
PBT/Total Assets	0.005	(13.26)
RONW (Avg. Net Worth)	0.010	(0.26)
Debt/ Equity	0.75	0.64
Capital Adequacy	72.98%	92.10%
Tier I Capital	36.49%	46.05%
Tier II Capital	36.49%	46.05%

There is an Improvement in Profitability Ratio due to improved performance of the company

**RISK MANAGEMENT:**

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

risk management policies to mitigate 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 play a vital role in giving the company a competitive edge. 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 34 as on March, 2024.

**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 the Board of Directors**

**Kumar Nair**  
Chairman  
(DIN 00320541)

Place: Mumbai  
Date: 09th August, 2024



## REPORT ON CORPORATE GOVERNANCE

### 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.

### 1. 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. A Good Corporate Governance framework incorporates a system of robust checks and balances between key players; namely, the Board, its Committees, the management, auditors and various other Stakeholders. Corporate Governance practice have always been an integral part of your Company's philosophy and your Company is committed to achieving and maintaining the highest standards of Corporate Governance.

### 2. 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.

The Board of Directors of the Company play a crucial role in overseeing how the management serves the short and long term interests of stakeholders. This belief is reflected in the

governance practices, under which the Company strives to maintain an effective, informed and independent Board.

### a) Composition and size of the Board

The Company's policy is to have an appropriate mix of Executive and 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("SEBI Listing Regulations").

As on March 31, 2024, the Company's Board consisted of six Directors including one woman director, all the members with good academic background and with rich professional experience in various fields. Out of the six Directors, Managing Director and CFO are Executive Directors and other four are Independent Directors. None of the Directors are related to each other.

None of the Directors are related to each other.

All the Directors possess the requisite qualifications and experience in general corporate management, audit, finance, banking, legal and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

During the Financial Year 2023-24, Mr. Shishir Dalal, Independent Director of the company resigned w.e.f January 29, 2024. The board places deep appreciation of the guidance provided by him during his tenure as a Director. Further, the company has appointed Dr. Gopalakrishnan Balakrishna as an Independent Director of the company w.e.f. February 14, 2024.

### b) Meetings of the Board :

During the financial year 2023-24, the Board met six times on May 09, 2023, June 22, 2023, July 25, 2023, November 08, 2023, February 14, 2024 and March 21, 2024 respectively. The gap between these meetings was within the prescribed period under the Act and ("SEBI Listing Regulations").

The necessary quorum was present for all the meetings. The notice and detailed agenda along with the relevant notes and other material information were sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board.

Pursuant to Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act and Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held on February 14, 2024 to review the performance of Non-Independent Directors of the Company and the Board as a whole.

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.

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, 2024.

**c) Record of Attendance of Directors and other details:**

Name of Director	Designation	No. of Board meetings attended	Last AGM attendance	No. of Directorships in other public company including this Company#	No. of Committee Position in other Public Company		Directorship in other listed entities	
					Chairperson	Member	Name of the entity	Category of Directorship
Mr. Kumar Nair	Chairman & Managing Director	6/6	Yes	2	Nil	1	Vertex Securities Limited	Executive Director
Mr. Ramachandran Unnikrishnan	Chief Financial Officer	5/6	Yes	2	Nil	2	Vertex Securities Limited	Executive Director
Mr. Pravin Khatau	Independent Director	3/6	Yes	1	Nil	Nil	Nil	Nil
Mrs. Nirmala Sachin Parab	Independent Director	6/6	Yes	1	Nil	Nil	Nil	Nil
Mr. Sudharsanan Nair	Independent Director	5/6	Yes	1	Nil	Nil	Nil	Nil
Mr. Shishir Vasant Dalal (Upto January 29, 2024)	Independent Director	0/5	No	5	3	5	Remsons Industries Limited Keynote Financial Services Limited Windsor Machines Limited	Independent Director- Non-executive Independent Director- Non-executive Independent Director- Non-executive
Mr. Gopalakrishnan Balakrishna (Appointed w.e.f. February 14, 2024)	Independent Director	2/2	No	2	Nil	Nil	Nil	Nil

#Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. 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 / she is a Director.

\*\*For the purpose of determination of limit of the Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

@Only chairmanship/membership of Audit Committee and Stakeholders' Relationship Committee of Listed and Public Limited Company has been considered.

None of the Directors on the Board hold directorships in more than twenty companies at the same time. None of them has directorships in more than ten public limited 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 31<sup>st</sup> March, 2024.

As per the declaration received from the directors, none of the directors of the Company is an independent director in more than seven equity listed companies or in more than three equity listed companies in case he is a whole-time director in any listed company.

None of the directors are related to each other.

**d) Details of equity shares held by the Directors as on March 31, 2024 are given below:**

Name	Category	Number of equity shares
Mr. Kumar Nair	Executive Director	2,95,56,148
Mr. Ramachandran Unnikrishnan	Executive Director	2,66,909
Mr. Pravin Khatau	Non-Executive – Independent Director	46,000
Mrs. Nirmala Parab	Non-Executive – Independent Director	Nil
Mr. Sudharsanan Nair	Non-Executive – Independent Director	100
Mr. Shishir Vasant Dalal	Non-Executive – Independent Director	Nil
Mr. Gopalakrishnan Balakrishna	Non-Executive-Independent Director	Nil

**e) Appointment / Resignation of Directors:**

**i. Retire by Rotation:**

Mr. Ramachandran Unnikrishnan (DIN: 00493707) shall retire by rotation at the ensuing Annual General Meeting pursuant to Section 152 of Companies Act, 2013 and being eligible offers himself for reappointment.

The brief resume and information relating to Mr. Ramachandran Unnikrishnan is furnished as part of the Notice convening the Annual General Meeting.

**ii. Appointment of Director:**

The company has appointed Dr. Gopalakrishnan Balakrishna as an Independent Director of the company on February 14, 2024.

**iii. Resignation of Director:**

During the Financial Year 2023-24, Mr. Shishir Vasant Dalal, Independent Director, resigned on 29th January, 2024. The company deeply appreciates the valuable contribution made by him and guidance provided during his tenure as a Independent Director.

**f) Meeting of Independent Directors:**

During the year under review, the Independent Directors met on February 14, 2024 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 timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Company has adopted well-structured induction programmes for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarize themselves with the Company, its management, its operations and the industry in which the Company operates.

The Board has an active communication channel with the executive management, which enables Directors to raise queries, seek clarifications for enabling a good understanding of the Company and its various operations.

The details of the familiarization programme of the Independent Directors are available on the website of the Company at <http://www.transwarranty.com/Investors/Policies>.

**g) Confirmation regarding independence of Independent Directors:**

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Rules framed thereunder, and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the disclosures received from all the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions specified in Section 149 of the Act and the SEBI Listing Regulations and are independent of the Management.

**h) Performance evaluation criteria for Independent Directors**

Performance evaluation criteria for independent directors is determined by the Nomination, Remuneration and Compensation 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.

**i) A Chart/Matrix setting out the skills / expertise/ competence of the Board of Directors:**

As stipulated under Schedule V to the SEBI Listing Regulations, core skills/expertise/competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

The list of core skills/expertise/competencies identified by the Board as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Directors is as below:

Core Skill/ Expertise/ /Competencies	Mr. Kumar Nair	Mr. Ramachandran Unnikrishnan	Mr. Sudharshanan Nair	Mr. Shishir Dalal	Mr. Pravin Khatau	Mrs. Nirmala Parab	Mr. Gopalakrishnan Balakrishna
Management and strategy	YES	YES	-	-	-	-	-
Human Resources and Industrial Relations	-	-	-	YES	YES	-	-
Banking, Investment, Treasury and Forex Management	-	-	YES	YES	YES	YES	YES
Insurance, Mutual Fund and Financial Services	YES	YES	YES	-	-	YES	YES
Audit and Risk Management	YES	YES	YES	-	-	-	-
Corporate Governance and Ethics	YES	-	-	-	YES	-	YES
Global Business Leadership	YES	YES	-	-	-	-	-
Law	-	-	-	-	-	YES	YES
Economics and Statistics	YES	-	-	-	YES	-	-
Regulatory, Government and Security matters	YES	YES	YES	YES	YES	YES	YES
Academics, Education and Authorship	YES	YES	YES	YES	YES	YES	YES
Information Technology, Systems and Computers	YES	YES	-	-	-	-	-

#### j) 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 Company and business segments;
- Financing plans of the Company;
- Minutes of meeting of Board of Directors, Audit Committee, Nomination, Remuneration and Compensation Committee, Stakeholders' Relationship Committee and other Committees, if any;
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as delay in share transfer, etc., if any.

#### 3. Committees of the Board

The Board Committees focus on certain specific areas and make informed decisions within the delegated authority. The Chairperson of each Committee briefs the Board on significant discussions at its meetings. The composition and the terms of reference of various Committees constituted by the Board, *inter alia* including the details of meetings held during the year and attendance thereat in accordance with the Act, and the SEBI Listing Regulations.

The Board has constituted the following Committees of Directors:

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



- (d) Debenture Issue Committee
- (e) Rights Issue Committee

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

**(a) Audit Committee:**

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18(3) read with Part C of schedule II of the SEBI Listing Regulations, As on date of this report the Committee comprise of 4 members has constituted an Audit Committee with majority of the members being the Independent Directors of the Company. The members of the Committee possess sound knowledge and experience in the fields of Audit, Accounts, Finance, Taxation and Internal Controls. The quorum of the Committee is two members or one-third of its members, whichever is higher, with at least two Independent Directors being present.

During the financial year 2023-24, Audit Committee met four times on May 09, 2022, July 25, 2023, November 09, 2023 and February 14, 2024.

Name	Designation	Category	Attendance
Mr. Sudharsanan Nair	Chairman	Independent	4/4
Mr. Kumar Nair	Member	Executive	4/4
Mrs. Nirmala Parab	Member	Independent	4/4
Mr. Shishir Dalal	Member	Independent	0/4

**Attendance at the Audit Committee Meeting:**

The Board has designated Company Secretary to act as Secretary of the Audit Committee and hence Mr. Suhas Borgaonkar acts as the Secretary of the Audit Committee.

**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

**Terms of Reference:**

The Audit Committee, *inter-alia*, reviews and reports to the Board on the following:

- 1. 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;

- 2. Recommending to the Board, the appointment, re-appointment, terms of appointment and if required replacement or removal of Auditors and fixation of Audit Fees;
- 3. Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors;
- 4. Reviewing with management the annual financial statements and Auditor's report before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in Directors' Responsibility Statement to be included in the Director's Report;
  - b) Changes if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosures of related party transactions;
  - g) Qualifications in draft Audit Report;
- 5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency regarding the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8. Approval of any subsequent modification of transactions with related parties.
- 9. Scrutiny of inter-corporate loans and investments;
- 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management the performance of Statutory and Internal Auditors, adequacy of internal control systems;
13. 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;
14. Discussion with Internal Auditors any significant findings and follow up there on.
15. 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;
16. 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;
17. 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;
18. To review the functioning of Whistle Blower Mechanism;
19. Approval of appointment of Chief Financial Officer (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of Audit Committee
21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

In addition to the above, the Audit Committee reviews information mandatorily required to be reviewed as per the SEBI Listing Regulations.

The powers and terms of reference of the Audit Committee are in accordance with the provisions of the **SEBI** Listing Regulations.

## (b) Nomination, Remuneration and Compensation Committee:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, the Board has constituted the Nomination, Remuneration and Compensation Committee with three members.

The Committee acts as a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and as Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

During the Financial Year 2023-24, the committee met twice on May 09, 2023 and February 14, 2024 respectively.

### Composition

The Board has constituted a Nomination, Remuneration and Compensation Committee comprising the following Directors:

Name	Designation	Category	Change attendance
Mrs. Nirmala Parab	Chairman	Independent	2/2
Mr. Kumar Nair	Member	Executive	2/2
Mr. Sudharsanan Nair	Member	Independent	2/2

### Meetings

During the financial year 2023-24, the committee met twice on May 09, 2023 and February 14, 2024 respectively.

### Terms of Reference

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the Remuneration of the Directors, Key Managerial Personnel and other senior employees.
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.





3. To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors
4. To devise a policy on Board Diversity
5. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
8. Performing such other duties and responsibilities as may be required

### Nomination and 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. The Company's Nomination and Remuneration policy is available on the website of the Company at <http://www.transwarranty.com/Transwarranty/InvestorRelations>

### (c) Stakeholders' Relationship Committee:

The Board has constituted a Stakeholders' Relationship Committee which is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations.

The Committee consists of three members. The Committee considers and resolves the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.

During the year under review, meeting of the Committee was held on November 08, 2023.

### Composition and Attendance:

Name	Category	Designation	No. of Meeting held/attended
Mr. Sudharshanan Nair	Independent Director	Chairman	1/1
Mrs. Nirmala Parab	Independent Director	Member	1/1
Mr. Kumar Nair	Executive Director	Member	1/1

Mr. Suhas Borgaonkar, Company Secretary of the company acts as the Compliance officer of the company. The investors may registers their complaints at the email id : [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com)

### Terms of reference:

The terms of reference of the Stakeholders' Relationship Committee, in accordance with the SEBI Listing Regulations, are:

- (i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

### Number of Complaints:

Details of investor complaints received and redressed during the year 2023- 24 are as follows:

Opening Balance	Received	Resolved	Pending
Nil	Nil	Nil	Nil

The Stakeholders' Relationship Committee reviews and redresses shareholder grievances / complaints and oversees the performance of the Registrars and Share Transfer Agents and recommends measures for overall improvement of the quality of investor services. The Committee also keeps a close watch on the performance of LinkIntime India Private Limited, the Registrar & Share Transfer Agents (RTA) of the Company.

### (d) Debenture Issue Committee

The Company has established a Debenture Issue Committee tasked with overseeing all aspects of operations and ensuring compliance concerning Non-Convertible debentures. The Committee comprises Mr. Sudharshanan Nair, Mr. Kumar Nair and Mr. Ramachandran Unnikrishnan as its Members.

### (e) Rights Issue Committee

The Company had formed a Rights Issue Committee responsible for overseeing the process of issuing and allocating rights issue. The Composition of Rights Issue Committee as on March 31, 2023 comprises Mrs. Nirmala S. Parab, Mr. Kumar Nair and Mr. Ramachandran Unnikrishnan as its Members.

**(f) 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 (CSR) Committee has not been formed.

**4. RISK MANAGEMENT**

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

**5. SENIOR MANAGEMENT**

**Details of senior management as on March 31, 2024 are as follows:**

Sr No.	Name	Designation
1.	Mr. Kumar Nair	Managing Director
2.	Mr. Ramachandran Unnikrishnan	Director & CFO
3.	Mr. Suhas Borgaonkar	Company Secretary & Compliance Officer
4.	Mr. Haridas T.V	General Manager
5.	Mr. Roby Sasidharan	General Manager – Accounts
6.	Mr. Sachin Patil	Senior Manager
7.	Mr. Rajaram Rajagopalan	Senior Manager
8.	Mr. Raviraja Poojary	Senior Manager

**6. REMUNERATION OF DIRECTORS**

The Company's Nomination & Remuneration Policy aims to pay equitable remuneration to all the Directors, Key

The details of payments made during the year ended March 31, 2024 is as follows:

Directors	Salary (including Performance Incentive, if any and other allowance) (Rs.)	Perquisites (Rs.)	Contribution to P. F. superannuation and Gratuity (Rs.)	Sitting Fees (Rs.)*	Others (Rent) (Rs.)	Total (Rs.)
Mr. Kumar Nair	30,000	-	-	-	-	-
Mr. Pravin Khatau	-	-	-	60,000	-	60,000
Mr. Ramachandran Unnikrishnan	-	-	-	-	-	-
Mrs. Nirmala Parab	-	-	-	2,08,000	-	2,08,000
Mr. Sudharsanan Nair	-	-	-	1,86,000	-	1,86,000
Mr. Shishir Vasant Dalal	-	-	-	-	-	-
Mr. Gopalakrishnan Balakrishna	-	-	-	40,000	-	40,000

Notes :

- No notice period or severance fee is payable to any Director.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.

Managerial Personnel and employees of the Company to harmonize the aspirations of human resources consistent with the goals of the Company. The Policy is designed to attract talented personnel and remunerate them fairly and reasonably.

The remuneration paid to Mr. Kumar Nair, Managing Director and CEO is subject to the limits laid down under Section 197 and Schedule V to the Act and in accordance with the terms of appointment approved by the Shareholders of the Company. The remuneration of the Executive Directors is determined by the Nomination, Remuneration and Compensation Committee based on factors such as the Company's performance and performance/track record of the Executive Directors. The remuneration consists of Salary, Company's contribution to Provident Fund, House Rent Allowance (HRA), Leave Travel Allowance (LTA) and other perquisites and allowances in accordance with the rules of the Company, applicable from time to time.

Mr. Ramachandran Unnikrishnan, Director and CFO is not paid any remuneration.

The Executive Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

None of the Non-Executive Directors have any pecuniary relationship with the company apart from sitting fees paid for attending the meetings of the Board or Committees thereof within the limits prescribed under the Act.

Remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employees, responsibilities handled by them, their annual performance, etc.



- Payments to Non – Executive directors are made in accordance with Nomination and Remuneration Policy of the Company as displayed on the website.
- Company has no system of giving any performance linked incentives and stock options, etc.
- The salary does not include any deduction of taxes.
- No stock options have been granted or vested during the year to any of the Directors.

**7. 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

**9. GENERAL BODY MEETING**

**a. Details of Annual General Meetings held during the last three years:**

Financial Year	Day, Date and Time	Venue	Special Resolution passed, if any
2020-21	Wednesday 29/09/2021 At 4.00 p.m.	Through Video Conference/ Other Audio Visual Means (Deemed Venue): Registered Office: 403, Regent Chambers, Nariman Point, Mumbai 400021	Yes. 1. Appointment of Mr. Shishir Vasant Dalal (00007008) as an Independent Director of the Company for a period of five years 2. Issuance of Non-convertible Debentures on Private Placement Basis 3. Raising of funds by way of External Commercial Borrowings
2021-22	Wednesday 28/09/2022 At 4.00 p.m.	Through Video Conference/ Other Audio Visual Means (Deemed Venue): Registered Office: 403, Regent Chambers, Nariman Point, Mumbai 400021	Yes. 1. Issuance of Non-convertible Debentures on Private Placement Basis 2. Raising of funds by way of External Commercial Borrowings 3. Approval of Material Related Party Transaction.
2022-23	Friday 15/09/2023 at 04.00pm	Through Video Conference/ Other Audio Visual Means (Deemed Venue): Registered Office: 403, Regent Chambers, Nariman Point, Mumbai 400021	Yes 1. Re-appointment of Mr. Kumar Nair as a Managing Director & CEO of the Company for the period of three years 2. Issuance of Non- Convertible Debentures on Private Placement basis 3. Raising of the Funds by way of External Commercial Borrowings 4. Related Party Transactions with Vertex Securities Limited 5. Related Party Transactions with Executive Directors and their relatives 6. To make investment and/or provide guarantee and/or security (ies) to the bodies corporate and/or any other person, situated within or outside the country, as the case maybe

for professional conduct. Senior Management includes personnel of the core management team excluding Board of Directors. The Code of Conduct is also posted on the website of the Company <http://www.transwarranty.com/Investors/Policies>

**8. ANNUAL SECRETARIAL COMPLIANCE REPORT**

Pursuant to SEBI Circular dated February 8, 2019, the Annual Secretarial Compliance Report for the financial year 2023-24 issued by Yogesh Sharma & Co., Company Secretaries, confirming compliance with all applicable SEBI Regulations and Circulars/Guidelines issued thereunder, has been submitted to the Stock Exchanges within the prescribed timeline. The report is available on website of the Company at <http://www.transwarranty.com/Investors>

**b. Extra Ordinary General Body meetings:**

No Extra Ordinary General Body Meeting was held during the financial year ended 31<sup>st</sup> March, 2024.

**c. Postal Ballot:**

During the financial year ended 31<sup>st</sup> March, 2024, the Company passed one resolution through postal ballot, for which result was announced on April 15, 2024.

**d. Procedure for Postal Ballot:**

Postal Ballot whenever conducted will be carried out as per the procedure mentioned in Rule 22 of Companies (Management and Administration) Rules, 2014, including any amendment thereof.

**10. MEANS OF COMMUNICATION****a. Quarterly Results:**

The quarterly results of the Company are published in Financial Express (English newspaper) and Mumbai Lakhsadeep (Marathi newspaper). Annual Reports are sent to the Shareholders at their registered address with the Company and is being regularly placed on the website of the Company. As the financial results of the Company are published in the Newspapers and also displayed on the Company's website, a separately half yearly declaration of financial performance is not sent to each household of shareholders.

**b. Website, where displayed:**

In compliance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a two separate section i.e. 'Investor Relations' and 'Companies Policies' on the Company's website providing all the announcements made by the Company, annual reports, results and Policies of the Company. The Companies website is <http://www.transwarranty.com/Investors/Newspaper-Advertisements>.

**11. GENERAL SHAREHOLDERS INFORMATION****a) Annual General Meeting:**

<b>Date</b>	September 30, 2024
<b>Day</b>	Friday
<b>Time</b>	4.00 P.M.
<b>Venue</b>	Deemed to be held at the Registered Office of the Company at 403, Regent Chambers, Nariman Point, Mumbai 400021
<b>Book Closure/ Record Date</b>	NA

**b) Financial Year:**

The Financial Year of the Company covers the financial period from 1st April, 2023 to 31st March, 2024.

During the financial year under review, the Board Meetings for the approval of the Quarterly and Annual Financial Results were held on the following dates:

<b>1<sup>st</sup> Quarter Results</b>	July 25, 2023
<b>2<sup>nd</sup> Quarter Results</b>	November 08, 2023
<b>3<sup>rd</sup> Quarter Results</b>	February 14, 2024
<b>4<sup>th</sup> Quarter/Annual Results</b>	May 2, 2024

For the Financial Year 2024-25, the Board Meeting for the approval of the Quarterly and Annual Financial Results will be held on the following dates:

<b>1<sup>st</sup> Quarter Results</b>	July-August 2024
<b>2<sup>nd</sup> Quarter Results</b>	October –November 2024
<b>3<sup>rd</sup> Quarter Results</b>	January-February 2025
<b>4<sup>th</sup> Quarter/Annual Results</b>	April- May 2025
<b>Tentative Date for the Annual General Meeting for the year ended March 31, 2025</b>	August/September 2025

**c) Dividend Payment Date:**

No dividend was declared during the financial year 2023-24.

**d) Listing:**

<b>Stock Exchange</b>	BSE Limited	NSE Limited
<b>Address</b>	Phiroze Jeejeeboy Towers, Dalal Street, Mumbai - 400 001	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
<b>Stock Code</b>	532812	TFL
<b>Payment of Listing Fees</b>	Paid for the year	Paid for the year
<b>Demat ISIN for NSDL &amp; CDSL</b>	INE804H01012	INE804H01012

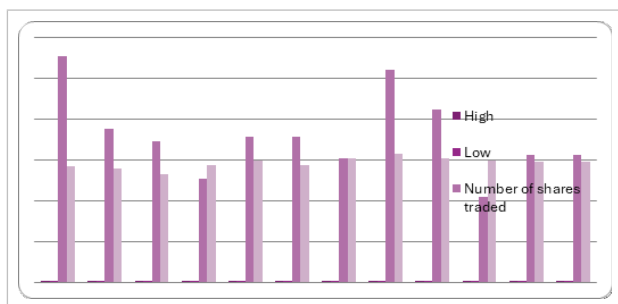
**e) Stock Performance:**

Market Price Data –BSE during the year ended 31<sup>st</sup>March, 2024:



i) BSE:

Month	High	Low	Number of shares traded	BSE Sensex Close
April-23	10.87	8.36	2,36,254	61112.44
May-23	10.43	8.03	25,571	62622.24
June-23	10.70	7.55	90,407	64718.56
July-23	11.99	9.00	12,76,890	66527.67
August-23	13.80	8.51	404,091	64831.41
September-23	11.10	9.90	318,071	65828.41
October-23	11.79	8.15	268,148	63874.93
November-23	12.36	8.60	443,717	66988.44
December-23	15.36	11.45	934,547	72240.26
January-24	12.85	10.80	11,51	71752.11
February-24	12.50	10.50	178,469	72500.30
March-24	12.45	9.11	601,786	73651.35



ii) NSE:

Month	High (Rs.)	Low (Rs.)	Number of shares traded
April 2023	10.90	7.90	11.38
May 2023	9.75	8.40	3.04
June 2023	10.35	8.40	5.30
July 2023	12.00	8.90	48.44
August 2023	13.95	9.55	22.33
September 2023	11.10	9.75	24.29
October 2023	10.40	8.25	6.63
November 2023	12.45	8.95	27.42
December 2023	15.50	11.50	85.04
January 2024	12.65	11.00	4.73
February 2024	12.50	10.30	6.04
March 2024	12.50	9.05	35.03

f) Registrars & Transfer Agents:

<b>NAME</b>	M/S. Link Intime India Private Limited
<b>Address</b>	C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai- 400 083
<b>Contact person</b>	Ms. Nayna Wakle
<b>Contact No.</b>	+91 22-49186000
<b>Fax No.</b>	+91 22-49186060
<b>E-Mail Id</b>	<a href="mailto:mnt.helpdesk@linkintime.co.in">mnt.helpdesk@linkintime.co.in</a>
<b>Website</b>	<a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

g) Share Transfer System:

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2021, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company. The Officers of the Registrars were authorised to approve transfers. On yearly basis certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges within the prescribed time.

In view of the above, 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.

h) Shareholding

The Equity Shareholding pattern as on March 31, 2024 is as follows:

Category	No. of Shares		%
	No. of shares fully paid up	No. of shares partly paid up	
Promoters and Promoter Group	30227204	-	61.85
Public	18647333	-	38.15
<b>Total</b>	<b>48874537</b>	<b>-</b>	<b>100.00</b>

Distribution of Shareholding as on March 31, 2024:

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of share capital
1 - 500	5983	78.1989	735482	1.5048
501 - 1000	714	9.3321	611061	1.2503
1001 - 2000	355	4.6399	541972	1.1089
2001 - 3000	169	2.2089	441005	0.9023
3001 - 4000	76	0.9933	271399	0.5553
4001 - 5000	77	1.0064	365900	0.7487
5001 - 10,000	135	1.7645	1035065	2.1178
10,001 and above	142	1.856	44872653	91.8119
<b>Total</b>	<b>7651</b>	<b>100</b>	<b>48874537</b>	<b>100</b>

As on March 31, 2024, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

### i) Corporate Benefits to Shareholders

#### (i) Dividend History

Financial Year	Dividend	Dividend (Rs. 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
2016-17	Nil	Nil
2017-18	Nil	Nil
2018-19	Nil	Nil
2019-20	Nil	Nil
2020-21	Nil	Nil
2021-22	Nil	Nil
2022-23	Nil	Nil
2023-24	Nil	Nil

#### (ii) Transfer of unclaimed/unpaid dividend and shares to Investors Education and Protection Fund

In terms of the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF").

The IEPF Rules mandate companies to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of IEPF. The Members whose dividend/shares are transferred to the IEPF Authority can claim their shares/dividend from the IEPF Authority following the procedure prescribed in the Rules.

#### (iii) Details of Shares transferred/credited to IEPF:

Pursuant to IEPF Rules, the details of Equity Shares transferred by the Company to the IEPF Authority are given as follows:

Transferred during the Financial Year	Number of Shares transferred to IEPF
2017-18	4586
2018-19	16,378

The voting rights on these shares shall remain frozen until the rightful owner claims the shares.

No shares have been transferred to IEPF during the year.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at the web-link: <http://www.transwarranty.com/Transwarranty/InvestorRelations>

In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due for transfer to the IEPF Authority and simultaneously published newspaper advertisement for transfer of shares to IEPF.

The Company has uploaded the details of unclaimed dividend on the Company's website at <http://www.transwarranty.com/Transwarranty/InvestorRelations> and also on website specified by the Ministry of Corporate Affairs <http://www.iepf.gov.in/IEPF/services.html>

## 12. DEMATERIALIZATION OF SHARES

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 99.87% of the shares have been dematerialized so far.

The number of shares held in dematerialized and physical mode as on March 31, 2024 is as under:

	No. of shares	% of total capital
Held in dematerialized form in NSDL	42392251	86.74
Held in dematerialized form in CDSL	6449548	13.20
Physical	32,738	0.06
<b>Total</b>	<b>48874537</b>	<b>100.00</b>

## 13. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.

Accordingly, the disclosure pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2018/ 0000000141 dated 15<sup>th</sup> November, 2018 is not required to be furnished by the Company.



**Other Details**

<b>Custodial Fees to Depositories</b>	The Company has paid custodial fees for the year
<b>Address for correspondence</b>	Transwarranty Finance Limited 403, Regent Chambers, Nariman Point, Mumbai - 400 021. Phone: 022 – 6630 6090/4001 0900
<b>Contact person</b>	Mr. Suhas Borgaonkar. Company Secretary & Compliance Officer
<b>Investor Grievances</b>	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. 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 49186000, Fax: 022 49186060 Email: <a href="mailto:mnt.helpdesk@linkintime.co.in">mnt.helpdesk@linkintime.co.in</a>
<b>Debenture Trustee</b>	Vistra ITCL (India) Ltd.
<b>Address</b>	The IL&FS Financial Centre, Plot No. C-22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400051
<b>Phone</b>	(022) 2653 3333
<b>Fax</b>	(022) 2653 3297
<b>Email</b>	mumbai@vistra.com

**Address for correspondence for Non-convertible Debentures:**

Link Intime India Private Limited also acts as Registrar and Transfer Agents for the unlisted privately placed Non-Convertible Debentures of the Company. Complaints or queries/requests with respect to the Company’s Privately Placed Debentures may be directed to Mr. Amit Dabhade, Email Id: [debtca@linkintime.co.in](mailto:debtca@linkintime.co.in) ; Tel. : +91 49186000.

Debenture holders would have to correspond with the respective Depository Participants for debentures held in dematerialised mode.

**15. Other Disclosures:**

- a) 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.

All Related Party Transactions attracting compliance under Section 188 of the Companies Act are within Arm’s Length and in the ordinary course of business and are placed before the Audit Committee as well as the Board for approval, However during the year company has availed the loan from one of Director which is material related party transaction for which prior approval of shareholder is require to obtain, the Company would be taken the

approval of shareholders in the in the General Meeting, also the Company informed the shareholders about loan from director and its adjustment against rights entitlement through right issue letter of offer

The Board approved policy for related party transactions has been uploaded on the website of the company and can be accessed at <http://www.transwarranty.com/Investors/Policies>.

The transactions have no potential conflict with the interest of the Company. The disclosures on the Related Party Transactions are provided in the Financial Statements and Note No. 38 in the Notes to Financial Statements of the Company.

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 large and were carried out on at arm’s length basis or fair value.

Vigil Mechanism/ Whistle Blower Policy : The Company believes in conducting its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all the Directors and Employees to raise concerns about any wrongful conduct. The Board has, in compliance with the provisions of the Act and SEBI LODR Regulations, approved the Vigil Mechanism/ Whistle Blower Policy of the Company which provides a framework to promote responsible and secure whistle blowing. It protects the Directors/Employees wishing to raise a concern about serious irregularities within the Company. It provides for a Vigil Mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the Vigil Mechanism. No personnel have been denied access to the Chairperson of the Audit Committee. The Policy is placed on the website of the Company and can be accessed at <http://www.transwarranty.com/Investors/Policies>.

- b) Policy on determining Material Subsidiary

The Company adopted a Policy for Determining Material Subsidiaries of the Company, pursuant to Regulation 16(1) (c) of the SEBI Listing Regulations. This policy is available on the Company’s website at <http://www.transwarranty.com/Transwarranty/InvestorRelations> , pursuant to Regulation 46(2) of the SEBI Listing Regulations.

During the year under review, your Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations.

- c) Certificate of non-disqualification of directors from practicing Company Secretary: A certificate issued by CS Yogesh Sharma, Practicing Company Secretary, pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C

of Schedule V of the SEBI Listing Regulations, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India, or any such Statutory Authority is attached at the end of the Corporate Governance Report.

- d) During the year under review, there have been no instances whereby the Board of Directors of the Company has not accepted the recommendations made by the Audit Committee/Nominations, Remuneration and Compensation Committee/Shareholder Relationship Committee on any matter which is mandatorily required.
- e) Total fees paid to the Statutory Auditors and all entities in the network firm/ entities: S. S. Khan & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company at the AGM held in the year 2019 for a period of five years from the conclusion of the ensuing 25<sup>th</sup> AGM till the conclusion of the 30<sup>th</sup> AGM.

The details of total fees for all the services paid by the Company and its Subsidiaries on a consolidated basis to S. S. Khan & Co., Chartered Accountants, Statutory Auditors and all entities in the network firm/ network entity of which the Statutory Auditors are a part, are given below:

Payment to Statutory Auditors	FY 2023-24
Statutory Audit	Rs. 1,70,000
Quarterly Audit Fees	Rs.40,000
Tax Audit	Rs. 30,000
Total	Rs. 2,40,000

- f) Disclosure As Per Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013: The Company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

The Company has constituted an Internal Complaints Committee as per Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of Complaints:

Details of sexual harassment complaints received and redressed during the year 2023- 24 are as follows:

Number of complaints filed beginning of the year	Number of complaints filed during the year	Number of complaints disposed of during the year	Number of complaints pending at the year
Nil	Nil	Nil	Nil

- g) The Company has duly fulfilled the following discretionary requirements as prescribed in Part E of Schedule II of the SEBI Listing Regulations:

Non-mandatory requirements:

1. Chairman of the Board – The Company does not maintain separate office for Chairman at the Company's expenses.

2. Reporting of Internal Auditor – The Internal Audit Reports provided by the Internal Auditor are placed before the Audit Committee and Board for discussion.

- h) The Company is in compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46.

- i) Equity shares in the suspense account: There are no equity shares lying in the demat suspense account.

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 website <http://www.transwarranty.com/Investors/Policies>. 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, 2024.

- j) 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.

- k) Risk assessment and minimization procedures are periodically reviewed by the Audit Committee and the Board of Directors of the Company.

- l) 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 Regulations. This has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company.

- m) During the financial year 2023-24, the information as mentioned in Part A of Schedule II of SEBI Listing Regulations has been placed before the Board for its consideration.

**For and on behalf of the Board of Directors**

**Kumar Nair**  
Chairman  
(DIN 00320541)

Place: Mumbai

Date: August 09, 2024





FORM No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024

[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 with applicable statutory provisions and the adherence to good corporate practices by **TRANSWARRANTY FINANCE LIMITED (CIN- L65920MH1994PLC080220)** (hereinafter called 'the Company'). The 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.

**Auditor's responsibility**

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on my verification of the 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 from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 ('the Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and 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 the Company for the financial year ended 31<sup>st</sup> March 2024 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**);
- V. 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, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**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, 2021 (**Not applicable to the Company during the Audit period**);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit period**);
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulation").

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 Listing Agreements entered into by the Company with BSE Ltd. (“BSE”) and NSE Limited (“NSE”)

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to following observations:

- 1) *The Company was required to obtain prior approval of the shareholders for the Loan availed by the Company from one Director which is a material related party transaction as per Regulation 23(4) of LODR Regulation.*
- 2) *The Company was required to disclose in Half yearly disclosure submitted to BSE and NSE the Related party Transactions entered by the Subsidiaries with its related parties as per Regulation 23(9) of LODR Regulation.*

I further report that, with regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with Reserve Bank of India Act, 1934 and Rules, regulations and guidelines issued by Reserve Bank of India and its Circulars, Master Circulars, directions and notifications; to the extent as applicable to the Non-deposit taking Non-Banking Financial Companies, which are applicable specifically to the Company.

I further report that, the Board of Directors of the Company is constituted with 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 audit period were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance (a few meetings were convened at shorter notice for which necessary approvals were obtained as per applicable provisions). 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 decision in the board meetings and committee meetings are carried out unanimously as recorded in the minutes of the meeting of Board of Directors or committee of the Board, as the case may be.

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, the Company has:

- 1) forfeited 46599 Partly Paid Equity Shares for which the Company has received Rs.3 per share.
- 2) Converted 5,38,895 Partly Paid-Up Equity Shares (ISIN INE9804H01010) of face value Rs.10/- each with paid up value Rs.3/- each into Fully Paid-Up Equity Shares (ISIN INE804H01012) of face value of Rs. 10/- each
- 3) Issued Non-Convertible Debentures aggregating to Rs. 199 Lakhs on private placement basis.
- 4) Redeemed Non-Convertible Debentures aggregating to Rs. 117 Lakhs.
- 5) Acquired 15,00,000 Equity Shares of Vertex Commodities and Finpro Private Limited (Step down Subsidiary Company) from Vertex Securities Limited (Subsidiary Company).

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

**For Yogesh Sharma & Co.,**  
Practicing Company Secretary

**Yogesh M. Sharma**

Proprietor

UDIN: F011305F000951673

FCS No: 11305

PR NO: 1583/2021

COP No: 12366

Place: Mumbai



**ANNEXURE**

To,  
The Members

**TRANSWARRANTY FINANCE LIMITED**

403, Regent Chambers,  
Nariman Point,  
Mumbai - 400021

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that accurate facts are reflected in secretarial records. I believed that the processes and practices that I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on 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 Yogesh Sharma & Co.,**  
Practicing Company Secretary

**Yogesh M. Sharma**  
Proprietor  
UDIN: F011305F000951673  
FCS No: 11305  
PR NO: 1583/2021  
COP No: 12366

Place: Mumbai

**Management responses to the observations provided by Secretarial Auditor**

Observation	Management Response
The Company was required to obtain the prior approval of shareholders for the Loan availed by the Company from one Director which is a material related party transaction as per Regulation 23(4) of LODR Regulation.	Due to certain extra-ordinary circumstances, the company has entered into Related Party Transaction; however, approval of Shareholders of the company was obtained in the AGM within the period of 90 days as prescribed in Companies Act, 2013.
The Company was required to disclose in Half yearly disclosure submitted to BSE and NSE the Related party Transactions entered by the Subsidiaries with its related parties as per Regulation 23(9) of LODR Regulation.	Inadvertently, the company has not reported event related to Sale of Equity shares of subsidiary of Listed Entity. In future we will ensure to report all events properly in the manner as specified by SEBI and Stock Exchanges.

## 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 & nature of relationship	Vertex Securities Limited, Subsidiary Company
b)	Nature of contracts/arrangements/transaction	Advance
c)	Duration of the contracts/arrangements/transaction	FY 2023-24
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	100 Crores
e)	Date of approval by the Board	09-05-2023 25-07-2023 08-11-2023 14-02-2024
f)	Amount paid as Inter Corporate Deposit, if any	Transactions for an amount of Rs. 2 Crore

**2. (b) Details of contracts or arrangements or transactions at Arm's length basis**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vertex Securities Limited, Subsidiary Company
b)	Nature of contracts/arrangements/transaction	Interest over Advance
c)	Duration of the contracts/arrangements/transaction	FY 2023-24
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	10 Crores
e)	Date of approval by the Board	09-05-2023 25-07-2023 08-11-2023 14-02-2024
f)	Amount paid as Inter Corporate Deposit, if any	Transactions for an amount of Rs. 2.10 Lakhs



2. (c) Details of contracts or arrangements or transactions at Arm's length basis

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vertex Securities Limited, Subsidiary Company
b)	Nature of contracts/arrangements/transaction	Professional Charges
c)	Duration of the contracts/arrangements/transaction	FY 2023-24
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	10 Crores
e)	Date of approval by the Board	09-05-2023 25-07-2023 08-11-2023 14-02-2024
f)	Amount paid as Inter Corporate Deposit, if any	Transactions for an amount of Rs. 22.50 Lakhs

3. (a) Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vertex Commodities and Finpro Private Limited, Step-Down Subsidiary
b)	Nature of contracts/arrangements/transaction	Loan Received and repaid
c)	Duration of the contracts/arrangements/transaction	FY 2023-24
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	20 Crores
e)	Date of approval by the Board	09-05-2023 25-07-2023 08-11-2023 14-02-2024
f)	Amount paid as advances, if any	Transactions for an amount of Rs. 4.71 Crore

## 3. (b) Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vertex Commodities and Finpro Private Limited, Step-Down Subsidiary
b)	Nature of contracts/arrangements/transaction	Interest Paid on Loan Received and repaid
c)	Duration of the contracts/arrangements/transaction	FY 2023-24
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	10 Crores
e)	Date of approval by the Board	09-05-2023 25-07-2023 08-11-2023 14-02-2024
f)	Amount paid as advances, if any	Transactions for an amount of Rs. 7.62 Lakhs

**For and on behalf of the Board of Directors**

**Kumar Nair**  
Chairman  
(DIN 00320541)

Place: Mumbai  
Date: August 09, 2024



**The Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular dated 16th June, 2015 on ESOP Disclosures for the Financial Year 2023-24**

Sr No.	Particulars	Remarks
A	Disclosures in terms of the 'Guidance note on accounting for employee share based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time	Please refer to Note No. 39 of Notes to Accounts – 2023-24
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time	0.07
C	Details related to ESOS	
i.	A description of each ESOS that existed at any time during the year, including general terms and conditions of each ESOS	Details are provided in Annexure-1
ii.	Method used to account for ESOS – Intrinsic or Fair Value	Fair Value
iii.	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable
iv.	Option movement during the year (for each ESOS)	Details are provided in Annexure – 2
v.	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not Applicable since no shares exercised during the year
vi.	A description of the method and significant assumptions used during the year to estimate the fair value of options at the time of grant including the following information:	
	a) Risk-free interest rate	
	b) Expected life	
	c) Expected Volatility	
	d) Expected dividends	
	e) The price of underlying share in the market at the time of option grant	Not applicable
	f) Weighted average market price of Company's shares on NSE at the time of grant	
	Methods used and assumptions made to incorporate effects of expected early exercise	Not applicable
	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Not applicable
	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	The expected life of share option is based on historical data. Future market conditions are not used for measurement of fair value.
vii.	Employee wise details of options granted to -	

	a) Senior Managerial Personnel;	Details are provided in Annexure – 3
	b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Details are provided in Annexure-4
	c) identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	No employee of the Company received grant of options during the year exceeding 1% of issued capital of the Company

## Notes:

- i) Pursuant to approval of the Members at the Annual General Meeting held on 27th September, 2019, the Company adopted the “Employee Stock Option Plan 2019’ (‘ESOP 2019’).
- ii) The Maximum number of options to be issued per employee in a fiscal year did not exceed 1% of the outstanding issued share capital, in the line with Regulation 6(3)(d) of SEBI (Share Based Employee Benefits) Regulations, 2014.

For and behalf of The Board Of Directors

**Kumar Nair**  
Chairman  
(DIN-00320541)

Place: Mumbai

Date: August 09, 2024

### Annexures

#### Annexure -1

Details related to ESOS

Sr No	Particulars	ESOP 2019 (Period 2019 to 2024)
1.	Date of shareholders’ approval	27th September, 2019
2.	Total number of options approved under ESOS	Upto 25,00,000
3.	Vesting requirements	5 years
4.	Exercise price or Pricing formula	Book Value of Rs. 10
5.	Maximum term of options granted	5 years
6.	Variation in Terms of Options	It is proposed to provide financial assistance to eligible employees and to authorise Nomination, Remuneration and Compensation Committee (NRCC) to determine exercise date for better implementation of the scheme. Members approval is sought by way of Special Resolution in this Annual General Meeting (AGM).



**Annexure-2 Option movement during the year (for each ESOS)**

<b>Particulars</b>	<b>ESOP 2019 (Period 2019 to 2024)</b>
Number of options outstanding at the beginning of the period	6,94,205
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	3,47,105
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Variation in terms of options	Nil
Money realised by exercise of options (Rs.)	Nil
Number of options outstanding at the end of the year	3,47,100
Number of options exercisable at the end of the year	14,82,341

**Annexure 3 - Employee wise details of options granted to Senior Managerial Personnel during the FY 2023-24:**

<b>Name</b>	<b>Designation</b>	<b>Number of options granted during the year</b>	<b>Exercise Price</b>
-	-	-	-

**Annexure 4 - Employees who receives a grant in any one year of option amounting to 5% or more of option granted during that year;**

<b>Name</b>	<b>Designation</b>	<b>No of grants received</b>	<b>% Options Granted during the year</b>
Suhas Borgoankar	Vice President & Company Secretary	Nil	Nil
Haridas T.V.	General Manager	Nil	Nil
Roby Sasidharan	General Manager	Nil	Nil
Sachin Patil	Senior Manager	Nil	Nil
Raviraja Poojari	Senior Manager	Nil	Nil
Rajaram Rajagopalan	Senior Manager	Nil	Nil

## Annexure - F

1. **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 2023-2024:

Name of the Director	Ratio
Kumar Nair	0.12:1
Ramachandran U.	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 2023-2024:

Name	% increase (decrease)
<b>Kumar Nair</b>	<b>NIL</b>
<b>Ramachandran U.</b>	<b>NIL</b>
<b>Company Secretary</b>	<b>NIL</b>

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 2023-24 - 25
- (iv) The number of permanent employees on the rolls of the Company: 36
- (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: NOT APPLICABLE
- a) 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
- b) 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
- c) 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 along with his spouse and dependent children, not less than two percent of the equity shares of the company – NOT APPLICABLE

**For and on behalf of the Board of Directors**

**Kumar Nair**  
**Chairman**  
**(DIN 00320541)**

Date: August 09, 2024  
Place: Mumbai



**CEO/ CFO CERTIFICATION**

*Pursuant to Regulation 17(8) and 33(2) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

To,

The Board of Directors  
**Transwarranty Finance Limited**  
403, Regent Chambers, Nariman Point,  
Mumbai 400021

We hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2024 and to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with the existing 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**

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

Place : Mumbai  
Date : August 09, 2024

For **Transwarranty Finance Limited**

**Ramachandran Unnikrishnan**  
Director & Chief Financial Officer  
(DIN 00493707)

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**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, 2024.

For **Transwarranty Finance Limited**

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

Place : Mumbai  
Date : August 09, 2024

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

**The Members****TRANSWARRANTY FINANCE LIMITED**

403, Regent Chambers,  
Nariman Point, Mumbai- 400021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s TRANSWARRANTY FINANCE LIMITED** having **CIN: L65920MH1994PLC080220** and having registered office at 403, Regent Chambers, Nariman Point, Mumbai- 400021 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or by any other regulatory authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Kumar Nair	00320541	09/08/1994
2	Mr. Ramachandran Unnikrishnan	00493707	25/02/2015
3	Mr. Pravin Khatau	02425468	25/02/2015
4	Mrs. Nirmala Parab	07149007	30/03/2015
5	Mr. Sudharsanan Nair	01510505	09/11/2015
6	Mr. Gopalakrishnan Balakrishna	00681508	14/02/2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Yogesh Sharma & Co**

**UDIN:**

**Peer Review Certificate No.:** 1583/2021

**Yogesh M Sharma**

FCS 11305 C.P. 12366

**Place:** Mumbai



## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

### TRANSWARRANTY FINANCE LIMITED

1. We, S S Khan & Co, Chartered Accountants, the Statutory Auditors of Transwarranty Finance Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company for the year ended on 31 March 2024, as stipulated in the relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

### Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### Auditor's Responsibility

3. Our responsibility is limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (ICAI),

the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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 Review of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management, as above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
8. We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For S S Khan & Co**  
**Chartered Accountants**  
ICAI Firm Registration No. 133324W  
  
Sarfaraz Khan  
Proprietor  
Membership No. 144212  
UDIN: 24144212BKBOFQ2144

Place: Mumbai

Date: August 09, 2024

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Transwarranty Finance Limited

#### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Transwarranty Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2024, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter(s)	How our audit addressed the key audit matter
<p>Impairment of financial assets as at balance sheet date (expected credit losses) (Refer Note No. 4 &amp; 5 to the standalone financial statements)</p> <p>Ind AS 109 requires the Company to provide for impairment of its financial assets using the expected credit loss (ECL) approach.</p> <p>The Company recognises lifetime ECL from initial recognition of trade receivables by using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.</p> <p>In the process, a significant degree of judgment has been applied by the Management for:</p> <ul style="list-style-type: none"> <li>• Staging of Trade Receivables [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories];</li> <li>• Grouping of receivables based on homogeneity by using appropriate statistical techniques;</li> <li>• Determining macro-economic factors impacting credit quality of receivables;</li> </ul> <p>In view of the high degree of Management's judgment involved in estimation of ECL it is a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</li> <li>• Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.</li> <li>• Assessed the criteria for staging of receivables based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) receivables to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3.</li> <li>• Evaluated the completeness, accuracy and relevance of data used in the expected credit loss model and checked the mathematical accuracy of the calculations.</li> <li>• Obtained an ageing report of trade receivables and tested the accuracy by checking the ageing of select invoices on a sample basis</li> <li>• Assessed the additional considerations applied by the Management for staging of receivables as SICR or default categories in view of Company's policy on receivables.</li> <li>• Tested assumptions used by the Management in determining the overlay for macro-economic factors.</li> </ul>



### Emphasis of Matter

We draw attention to Note No. 4 & 5 to the standalone financial statements wherein the Company has provided for impairment losses of Rs. 20,065,500/- on trade receivables and Rs. 80,069,671 on loans given as on 31st March 2024.

We draw attention to Note 42 to the Statement indicating Company's financial position with an accumulated net deficit as at the year end. Based on the management's projected operations and marketing efforts, the Company expects to generate adequate surplus in the future and consequently does not foresee any difficulty in settling its liabilities as and when they arise or continue as a going concern.

Our opinion is not modified in respect of the above matters.

### Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of the written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
  - g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act; In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
  - h. 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 does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.





- iv. (a) The management has represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented that, to the best of its knowledge and belief to the standalone financial statements no funds have been received by the Company from any person or entity, including foreign entities (‘the Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v) The company had not declared any dividend during the financial year ended March 31, 2024.
- vi) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility. As observed, during the course of our audit, the feature of recording audit trail (edit log) was enabled in the accounting software of the company with effect from June 23, 2023. Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting software, we did not come across any instance of the audit trail feature being disabled or tampered with during the course of our audit.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only with effect from 1 April, 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on the preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March, 2024.

**For S S Khan & Co**  
**Chartered Accountants**  
ICAI Firm Registration No. 133324W

*sd/-*

Sarfaraz Khan  
Proprietor  
Membership No. 144212  
UDIN: 24144212BKBOES2389

Place: Mumbai  
Date: May 02, 2024

## 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) (A) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, some of the fixed assets have been physically verified by the management according to a program 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) According to the information and explanations given by the management, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) included in fixed assets are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) (a) The Company is a Non-Banking Financial Company. Accordingly, it does not hold any physical inventory. Thus, paragraph 3 (ii) (a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) (a) The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. The company being a Non-Banking Finance Company, there are instances where the repayment of principal and interest are not as per the stipulated terms.
- (d) According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in course of the business operations of the Company aggregates to Rs. 112.70 lakhs as at 31 March 2024. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.
- (e) The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment. Hence the requirement to report loans granted to promoters, related parties as defined in clause 76 of section 2 of the Act or to any other parties on clause 3(iii) (f) of the Order is not applicable.
- 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 and guarantees and security provided by it, as applicable.
- v) The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being a non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits from public or there are no amounts which has been considered as deemed deposits within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.



- 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 Goods & Service tax, 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 31st March, 2024 outstanding for a period of more than six months from the date they become payable.
- (b) According to the records of the Company and the information and explanations given to us, the Company has no disputed statutory dues that have not been deposited. Hence, paragraph 3(vii)(b) of the Order is not applicable to the Company.
- viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report under paragraph 3(viii) of the Order is not applicable to the Company.
- ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x) (a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditor in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle-blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xii) of the Order is not applicable to the Company.
- 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) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the year under audit.

- 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, reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi) a) According to the information and explanations given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.
- b) The Company has conducted Non-Banking Financial activities holding a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 and no business has been conducted by the Company without a valid CoR.
- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) As per the information and explanations given to us, there are no core investment companies, as defined in the regulations made by the Reserve Bank of India, as part of its group and hence the reporting requirements under clause 3 (xvi)(d) of the Order are not applicable.
- xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has incurred cash losses in the current financial year (Rs. 19,258,611) and in the immediately preceding financial year (Rs. 45,060,588).
- xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report under Clause 3(xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in Note 37 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) a) According to the information and explanation given to us and based on our examination of the records of the Company, in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- b) There are no ongoing projects and accordingly, there are no unspent amounts that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- xxi) The reporting under clause 3(xx) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For S S Khan & Co**  
**Chartered Accountants**  
 ICAI Firm Registration No. 133324W

*sd/-*

Sarfraz Khan  
 Proprietor  
 Membership No. 144212  
 UDIN: 24144212BKBOES2389

Place: Mumbai  
 Date: May 02, 2024



## 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 March 31, 2024 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2024. 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 S S Khan & Co  
Chartered Accountants**

ICAI Firm Registration No. 133324W

*sd/-*

Sarfraz Khan

Proprietor

Membership No. 144212

UDIN: 24144212BKBOES2389

Place: Mumbai

Date: May 02, 2024

**BALANCE SHEET AS AT 31ST MARCH, 2024**

(Amount in Rs. in lakhs)

Particulars	Note No.	As At 31 March 2024	As At 31 March 2023
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	3	108.28	466.50
Trade Receivables	4	221.96	222.26
Loans	5	2,698.70	2,035.72
Investments	6	1,562.40	1,422.59
Other Financial assets	7	1,091.68	858.18
		<b>5,683.02</b>	<b>5,005.25</b>
<b>Non-financial Assets</b>			
Current tax assets (Net)	8	139.72	102.45
Deferred tax Assets (Net)	9	213.53	213.53
Property, Plant and Equipment	10	786.21	793.44
Goodwill	11	4.00	4.00
Other Intangible assets	11	0.03	0.06
Other non-financial assets	12	427.22	438.27
		<b>1,570.71</b>	<b>1,551.75</b>
<b>TOTAL ASSETS</b>		<b>7,253.73</b>	<b>6,557.00</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Payables			
(I) Trade Payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		2.54	4.63
(ii) total outstanding dues of creditors other than microenterprises and small enterprises		109.85	43.59
(II) Other Payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than microenterprises and small enterprises		4.85	4.85
Debt Securities	15	469.74	387.51
Borrowings (Other than Debt Securities)	16	3,220.57	2,715.05
Other financial liabilities	17	58.80	62.40
		<b>3,866.35</b>	<b>3,218.03</b>
<b>Non-Financial Liabilities</b>			
Provisions	18	13.32	9.30
Other non-financial liabilities	19	15.07	46.15
		<b>28.39</b>	<b>55.45</b>
<b>EQUITY</b>			
Equity Share capital	20	4,888.85	4,846.05
Other Equity	21	(1,529.86)	(1,562.53)
<b>Total equity</b>		<b>3,358.99</b>	<b>3,283.52</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>7,253.73</b>	<b>6,557.00</b>

**Summary of significant accounting policies and key accounting estimates and judgements**

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

**For S.S. Khan & Co**

Chartered Accountants

ICAI Firm registration number : FRN: 13334W

**Sarfaraz Khan**

Proprietor

Membership No. 144212

Place: Mumbai

Date : May 02, 2024

For and on Behalf of Board of Directors

**For Transwarranty Finance Limited****Kumar Nair**

Managing Director

DIN: 00320541

**Suhas Borgaonkar**

Company Secretary

**Ramachandran U.**

Director &amp; CFO

DIN: 00493707

Place: Mumbai

Date : May 02, 2024

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in Rs. in lakhs)

Particulars	Note No.	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
<b>Income</b>			
Interest Income	22	377.77	269.77
Fees and Commission Income	23	213.36	114.03
<b>Total Revenue from operations</b>		<b>591.13</b>	<b>383.80</b>
Other Income	24	260.07	3.02
<b>Total Income</b>		<b>851.20</b>	<b>386.82</b>
<b>Expenses</b>			
Finance Costs	25	414.11	460.27
Employee Benefits Expenses	26	173.12	137.79
Depreciation, amortization and impairment	27	21.71	21.67
Others Expenses	28	207.17	637.18
<b>Total expenses</b>		<b>816.11</b>	<b>1,256.91</b>
<b>Profit /(Loss) before exceptional items and tax</b>		<b>35.10</b>	<b>(870.09)</b>
Exceptional items		-	-
<b>Profit / (loss) before tax</b>		<b>35.10</b>	<b>(870.09)</b>
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax		-	-
<b>Total income tax expense</b>			
<b>Profit/(Loss) for the period</b>		<b>35.10</b>	<b>(870.09)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of net defined benefit liability		(2.71)	0.30
Fair valuation on Equity instrument		0.28	-
Income tax effect on these items		-	-
		<b>(2.44)</b>	<b>0.30</b>
<b>Items that will be reclassified to profit or loss</b>			
Reclassification of financial assets		-	-
Income tax effect on these items		-	-
		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(2.44)</b>	<b>0.30</b>
<b>Total comprehensive income for the year</b>		<b>32.66</b>	<b>(869.79)</b>
<b>Basic EPS (In Rs.)</b>	<b>29</b>	<b>0.07</b>	<b>(1.79)</b>
<b>Diluted EPS (In Rs.)</b>	<b>29</b>	<b>0.07</b>	<b>(1.79)</b>

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

**For S.S. Khan & Co**

Chartered Accountants

ICAI Firm registration number : FRN: 13334W

**Sarfaraz Khan**

Proprietor

Membership No. 144212

Place: Mumbai

Date : May 02, 2024

For and on Behalf of Board of Directors

**For Transwarranty Finance Limited****Kumar Nair**

Managing Director

DIN: 00320541

**Suhas Borgaonkar**

Company Secretary

**Ramachandran U.**

Director &amp; CFO

DIN: 00493707

Place: Mumbai

Date : May 02, 2024





## Cash Flow Statement for the Year Ended 31st March, 2024

(Amount in Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>A. Cash flows from operating activities</b>		
Profit before tax for the year	35.10	(870.09)
<b>Adjustments for:</b>		
Depreciation of tangible and amortization of intangible assets	21.71	21.67
Interest Income	(377.77)	(269.77)
Dividend Income	(0.18)	(0.18)
Interest Expense	402.08	450.13
Remeasurement of net defined benefit liability	(2.71)	-
Profit on sale of Investments	(5.33)	-
Impairment Allowance	2.25	396.80
Bad Debts Written off	4.88	2.79
	<b>80.04</b>	<b>(268.65)</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in Trade Receivables	0.30	(3.91)
Increase / (Decrease) in Trade & Other Payables	64.16	12.31
(Increase)/decrease in loans	(667.87)	(284.61)
(Increase)/decrease in other financial assets	(276.93)	(27.26)
(Increase)/decrease in other non-financial assets	11.05	(8.69)
Increase / (Decrease) in other financial Liabilities	-	(611.76)
Increase/(decrease) in provisions	4.01	(2.40)
Increase / (Decrease) in non- financial Liabilities	(31.08)	6.43
Cash inflow from interest on loans	421.19	250.43
Income tax paid (net of refunds)	(37.27)	(14.60)
<b>Net cash generated from operating activities (A)</b>	<b>(432.39)</b>	<b>(952.70)</b>
<b>B. Cash flow from investing activities</b>		
Dividend Income	0.18	0.18
Sale of Investment (Net)	13.56	27.76
Purchase of Investment (Net)	(150.00)	(1.63)
Purchase of Property Plant and Equipment	(14.45)	(3.58)
Sale of Property Plant and Equipment	-	2.74
<b>Net cash used in investing activities (B)</b>	<b>(150.71)</b>	<b>25.47</b>
<b>C. Cash flow from financing activities</b>		
Borrowings other than debt securities issued/ (Redeemed) (net)	505.52	(540.43)
Debt securities issued/ (Redeemed) (net)	82.23	(44.71)
Proceeds from Right issue of Equity Shares	42.81	2,399.99
Finance cost paid	(405.68)	(431.11)
<b>Net cash used in financing activities (C)</b>	<b>224.87</b>	<b>1,383.74</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(358.22)</b>	<b>457.51</b>
Effect of exchange differences on cash and cash equivalent held in foreign currency		
<b>Cash and cash equivalents at the beginning of the year</b>	<b>466.50</b>	<b>8.99</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>108.28</b>	<b>466.50</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.06	3.39
With banks - on current accounts	108.22	463.11
<b>Total cash and cash equivalents</b>	<b>108.28</b>	<b>466.50</b>

## Summary of significant accounting policies and key accounting estimates and judgements

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows".

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

**For S.S. Khan & Co**

Chartered Accountants

ICAI Firm registration number : FRN: 13334W

**Sarfراز Khan**

Proprietor

Membership No. 144212

Place: Mumbai

Date : May 02, 2024

For and on Behalf of Board of Directors

**For Transwarranty Finance Limited**

**Kumar Nair**

Managing Director

DIN: 00320541

**Suhas Borgaonkar**

Company Secretary

**Ramachandran U.**

Director & CFO

DIN: 00493707

Place: Mumbai

Date : May 02, 2024

## Statement of Changes in Equity

(Amount in Rs. in lakhs)

Particulars	Balance as at April 01, 2022	Change during the year 2022-23	Balance as at March 31, 2023	Change during the year 2023-24	Balance as at March 31, 2024
<b>Equity Share Capital</b>	2,446.06	2,380.25	4,826.30	61.15	4,887.45

## Other Equity

Particulars	Retained Earnings	Reserve Fund as per RBI Act	General Reserve	Other Comprehensive Income - Equity Instruments	Total Other Equity
<b>At April 1, 2023</b>	(2,008.97)	341.40	104.11	0.94	(1,562.53)
Profit after tax	35.10	-	-	0.28	<b>35.37</b>
Other comprehensive income	(2.71)	-	-	-	<b>(2.71)</b>
	<b>(1,976.58)</b>	<b>341.40</b>	<b>104.11</b>	<b>1.22</b>	<b>(1,529.87)</b>
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	<b>(7.02)</b>	<b>7.02</b>	-	-	-
<b>At March 31, 2024</b>	<b>(1,969.56)</b>	<b>334.38</b>	<b>104.11</b>	<b>1.22</b>	<b>(1,529.87)</b>
<b>At April 1, 2022</b>	(1,139.18)	341.40	104.11	0.94	<b>(692.74)</b>
Profit after tax	(870.09)	-	-	-	(870.09)
Other comprehensive income	0.30	-	-	-	<b>0.30</b>
	<b>(2,008.97)</b>	<b>341.40</b>	<b>104.11</b>	<b>0.94</b>	<b>(1,562.53)</b>
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-	-	-	-
<b>At March 31, 2023</b>	<b>(2,008.97)</b>	<b>341.40</b>	<b>104.11</b>	<b>0.94</b>	<b>(1,562.53)</b>

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

**For S.S. Khan & Co**

Chartered Accountants

ICAI Firm registration number : FRN: 13334W

**Sarfراز Khan**

Proprietor

Membership No. 144212

Place: Mumbai

Date : May 02, 2024

For and on Behalf of Board of Directors

**For Transwarranty Finance Limited****Kumar Nair**

Managing Director

DIN: 00320541

**Suhas Borgaonkar**

Company Secretary

**Ramachandran U.**

Director &amp; CFO

DIN: 00493707

Place: Mumbai

Date : May 02, 2024



## Notes forming part of the Financial Statements for the year ended 31st March, 2024

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### Note 1 CORPORATE INFORMATION

Transwarranty Finance Limited ('the Company'), incorporated in India, is a public limited company, headquartered in Mumbai. The Company is a full service Financial & Capital Market Services Company, providing a wide range of services to over 1,000 Large, Small and Medium companies and thousands of retail clients all over India, since 1994.

The Company is registered with Reserve Bank of India (RBI) as an Non Banking Finance Company (NBFC) and its shares are listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). It is engaged in advisory services like Investment Banking, Corporate Finance, Project Finance, Trade Finance and providing Business & Retail Loans against collateral security of immovable property, liquid assets like shares, other financial assets, gold jewellery etc.

The Company has fast expanding network of branches providing secured, business and retail loans. It is one of the few financial services companies, which is adept at structuring and executing advisory transactions as well as managing fund based business of providing business and retail loans.

#### Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

The Company's financial statements upto and for the year ended 31 March 2019 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP". Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These standalone or separate financial statements were approved by the Company's Board of Directors and authorised for issue on 09th May 2023.

##### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency.

##### 2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values:

- "i) fair value through other comprehensive income (FVOCI) instruments,"
- ii) derivative financial instruments,
- iii) other financial assets held for trading,
- iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

##### 2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement

## Notes forming part of the Financial Statements for the year ended 31st March, 2024

of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 2.5 Use of estimates and judgements and Estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- Effective Interest Rate (EIR) Method
- Impairment of financial asset
- Provision for tax expense
- Fair value instruments

### 2.6 Estimation of impairment allowance on financial assets

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets, are based on historical experience and other emerging factors which may also have an effect on the expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators delayed repayment metrics observed along with an estimation of potential stress on probability of default situation in developing the estimates and assumptions to assess the expected credit losses on loans.

### 2.7 Revenue recognition :

#### a) Recognition of interest income

##### Effective Interest Rate (EIR) Method

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

##### Interest Income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.



## Notes forming part of the Financial Statements for the year ended 31st March, 2024

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

### b) **Fee and commission income**

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due.

### c) **Sale of Stock**

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

### d) **Sale of services**

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

### e) **Rent Income**

Lease rental income is recognised in the statement of profit and loss on a straight -line basis over the lease term.

### f) **Income from securities**

Gains or losses on the sale of securities are recognised in Statement of profit and loss as the difference between fair value of the consideration received and carrying amount of the investment securities.

### g) **Dividend Income**

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

## 2.8 **Property, Plant and Equipments (PPE)**

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

## Notes forming part of the Financial Statements for the year ended 31st March, 2024

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Assets	Useful Life
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 to 10 years
Buildings	60 years

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.

### 2.9 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortisation is calculated using the straight line method to write down the cost of intangible assets over their estimated useful lives.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

### 2.10 Investments in subsidiaries and associates

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.



## Notes forming part of the Financial Statements for the year ended 31st March, 2024

### 2.11 Foreign exchange transactions and translations

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

#### a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### b) Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

#### c) Exchange difference

All exchange differences are accounted in the Statement of Profit and Loss.

### 2.12 Financial instruments

#### a) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

#### b) Classification and Subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

##### **Amortised cost -**

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

##### **FVOCI - debt instruments -**

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

##### **FVOCI - equity instruments -**

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

## Notes forming part of the Financial Statements for the year ended 31st March, 2024

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

### Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

### c) Financial liabilities and equity instruments:

#### Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

#### Financial liabilities -

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

### d) Derecognition

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.





## Notes forming part of the Financial Statements for the year ended 31st March, 2024

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

#### e) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### f) Impairment of financial instruments

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

For all other financial assets, the Company recognizes lifetime expected credit losses (ECL) based on the months past due when there has been a significant increase in credit risk since initial recognition and when the financial asset is credit impaired. Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which no ECL is recognized. Financial assets where there has been significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognized for stage 2 and stage 3 financial assets

At initial recognition, allowance (or provision) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off either partially or in their entirety, when there is no realistic prospect of recovery and the company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

#### Without significant increase in credit risk since initial recognition (stage 1)

No ECL allowance is recognized for stage 1 financial asset as based on company's assessment there is no significant increase in credit risk. The Company has ascertained default possibilities on past behavioral trends and other performance indicators.

#### Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage 90 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

#### Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

Contractual payments of either principal or interest are past due for more than 365 days

The loan is otherwise considered to be in default.

## Notes forming part of the Financial Statements for the year ended 31st March, 2024

### Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. The Company has calculated ECL using three components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money as necessary.

\* Determination of PD is covered above for each stages of ECL.

\* EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

\* LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value, if any, at the time it is expected to be realised.

### Overview of Expected Credit Loss (ECL) model

The Company recognises lifetime ECL for trade and other receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that may result from all possible default events over the expected life of a financial assets. (refer Note No. 4 on "Receivables")

## 2.13 Employee benefits

### a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### b) Contribution to provident fund and ESIC

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss

### c) Gratuity

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

### Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.



## Notes forming part of the Financial Statements for the year ended 31st March, 2024

### d) Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

### e) Employee shared based payments

Equity-settled share-based payments to employees are recognised as an expense at the fair value of stock options at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

## 2.14 Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

## 2.15 Taxation - Current and deferred tax

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

### a) Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### b) Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## 2.16 Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

## Notes forming part of the Financial Statements for the year ended 31st March, 2024

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

### 2.17 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 2.18 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Where the Company is the lessee -

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases. Basis the above principle, all leases entered into by the Company as a lessee have been classified as operating leases.

Lease payments under an operating lease is recognised on an accrual basis in the Statement of Profit and Loss.

#### Where the Company is the lessor -

The Company has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Cost including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct cost are recognised immediately in Statement of profit and loss.

### 2.19 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.



## Notes forming part of the Financial Statements for the year ended 31st March, 2024

### 2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 2.21 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it can not be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

### 2.22 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Note- 3 Cash and Cash Equivalents**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with banks:		
in current accounts	3.22	358.11
in Fixed Deposits	105.00	105.00
Cash on hand	0.06	3.39
<b>Total</b>	<b>108.28</b>	<b>466.50</b>

**Note- 4 Trade Receivables**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
-Considered good	21.31	21.60
-Considered doubtful	-	-
Receivables which have significant increase in Credit Risk	401.31	401.31
Credit impaired	-	253.50
	<b>422.62</b>	<b>676.41</b>
Less : Allowance for bad and doubtful debts	(200.66)	(454.16)
<b>Total</b>	<b>221.96</b>	<b>222.26</b>

**Trade receivables ageing schedule as at 31 March, 2024**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 -2 years	2-3 years	More than 3 years	Total
<u>Considered good</u>						
(i) Undisputed Trade receivables	20.15	0.04	0.87	-	0.25	21.31
(ii) Disputed Trade receivables	-	-	-	-	-	-
<u>Considered doubtful</u>						
(iii) Undisputed Trade Receivables	-	-	-	-	401.31	401.31
(iv) Disputed Trade Receivables	-	-	-	-	-	-
<b>Total</b>	<b>20.15</b>	<b>0.04</b>	<b>0.87</b>	<b>-</b>	<b>401.56</b>	<b>422.62</b>

**Trade receivables ageing schedule as at 31 March, 2023**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 -2 years	2-3 years	More than 3 years	Total
<u>Considered good</u>						
(i) Undisputed Trade receivables	17.74	0.39	2.00	0.71	0.76	21.60
(ii) Disputed Trade receivables	-	-	-	-	-	-
<u>Considered doubtful</u>						
(iii) Undisputed Trade Receivables	-	-	-	-	401.31	401.31
(iv) Disputed Trade Receivables	-	-	-	-	253.50	253.50
<b>Total</b>	<b>17.74</b>	<b>0.39</b>	<b>2.00</b>	<b>0.71</b>	<b>655.57</b>	<b>676.41</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

## Note- 5 Loans

Particulars	As at March 31, 2024	As at March 31, 2023
<b><u>At Amortised Cost</u></b>		
<b>Secured, considered good</b>		
Gold Loan	19.37	38.74
Less: Impairment loss allowance	(19.37)	(19.37)
<b>Net</b>	<b>-</b>	<b>19.37</b>
<b>Unsecured, considered good</b>		
Loans to Related Parties	44.55	43.41
Loans to Employee	1.95	4.06
Personal Loans & Consumer Loans Receivables	899.83	331.14
Inter Corporate Deposits	1,942.50	1,710.00
	<b>2,888.83</b>	<b>2,088.61</b>
Less: Impairment loss allowance	(190.13)	(72.27)
<b>Total, Net</b>	<b>2,698.70</b>	<b>2,016.34</b>
<b><u>Credit Impaired</u></b>		
Inter Corporate Deposits	588.50	588.50
Promissory Note Loan	1.88	1.88
Property Loans	0.82	0.82
	<b>591.19</b>	<b>591.19</b>
Less: Impairment loss allowance	(591.19)	(591.19)
<b>Total, Net</b>	<b>-</b>	<b>-</b>
<b>Total Loans, Net</b>	<b>2,698.70</b>	<b>2,035.72</b>
<b>Of the above;</b>		
<b><i>(i) Loans in India</i></b>		
Public Sector	-	-
Others	3,499.40	2,718.55
Less: Impairment loss allowance	(800.70)	(682.83)
	<b>2,698.70</b>	<b>2,035.72</b>
<b><i>(i) Loans outside India</i></b>		
Others	-	-
	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Summary of loans by stage distribution**

Particulars	As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
	0-90 Days	90-180 Days	180 Days or More	
Gross carrying amount	366.64	311.95	2,820.81	3,499.40
Less: Impairment loss allowance	17.10	3.10	780.50	800.70
<b>Net carrying amount</b>	<b>349.54</b>	<b>308.85</b>	<b>2,040.31</b>	<b>2,698.70</b>

Particulars	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
	0-90 Days	90-180 Days	180 Days or More	
Gross carrying amount	125.90	82.83	2,509.82	2,718.55
Less: Impairment loss allowance	0.31	1.64	680.88	682.83
<b>Net carrying amount</b>	<b>125.59</b>	<b>81.19</b>	<b>1,828.94</b>	<b>2,035.72</b>

**Note- 6 Investments**

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Investments, in India</b>		
<b>At cost</b>		
<b>Investment in subsidiaries</b>		
Equity shares	1,559.90	1,409.90
Preference shares	-	-
<b>Net</b>	<b>1,559.90</b>	<b>1,409.90</b>
<b>At fair value through other comprehensive income</b>		
(i) In equity instruments		
Equity shares	1.73	10.70
Add: Fair value gain/(losses)	(1.54)	0.32
	<b>0.19</b>	<b>11.02</b>
(ii) In equity instruments (Un Quoted)		
Equity shares	0.11	0.11
Add: Fair value gain/(losses)	-	-
	<b>0.11</b>	<b>0.11</b>
<b>At fair value through profit or loss</b>		
(i) In mutual funds	1.39	1.30
(ii) In Government securities	0.54	0.19
Add: Fair value gain/(losses)	0.27	0.08
	<b>2.20</b>	<b>1.57</b>
<b>Total Investment, Net</b>	<b>1,562.40</b>	<b>1,422.59</b>





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

Particulars	As at 31st March 2024		As at 31st March 2023	
	Units	Amount	Units	Amount
<b>Mutual Funds</b>				
UTI - Liquid Cash Plan - Daily Dividend	1.14	0.01	1.04	0.03
UTI - Floating Rate Fund-STP-Direct Growth Plan	3.86	0.16	3.86	0.15
HDFC Liquid Fund- Growth	25.93	1.22	25.93	1.12
<b>Sub total (i)</b>	<b>30.93</b>	<b>1.39</b>	<b>30.83</b>	<b>1.30</b>
<b>Government Securities</b>				
National Savings Certificate VIII issue	1.00	0.05	1.00	0.05
UTI Master Share	1,000.00	0.49	1,000.00	0.22
<b>Sub total (ii)</b>	<b>1,001.00</b>	<b>0.54</b>	<b>1,001.00</b>	<b>0.27</b>
<b>Equity Instruments</b>				
<b>Subsidiaries</b>				
Vertex Securities Limited	39,253,950	1,408.90	39,253,950	1,408.90
Vertex Commodities & FinPro Pvt. Ltd.	1,500,000	150.00	-	-
Transwarranty Capital Market Services Pvt. Ltd.	50,000	1.00	50,000	1.00
	<b>40,803,950</b>	<b>1,559.90</b>	<b>39,303,950</b>	<b>1,409.90</b>
<b>Others, Quoted</b>				
South Indian Bank (Right Share)	-	-	10	0.00
NEPC India Ltd.	2,000	-	2,000	-
Shree Rama Newsprints Ltd	1,250	0.19	1,250	0.14
CSB Limited	-	-	700	1.72
Anil Products Ltd	39	-	39	-
Castrol India Ltd	-	-	1,000	1.11
IDFC First Bank	-	-	2,000	1.10
NHPC Limited	-	-	5,000	2.01
Kitex Garments	-	-	2,000	4.94
	<b>3,289</b>	<b>0.19</b>	<b>13,999</b>	<b>11.02</b>
<b>Others, Unquoted</b>				
Saraswat Co. Op.Bank	1,000	0.10	1,000	0.10
Regent Chamber Co.Op. Housing Society	10	0.01	10	0.01
	<b>1,010</b>	<b>0.11</b>	<b>1,010</b>	<b>0.11</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Note- 7 Other Financial assets**

Particulars	As at 31st March 2024	As at 31st March 2023
Security Deposits	29.04	28.04
Advance Lease rental	0.03	0.03
Interest Accrued on ICDs	17.51	58.20
Interest Accrued on Other loans	9.37	13.59
Interest Receivable on Fixed Deposit	1.48	-
Receivable from Payment Gateway	6.17	0.71
Un Billed Revenue	270.45	-
TFL-TCCPL and TFCPL Merger Scheme Trust	757.63	757.63
<b>Total</b>	<b>1,091.68</b>	<b>858.18</b>

**Note- 8 Current tax assets (Net)**

Particulars	As at 31st March 2024	As at 31st March 2023
Income Tax (Net of Provisions)	139.72	102.45
<b>Total</b>	<b>139.72</b>	<b>102.45</b>

**Note- 9 Deferred tax Assets (Net)**

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred tax Assets	213.53	213.53
<b>Total</b>	<b>213.53</b>	<b>213.53</b>

**Deferred tax assets recorded in Balance Sheet**

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Deferred tax assets</b>		
Depreciation on property, plant and equipment	9.39	9.39
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	204.14	204.14
Present value of security deposit	0.07	0.07
Remeasurement of employee benefit	1.40	1.40
Effective Interest Rate (EIR) on financial instruments	1.26	1.26
<b>Gross deferred tax assets</b>	<b>216.26</b>	<b>216.26</b>
<b>Deferred tax liabilities</b>		
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	0.14	0.14
Effective Interest Rate (EIR) on financial instruments	1.52	1.52
Remeasurement of employee benefit	-	-
Present value of security deposit	1.07	1.07
<b>Gross deferred tax liabilities</b>	<b>2.73</b>	<b>2.73</b>
<b>Deferred tax assets/(liabilities), net</b>	<b>213.53</b>	<b>213.53</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

## Note- 10 Property, plant and equipment

Particulars	Furniture	Computers	Office Equipments	Vehicles	Office Premises No. 403 *	Office Premises No. 405 **	Residential Premises	Land	Total
<b>Gross Block</b>									
At April 1, 2022	59.34	15.68	34.98	38.72	478.88	486.57	2.34	30.86	1,147.37
Additions	-	2.33	0.25	-	-	-	-	-	2.58
Disposals	-	-	-	-	-	-	2.34	-	2.34
At March 31, 2023	59.34	18.01	35.23	38.72	478.88	486.57	-	30.86	1,147.60
At April 1, 2023	59.34	18.01	35.23	38.72	478.88	486.57	-	30.86	1,147.60
Additions	-	2.61	1.54	-	10.30	-	-	-	14.45
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2024	59.34	20.62	36.77	38.72	489.18	486.57	-	30.86	1,162.05
<b>Accumulated Depreciation</b>									
At April 1, 2022	54.88	14.61	34.47	38.72	70.27	119.62	1.22	-	333.79
Charge for the year	1.62	1.27	0.11	-	10.22	8.38	0.02	-	21.61
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	1.24	-	1.24
At March 31, 2023	56.50	15.87	34.58	38.72	80.49	128.00	-	-	354.16
Charge for the year	1.62	1.29	0.10	-	10.27	8.40	-	-	21.68
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2024	58.12	17.16	34.68	38.72	90.75	136.39	-	-	375.84
<b>Net block</b>									
At March 31, 2023	2.84	2.13	0.65	-	398.39	358.58	-	30.86	793.44
At March 31, 2024	1.22	3.46	2.08	-	398.42	350.18	-	30.86	786.21

\*Carrying amount of Office Premises No. 403 has been hypothicated as a security by the Company against the overdraft facility taken by Vertex Securities Limited (subsidiary company)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

## Note- 11 Intangible assets

Particulars	Goodwill	Software	Total
<b>Gross Block</b>			
At April 1, 2022	4.00	34.64	38.64
Additions	-	-	-
Disposals	-	-	-
<b>At March 31, 2023</b>	<b>4.00</b>	<b>34.64</b>	<b>38.64</b>
At April 1, 2023	4.00	34.64	38.64
Additions	-	-	-
Disposals	-	-	-
<b>At March 31, 2024</b>	<b>4.00</b>	<b>34.64</b>	<b>38.64</b>
<b>Accumulated Amortization</b>			
At April 1, 2022	-	34.52	34.52
Charge for the year	-	0.07	0.07
Disposals	-	-	-
<b>At March 31, 2023</b>	<b>-</b>	<b>34.58</b>	<b>34.58</b>
Charge for the year	-	0.03	0.03
Disposals	-	-	-
<b>At March 31, 2024</b>	<b>-</b>	<b>34.61</b>	<b>34.61</b>
<b>Net block</b>			
At March 31, 2023	4.00	0.06	4.06
At March 31, 2024	4.00	0.03	4.03

## Note- 12 Other non-financial assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital Advances	407.75	407.75
MAT Credit Entitlement	13.39	13.39
Prepaid Expense	1.48	2.62
Gratuity	-	2.80
Cenvat Credit- GST	4.60	11.70
<b>Total</b>	<b>427.22</b>	<b>438.27</b>

## Note-13 Trade Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) total outstanding dues of micro enterprises and small enterprises	2.54	4.63
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	109.85	43.59
<b>Total</b>	<b>112.39</b>	<b>48.22</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

## Note- 14 Other Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4.85	4.85
<b>Total</b>	<b>4.85</b>	<b>4.85</b>

## Trade payables ageing schedule as at 31 March, 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
(i) Trade payable	55.16	55.52	1.71	-	112.39
(ii) Others - undisputed	-	-	-	4.85	4.85
<b>Total</b>	<b>55.16</b>	<b>55.52</b>	<b>1.71</b>	<b>4.85</b>	<b>117.24</b>

## Trade payables ageing schedule as at 31 March, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
(i) Trade payable	36.70	10.48	2.14	0.90	48.22
(ii) Others - undisputed	-	-	-	4.85	4.85
<b>Total</b>	<b>36.70</b>	<b>10.48</b>	<b>2.14</b>	<b>5.75</b>	<b>53.07</b>

## Note- 15 Debt Securities

Particulars	As at 31stMarch 2024	As at 31stMarch 2023
<b>Debt Securities, in India</b>		
<b>At Amortised Cost</b>		
<b>Secured #</b>		
Privately placed redeemable non-convertible debentures (Refer note A)	238.00	311.00
Less: Amortization of finance cost	(5.00)	(5.23)
<b>Total, Net</b>	<b>233.00</b>	<b>305.77</b>
<b>Unsecured</b>		
Privately placed redeemable non-convertible debentures	238.00	83.00
Less: Amortization of finance cost	(1.26)	(1.26)
<b>Total, Net</b>	<b>236.74</b>	<b>81.74</b>
<b>Total Debt Securities</b>	<b>469.74</b>	<b>387.51</b>

# Note A: Secured by way of first ranking pari passu charge with the existing secured creditors on the movable assets of the company to the extent of 100% of the amount of outstanding NCDs and interest thereon.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

## Terms of repayment of non-convertible debentures (NCDs)

Maturity Period	As at 31st March 2024		As at 31st March 2023	
	Interest Range	Amount	Interest Range	Amount
<b>A) Secured</b>				
Maturity between 3 to 5 years	11.25% - 11.50%	10.00	11.25% - 11.75%	97.00
Maturity between 1 to 3 years	11.25% - 11.50%	141.00	11.25% - 11.50%	170.00
Maturity within 1 year	11.25% - 11.50%	87.00	11% - 11.25%	44.00
<b>Total at face value</b>		<b>238.00</b>		<b>311.00</b>
Less: Unamortised finance cost		(5.00)		(5.23)
<b>Total amortised cost</b>		<b>233.00</b>		<b>305.77</b>
<b>B) Unsecured</b>				
Maturity between 3 to 5 years	11.50% - 12%	22.00	11.25% - 11.75%	7.00
Maturity between 1 to 3 years	11.50% - 12%	42.00	11.25% - 11.50%	56.00
Maturity within 1 year	11.50%	174.00	11.00%	20.00
<b>Total at face value</b>		<b>238.00</b>		<b>83.00</b>
Less: Unamortised finance cost		(1.26)		(1.26)
<b>Total amortised cost</b>		<b>236.74</b>		<b>81.74</b>

## Note- 16 Borrowings (Other than Debt Securities)

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Borrowings, in India</b>		
<b>At Amortised Cost</b>		
<b><u>Secured</u></b>		
<b>Loans repayable on demand</b>		
Overdraft Facility from banks 1	444.74	423.22
Loan from Life Insurance Corporation 2	83.55	83.54
<b>Total, Net</b>	<b>528.29</b>	<b>506.76</b>
<b><u>Unsecured</u></b>		
Inter corporate Deposits	1,895.68	2,138.29
Loans from related parties	796.60	70.00
<b>Total, Net</b>	<b>2,692.28</b>	<b>2,208.29</b>
<b>Total Debt Securities</b>	<b>3,220.57</b>	<b>2,715.05</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

## Terms of repayment:

Particulars	As at 31st March 2024		As at 31st March 2023	
	Interest Range	Amount	Interest Range	Amount
<b>Secured</b>				
<b>A) Demand Loans, overdraft facility</b>				
Maturity within 1 year	16% - 19%	444.74	16% - 19%	423.22
<b>B) Term Loans</b>				
Maturity between 3 to 5 years	10.50%	83.55	10.50%	83.54
<b>Total amortised cost</b>		<b>528.28</b>		<b>506.76</b>
<b>Unsecured</b>				
<b>C) Inter corporate deposits</b>				
Maturity within 1 year	9.00% to 12.50%	100.00	-	-
Maturity between 1 to 3 years	9.00% to 12.50%	1,795.68	9.00% to 12.50%	2,138.29
<b>D) Loans from related parties</b>				
Maturity between 3 to 5 years	15.00%	796.60	15.00%	70.00
<b>Total amortised cost</b>		<b>2,592.28</b>		<b>2,208.29</b>

- 1) Overdraft from The CSB Bank Limited is Working Capital Facility for lending in Business Loan / Consumer Loan, Personal Loans and Loans under digital platform. The credit facility is secured by first pari passu charge on movable assets and personal guarantee of the Managing Director.

Tenure of the credit facility is for 12 months and repayable on demand. This shall be renewed before the expiry of the sanctioned period of one year.

- 2) Overdraft From South Indian bank has been closed during the current Financial Year.
- 3) Credit Facility from Life Insurance Corporation is against Key-man Insurance Policy. Repayable at the time of maturity of the policy i.e. by F.Y. 2026-27.

## Note-17 Other Financial Liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Interest Accrued	58.80	62.40
<b>Total</b>	<b>58.80</b>	<b>62.40</b>

## Note- 18 Provisions

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Provision for employee benefits</b>		
Gratuity	1.03	-
Compensated absences	12.29	9.30
<b>Total</b>	<b>13.32</b>	<b>9.30</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Note- 19 Other Non-Financial Liabilities**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory Dues	15.07	17.88
Others	-	28.27
<b>Total</b>	<b>15.07</b>	<b>46.15</b>

**Note- 20 Equity Share Capital**

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Authorised</b>		
51,000,000 Equity Shares of Rs.10/- each	5,100.00	5,100.00
	<b>5,100.00</b>	<b>5,100.00</b>
<b>Issued, Subscribed and Paid Up</b>		
48,874,537 Equity Shares of Rs.10/- each	4,887.45	4,826.30
(P.Y. 48,263,034 Equity Shares of Rs.10/- each)	-	19.74
658,106 Equity Shares of Rs.3/- each Partly paid up		
Add:- Share Forfeiture Account	1.40	-
(46,599 Equity Shares of Rs.3/- each)		
<b>Total</b>	<b>4,888.85</b>	<b>4,846.05</b>

**Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	Numbers	Amount
As at 1 April 2022	24,460,568	2,446.06
Equity share capital issued, subscribed and fully paid up @Rs.10/-	23,802,466	2,380.25
Equity Shares partly paid up @Rs.3 each	658,102	19.74
<b>As at 31st March 2023</b>	<b>48,263,034</b>	<b>4,846.05</b>
As at 1 April 2023		
Equity share capital issued, subscribed and fully paid up	48,263,034	4,826.30
Add:- Additions	611,503	61.15
Equity share capital issued, subscribed and fully paid up	48,874,537	4,887.45
		-
<b>As at 31st March 2024</b>	<b>48,874,537</b>	<b>4,887.45</b>

**Terms/rights/restrictions attached to equity shares**

The company has only one class of Equity share having a Par Value of Rs.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 ensuing 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Details of shareholders holding more than 5% shares in the Company**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Numbers	Amount	Numbers	Amount
Kumar Nair	29,556,148	60.47%	12,708,694	26.00%
TFL-TCCPL and TFCPL Merger Trust	5,225,000	10.69%	5,225,000	10.69%
<b>Total</b>	<b>34,781,148</b>	<b>71.16%</b>	<b>17,933,694</b>	<b>36.69%</b>

**Note- 21 Other Equity**

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(I) Retained Earnings</b>		
Balance at the beginning of the year (a)	(2,008.97)	(1,139.18)
Profit/(Loss) for the year (b)	35.10	(870.09)
Transfer to Reserves under 45 IC	(7.02)	-
Other Comprehensive income (c)	(2.71)	0.30
<b>Balance at the end of the year (a+b+c)</b>	<b>(1,983.60)</b>	<b>(2,008.97)</b>
<b>(II) Other Comprehensive Income - fair value on equity instruments</b>		
Balance at the beginning of the year (a)	0.94	0.94
Gain / (Loss) on fair valuation on equity instruments (b)	0.28	-
<b>Balance at the end of the year (a+b)</b>	<b>1.22</b>	<b>0.94</b>
<b>(II) Other Reserves</b>		
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	341.40	<b>341.40</b>
Add: Transferred during the year	7.02	-
<b>Balance as at the end of the year</b>	<b>348.42</b>	<b>341.40</b>
<b>(III) General Reserve</b>		
Balance as at the beginning of the year	104.11	104.11
Add:- Received during the year	-	-
<b>Balance at the end of the year</b>	<b>104.11</b>	<b>104.11</b>
<b>Total</b>	<b>(1,529.86)</b>	<b>(1,562.53)</b>

**Nature and purpose of other equity****(i) Retained earnings**

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

**(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934**

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve and a sum not less than twenty per cent of its net profit every year is transferred each year.

**(iii) General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Note- 22. Interest Income**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
At Amortised Cost		
- On Loans	145.37	154.69
- On Fixed Deposits	7.98	1.73
- On Inter Corporate Deposits	224.42	113.34
<b>Total</b>	<b>377.77</b>	<b>269.77</b>

**Note- 23. Fees and Commission Income**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Trade Finance Income	93.40	59.52
Processing Fees & Other Charges	75.01	48.94
Insurance Commission	0.01	0.07
Professional Charges	44.94	5.50
<b>Total</b>	<b>213.36</b>	<b>114.03</b>

**Note- 24. Other Income**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Profit on Share Trading	5.33	-
Dividend Income	0.18	0.18
Miscellaneous Income	1.05	1.21
Provision Reversal	253.50	-
Profit on Sale of Assets	-	1.63
<b>Total</b>	<b>260.07</b>	<b>3.02</b>

**Note- 25. Finance costs**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Interest on borrowings	402.08	450.13
Other Financial Charges	12.02	10.14
<b>Total</b>	<b>414.11</b>	<b>460.27</b>

**Note- 26. Employee benefits expense**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Employees emoluments	165.26	131.79
Contribution to provident fund and Other Funds	5.51	4.48
Staff welfare expenses	2.35	1.52
<b>Total</b>	<b>173.12</b>	<b>137.79</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Note- 27. Depreciation and amortization expense**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Depreciation and amortization (refer note 3 & note 4)	21.71	21.67
<b>Total</b>	<b>21.71</b>	<b>21.67</b>

**Note- 28. Other expenses**

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Rent	1.53	2.57
Rates & Taxes	6.94	34.19
Repairs and maintenance	0.90	0.90
Computer & Technology Expense	13.62	9.88
Listing Expense	5.85	5.60
Annual Custody Fees	1.50	1.50
Credit Verification Charges	7.74	2.98
Brokerage and Commission	17.82	8.59
Legal and Professional charges	43.55	16.66
Society Charges	11.63	19.61
Travelling Expense	12.37	9.72
Communication Cost	1.51	1.86
Printing and stationery	1.08	1.22
Advertisement and publicity	9.04	6.16
Director's fees, allowances and expenses	4.94	3.84
Auditor's fees and expenses	2.94	2.57
Insurance	3.47	3.93
Electricity Charges	1.66	1.53
Provision for Impairment/Credit Losses (net) *	2.25	396.80
Sundry Balances Written Off	4.88	2.79
Provisions For Standard Assets	1.00	-
Provision For Quoted Investments	1.86	1.01
Right Issue Expenses	3.14	50.08
Marketing Support Expenses	37.83	27.01
Loss on Sale of Preference Shares	-	22.76
Donation	0.60	-
Other Expenses	7.51	3.41
<b>Total</b>	<b>207.17</b>	<b>637.18</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

<b>Payment to auditors (excluding taxes)</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
For Statutory audit	1.70	1.70
For taxation matters	-	-
Other Services	1.24	0.87
<b>Total</b>	<b>2.94</b>	<b>2.57</b>

<b>Provision For Impirement</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
ECL provisions For above 150 Days	106.05	396.80
Less:- ECL Provision Reversal	103.80	-
<b>Total</b>	<b>2.25</b>	<b>396.80</b>

**Note- 29 Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
(A) Net profit attributable to equity shareholders	32.66	(869.79)
(B) Weighted average number of equity shares for basic and diluted earnings per share	4,89,96,285	4,86,44,877
Basic earning price per share (Rs) (A/B)	0.07	(1.79)
Diluted earning price per share (Rs) (A/B)	0.07	(1.79)

**Note- 30 Segment Information**

Disclosure under Indian Accounting Standard 108 - 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounting to 10% or more of the Company's total revenue for the year ended March 31, 2024 or 31 March 31, 2023.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

## Note- 31 Revenue from contract with customers

Particulars	For the year ended	
	31st March 2024	31st March 2023
<b>Type of Service</b>		
Trade Finance Income	93.40	59.52
Processing Fees & Other Charges	75.01	48.94
Insurance Commission	0.01	0.07
Professional Charges	44.94	5.50
<b>Total</b>	<b>213.36</b>	<b>114.03</b>
<b>Geographical market</b>		
India	213.36	114.03
Outside India	-	-
<b>Total</b>	<b>213.36</b>	<b>114.03</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	213.36	114.03
Services transferred over time	-	-
<b>Total</b>	<b>213.36</b>	<b>114.03</b>

## Contract Balances

Particulars	For the year ended	
	31st March 2024	31st March 2023
Gross Trade receivables ( refer note 4)	422.62	676.41

## Note- 32 Employee benefits plan

## Defined benefit plans

## (A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below:

Particulars	As at	
	31st March, 2024	31st March, 2023
Defined benefit obligation as at the opening of the year	32.81	29.53
Current service cost	1.91	1.63
Interest on defined benefit obligation	1.77	1.54
Remeasurements due to:	-	-
Actuarial loss/(gain) arising from change in financial assumptions	1.59	(0.08)
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	0.73	0.17
Benefits paid	-	-
Liabilities assumed/(settled)	-	-
<b>Defined benefit obligation as at the end of the year</b>	<b>38.80</b>	<b>32.81</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Movement in Plan Assets**

Particulars	As at	
	31st March, 2024	31st March, 2023
Fair value of plan asset as at the beginning of the year	35.61	27.04
Adjustment to opening Fair Value of Plan Asset		
Employer contributions	-	6.26
Interest on plan assets	2.55	1.92
Remeasurements due to:	-	-
Actual return on plan assets less interest on plan assets	(0.39)	0.40
Benefits paid	-	-
Assets acquired/(settled)	-	-
	<b>36.77</b>	<b>35.61</b>

**Reconciliation of net liability/asset**

Particulars	As at	
	31st March, 2024	31st March, 2023
Net defined benefit liability/(asset) as at the beginning of the year	(2.80)	2.50
Adjustment to opening balance	-	-
Expense charged to Statement of Profit and Loss	1.12	1.26
Amount recognised in other comprehensive income	2.71	(0.30)
Contributions Paid	-	(6.26)
Net defined benefit liability/(asset) as at the end of the year	<b>1.03</b>	<b>(2.80)</b>

**Expenses Charged to the Statement of Profit and Loss**

Particulars	As at	
	31st March, 2024	31st March, 2023
Current service Cost	1.91	1.63
Net Interest Cost	(0.79)	(0.38)
<b>Total</b>	<b>1.12</b>	<b>1.26</b>

**Remeasurement (gains)/losses in other comprehensive income**

Particulars	As at	
	31st March, 2024	31st March, 2023
Opening amount recognised in other comprehensive income	-	-
Changes in financial assumptions	1.59	(0.08)
Changes in demographic assumptions	-	-
Experience adjustments	0.73	0.17
Actual return on plan assets less interest on plan assets	0.39	(0.40)
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised outside profit or loss in other comprehensive income	2.71	(0.30)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

## Amount recognised in Balance Sheet

Particulars	As At	
	31st March, 2024	31st March, 2023
Present value of funded defined benefit obligation	38.80	32.81
Fair value of plan assets	36.77	35.61
Net funded obligation	(2.03)	2.80
Amount not recognised due to asset limit	-	-
Net defined benefit liability/(assets) recognised in Balance Sheet	(2.03)	2.80

## Key actuarial assumptions

Particulars	As At	
	31st March, 2024	31st March, 2023
Discount rate (p.a.)	6.97%	7.17%
Salary escalation rate (p.a.)	4.00%	3.00%
<b>Category of plan assets</b>		
Insurer managed funds	100%	100%

## Expected Payout:

Particulars	31st March, 2024	31st March, 2023
<b>PVO Payout</b>		
Expected Outgo First	17.06	16.30
Expected Outgo Second	1.52	1.25
Expected Outgo Third	1.51	1.24
Expected Outgo Fourth	1.51	1.25
Expected Outgo Fifth	1.51	1.20
Expected Outgo Sixth to Tenth Years	19.25	14.95

## Sensitivity analysis for significant assumptions is as shown below

Particulars	31st March, 2024	31st March, 2023
Impact of increase in 100 bps on discount rate	37.46	31.77
Impact of decrease in 100 bps on discount rate	40.28	33.95
Impact of increase in 100 bps on salary escalation rate	40.26	33.95
Impact of decrease in 100 bps on salary escalation rate	37.46	31.76

## (B) Compensated Absence

## Movement in defined benefit obligations

Particulars	As At	
	31st March, 2024	31st March, 2023
Defined benefit obligations as the beginning of the year	9.30	9.21
Current service cost	0.90	1.03
Interest on defined benefit obligation	0.52	0.49
Remeasurement due to:	-	-
Actuarial loss/(gain) arising from change in financial assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	2.92	(1.43)
Actuarial loss/(gain) arising on due to Demographic Assumption	-	-
Employees contribution	-	-
Benefits paid	(1.35)	-
<b>Defined benefit obligation as at the end of the year</b>	<b>12.29</b>	<b>9.30</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

**Movement in plan assets**

Particulars	As at	
	31st March, 2024	31st March, 2023
Fair value of plan asset as at the beginning of the year		
Interest on plan assets	-	-
Remeasurements due to:	-	-
Actual return on plan assets less interest on plan assets	-	-
Employer contribution	1.35	-
Employees contribution	-	-
Benefits paid	(1.35)	-
<b>Fair value of plan asset as at the end of the year</b>	<b>-</b>	<b>-</b>

**Reconciliation of net liability/asset**

Particulars	As at	
	31st March, 2024	31st March, 2023
Net defined benefit liability/(asset) as at the beginning of the year	0.00	9.21
Expense charged to Statement of Profit and Loss	4.34	0.10
Employer contributions	(1.35)	-
Net defined benefit liability/(asset) as at the end of the year	2.98	9.30

**Expenses charged to the Statement of Profit and Loss**

Particulars	As at	
	31st March, 2024	31st March, 2023
Current service Cost	0.90	1.03
Interest Cost	0.52	0.49
Actuarial (Gain)/ Loss recognized for the period	2.92	(1.43)
<b>Total</b>	<b>4.34</b>	<b>0.10</b>

**Remeasurement (gains)/losses in other comprehensive income**

Particulars	As at	
	31st March, 2024	31st March, 2023
Opening amount recognised in other comprehensive income	-	-
Experience adjustments	-	-
Actual return on plan assets less interest on plan assets	-	-
Closing amount recognised outside profit or loss in other comprehensive income	-	-

**Amount recognised in Balance Sheet**

Particulars	As At	
	31st March, 2024	31st March, 2023
Present value of funded defined benefit obligation	12.29	9.30
Fair value of plan assets	-	-
Net funded obligation	12.29	9.30
Amount not recognised due to asset limit	-	-
Net defined benefit liability recognised in Balance Sheet	12.29	9.30





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Key actuarial assumptions**

Particulars	As At	
	31st March, 2024	31st March, 2023
Discount rate (p.a.)	6.97%	7.10%
Rate of increase in compensation	3.00%	3.00%

**Expected Payout:**

Year	As At	
	31st March, 2024	31st March, 2023
Expected Outgo First	3.26	4.19
Expected Outgo Second	0.53	0.38
Expected Outgo Third	0.54	0.37
Expected Outgo Fourth	0.55	0.36
Expected Outgo Fifth	0.56	0.36
Expected Outgo Sixth to Tenth Years	5.60	3.78

**Sensitivity analysis for significant assumptions is as shown below**

Particulars	31st March, 2023	31st March, 2022
Impact of increase in 100 bps on discount rate	11.49	8.92
Impact of decrease in 100 bps on discount rate	13.21	9.74
Impact of increase in 100 bps on salary escalation rate	13.18	9.73
Impact of decrease in 100 bps on salary escalation rate	11.51	8.92

**Note- 33 Contingent liabilities and commitments**

A) Contingent liabilities	As At	
	31st March, 2024	31st March, 2023
<b>Claims against the Company not acknowledged as debts :-</b>		
a. Tax demand in respect of:-		
Income Tax order for AY 2018-19	1.08	1.08
Income Tax order for AY 2017-18	379.43	379.43
	<b>380.51</b>	<b>380.51</b>

B) Capital and other commitments	As At	
	31st March, 2023	31st March, 2022
(i) Other commitments – towards partially disbursed/un-encashed loans		
Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary Vertex Securities Limited for OD Facilities	350.00	350.00

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**(C) Lease commitments**

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 in nature. Lease payments recognized in the Statement of Profit and Loss as 'Rent' under Note No. 28 is Rs. 1.53 /- lakhs (P.Y. Rs. 2,57/- lakhs ). Future minimum lease rent payable are as follows:

Particulars	As At	
	31st March, 2024	31st March, 2023
<b>Minimum lease obligations:</b>		
Not later than one year	1.52	1.52
Later than one year but not later than five years	1.92	1.71
Later than five years	-	-

**Note- 34 (a) Analytical Ratios**

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Tier-I Capital	1,851.13	1,955.02
Tier-II Capital (To the extent aggregate does not exceed Tier I Capital)	2,408.82	1,955.02
Total Capital	4,259.96	3,910.04
Total Risk Weighted Assets	5,073.41	4,245.71
CRAR(%)	36.49%	46.05%

**b) Financial Ratios**

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
Current Ratio	1.34	1.15
Return on Equity	0.01	(0.18)
Debt Equity Ratio	0.75	0.64
Debt Service Coverage Ratio	0.77	0.68
Interest Service Coverage Ratio	1.17	-0.86



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Note- 35 Related Parties Disclosure**

**(a) Names of related party and related party relationship:**

Relationship	Name of Related Party
<b>(i) Related parties where control exists</b>	
Subsidiary company	Vertex Securities Limited (VSL)
Subsidiary company	Vertex Commodities and Finpro (P) Limited
Subsidiary company	Transwarranty Capital Market Services Private Limited (TCMSPL)
<b>(ii) Key managerial personnel</b>	
Managing Director	Mr. Kumar Nair
Director & Chief Executive officer	Mr. U. Ramachandran
Director	Mr. Sudharsanan Nair
Director	Mr. Pravin Khatau
Director	Mrs. Nirmala Parab
Director	Mr. Shishir Vasant Dalal (Till 29.01.2024)
Director	Mr. Gopalakrishnan Balakrishna (w.e.f 14.02.2024)
Company Secretary	Mr. Suhas Borgaonkar
Relative of Director	Mrs. Leena Nair
Relative of Director	Mrs. Jyoti Ramachandran
Relative of Director	Mr. Rajendran U
Relative of Company Secretary	Mrs. Smita Borgoankar

**(b) Transactions with Related Parties**

Particulars	For the year ended	
	31st March, 2024	31st March, 2023
<b>Vertex Securities Limited (VSL)</b>		
Inter corporate deposit given	100.00	2,386.69
Inter corporate deposit received	100.00	2,386.69
Share Trading Debit	15.54	-
Share Trading Credit	15.26	1.43
Current account debit	0.01	263.92
Current account Credit	0.01	263.92
Interest paid on ICD	-	24.29
Interest Received on ICD	2.10	-
Professional Charges Received	22.05	-
Insurance Commission Received	0.01	-
Brokerage and Other Charges Paid on Share Trading	-	0.17
VCFPL Equity Shares Bought from VSL	150.00	-
<b>Vertex Commodities &amp; Finpro Private Limited (VCFPL)</b>		
Inter corporate deposit received	406.50	-
Inter corporate deposit given	65.00	-
Interest paid on ICD	8.47	-
Insurance Commission Received	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

<b>Transwarranty Capital Market Services Private Limited (TCMSPL)</b>		
Inter corporate deposit given	-	5.40
Inter corporate deposit Received	-	1.84
Current account debit	7.10	0.01
Current account Credit	0.19	-
<b>Kumar Nair</b>		
Salary and Other Allowances	0.30	1.20
Loan Received	455.10	404.00
Loan Paid	385.10	90.00
Loan Amount adjusted against 1st call of Right Issue	-	370.20
<b>Ramachandran U.</b>		
Interest paid on Loan	-	0.68
<b>Mr. Sudharsanan Nair</b>		
Sitting Fees Paid	1.86	1.00
<b>Mr. Pravin Khatau</b>		
Sitting Fees Paid	0.60	0.60
<b>Mrs. Nirmala Parab</b>		
Sitting Fees Paid	2.08	1.44
<b>Mr. Shishir Vasant Dalal (Till 29.01.2024)</b>		
Sitting Fees Paid	-	0.80
<b>Mr. Gopalakrishnan Balakrishna (w.e.f 14.02.2024)</b>		
Sitting Fees Paid	0.40	-
<b>Mrs. Jyoti Ramachandran</b>		
Interest paid on Non Convertible Debentures	1.25	1.20
Redemption amount paid - Non Convertible Debentures	10.00	-
Investment in Non Convertible Debentures	10.00	-
<b>Mr. Rajendran U</b>		
Investment in Non Convertible Debentures	5.00	10.00
Redemption amount paid - Non Convertible Debentures	5.00	-
Interest paid on Non Convertible Debentures	1.39	1.54
<b>Mrs. Smita Borgaonkar</b>		
Redemption amount paid - Non Convertible Debentures	2.00	9.00
Interest paid on Non Convertible Debentures	1.26	0.72



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

## (c) Balances as at the end of the year

Particulars	As at	
	31st March, 2024	31st March, 2023
<b>Transwarranty Capital Market Services Private Limited (TCMSPL)</b>		
Inter corporate deposit	5.78	5.78
Current account debit	13.20	6.29
	-	-
<b>Vertex Securities Limited (VSL)</b>		
Share Trading Account	-	0.27
	-	-
<b>Vertex Commodities and Finpro Private Limited (VCFPL)</b>		
Inter Corporate Deposit	341.50	-
	-	-
<b>Kumar Nair</b>		
Loan repayable	455.10	70.00
Interest payable	-	2.55

## Note- 36 Risk management

## A) Liquidity and funding risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also has Inter corporate deposits line available from holding company & fellow subsidiary companies within its group to meet any short term fund requirements.

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>Financial Assets</b>						
Cash and cash equivalents	108.28	-	108.28	466.50	-	466.50
Trade receivables	20.54	201.41	221.96	20.02	202.24	222.26
Loans	813.66	1,885.04	2,698.70	258.57	1,776.85	2,035.42
Investments	152.50	1,409.90	1,562.40	-	1,422.59	1,422.59
Other financial assets	77.95	1,013.73	1,091.68	77.69	782.59	860.28
<b>Total</b>	<b>1,172.94</b>	<b>4,510.09</b>	<b>5,683.03</b>	<b>822.78</b>	<b>4,184.27</b>	<b>5,007.05</b>
<b>Non-financial assets</b>						
Current tax assets (net)	139.72	-	139.72	102.45	-	102.45
Deferred tax assets (net)	-	213.53	213.53	-	213.53	213.53
Property, plant and equipment	-	786.21	786.21	-	793.44	793.44

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(Amount in Rs. in lakhs)

Goodwill	-	4.00	4.00	-	4.00	4.00
Other intangible assets	-	0.03	0.03	-	0.06	0.06
Other non-financial assets	19.47	407.75	427.22	28.42	407.75	436.17
<b>Total</b>	<b>159.18</b>	<b>1,411.52</b>	<b>1,570.70</b>	<b>130.87</b>	<b>1,418.78</b>	<b>1,549.65</b>
<b>Financial Liabilities</b>						
Trade payables	112.39	-	112.39	48.21	-	48.21
Other payables	-	4.85	4.85	4.85	-	4.85
Debt Securities	261.00	208.74	469.74	44.00	343.51	387.51
Borrowings (other than debt securities)	544.74	2,675.84	3,220.57	423.22	2,291.83	2,715.05
Other financial liabilities	58.80	-	58.80	62.40	-	62.40
<b>Total</b>	<b>976.93</b>	<b>2,889.43</b>	<b>3,866.35</b>	<b>582.69</b>	<b>2,635.34</b>	<b>3,218.03</b>
<b>Non-Financial Liabilities</b>						
Provisions	-	13.32	13.32	-	9.30	9.30
Other non-financial liabilities	15.07	-	15.07	18.15	28.00	46.15
<b>Total</b>	<b>15.07</b>	<b>13.32</b>	<b>28.39</b>	<b>18.15</b>	<b>37.30</b>	<b>55.45</b>

**B) Market risk**

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

**C) Interest rate risk**

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day to- day operations. Further, certain interest bearing liabilities carry variable interest rates.

The sensitivity analyses below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

Average Exposure to interest rate risk	For the year ended	
	31 March 2024	31 March 2023
Particulars		
Floating rate borrowings	444.74	423.22

A change of 50bps in interest rates would have following impact on profit before tax	For the year ended	
	31 March 2024	31 March 2023
Particulars		
Interest rates - increase by 50 basis point (50 bps)	(2.22)	(2.12)
Interest rates - decrease by 50 basis point (50 bps)	2.22	2.12



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**D) Credit risk**

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial/contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of counterparties. Inadequate collateral may also lead to financial losses in the event of default. The company has adopted a policy of dealing with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented in the financial statements.

Since the company is into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis. The Company's major classes of financial assets are cash and cash equivalents, loans, term deposits, trade receivables and security deposits. The nature of loan products across broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk. The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers.

**E) Impairment Assessment**

The Company is mainly engaged in the business of providing, consumer loans and unsecured personal loans to salaries individuals, traders and self-employed. The tenure of the personal loans generally ranges from 9 months to 18 months.

**F) Classification of financial assets under various stages**

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes more than 180 days past due on its contractual payments.

It is company's policy to assess loss allowance calculations ( ECL ) in all cases where borrower becomes 90 days past due on its contractual payment. The Company classifies its financial assets other than trade receivables in three stages having the following characteristics:

**The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:**

Particulars	As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total
Overdue Days	0-90 Days	90-180 Days	180 Days or More	
Gross carrying amount	366.64	311.95	2,820.81	3,499.40
Less: Expected Credit Loss Allowance	17.10	3.10	780.50	800.70
<b>Net carrying amount</b>	<b>349.54</b>	<b>308.85</b>	<b>2,040.31</b>	<b>2,698.70</b>
<b>ECL Coverage ratio</b>	<b>4.66%</b>	<b>0.99%</b>	<b>27.67%</b>	<b>22.88%</b>

Particulars	As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total
Overdue Days	0-90 Days	90-180 Days	180 Days or More	
Gross carrying amount	125.90	82.83	2,509.82	2,718.55
Less: Expected Credit Loss Allowance	0.31	1.64	680.88	682.83
<b>Net carrying amount</b>	<b>125.59</b>	<b>81.19</b>	<b>1,828.94</b>	<b>2,035.71</b>
<b>ECL Coverage ratio</b>	<b>0.25%</b>	<b>1.98%</b>	<b>27.13%</b>	<b>25.12%</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Note- 37 Other Information & Events after reporting date**

During the current year ended 31 March 2024, the Company has earned a net Profit of ₹ 32.66 Lakhs and has an accumulated deficit of ₹ 1983.60 Lakhs. However, based on the projected operations and the Company's marketing efforts, the Company expects to generate adequate surplus in the future and consequently does not foresee any difficulty in settling its liabilities as and when they arise or continue as a going concern.

The company, in addition to its advisory services of Trade Finance, has successfully managed to scale its digital platform for priority sector loans. These online loans are provided to prime customers not having access to mainstream banking products with the objective of furthering financial inclusion and bridging the digital divide. The business has demonstrated significant traction growing from Assets Under Management (AUM) of Rs. 2,016.34 Lakhs as on March 2023 to Rs. 2,698.70 Lakhs as on March 2024. The number of loans disbursed in FY 2024 was 7,529 compared to 15,960 loans in FY 2023.

This online lending platform holds tremendous growth potential. The company is in the process of raising additional debt and equity capital including Rights/Preferential issue etc. for financing the growth opportunity. The financial statements have been prepared on a going concern basis and the assets and liabilities have been recorded in the financial statements on the basis that the Company will be able to realise its assets and discharge its liabilities in the normal course of the business.

**Note- 38 Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement**

Type of Service	01st April 2023	Cash Flows	Changes in fair value	Others	31st March 2024
Debt Securities	331.31	82.23	-	-	413.54
Borrowings other than debt securities	962.93	505.52	-	-	1,468.45
<b>Total liabilities from financing activities</b>	<b>1,294.24</b>	<b>587.75</b>	<b>-</b>	<b>-</b>	<b>1,881.99</b>

Type of Service	01st April 2022	Cash Flows	Changes in fair value	Others	31st March 2024
Debt Securities	376.02	(44.71 )	-	-	331.31
Borrowings other than debt securities	1,503.36	(540.43 )	-	-	962.93
<b>Total liabilities from financing activities</b>	<b>1,879.38</b>	<b>(585.14 )</b>	<b>-</b>	<b>-</b>	<b>1,294.24</b>

**Note- 39 Employee Stock Option Plan**

Pursuant to approval of the members at the Annual General meeting held on 27th September, 2019, the company adopted the "Employees Stock Option Plan 2019 (ESOP 2019)". As per the said plan, the Company granted 24,99,728 equity shares of Rs.10 each on 10th December, 2019.

The vesting period is over five years from the date of grant, commencing after one year from the date of grant.

Excercise period would commence one year from the date of grant, commencing after one year from the date of grant.

The options will be settled in equity shares of the company.

The Exercise price of the Vested Option shall be higher of (a) the market price of the shares or (b) the face value of the share. Consequently no compensation cost has been recognised 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".



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

**Details of movements of options**

Particulars	No of Options	
	31-03-2024	31-03-2023
Options Outstanding at the beginning of the year	6.94	11.01
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	-	.60
Exercised / Lapsed during the year		
Vested during the year	3.47	3.47
<b>Options outstanding at the end of the year</b>	<b>3.47</b>	<b>6.94</b>
Options Exercisable at the end of the year	14.82	11.35

**Note- 40**

During the current year ended 31 March 2024, the Company has earned a net Profit of ₹ 32.66 Lakhs and has an accumulated deficit of ₹ 1983.60 Lakhs.

**Note- 41**

In terms of Letter of Offer dated November 7, 2022, the Company made a Right issue of 2,44,60,568 Partly Paid-Up Equity shares of Face Value of Rs. 10/- each at an issue price of Rs. 10/- on rights basis in the ratio of 1:1 to the existing equity shareholders of the Company as on the record date i.e. November 4, 2022. Accordingly, the Company received an application money of Rs. 3/- per Equity Share and 2,44,60,568 partly paid-up Equity Shares were allotted on December 7, 2022 to the shareholders. Subsequently, the First and Final Call of Rs. 7/- per partly paid-up Equity Share was made on February 20, 2023 against which the Company received Call money in respect of 2,38,02,466 Equity Shares which were converted into Fully Paid Equity Shares on March 15, 2023. The company made first reminder to shareholder in July 2023 in which shareholders of 5,38,895 shares paid the first and final call. Further, The company made Final reminder cum forfeiture notice on November 08, 2023 in which holders of 72608 Equity Shares paid the first and final call. The remaining 46599 Equity shares were forfeited by the company pursuant to resolution passed by the Board of Directors on February 14, 2024.

**Note- 42 Title deeds of the Immovable Property not held in the name of the company**

The company shall provide the details of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company in format given below and where such immovable property is jointly held with others, details are required to be given to the extent of the company's share - NIL

**Note- 43 Ageing wise analysis of Intangible Assets under development**

- Intangible assets under development - **There are no Intangible Assets under Development**
- For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following Intangible assets under development completion schedule shall be given - **NOT APPLICABLE**

**Note- 44 Details of Benami Property held - There are no Benami Property Transactions.**

Where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company shall disclose the following:-

- Details of such property, including year of acquisition,
- Amount thereof,
- Details of Beneficiaries,
- If property is in the books, then reference to the item in the Balance Sheet,
- If property is not in the books, then the fact shall be stated with reasons,

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

(Amount in Rs. in lakhs)

- f. Where there are proceedings against the company under this law as an abetter of the transaction or as the transferor then the details shall be provided,
- g. Nature of proceedings, status of same and company's view on same.

**Note- 45 Capital Work In Progress**

There is no Capital Work in Progress required to be maintained by the company.

**Note- 46 Relationship with Struck off Companies**

The Company does not have any relationship with any of the Struck Off Companies whether under section 248 of the Companies Act or Section 560 of Companies Act, 1956.

**Note- 47 Wilful Defaulter**

The company is not declared as Wilful Defaulter by any Bank or Financial Institution or any other lender.

**Note- 48 Corporate Social Responsibility (CSR)**

The provisions of Corporate Social Responsibility (CSR) are not applicable to the company.

**Note- 49 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY**

The company has not traded or invested in Crypto Currency or Virtual Currency during the Financial Year.

**Note- 50 UNDISCLOSED INCOME**

There are no transactions which are not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Further, there was no unrecorded income and related assets which are required to be recorded in the books of accounts during the year.

**Note- 51 NO OF LAYERS OF COMPANIES**

The company has not made any default on No of layers of companies through which it has invested.

**Note - 52**

Figures have been regrouped and rearranged wherever necessary.

As per our attached report of even date

**For S.S. Khan & Co**

Chartered Accountants

ICAI Firm registration number : FRN: 13334W

**Sarfaraz Khan**

Proprietor

Membership No. 144212

Place: Mumbai

Date : May 02, 2024

For and on Behalf of Board of Directors

**For Transwarranty Finance Limited**

**Kumar Nair**

Managing Director

DIN: 00320541

**Suhas Borgaonkar**

Company Secretary

**Ramachandran U.**

Director & CFO

DIN: 00493707

Place: Mumbai

Date : May 02, 2024



**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**TRANSWARRANTY FINANCE LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated Ind AS 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 March 31, 2024 the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity 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 Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2024 its consolidated profits (including other comprehensive income), its consolidated changes in equity and their consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Impairment of financial assets as at balance sheet date (expected credit losses)</b> (Refer Note No. 5 &amp; 6 to the consolidated Ind AS financial statements)</p> <p>Ind AS 109 requires the Group to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's loans and advances.</p> <p>In the process, a significant degree of judgment has been applied by the Management for:</p> <ul style="list-style-type: none"> <li>• Staging of loans [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories];</li> <li>• Grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>• Estimation of behavioral life;</li> <li>• Determining macro-economic factors impacting credit quality of receivables;</li> <li>• Estimation of losses for loan products with no/minimal historical defaults</li> </ul> <p>In view of the high degree of Management's judgment involved in estimation of ECL it is a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</li> <li>• Read and assessed the Group's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis.</li> <li>• Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.</li> <li>• Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3.</li> <li>• Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Group's policy on moratorium.</li> <li>• Tested the ECL model, including staging assumptions and underlying computation. Assessed the floor/minimum rates of provisioning applied by the Group for loan products with inadequate historical defaults.</li> <li>• Tested assumptions used by the Management in determining the overlay for macro-economic factors.</li> </ul>

**Emphasis of Matter****A) Emphasis of Matter with reference to Holding Company**

We draw attention to Note No. 5 & 6 to the consolidated financial statements wherein the Group has provided for impairment losses of Rs. 49,743,413 on trade receivables and Rs. 80,069,671 on loans given as on March 31, 2024. Our opinion is not modified in respect of this matter.

**B) Emphasis of Matter with reference to subsidiaries**

The emphasis of matter as reported by the auditor of one of the subsidiary company, in their standalone audit report, is reproduced below:

- (i) In respect of the subsidiary, Vertex Commodities and Finpro Private Limited.

“During the financial year 2022-2023, the company’s licenses to operate in commodity transactions were surrendered/cancelled. This event has significant implications for the company’s operations and financial performance. At the year-end date, it is important to highlight that, despite the challenges posed by the license surrender/cancellation, there are no immediate going concern issues that cast doubt on the company’s ability to continue its operations in the foreseeable future. The company will continue to closely monitor the developments related to the exploration of new business segments and the efforts to revive the business. Any material impacts on the financial statements resulting from these endeavors will be adequately disclosed in subsequent reporting periods. Our opinion is not modified in respect of the above matters.”

**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s Report including Annexure to Board’s Report but does not include the consolidated Ind AS financial statements and our auditors’ report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company’s Board of Directors is responsible for the preparation and presentation of the consolidated financial

statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity 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. 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Company’s ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our



opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we report that there are no qualifications or adverse remarks by the respective auditors in the Order report of the companies included in the consolidated financial statements.
2. 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, Consolidated Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 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 is disqualified as on March 31, 2024 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 the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Holding Company and its subsidiaries to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) 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, as amended, 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 No. 36 to the consolidated financial statements.
  - ii. The Group 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 and its subsidiaries.
    - (a) The respective management of the Holding Company and its subsidiaries have represented to us that, to the best of their knowledge and belief, other than as disclosed in the consolidated financial statements, no funds have been advanced or loaned or invested (either from share premium or any other sources or kind of funds) by the Holding Company or any of its subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The respective management of the Holding Company and its subsidiaries have represented that, to the best of its knowledge and belief, other than as disclosed in the consolidated financial statements, no funds have been received by the Holding Company or any of its subsidiaries from any person or

entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v) The Group has not declared any dividend during the financial year ended March 31, 2024.
  - vi) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, the Group has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility. As observed, during the course of our audit, the feature of recording audit trail (edit log) was enabled in the accounting software of the Holding Company with effect from June 23, 2023. Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being disabled or tampered with during the course of our audit.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only with effect from 1 April, 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on the preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March, 2024.

**For S S KHAN & CO**  
**Chartered Accountants**  
**(FRN: 133324W)**

SARFARAZ KHAN  
 Proprietor  
 Membership No.: 144212  
 Place: Mumbai  
 Date: May 9, 2024  
 UDIN: 23144212BGXASQ6238



## 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 March 31, 2024 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial

statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2024. 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 S S KHAN & CO**  
**Chartered Accountants**  
**(FRN: 133324W)**

SARFARAZ KHAN  
Proprietor  
Membership No.: 144212  
Place: Mumbai  
Date: May 9, 2024  
UDIN: 23144212BGXASQ6238





## Consolidated Balance Sheet as at March 31, 2024

(Amount in Rs. in lakhs)

Particulars	Note No.	As At 31 March 2024	As At 31 March 2023
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	3	142.03	1,548.24
Bank Balances other than cash and cash equivalents	4	696.25	1,396.25
Trade Receivables	5	922.11	1,417.81
Loans	6	2,685.50	2,365.96
Investments	7	5.52	15.09
Other Financial assets	8	3,005.39	1,446.89
		<b>7,456.80</b>	<b>8,190.24</b>
<b>Non-financial Assets</b>			
Current tax assets (Net)	9	174.92	157.03
Deferred tax Assets (Net)	10	220.46	218.66
Property, Plant and Equipment	11	831.88	843.58
Goodwill on consolidation		657.66	657.66
Other Intangible assets	12	13.90	15.18
Right of Use Assets	12	15.03	9.20
Other non-financial assets	13	526.50	528.04
		<b>2,440.35</b>	<b>2,429.37</b>
<b>TOTAL ASSETS</b>		<b>9,897.15</b>	<b>10,619.61</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
(I) Trade Payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		2.54	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,340.58	2,961.90
(II) Other Payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5.42	5.58
Debt Securities		469.74	387.51
Borrowings (Other than Debt Securities)		3,367.37	3,643.18
Other financial liabilities		146.14	168.66
		<b>6,331.79</b>	<b>7,166.83</b>
<b>Non-Financial Liabilities</b>			
Provisions	19	31.28	18.74
Other non-financial liabilities	20	69.04	87.66
		<b>100.32</b>	<b>106.40</b>
<b>Equity</b>			
Equity share capital	21	4,888.85	4,846.05
Other equity	22	(1,869.71)	(1,924.51)
<b>Total equity attributable to shareholders</b>		<b>3,019.14</b>	<b>2,921.54</b>
<b>Non Controlling interest</b>		<b>445.90</b>	<b>424.85</b>
<b>Total</b>		<b>3,465.04</b>	<b>3,346.39</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,897.15</b>	<b>10,619.61</b>

Summary of significant accounting policies and key accounting estimates and judgements

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

**For S.S. Khan & Co**

Chartered Accountants

ICAI Firm registration number : FRN: 13334W

For and on Behalf of Board of Directors

**For Transwarranty Finance Limited****Sarfaraz Khan**

Proprietor

Membership No. 144212

Place: Mumbai

Date : May 02, 2024

**Kumar Nair**

Managing Director

DIN: 00320541

**Suhas Borgaonkar**

Company Secretary

**Ramachandran U.**

Director &amp; CFO

DIN: 00493707

Place: Mumbai

Date : May 02, 2024

**Consolidated Statement of Profit and Loss for the year ended March 31, 2024**

(Amount in Rs. in lakhs)

Particulars	Note No.	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
<b>Income</b>			
Interest Income	23	439.53	296.91
Fees and Commission Income	24	969.33	785.95
<b>Total Revenue from operations</b>		<b>1,408.86</b>	<b>1,082.87</b>
Other Income	25	329.16	120.22
<b>Total Income</b>		<b>1,738.03</b>	<b>1,203.09</b>
<b>Expenses</b>			
Finance Costs	26	473.12	560.23
Employee Benefits Expenses	27	436.62	426.94
Depreciation, amortization and impairment	28	46.92	48.67
Others Expenses	29	701.65	1,096.95
<b>Total expenses</b>		<b>1,658.31</b>	<b>2,132.80</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>79.72</b>	<b>(929.71)</b>
Exceptional items		-	-
<b>Profit/(loss) before tax</b>		<b>79.72</b>	<b>(929.71)</b>
<b>Tax expense:</b>			
Current tax		2.74	-
Deferred tax		(1.80)	-
Income Tax Related to Earlier Years		(1.25)	(0.71)
<b>Total income tax expense</b>		<b>(0.31)</b>	<b>(0.71)</b>
<b>Profit/(Loss) for the period</b>		<b>80.03</b>	<b>(929.00)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of net defined benefit liability		(5.09)	(0.23)
Fair valuation on Equity instrument		0.90	0.04
Income tax effect on these items		-	-
		<b>(4.19)</b>	<b>(0.20)</b>
<b>Items that will be reclassified to profit or loss</b>			
Reclassification of financial assets		-	-
Income tax effect on these items		-	-
		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(4.19)</b>	<b>(0.20)</b>
<b>Total comprehensive income for the year</b>		<b>75.84</b>	<b>(929.20)</b>
Minority interest			
Profit attributable to Equity shareholders			
<b>Net Profit attributable to :</b>			
Owners of equity		58.18	(899.87)
Non-controlling interest		21.85	(29.13)
<b>Other Comprehensive Income attributable to:</b>			
Owners of equity		(3.38)	0.07
Non-controlling interest		(0.81)	(0.26)
<b>Total Comprehensive Income attributable to:</b>			
Owners of equity		54.80	(899.80)
Non-controlling interest		21.04	(29.39)
<b>Basic EPS (In Rs.)</b>	30	<b>0.20</b>	<b>(3.27)</b>
<b>Diluted EPS (In Rs.)</b>	30	<b>0.20</b>	<b>(3.27)</b>

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date

**For S.S. Khan & Co**

Chartered Accountants

ICAI Firm registration number : FRN: 13334W

**Sarfراز Khan**

Proprietor

Membership No. 144212

Place: Mumbai

Date : May 02, 2024

For and on Behalf of Board of Directors

**For Transwarranty Finance Limited****Kumar Nair**

Managing Director

DIN: 00320541

**Suhas Borgaonkar**

Company Secretary

**Ramachandran U.**

Director &amp; CFO

DIN: 00493707

Place: Mumbai

Date : May 02, 2024



**Consolidated Statement of Cash Flows for the year ended March 31, 2024**

(Amount in Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>A. Cash flows from operating activities</b>		
Profit before tax for the year	79.72	(929.71)
<b>Adjustments for:</b>		
Reversal of Rent Expense on lease liability	(14.84)	(14.57)
Depreciation	46.92	48.67
Remeasurement of the net defined benefit obligation gain / (loss)	(5.09)	(0.23)
Interest Income	(479.43)	(384.88)
Dividend Income	(0.18)	(0.18)
Interest Expense	453.39	545.63
Profit on sale of investments	(5.33)	
Impairment Allowance	5.17	397.27
Bad Debts Written off	5.02	2.81
	<b>85.33</b>	<b>(335.20)</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in Trade and other Receivables	490.53	(574.36)
Increase / (Decrease) in Trade & Other Payables	(621.47)	(292.96)
(Increase)/decrease in loans	(319.43)	210.45
(Increase)/decrease in other financial assets	(1608.36)	19.34
(Increase)/decrease in other non-financial assets	1.54	(13.62)
Increase / (Decrease) in other financial Liabilities	(2.79)	(616.87)
Increase/(decrease) in provisions	12.54	(1.83)
Increase / (Decrease) in non- financial Liabilities	(23.05)	(6.26)
Cash inflow from interest on loans	529.30	394.92
Income tax paid (net of refunds)	(19.37)	(3.24)
<b>Net cash generated from operating activities (A)</b>	<b>(1475.23)</b>	<b>(1,219.65)</b>
<b>B. Cash flow from investing activities</b>		
Dividend Income	0.18	0.18
(Purchase)/ Sale of Fixed Deposits	700.00	187.50
(Purchase)/ Sale of Investment (Net)	14.43	(1.63)
Purchase of Property Plant and Equipment	(21.70)	(7.05)
(Purchase)/ Sale of Intangible Asset		(7.50)
Sale of Property Plant and Equipment		2.74
<b>Net cash used in investing activities (B)</b>	<b>692.91</b>	<b>174.24</b>
<b>C. Cash flow from financing activities</b>		
Borrowings other than debt securities issued/ (Redeemed) (net)	(275.81)	(198.01)
Debt securities issued/ (Redeemed) (net)	82.23	(44.71)
Finance cost paid	(473.12)	(510.47)
Proceeds from Right issue of Equity Shares	42.81	2,399.99
<b>Net cash used in financing activities (C)</b>	<b>(623.90)</b>	<b>1,646.80</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1406.22)</b>	<b>601.38</b>
Effect of exchange differences on cash and cash equivalent held in foreign currency		
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,548.24</b>	<b>946.86</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>142.03</b>	<b>1,548.24</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	3.63	7.11
With banks - on current accounts	138.40	1,541.13
<b>Total cash and cash equivalents</b>	<b>142.03</b>	<b>1,548.24</b>

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date

**For S.S. Khan & Co**

Chartered Accountants

ICAI Firm registration number : FRN: 13334W

**Sarfraz Khan**

Proprietor

Membership No. 144212

Place: Mumbai

Date : May 02, 2024

For and on Behalf of Board of Directors

**For Transwarranty Finance Limited**

**Kumar Nair**

Managing Director

DIN: 00320541

**Suhas Borgaonkar**

Company Secretary

**Ramachandran U.**

Director & CFO

DIN: 00493707

Place: Mumbai

Date : May 02, 2024

**Transwarranty Finance Limited**  
**Notes to Financial Statements for the year ended 31st March, 2024**  
**Statement of Changes in Equity**

(Amount in Rs. in lakhs)

Particulars	Balance as at April 01, 2022	Change during the year 2022-23	Balance as at March 31, 2023	Change during the year 2023-24	Balance as at March 31, 2024			
<b>Equity Share Capital</b>	2,446.06	2,380.25	4,826.30	61.15	4,887.45			
<b>Other Equity</b>								
<b>Particulars</b>	<b>Retained Earnings</b>	<b>Reserve Fund as per RBI Act</b>	<b>General Reserve</b>	<b>Capital Redemption Reserve</b>	<b>Other Comprehensive Income - Equity Instruments</b>	<b>Attributable to owner of equity</b>	<b>Non Controlling Interest</b>	<b>Total Other Equity</b>
<b>At April 1, 2023</b>	(2,390.20)	341.40	104.11	27.76	(7.57)	(1,924.51)	424.85	(1,499.66)
Profit after tax	58.18	-	-	-	-	58.18	21.85	80.03
Other comprehensive income	(3.86)	-	-	-	0.48	(3.38)	(0.81)	(4.19)
Transfers/Adjustments	-	-	-	-	-	-	-	-
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(7.02)	7.02	-	-	-	-	-	-
<b>At March 31, 2024</b>	<b>(2,335.88)</b>	<b>341.40</b>	<b>104.11</b>	<b>27.76</b>	<b>(7.10)</b>	<b>(1,869.71)</b>	<b>445.90</b>	<b>(1,423.81)</b>
<b>At April 1, 2022</b>	<b>(1,490.38)</b>	<b>341.40</b>	<b>104.11</b>	<b>27.76</b>	<b>(7.59)</b>	<b>(1,024.71)</b>	<b>454.25</b>	<b>(570.46)</b>
Profit after tax	(899.87)	-	-	-	-	(899.87)	(29.13)	(929.00)
Other comprehensive income	0.05	-	-	-	0.02	0.07	(0.26)	(0.20)
Change in Non Controlling Interest of Vertex Securities Ltd (a subsidiary)	-	-	-	-	-	-	-	-
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	<b>(2,390.20)</b>	<b>341.40</b>	<b>104.11</b>	<b>27.76</b>	<b>(7.57)</b>	<b>(1,924.51)</b>	<b>424.86</b>	<b>(1,499.66)</b>
<b>At March 31, 2023</b>	<b>(2,390.20)</b>	<b>341.40</b>	<b>104.11</b>	<b>27.76</b>	<b>(7.57)</b>	<b>(1,924.51)</b>	<b>424.85</b>	<b>(1,499.66)</b>

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date  
**For S.S. Khan & Co**  
Chartered Accountants  
ICAI Firm registration number : FRN: 13334W

For and on Behalf of Board of Directors  
**For Transwarranty Finance Limited**

**Sarfraz Khan**  
Proprietor  
Membership No. 144212  
Place: Mumbai  
Date : May 02, 2024

**Kumar Nair**  
Managing Director  
DIN: 00320541

**Ramachandran U.**  
Director & CFO  
DIN: 00493707

Place: Mumbai  
Date : May 02, 2024

**Suhas Borgaonkar**  
Company Secretary



## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

### Note 1 CORPORATE INFORMATION

Transwarranty Finance Limited ('the Parent Company'), incorporated in India, is a public limited company, headquartered in Mumbai. The Parent Company is a full service Financial & Capital Market Services Company, providing a wide range of services to over 1,000 Large, Small and Medium companies and thousands of retail clients all over India, since 1994.

The Parent Company is registered with Reserve Bank of India (RBI) as an Non Banking Finance Company (NBFC) and its shares are listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). It is engaged in advisory services like Investment Banking, Corporate Finance, Project Finance, Trade Finance and providing Business & Retail Loans against collateral security of immovable property, liquid assets like shares, other financial assets, gold jewelry etc.

The Parent Company has fast expanding network of branches providing secured, business and retail loans. It is one of the few financial services companies, which is adept at structuring and executing advisory transactions as well as managing fund based business of providing business and retail loans.

### Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of compliance and basis for preparation and presentation of financial statements

These consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

The Consolidated financial statements upto and for the year ended 31 March 2019 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP". Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These consolidated financial statements were approved by the Parent Company's Board of Directors and authorised for issue on May 02, 2024.

#### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Parent Company's functional currency.

#### 2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values:

- i) fair value through other comprehensive income (FVOCI) instruments,
- ii) derivative financial instruments,
- iii) other financial assets held for trading,
- iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

### 2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 2.5 Use of estimates and judgements and Estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### 2.6 Principles of consolidation

#### (i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The list of Subsidiaries considered for consolidation, and the Company's holdings therein are as under:

Name of the Entity	Country of Incorporation	Consolidated as	Percentage of Voting Power as at 31st March, 2024	Percentage of Voting Power as at 31st March, 2023
Vertex Securities Limited	India	Subsidiary	53.04%	53.04%
Vertex Commodities & Finpro (P) Limited	India	Subsidiary of Vertex Securities Limited	38.85%	100%
Transwarranty Capital Market Services Private Limited	India	Subsidiary	100%	100%



**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

(ii) Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries

Name of the Entities	March 31, 2024							
	Net Assets (Total Assets - Total Liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
<b>Parent</b>								
Transwarranty Finance Limited	72.97	3,358.99	43.85	35.10	58.23	(2.44)	43.06	32.66
<b>Subsidiaries</b>								
Vertex Securities Limited	22.23	1,023.22	47.43	37.96	39.62	(1.66)	47.86	36.30
Transwarranty Capital Market Services Private Limited	(0.29)	(13.32)	(1.96)	(1.57)	-	-	(2.07)	(1.57)
<b>Subsidiary of Vertex Securities Limited</b>								
Vertex Commodities and Finpro (P) Limited	5.10	234.55	10.68	8.55	2.15	(0.09)	11.15	8.46
<b>Total</b>	<b>100.00</b>	<b>4,603.44</b>	<b>100.00</b>	<b>80.04</b>	<b>100.00</b>	<b>(4.19)</b>	<b>100.00</b>	<b>75.85</b>
Adjustments arising out of consolidation		(2,030.20)		-		-		-
Non-controlling interest		445.90		21.85		(0.81)		21.04
<b>Grand Total</b>		<b>3,019.14</b>		<b>58.19</b>		<b>(3.38)</b>		<b>54.81</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

March 31, 2023								
Name of the Entities	Net Assets (Total Assets - Total Liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
<b>Parent</b>								
Transwarranty Finance Limited	73.21	3,283.52	93.66	(870.09)	(151.49)	0.30	93.61	(869.79)
<b>Subsidiaries</b>								
Vertex Securities Limited	22.01	986.92	7.59	(70.52)	338.63	(0.67)	7.66	(71.19)
Transwarranty Capital Market Services Private Limited	(0.26)	(11.75)	0.43	(3.98)	-	-	0.43	(3.98)
<b>Subsidiary of Vertex Securities Limited</b>								
Vertex Commodities and Finpro (P) Limited	5.04	226.09	(1.68)	15.60	(87.14)	0.17	(1.70)	15.77
<b>Total</b>	<b>100.00</b>	<b>4,484.79</b>	<b>100.00</b>	<b>(929.00)</b>	<b>100.00</b>	<b>(0.20)</b>	<b>100.00</b>	<b>(929.20)</b>
Adjustments arising out of consolidation		(1,138.40)		-		-		-
Non-controlling interest		(424.85)		(29.13)		(0.26)		(29.39)
<b>Grand Total</b>		<b>2,921.54</b>		<b>(899.87)</b>		<b>0.07</b>		<b>(899.80)</b>





Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

2.7 Revenue recognition :

a) Recognition of interest income

Effective Interest Rate (EIR) Method

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

**Interest Income**

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer creditimpaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b) Fee and commission income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due.

c) Sale of Stock

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

**Step 1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

**Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5:** Recognise revenue when (or as) the Company satisfies a performance obligation

**d) Sale of services**

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

**e) Rent Income**

Lease rental income is recognised in the statement of profit and loss on a straight-line basis over the lease term.

**f) Income from securities**

Gains or losses on the sale of securities are recognised in Statement of profit and loss as the difference between fair value of the consideration received and carrying amount of the investment securities.

**g) Dividend Income**

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

**2.8 Property, Plant and Equipments (PPE)**

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

<b>Assets</b>	<b>Useful Life</b>
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 to 10 years
Buildings	60 years

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.



## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

### 2.9 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortisation is calculated using the straight line method to write down the cost of intangible assets over their estimated useful lives.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

### 2.10 Investments in subsidiaries and associates

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

### 2.11 Foreign exchange transactions and translations

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

#### a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### b) Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

#### c) Exchange difference

All exchange differences are accounted in the Statement of Profit and Loss.

### 2.12 Financial instruments

#### a) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

#### b) Classification and Subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

**Amortised cost -**

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

**FVOCI - debt instruments -**

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

**FVOCI - equity instruments -**

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

**Subsequent measurement of financial assets**

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

**c) Financial liabilities and equity instruments:****Classification as debt or equity -**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments -**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

**Financial liabilities -**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-fortrading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

**e) Derecognition**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Financial liabilities**

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

**f) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**g) Impairment of financial instruments**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

**Overview of Expected Credit Loss (ECL) model**

For all other financial assets, the Company recognizes lifetime expected credit losses (ECL) based on the months past due when there has been a significant increase in credit risk since initial recognition and when the financial asset is credit impaired. Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which no ECL is recognized. Financial assets where there has been significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognized for stage 2 and stage 3 financial assets

At initial recognition, allowance (or provision) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off either partially or in their entirety, when there is no realistic prospect of recovery and the company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

**Without significant increase in credit risk since initial recognition (stage 1)**

No ECL allowance is recognized for stage 1 financial asset as based on company's assessment there is no significant increase in credit risk. The Company has ascertained default possibilities on past behavioral trends and other performance indicators.

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

**Significant increase in credit risk (stage 2)**

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage 90 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

**Credit impaired (stage 3)**

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

Contractual payments of either principal or interest are past due for more than 365 days

The loan is otherwise considered to be in default.

**Measurement of ECL**

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. The Company has calculated ECL using three components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money as necessary.

\* Determination of PD is covered above for each stages of ECL.

\* EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

\* LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value, if any, at the time it is expected to be realised.

The Company recognises lifetime ECL for trade and other receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that may result from all possible default events over the expected life of a financial assets. ( refer note 5 - Trade receivables)

**2.13 Employee benefits****a) Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**b) Contribution to provident fund and ESIC**

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss

**c) Gratuity**

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

**Remeasurement gains/losses**

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

**d) Leave encashment / compensated absences / sick leave**

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

**e) Employee shared based payments**

Equity-settled share-based payments to employees are recognised as an expense at the fair value of stock options at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

**2.14 Finance costs**

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

**2.15 Taxation - Current and deferred tax**

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

**a) Current tax**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**b) Deferred tax**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

**2.16 Impairment of assets other than financial assets**

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cashgenerating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cashgenerating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

**2.17 Provisions**

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**2.18 Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

With effect from 1 April 2019, the Company has applied Ind AS 116 'Leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

**Where the Company is the lessee -**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases. Basis the above principle, all leases entered into by the Company as a lessee have been classified as operating leases.

Lease payments under an operating lease is recognised on an accrual basis in the Statement of Profit and Loss.

**Where the Company is the lessor -**

The Company has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more



**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

representative of the time pattern in which the benefit derived from the leased asset is diminished. Cost including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct cost are recognised immediately in Statement of profit and loss.

**Measurement of Lease Liability**

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is –

- 1) increased by interest on lease liability;
- 2) reduced by lease payments made; and
- 3) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

**Measurement of Right-of-use assets**

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Company.

**2.19 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

**2.20 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**2.21 Contingent Liabilities and assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it can not be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

**2.22 Cash Flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

**Note- 3 Cash and Cash Equivalents**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with banks:		
in current accounts	138.40	1,541.13
Cash on hand	3.64	7.11
<b>Total</b>	<b>142.03</b>	<b>1,548.24</b>

**Note- 4 Bank balances other than cash and cash equivalents**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with banks:		
In Fixed Deposits	696.25	1,396.25
<b>Total</b>	<b>696.25</b>	<b>1,396.25</b>

**Note- 5. Trade Receivables**

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Unsecured</b>		
-Considered good	315.47	1,161.36
-Considered doubtful	253.50	-
Receivables which have significant increase in Credit Risk	574.45	470.04
Credit impaired	276.13	534.42
	<b>1,419.54</b>	<b>2,165.82</b>
Less : Allowance for bad and doubtful debts	(497.43)	(748.01)
<b>Total</b>	<b>922.11</b>	<b>1,417.81</b>

**Trade receivables ageing schedule as at 31 March, 2024**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 -2 years	2-3 years	More than 3 years	Total
<b>Considered good</b>						
(i) Undisputed Trade receivables	283.83	-	-	-	0.11	283.94
(ii) Disputed Trade receivables	-	-	-	-	-	-
<b>Considered doubtful</b>						
(iii) Undisputed Trade Receivables	-	34.56	45.95	303.57	537.75	921.83
(iv) Disputed Trade Receivables	-	0.07	28.18	0.23	185.29	213.77
<b>Total</b>	<b>283.83</b>	<b>34.63</b>	<b>74.13</b>	<b>303.80</b>	<b>723.15</b>	<b>1,419.54</b>



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

Trade receivables ageing schedule as at 31 March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 -2 years	2-3 years	More than 3 years	
<b>Considered good</b>						
(i) Undisputed Trade receivables	1,133.89	0.39	2.00	0.71	0.76	1,137.75
(ii) Disputed Trade receivables	51.74	-	-	-	-	51.74
<b>Considered doubtful</b>						
(iii) Undisputed Trade Receivables	-	11.17	16.47	20.50	786.52	834.66
(iv) Disputed Trade Receivables	-	0.13	0.23	52.89	88.42	141.66
<b>Total</b>	<b>1,185.62</b>	<b>11.69</b>	<b>18.69</b>	<b>74.11</b>	<b>875.70</b>	<b>2,165.82</b>

Note- 6 Loans

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>At Amortised Cost</b>		
<b>Secured, considered good</b>		
Gold Loan	19.37	38.74
Less: Impairment loss allowance	(19.37)	(19.37)
<b>Net</b>	<b>-</b>	<b>19.37</b>
<b>Unsecured, considered good</b>		
Loans to Related Parties	31.35	31.34
Loans to Employee	1.96	4.88
Personal Loans & Consumer Loans Receivables	899.83	331.14
Inter Corporate Deposits	1,942.50	1,710.00
Loan repayable on demand	-	341.50
	<b>2,875.63</b>	<b>2,418.86</b>
Less: Impairment loss allowance	(190.13)	(72.27)
<b>Total, Net</b>	<b>2,685.50</b>	<b>2,346.59</b>
<b>Credit Impaired</b>		
Inter Corporate Deposits	588.50	588.50
Promissory Note Loan	1.88	1.88
Property Loans	0.82	0.82
	<b>591.19</b>	<b>591.19</b>
Less: Impairment loss allowance	(591.19)	(591.19)
<b>Total, Net</b>	<b>-</b>	<b>-</b>
<b>Total Loans, Net</b>	<b>2,685.50</b>	<b>2,365.96</b>
<b>Of the above;</b>		
<b>(i) Loans in India</b>		
Public Sector	-	-
Others	3,486.20	3,048.80
Less: Impairment loss allowance	(800.70)	(682.83)
	<b>2,685.50</b>	<b>2,365.96</b>
<b>(i) Loans outside India</b>		
Others	-	-

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

## Summary of loans by stage distribution

Particulars	As at March 31, 2024			Total
	Stage 1	Stage 2	Stage 3	
	0-90 Days	90-180 Days	180 Days or More	
Gross carrying amount	366.64	311.95	2,807.61	3,486.20
Less: Impairment loss allowance	17.10	3.10	780.50	800.70
<b>Net carrying amount</b>	<b>349.54</b>	<b>308.85</b>	<b>2,027.11</b>	<b>2,685.50</b>
Particulars	As at March 31, 2023			Total
	Stage 1	Stage 2	Stage 3	
	0-90 Days	90-180 Days	180 Days or More	
Gross carrying amount	126.71	82.83	2,839.25	3,048.80
Less: Impairment loss allowance	0.31	1.64	680.88	682.83
<b>Net carrying amount</b>	<b>126.40</b>	<b>81.19</b>	<b>2,158.38</b>	<b>2,365.96</b>

## Note- 7 Investments

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Investments, in India</b>		
<b>At Cost</b>		
<b>Investment in subsidiaries</b>		
Equity shares	-	-
Preference shares	-	-
Net	-	-
At fair value through other comprehensive income		
(i) In equity instruments		
Equity shares	4.13	13.07
Add: Fair value gain/(losses)	(0.92)	0.35
	<b>3.21</b>	<b>13.42</b>
(ii) In equity instruments (Un Quoted)		
Equity shares	0.11	0.11
<b>Add: Fair value gain/(losses)</b>	<b>0.11</b>	<b>0.11</b>
<b>At fair value through profit or loss</b>		
(i) In mutual funds	1.39	1.30
(ii) In Government securities	0.54	0.19
Add: Fair value gain/(losses)	0.28	0.08
	<b>2.21</b>	<b>1.57</b>
<b>Total Loans, Net</b>	<b>5.52</b>	<b>15.09</b>



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Units	Amount	Units	Amount
<b>Mutual Funds</b>				
UTI - Liquid Cash Plan - Daily Dividend	1.14	0.01	1.04	0.03
UTI - Floating Rate Fund-STP-Direct Growth Plan	3.86	0.16	3.86	0.15
HDFC Liquid Fund- Growth	25.93	1.22	25.93	1.12
<b>Sub total (i)</b>	<b>30.92</b>	<b>1.39</b>	<b>30.83</b>	<b>1.30</b>
<b>Government Securities</b>				
National Savings Certificate VIII issue	1.00	0.05	1.00	0.05
UTI Master Share	1,000.00	0.49	1,000.00	0.22
<b>Sub total (i)</b>	<b>1,001.00</b>	<b>0.54</b>	<b>1,001.00</b>	<b>0.27</b>
<b>Others, Quoted</b>				
South Indian Bank (Right Share)	-	-	10.00	0.00
NEPC India Ltd.	2,000.00	-	2,000.00	-
Shree Rama Newsprints Ltd	1,250.00	0.19	1,250.00	0.14
CSB Limited	-	-	700.00	1.72
Anil Products Ltd	39.00	-	39.00	-
Castrol India Ltd	-	-	1,000.00	1.11
IDFC First Bank	-	-	2,000.00	1.10
NHPC Limited	-	-	5,000.00	2.01
Kitex Garments	-	-	2,000.00	4.94
	<b>3,289.00</b>	<b>0.19</b>	<b>13,999.00</b>	<b>11.02</b>
<b>Others, Unquoted</b>				
Saraswat Co. Op.Bank	1,000.00	0.10	1,000.00	0.10
Regent Chamber Co.Op. Housing Society	10.00	0.01	2.00	0.01
Cochin Stock Exchange Ltd	-	-	905.00	2.40
	<b>1,010.00</b>	<b>0.11</b>	<b>1,907.00</b>	<b>2.51</b>
<b>Total Investment, Net</b>		<b>2.23</b>		<b>15.09</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

## Note- 8 Other Financial assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposits	2,142.07	28.04
Deposit	-	528.65
Rent Deposit	16.11	21.86
Advance Lease rental	0.56	0.46
Interest Accrued on ICD	17.51	91.20
Interest Accrued on Gold Loan , etc.	37.41	13.59
Advance to creditors	7.19	5.46
Other Receivables	6.17	-
Unbilled Revenue	17.15	-
Balance with Government Authorities	3.58	-
TFL-TCCPL and TFCPL Merger Scheme Trust	757.63	757.63
<b>Total</b>	<b>3,005.39</b>	<b>1,446.89</b>

## Note- 9 Current tax assets (Net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Income Tax (Net of Provisions)	174.92	157.03
<b>Total</b>	<b>174.92</b>	<b>157.03</b>

## Note- 10 Deferred tax Assets (Net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred tax Assets	220.46	218.66
<b>Total</b>	<b>220.46</b>	<b>218.66</b>

Deferred tax assets recorded in Balance Sheet	As at 31st March, 2024	As at 31st March, 2023
<b>Deferred tax assets</b>		
Depreciation on property, plant and equipment	9.39	8.10
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	204.14	204.14
Present value of security deposit	6.53	6.53
Remeasurement of employee benefit	1.88	1.83
Effective Interest Rate (EIR) on financial instruments	1.72	1.26
<b>Gross deferred tax assets</b>	<b>223.66</b>	<b>221.86</b>
<b>Deferred tax liabilities</b>		
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	0.14	0.14
Effective Interest Rate (EIR) on financial instruments	1.52	1.52
Present value of security deposit	1.07	1.07
Other timing differences	0.47	0.47
<b>Gross deferred tax liabilities</b>	<b>3.20</b>	<b>3.20</b>
<b>Deferred tax assets/(liabilities), net</b>	<b>220.46</b>	<b>218.66</b>



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

Note- 11 Property, Plant and Equipment and Intangible assets

Particulars	Furniture	Computers	Office Equipments	Vehicles	Office Premises No. 403 *	Office Premises No. 405 **	Residential Premises	Land	Total
<b>Gross Block</b>									
At April 1, 2022	210.63	236.43	185.35	66.61	478.88	486.57	2.34	30.86	1,697.66
Additions	1.09	4.19	1.78	-	-	-	-	-	7.05
Disposals	-	(0.98)	0.98	-	-	-	2.34	-	2.34
<b>At March 31, 2023</b>	<b>211.72</b>	<b>241.59</b>	<b>186.15</b>	<b>66.61</b>	<b>478.88</b>	<b>486.57</b>	<b>-</b>	<b>30.86</b>	<b>1,702.37</b>
At April 1, 2023	211.72	241.59	186.15	66.61	478.88	486.57	-	30.86	1,702.37
Additions	0.59	5.19	5.62	-	10.30	-	-	-	21.70
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>At March 31, 2024</b>	<b>212.31</b>	<b>246.77</b>	<b>191.77</b>	<b>66.61</b>	<b>489.18</b>	<b>486.57</b>	<b>-</b>	<b>30.86</b>	<b>1,724.07</b>
<b>Accumulated Depreciation</b>									
At April 1, 2022	167.71	230.92	168.42	65.33	70.27	119.62	1.22	-	823.48
Charge for the year	6.92	3.19	6.70	1.12	10.22	8.38	0.02	-	36.54
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	1.24	-	1.24
<b>At March 31, 2023</b>	<b>174.63</b>	<b>234.11</b>	<b>175.11</b>	<b>66.45</b>	<b>80.49</b>	<b>128.00</b>	<b>-</b>	<b>-</b>	<b>858.78</b>
Charge for the year	7.00	2.77	4.85	0.11	10.27	8.40	-	-	33.40
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>At March 31, 2024</b>	<b>181.63</b>	<b>236.88</b>	<b>179.97</b>	<b>66.56</b>	<b>90.75</b>	<b>136.39</b>	<b>-</b>	<b>-</b>	<b>892.18</b>
<b>Net block</b>									
At March 31, 2023	37.09	7.48	11.03	0.16	398.39	358.58	-	30.86	843.58
At March 31, 2024	30.68	9.89	11.80	0.05	398.42	350.18	-	30.86	831.89

\*Carrying amount of Office Premises No. 403 has been hypothecated as a security by the Company against the overdraft facility taken by Vertex Securities Limited (subsidiary company).

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

## Note- 12 Intangible Assets

Particulars	Goodwill	Right of Use Asset*	Software	License	Bombay Stock Exchange	NMCE	MCX	NCDEX	NSEL	Total
<b>Gross Block</b>										
At April 1, 2022	4.00	51.50	97.89	123.26	10.00	1.00	2.51	5.00	2.50	297.66
Additions	-	3.60	-	7.50	-	-	-	-	-	11.10
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-
At March 31, 2023	4.00	55.10	97.89	130.76	10.00	1.00	2.51	5.00	2.50	308.76
At April 1, 2023	4.00	55.10	97.89	130.76	10.00	1.00	2.51	5.00	2.50	308.76
Additions	-	18.06	-	-	-	-	-	-	-	18.06
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-
At March 31, 2024	4.00	73.16	97.89	130.76	10.00	1.00	2.51	5.00	2.50	326.82
<b>Accumulated Depreciation</b>										
At April 1, 2022	-	34.55	97.76	118.92	10.00	1.00	2.51	5.00	2.28	272.02
Charge for the year	-	11.35	0.07	0.72	-	-	-	-	0.22	12.36
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-
At March 31, 2023	-	45.90	97.83	119.64	10.00	1.00	2.51	5.00	2.50	284.39
Charge for the year	-	12.25	0.03	1.23	-	-	-	-	-	13.52
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-
At March 31, 2024	-	58.15	97.86	120.87	10.00	1.00	2.51	5.00	2.50	297.90
<b>Net block</b>										
At March 31, 2023	4.00	9.20	0.06	11.13	-	-	-	-	-	24.38
At March 31, 2024	4.00	15.00	0.03	9.89	-	-	-	-	-	28.92

\* Represents Right-of-use assets recognised on application of Ind AS 116 'Leases' w.e.f 1 April 2019.





Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

**Note- 13 Other non-financial assets**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital Advances	407.75	408.52
Balance with tax authorities	4.39	3.72
MAT Credit Entitlement	13.39	13.39
Prepaid Expense	28.41	51.41
Plan asset - Gratuity	-	2.80
Cenvat Credit	4.60	11.70
Advances to others	67.96	36.51
<b>Total</b>	<b>526.50</b>	<b>528.04</b>

**Note- 14 Trade Payables**

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) total outstanding dues of micro enterprises and small enterprises	2.54	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,340.58	2,961.90
<b>Total</b>	<b>2,343.13</b>	<b>2,961.90</b>

**Note- 15 Other Payables**

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5.42	5.58
<b>Total</b>	<b>5.42</b>	<b>5.58</b>

**Trade payables ageing schedule as at 31 March, 2024**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	
(i) MSME - Undisputed	-	-	-	-	-
(ii) Others - Undisputed	2,185.10	69.32	6.51	53.92	2,314.85
(iii) Others - Disputed	-	-	-	33.70	33.70
<b>Total</b>	<b>2,185.10</b>	<b>69.32</b>	<b>6.51</b>	<b>87.62</b>	<b>2,348.55</b>

**Trade payables ageing schedule as at 31 March, 2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	
(i) MSME - Undisputed	-	-	-	-	-
(ii) Others - Undisputed	2,843.89	48.07	7.22	33.86	2,933.05
(iii) Others - Disputed	-	-	-	28.85	28.85
<b>Total</b>	<b>2,843.89</b>	<b>48.07</b>	<b>7.22</b>	<b>62.71</b>	<b>2,961.90</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

## Note- 16 Debt Securities

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Debt Securities, in India</b>		
<b>At Amortised Cost</b>		
<b>Secured #</b>		
Privately placed redeemable non-convertible debentures (Refer note A)	238.00	311.00
Less: Amortization of finance cost	(5.00)	(5.23)
<b>Total, Net</b>	<b>233.00</b>	<b>305.77</b>
<b>Unsecured</b>		
Privately placed redeemable non-convertible debentures	238.00	83.00
Less: Amortization of finance cost	(1.26)	(1.26)
<b>Total, Net</b>	<b>236.74</b>	<b>81.74</b>
<b>Total Debt Securities</b>	<b>469.74</b>	<b>387.51</b>

# Note A: Secured by way of first ranking pari passu charge with the existing secured creditors on the movable assets of the company to the extent of 100% of the amount of outstanding NCDs and interest thereon.

## Terms of repayment of non-convertible debentures (NCDs)

Maturity Period	As at 31st March 2024		As at 31st March 2023	
	Interest range	Amount (Rs)	Interest range	Amount (Rs)
<b>A) Secured</b>				
Maturity between 3 to 5 years	11.25% - 11.50%	10.00	11.25% - 11.75%	97.00
Maturity between 1 to 3 years	11.25% - 11.50%	141.00	11.25% - 11.50%	170.00
Maturity within 1 year	11.25% - 11.50%	87.00	11.00% - 11.25%	44.00
<b>Total at face value</b>		<b>238.00</b>		<b>311.00</b>
Less: Unamortised finance cost		(5.00)		(5.23)
<b>Total amortised cost</b>		<b>233.00</b>		<b>350.77</b>
<b>B) Unsecured</b>				
Maturity between 3 to 5 years	11.50% - 12%	22.00	11.25% - 11.75%	7.00
Maturity between 1 to 3 years	11.50% - 12%	42.00	11.25% - 11.50%	56.00
Maturity within 1 year	11.50%	174.00	11.00%	20.00
<b>Total at face value</b>		<b>238.00</b>		<b>83.00</b>
Less: Unamortised finance cost		(1.26)		(1.26)
<b>Total amortised cost</b>		<b>236.74</b>		<b>81.74</b>



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

Note- 17 Borrowings (other than debt securities)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Borrowings, in India</b>		
<b>At Amortised Cost</b>		
<b>Secured</b>		
<b>Term Loans</b>		
From banks <sup>1</sup>	5.53	27.08
<b>Loans repayable on demand</b>		
Overdraft Facility from banks <sup>2</sup>	727.15	774.26
Loan from Life Insurance Corporation <sup>3</sup>	83.55	83.54
<b>Total, Net</b>	<b>816.23</b>	<b>884.89</b>
<b>Unsecured</b>		
Inter corporate Deposits	1,754.54	2,688.29
Loans from related parties	796.60	70.00
<b>Total, Net</b>	<b>2,551.14</b>	<b>2,758.29</b>
<b>Total Debt Securities</b>	<b>3,367.36</b>	<b>3,643.18</b>

Terms of repayment:

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Interest range	Amount	Interest range	Amount
<b>Secured</b>				
<b>A) Demand Loans, overdraft facility</b>				
Maturity within 1 year	16% - 19.00%	727.15	10.50% - 13.40%	774.26
<b>B) Term Loans</b>				
Maturity within 1 year	9.00% -10.50%	5.53	9.00% -10.50%	27.08
Maturity between 1 to 3 years		83.55		83.54
<b>Total amortised cost</b>		<b>816.23</b>		<b>884.89</b>

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Interest range	Amount	Interest range	Amount
<b>Unsecured</b>				
<b>C) Inter corporate deposits</b>				
Maturity between 1 to 3 years	9.00% to 12.50%	1,754.54	10.00% to 12.50%	2,688.29
<b>D) Loans from related parties</b>				
Maturity between 3 to 5 years	0.00%	796.60	15.00%	70.00
<b>Total amortised cost</b>		<b>2,551.14</b>		<b>2,758.29</b>

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

1. Term Loan taken from South Indian Bank is under the 'Emergency Credit Line Guarantee Scheme' (ECLGS) floated by GOI in the wake of COVID-19 pandemic, repayable in 36 months. Hypothecated against the entire current assets of the Company as primary security and property owned by Transwarranty Finance Limited as a collateral security.
2. Overdraft from The CSB Bank Limited is Working Capital Facility for lending in Business / Consumer Loans, Personal Loans and Loans under digital platform. The credit facility is secured by first pari passu charge on movable assets and personal guarantee of the Managing Director.  
Tenure of the credit facility is for 12 months and repayable on demand. This shall be renewed before the expiry of the sanctioned period of one year.
3. Overdraft from The South Indian Bank Limited is Working Capital Facility for Onward lending. Loan is Secured against entire current Assets of the company, collateral security of Office premises No. 405 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.
4. Credit Facility from Life Insurance Corporation is against Key-man Insurance Policy. Repayable at the time of maturity of the policy i.e. by F.Y. 2026-27.

**Note- 18 Other Financial Liabilities**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest Accrued	58.80	78.54
Book Overdraft	-	15.53
Security Deposit from Franchises & Advances	67.40	68.52
Employee benefits payable	18.94	5.03
Others	1.00	1.05
<b>Total</b>	<b>146.14</b>	<b>168.66</b>

**Note- 19 Provisions**

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Provision for employee benefits</b>		
Gratuity	9.37	6.41
Compensated absences	21.91	12.32
<b>Total</b>	<b>31.28</b>	<b>18.74</b>

**Note- 20 Other Non-Financial Liabilities**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory Dues	39.16	35.89
Lease Liability	15.41	10.97
Others	14.48	40.80
<b>Total</b>	<b>69.04</b>	<b>87.66</b>



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

**Note- 21 Equity Share Capital**

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Authorised</b>		
51,000,000 Equity Shares of Rs.10/- each (P.Y. 31,000,000 Equity Shares of Rs.10/- each)	5,100.00	5,100.00
	<b>5,100.00</b>	<b>5,100.00</b>
<b>Issued, Subscribed and Paid Up</b>		
48,874,537 Equity Shares of Rs.10/- each (Previous Year 4,82,63,034 Equity Shares of Rs. 10 Each)	4,887.45	4,826.30
6,58,102 Equity shares Partly paid up @ Rs.3/- per share (Rs.7/- Call money pending)	-	19.74
Add:- Share for Forfeiture Account (46,599 Equity Shares of Rs.3/- each)	1.40	-
<b>Total</b>	<b>4,888.85</b>	<b>4,846.05</b>

**Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	Numbers	Amount
As at 1 April 2022	2,44,60,568	2,446.06
Equity share capital issued, subscribed and fully paid up @ Rs.10/-	2,38,02,466	2,380.25
Equity share capital issued, subscribed and Partly paid up @ Rs.3/-	6,58,102	19.74
<b>As at 31st March 2023</b>	<b>4,82,63,034</b>	<b>4,846.05</b>
As at 1 April 2023		
Equity share capital issued, subscribed and fully paid up	4,82,63,034	4,826.30
Add:- Additions during the year	6,11,503	61.15
Equity share capital issued, subscribed and fully paid up	4,88,74,537	4,887.45
<b>As at 31st March 2024</b>	<b>4,88,74,537</b>	<b>4,887.45</b>

**Terms/rights/restrictions attached to equity shares**

The company has only one class of Equity share having a Par Value of Rs.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.

**Details of shareholders holding more than 5% shares in the Company**

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	Amount	Numbers	Amount
Kumar Nair	2,95,56,148	60.47%	1,27,08,694	26.00%
TFL-TCCPL and TFCPL Merger Trust	52,25,000	10.69%	52,25,000	10.69%
<b>Total</b>	<b>3,47,81,148</b>	<b>71.16%</b>	<b>1,79,33,694</b>	<b>36.69%</b>

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

## 22 Other Equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(I) Retained Earnings</b>		
Balance at the beginning of the year (a)	(2,390.20)	(1,490.38)
Profit/(Loss) for the year (b)	58.18	(899.87)
Other Comprehensive income (c)	(3.86)	0.05
Less: Transfer to Reserve Fund	(7.02)	-
Balance at the end of the year (a+b+c)	<b>(2,342.90)</b>	<b>(2,390.20)</b>
<b>(II) Other Comprehensive Income - fair value on equity instruments</b>		
Balance at the beginning of the year (a)	(7.57)	(7.59)
Gain / (Loss) on fair valuation on equity instruments (b)	0.48	0.02
Balance at the end of the year (a+b)	<b>(7.10)</b>	<b>(7.57)</b>
<b>Other Reserves</b>		
(II) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	341.40	341.40
Add: Transferred during the year	7.02	-
Balance as at the end of the year	<b>348.42</b>	<b>341.40</b>
<b>(III) General Reserve</b>		
Balance as at the beginning of the year	104.11	104.11
Add: Transferred during the year	-	-
Balance at the end of the year	<b>104.11</b>	<b>104.11</b>
<b>(IV) Capital Redemption Reserve</b>		
Balance as at the beginning of the year	27.76	-
Add: Transferred during the year	-	27.76
Balance at the end of the year	<b>27.76</b>	<b>27.76</b>
<b>Total</b>	<b>(1,869.71)</b>	<b>(1,924.51)</b>

## Nature and purpose of other equity

## (i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

## (ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve and a sum not less than twenty per cent of its net profit every year is transferred each year.

## (iii) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.



## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

**Note- 23 Interest Income**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
At Amortised Cost		
- On Loans	145.37	154.69
- On Inter Corporate Deposits	224.42	1.73
- On Fixed Deposits & Others*	69.74	140.49
<b>Total</b>	<b>439.53</b>	<b>296.91</b>

\* interest received on fixed deposit with bank which are pledged with exchange for margin purpose.

**Note- 24 Fees and Commission Income**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Trade Finance Income	93.40	59.52
Processing Fees & Other Charges	75.01	48.94
Fees and commission income	720.44	620.21
Income from DP operation	57.59	51.78
Professional Charges	22.89	5.50
<b>Total</b>	<b>969.33</b>	<b>785.95</b>

**Note- 25 Other Income**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Rent Income	-	-
Dividend Income	0.18	0.18
Profit on sale of shares	5.33	-
Interest on Inter Corporate Deposits	39.90	48.25
Other interest income	-	39.72
Unwinding of discounting of deposits	0.66	0.62
Miscellaneous Income	29.59	28.81
Un Billed Revenue	253.50	-
Reversal of Provision for Impairment Allowance	-	1.01
Profit on Sale of Assets	-	1.63
<b>Total</b>	<b>329.16</b>	<b>120.22</b>

**Note- 26 Finance costs**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest on borrowings	453.39	545.63
Interest expense on lease liability	1.22	1.31
Other Financial Charges	18.51	13.29
<b>Total</b>	<b>473.12</b>	<b>560.23</b>

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

**Note- 27 Employee benefits expense**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employees emoluments	406.12	397.31
Contribution to provident fund and Other Funds	24.30	24.41
Staff welfare expenses	6.20	5.22
<b>Total</b>	<b>436.62</b>	<b>426.94</b>

**Note- 28 Depreciation and amortization expense**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation on tangible assets	21.71	36.60
Amortisation on intangible assets	13.93	13.93
<b>Total</b>	<b>35.64</b>	<b>50.53</b>

**Note- 29 Other expenses**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Rent	13.29	14.78
Rates, taxes and energy	18.91	45.41
Annual Subscription	3.11	8.26
AMC Charges	8.82	6.17
Connectivity Charges	9.97	11.90
Software Connectivity License/Maintenance Expenses	74.46	50.14
Repairs and maintenance	2.84	1.89
Marketing fee/Commission paid	13.38	69.50
Brokerage and Commission	288.13	203.78
Demat & Other Charges	15.72	9.67
Legal and Professional charges	65.17	31.77
Society Charges	11.63	19.61
Travelling Expense	19.12	19.17
Communication Cost	8.03	7.61
Printing and stationery	3.43	3.55
Advertisement and publicity	10.72	8.84
Director's fees, allowances and expenses	8.04	7.34
Auditor's fees and expenses	5.15	4.78
Office Maintenance	4.85	5.54
Donation	0.60	-





## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Fees to Exchanges	27.43	6.01
Insurance	3.73	3.94
Client Meeting Expenses and Business Promotion	1.68	1.95
Stock Exchange Charges	0.01	0.73
Electricity Charges	1.66	1.53
Bad Debts Written Off	5.02	2.81
Computer Expense	-	11.63
Listing Expense	5.85	5.60
Annual Custody Fees	1.50	1.50
Credit Verification Charges	0.01	2.98
Provision for Impairment/Credit Losses	5.17	397.27
Miscellaneous Expenses	20.41	25.58
Provision For Quoted Investments	1.86	1.01
Provision For Standard Assets	1.00	-
Right Issue Expenses	3.14	50.08
Marketing Support Expenses	37.83	27.01
Loss on Sale of Preference Shares	-	22.76
Other Expenses	-	3.44
Additional Document Charges	-	0.03
API Charges	-	0.32
E-Sign Expenses	-	1.06
<b>Total</b>	<b>701.65</b>	<b>1096.95</b>

## Reconciliation of the shares outstanding at the beginning and at the end of the year

Payment to auditors (excluding taxes)	For the year ended 31st March, 2024	For the year ended 31st March, 2023
For Statutory audit	3.51	3.51
For taxation matters	-	-
Other Services	1.27	1.27
<b>Total</b>	<b>4.78</b>	<b>4.78</b>

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

**Note- 30 Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Net profit attributable to equity shareholders	54.80	(899.80)
(B) Weighted average number of equity shares for basic and diluted earnings per share	4,89,96,285	4,86,44,877
<u>Effect of dilution:</u>		
(C) Weighted average number of equity shares for diluted earnings per share	-	-
Basic earning price per share (Rs) (A/B)	0.11	(1.85)
Diluted earning price per share (Rs) (A/B)	0.11	(1.85)

**Note- 31 Segment Information**

Disclosure under Indian Accounting Standard 108 - 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounting to 10% or more of the Company's total revenue for the year ended March 2024 or March 31, 2023.

**Note- 32 Revenue from contract with customers**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Type of Service</b>		
Trade Finance Income	93.40	59.52
Processing Fees & Other Charges	75.01	48.94
Fees and commission income	720.44	620.21
Income from DP operation	57.59	51.78
Professional Charges	22.89	5.50
<b>Total</b>	<b>969.33</b>	<b>785.95</b>



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Geographical market</b>		
India	969.33	785.95
Outside India	-	-
<b>Total</b>	<b>969.33</b>	<b>785.95</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	969.33	785.95
Services transferred over time	-	-
<b>Total</b>	<b>969.33</b>	<b>785.95</b>

**Contract Balances**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross Trade receivables ( refer note 4)	1,420	2,166

**Note- 33 Contingent liabilities and commitments**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A) Contingent liabilities</b>		
<b>Claims against the Company not acknowledged as debts :-</b>		
a. Tax demands in respect of:-		
Income Tax orders for AY 2009-10	0.01	0.01
Income Tax orders for AY 2013-14	-	39.78
Income Tax demand order for FY 2013-14	-	1.27
Income Tax orders for AY 2017-18	0.65	0.65
Income Tax orders for AY 2017-18	378.78	378.78
Income Tax orders for AY 2018-19	0.03	0.03
Income Tax orders for AY 2018-19	0.12	0.12
Income Tax orders for AY 2018-19	0.96	0.96
Service Tax orders for FY 2006-07 to 2009-10	6.33	6.33
Service Tax orders for FY 2008-09 to 2012-13	8.82	8.82
Service Tax orders for FY 2013-14	0.55	0.55
Service Tax orders for FY 2014-15	0.38	1.11
<b>Total</b>	<b>396.62</b>	<b>438.39</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>B) Capital and other commitments</b>		
(i) Other commitments – towards partially disbursed/un-encashed loans Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary Vertex Securities Limited for OD Facilities	350.00	350.00

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

**(C) Lease commitments**

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 in nature. Lease payments recognized in the Statement of Profit and Loss as 'Rent' under Note No. 31 is Rs. 13.29 Lakhs (P.Y. Rs. 14.78/- Lakhs). Future minimum lease rent payable are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Minimum lease obligations:</b>		
Not later than one year	1.52	1.52
Later than one year but not later than five years	1.92	1.71
Later than five years	-	-

**Note- 34 Related party transactions****(a) Names of related party and related party relationship:**

Description of relationship	Names of related parties
<b>(i) Related parties where control exists</b>	
Subsidiary company	Vertex Securities Limited (VSL)
Subsidiary company	Vertex Commodities and Finpro (P) Limited
Subsidiary company	Transwarranty Capital Market Services Private Limited (TCMSPL)
Common Controlled Entity - [Upto March 31, 2021]	Welworth Sales & Services Pvt. Ltd. (WSSPL)
<b>(iii) Key managerial personnel</b>	
Managing Director	Mr. Kumar Nair
Director & Chief Executive officer	Mr. U. Ramachandran
Executive Directors & Chief Financial Officer - VSL	Mr. George Mampilly
Director	Mr. Sudharsanan Nair
Director	Mr. Pravin Khatau
Director	Mrs. Nirmala Parab
Director	Mr. Shishir Vasant Dalal (Till 29.01.2024)
Director	Mr. Gopalakrishnan Balakrishna (w.e.f 14.02.2024)
Director	Mr. Jose Thomas Polachira
Director	Mr. James Pothen
Director	Mrs. Lata Anand
Company Secretary	Mr. Suhas Borgaonkar
Company Secretary	Mr. Aniket Malekar
Relative of Director	Mrs. Leena Nair
Relative of Director	Mrs. Jyoti Ramachandran
Relative of Director	Mr. Rajendran Unnikrishnan
Relative of Company Secretary	Mrs. Smita Borgaonkar



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(b) Transactions with related parties:</b>		
<b>Kumar Nair</b>		
Salary and Other Allowances	0.30	1.20
Loan Received	455.10	404.00
Loan Paid	385.10	90.00
Loan Amount adjusted against 1st call of Right Issue	-	370.20
<b>Ramachandran U.</b>		
Interest paid on Loan	-	0.68
Remuneration paid	8.90	9.64
<b>George Mampilly</b>		
Remuneration paid	11.35	9.77
<b>Mr. Sudharsanan Nair</b>		
Sitting Fees Paid	1.86	1.00
<b>Mr. Pravin Khatau</b>		
Sitting Fees Paid	0.60	0.60
<b>Mrs. Nirmala Parab</b>		
Sitting Fees Paid	2.08	1.44
<b>Mr. Shishir Vasant Dalal (Till 29.01.2024)</b>		
Sitting Fees Paid		0.80
<b>Mr. Gopalakrishnan Balakrishna (w.e.f 14.02.2024)</b>		
Sitting Fees Paid	0.40	-
<b>Mr. Jose Thomas Polachira</b>		
Sitting Fees Paid	1.35	1.15
<b>Mr. James Pothan</b>		
Sitting Fees Paid	1.35	1.15
<b>Mrs. Lata Anand</b>		
Sitting Fees Paid	0.80	0.80
<b>Jyoti Ramachandran</b>		
Interest paid on Non Convertible Debentures	1.25	1.20
Redemption amount paid - Non Convertible Debentures	10.00	-
Investment in Non Convertible Debentures	10.00	-
<b>Mr. Rajendran U</b>		
Investment in Non Convertible Debentures	5.00	10.00
Redemption amount paid - Non Convertible Debentures	5.00	-
Interest paid on Non Convertible Debentures	1.39	1.54
<b>Mrs. Smita Borgaonkar</b>		
Redemption amount paid - Non Convertible Debentures	2.00	9.00
Interest paid on Non Convertible Debentures	1.26	0.72

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

Particulars	As at	
	31st March, 2024	31st March, 2023
<b>(c) Balances as at the end of the year</b>		
<b>Kumar Nair</b>		
Loan repayable	455.10	70.00
Interest payable	-	-

**Note- 35 Fair values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

**Fair value hierarchy**

The Company determines fair values of its financial instruments according to the following hierarchy:

**Level 1:** valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

**Level 2:** valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

**Level 3:** valuation technique with significant unobservable inputs:- financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

**Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2024**

Particulars	Fair value measurement using						Total
	FVTPL	FVOCI	Carrying Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial Assets</b>							
Cash and cash equivalents			142.03				-
Trade receivables			922.11				-
Loans			2,685.50				-
Investments	2.21	3.21	0.11	2.12	-	0.11	2.23
Other financial assets			3,005.39				-
	<b>2.21</b>	<b>3.21</b>	<b>6,755.13</b>	<b>2.12</b>	<b>-</b>	<b>0.11</b>	<b>2.23</b>
<b>Financial Liabilities</b>							
Trade payables	-	-	2,340.58	-	-	-	-
Other payables	-	-	5.42	-	-	-	-
Debt Securities	-	-	469.74	-	-	-	-
Borrowings (other than debt securities)	-	-	3,367.36	-	-	-	-
Other financial liabilities	-	-	146.14	-	-	-	-
	<b>-</b>	<b>-</b>	<b>6,329.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2023

Particulars	Fair value measurement using						Total
	FVTPL	FVOCI	Carring Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	1,548.24	-	-	-	-
Trade receivables	-	-	1,417.81	-	-	-	-
Loans	-	-	2,365.96	-	-	-	-
Investments	1.57	13.42	0.11	12.58	-	2.51	15.09
Other financial assets	-	-	1,446.89	-	-	-	-
	<b>1.57</b>	<b>13.42</b>	<b>6,779.01</b>	<b>12.58</b>	-	<b>2.51</b>	<b>15.09</b>
<b>Financial Liabilities</b>							
Trade payables	-	-	2,961.90	-	-	-	-
Other payables	-	-	5.58	-	-	-	-
Debt Securities	-	-	387.51	-	-	-	-
Borrowings (other than debt securities)	-	-	3,643.18	-	-	-	-
Other financial liabilities	-	-	168.66	-	-	-	-
	-	-	<b>7,166.83</b>	-	-	-	-

**Note- 36 Capital Management**

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/non-convertible debentures or combination of short term /long term debt as may be appropriate.

**Note- 37 Risk management**

**A) Liquidity and funding risk**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also has Inter corporate deposits line available from holding company & fellow subsidiary companies within its group to meet any short term fund requirements.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>Financial Assets</b>						
Cash and cash equivalents	142.03	-	142.03	1,548.24	-	1,548.24
Bank Balances other than cash and cash equivalents	-	696.25	696.25	-	1,396.25	1,396.25
Trade receivables	318.46	603.65	922.11	1,212.49	205.32	1,417.81
Loans	658.39	2,027.11	2,685.50	207.58	2,158.38	2,365.96
Investments	2.21	3.31	5.52	-	15.09	15.09
Other financial assets	103.71	2,901.68	3,005.39	-	1,446.89	1,446.89
	<b>1,224.79</b>	<b>6,232.01</b>	<b>7,456.80</b>	<b>2,968.32</b>	<b>5,221.93</b>	<b>8,190.24</b>
<b>Non-financial assets</b>						
Current tax assets (net)	174.92	-	174.92	157.03	-	157.03
Deferred tax assets (net)	-	220.46	220.46	-	218.66	218.66
Property, plant and equipment	-	831.89	831.89	-	843.58	843.58
Other intangible assets	-	13.90	13.90	-	15.18	15.18
Other non-financial assets	105.36	421.14	526.50	103.33	424.71	528.04
	<b>280.28</b>	<b>1,487.38</b>	<b>1,767.67</b>	<b>260.37</b>	<b>1,502.14</b>	<b>1,762.50</b>
<b>Financial Liabilities</b>						
Trade payables	2,306.89	33.70	2,340.58	2,961.90	-	2,961.90
Other payables	5.42	-	5.42	5.58	-	5.58
Debt Securities	261.00	208.74	469.74	44.00	343.51	387.51
Borrowings (other than debt securities)	732.68	2,634.68	3,367.36	801.35	2,841.83	3,643.18
Other financial liabilities	78.74	67.40	146.14	100.14	68.52	168.66
	<b>3,384.73</b>	<b>2,944.52</b>	<b>6,329.25</b>	<b>3,912.97</b>	<b>3,253.86</b>	<b>7,166.83</b>
<b>Non-Financial Liabilities</b>						
Provisions	0.67	30.61	31.28	0.67	18.07	18.74
Other non-financial liabilities	0.00	40.27	40.27	47.39	40.27	87.66
	<b>0.67</b>	<b>70.88</b>	<b>71.54</b>	<b>48.06</b>	<b>58.34</b>	<b>106.40</b>





Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

**B) Market risk**

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

**C) Interest rate risk**

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day to- day operations. Further, certain interest bearing liabilities carry variable interest rates.

The sensitivity analyses below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

**Average Exposure to interest rate risk**

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate borrowings	727.15	774.26

**A change of 50bps in interest rates would have following impact on profit before tax**

Particulars	As at March 31, 2024	As at March 31, 2023
Interest rates - increase by 50 basis point (50 bps)	(3.64)	(3.87)
Interest rates - decrease by 50 basis point (50 bps)	3.64	3.87

**D) Credit risk**

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial/contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of counterparties. Inadequate collateral may also lead to financial losses in the event of default. The company has adopted a policy of dealing with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented in the financial statements.

Since the company is into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis. The Company's major classes of financial assets are cash and cash equivalents, loans, term deposits, trade receivables and security deposits. The nature of loan products across broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk. The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers.

**E) Impairment Assessment**

The Company is mainly engaged in the business of providing gold loans, consumer loans and unsecured personal loans to salaries individuals, traders and self-employed. The tenure of the personal loans generally ranges from 9 months to 18 months.

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

**F) Classification of financial assets under various stages**

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes more than 180 days past due on its contractual payments.

It is company's policy to assess loss allowance calculations ( ECL ) in all cases where borrower becomes 150 days past due on its contractual payment. The Company classifies its financial assets other than trade receivables in three stages having the following characteristics:

**The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:**

Particulars	As at 31 March 2024			Total
	Stage 1	Stage 2	Stage 3	
Overdue Days	0-90 Days	90-180 Days	180 Days or More	
Gross carrying amount	366.64	311.95	2,807.61	3,486.20
Less: Expected Credit Loss Allowance	17.10	3.10	780.50	800.70
ECL Coverage ratio	4.66%	0.99%	27.80%	22.97%

Particulars	As at 31 March 2023			Total
	Stage 1	Stage 2	Stage 3	
Overdue Days	0-90 Days	90-180 Days	180 Days or More	
Gross carrying amount	126.72	82.83	2,839.25	3,048.80
Less: Expected Credit Loss Allowance	0.31	1.64	680.87	682.83
ECL Coverage ratio	0.24%	2%	23.98%	22.40%

**Note- 38 Other Information & Events after reporting date**

During the current year ended 31 March 2024, the Group has earned a net Profit of ₹ 75.84 Lakhs and has an accumulated deficit of ₹ 2342.90 Lakhs. However, based on the projected operations and the Group's marketing efforts, the Group expects to generate adequate surplus in the future and consequently does not foresee any difficulty in settling its liabilities as and when they arise or continue as a going concern.

The Holding Company, in addition to its advisory services of Trade Finance, has successfully managed to scale its digital platform for priority sector loans. These online loans are provided to prime customers not having access to mainstream banking products with the objective of furthering financial inclusion and bridging the digital divide. The business has demonstrated significant traction growing from Assets Under Management (AUM) of Rs. 2,016.34 Lakhs as on March 2023 to Rs. 2,698.70 Lakhs as on March 2024. The number of loans disbursed in FY 2024 was 7,529 compared to 15,960 loans in FY 2023.

This online lending platform holds tremendous growth potential. The company is in the process of raising additional debt and equity capital including Rights/Preferential issue etc. for financing the growth opportunity. The financial statements have been prepared on a going concern basis and the assets and liabilities have been recorded in the financial statements on the basis that the Company will be able to realise its assets and discharge its liabilities in the normal course of the business.



Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024

(Amount in Rs. in lakhs)

Note- 39 Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Type of Service	April 01, 2023	Cash Flow	Changes in fair value	Others	31st March 2024
Debt Securities	331.31	82.23	-	-	413.54
Borrowings other than debt securities	1,661.86	(275.81)	-	-	1,386.05
<b>Total liabilities from financing activities</b>	<b>1,993.17</b>	<b>(193.59)</b>	<b>-</b>	<b>-</b>	<b>1,799.58</b>
Type of Service	April 01, 2022	Cash Flow	Changes in fair value	Others	31st March 2023
Debt Securities	376.02	(44.71)	-	-	331.31
Borrowings other than debt securities	1,859.87	(198.01)	-	-	1,661.86
<b>Total liabilities from financing activities</b>	<b>2,235.89</b>	<b>(242.72)</b>	<b>-</b>	<b>-</b>	<b>1,993.17</b>

Note- 40 Employee Stock Option Plan

Pursuant to approval of the members at the Annual General meeting held on 27th September, 2019, the company adopted the “ Employees Stock Option Plan 2019 (ESOP 2019). As per the said plan, the Company granted 24,99,728 equity shares of Rs.10 each on 10th December, 2019.

The vesting period is over five years from the date of grant, commencing after one year from the date of grant.

Excercise period would commence one year from the date of grant, commencing after one year from the date of grant.

The options will be settled in equity shares of the company.

The Exercise price of the Vested Option shall be higher of (a) the market price of the shares or (b) the face value of the share. Consequently no compensation cost has been recognised 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 movements of options

Particulars	As at March 31, 2024	As at March 31, 2023
Options Outstanding at the beginning of the year	6.94	11.01
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	-	0.60
Exercised / Lapsed during the year	-	-
Vested during the year	3.47	3.47
Options outstanding at the end of the year	3.47	6.94
Options Exercisable at the end of the year	14.82	11.35

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

**Note- 41**

In terms of Letter of Offer dated November 7, 2022, the Company made a Right issue of 2,44,60,568 Partly Paid-Up Equity shares of Face Value of Rs. 10/- each at an issue price of Rs. 10/- on rights basis in the ratio of 1:1 to the existing equity shareholders of the Company as on the record date i.e. November 4, 2022. Accordingly, the Company received an application money of Rs. 3/- per Equity Share and 2,44,60,568 partly paid-up Equity Shares were allotted on December 7, 2022 to the shareholders. Subsequently, the First and Final Call of Rs. 7/- per partly paid-up Equity Share was made on February 20, 2023 against which the Company received Call money in respect of 2,38,02,466 Equity Shares which were converted into Fully Paid Equity Shares on March 15, 2023. The company made first reminder to shareholder in July 2023 in which shareholders of 5,38,895 shares paid the first and final call. Further, The company made Final reminder cum forfeiture notice on November 08, 2023 in which holders of 72608 Equity Shares paid the first and final call. The remaining 46599 Equity shares were forfeited by the company pursuant to resolution passed by the Board of Directors on February 14, 2024.

**Note - 42 Title deeds of the Immovable Property not held in the name of the company**

The company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company.

**Note- 43 Ageing wise analysis of Intangible Assets under development**

- (a) Intangible assets under development - **There are no Intangible Assets under Development**
- (b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following Intangible assets under development completion schedule shall be given **-NOT APPLICABLE**

**Note- 44 Details of Benami Property held - There are no Benami Property Transactions**

Where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company shall disclose the following:-

- a. Details of such property, including year of acquisition,
- b. Amount thereof,
- c. Details of Beneficiaries,
- d. If property is in the books, then reference to the item in the Balance Sheet,
- e. If property is not in the books, then the fact shall be stated with reasons,
- f. Where there are proceedings against the company under this law as an abetter of the transaction or as the transferor then the details shall be provided,
- g. Nature of proceedings, status of same and company's view on same.

**Note- 45 Capital Work In Progress**

There is no Capital Work in Progress required to be maintained by the company.

**Note- 46 Relationship with Struck off Companies**

The Company does not have any relationship with any of the Struck Off Companies whether under section 248 of the Companies Act or Section 560 of Companies Act, 1956.

**Note- 47 Wilful Defaulter**

The company is not declared as Wilful Defaulter by any Bank or Financial Institution or any other lender.



**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2024**

(Amount in Rs. in lakhs)

**Note- 48 Corporate Social Responsibility (CSR)**

The provisions of Corporate Social Responsibility (CSR) are not applicable to the company.

**Note- 49 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY**

The company has not traded or invested in Crypto Currency or Virtual Currency during the Financial Year.

**Note- 50 UNDISCLOSED INCOME**

There are no transactions which are not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Further, there was no unrecorded income and related assets which are required to be recorded in the books of accounts during the year.

**Note- 51 NO OF LAYERS OF COMPANIES**

The company has not made any default on No of layers of companies through which it has invested.

**Note - 52**

Figures have been regrouped and rearranged wherever necessary.

As per our attached report of even date

**For S.S. Khan & Co**

Chartered Accountants

ICAI Firm registration number : FRN: 13334W

For and on Behalf of Board of  
Directors

**For Transwarranty Finance  
Limited**

**Sarfaraz Khan**

Proprietor

Membership No. 144212

Place: Mumbai

Date : May 02, 2024

**Kumar Nair**

Managing Director

DIN: 00320541

**Suhas Borgaonkar**

Company Secretary

**Ramachandran U.**

Director & CFO

DIN: 00493707

Place: Mumbai

Date : May 02, 2024

**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.

S.No.	Particulars			
1	Serial Number	1	2	3
2	Name of the subsidiary	Vertex Securities Limited	Vertex Commodities And Finpro Private Limited	Transwarranty Capital Market Services Private Limited
3	The date since when subsidiary was aquired	18.07.2008	18.07.2008	21.07.2016
4	Reporting period for the subsidiary concerned, if different from the Holding Company's repoting period	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024	01/04/2023 to 31/03/2024
5	Reporting Currency & exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	INR	INR
6	Share Capital	1,480.24	386.15	1.00
7	Reserves & Surplus	(457.02)	(151.60)	(14.32)
8	Total Assets	3,640.94	495.62	1.89
9	Total Liabilities	3,640.94	495.62	1.89
10	Investments	239.18	Nil	Nil
11	Turnover	870.10	38.75	0.03
12	Profit / (Loss) before Taxation	37.96	9.49	(1.58)
13	Provision For taxation	-	0.93	-
14	Profit / (Loss) After Taxation	37.96	8.55	(1.58)
15	Proposed Dividend	Nil	Nil	Nil
16	% of Share Holding	53.04%	38.85%	100%

**Notes:-**

- 1 There are no subsidiaries which are yet to commence operations
- 2 Name of subsidiaries which have been liquidated or sold during the year :- Nil
- 3 The Company has no Associates Companies and Joint ventures

As per our attached report of even date  
**For S.S. Khan & Co**  
Chartered Accountants  
ICAI Firm registration number : FRN: 13334W

For and on Behalf of Board of  
Directors  
**For Transwarranty Finance  
Limited**

**Sarfaraz Khan**  
Proprietor  
Membership No. 144212

**Kumar Nair**  
Managing Director  
DIN: 00320541

**Ramachandran U.**  
Director & CFO  
DIN: 00493707

Place: Mumbai  
Date : May 02, 2024

**Suhas Borgaonkar**  
Company Secretary

Place: Mumbai  
Date : May 02, 2024



## **SUBSIDIARY COMPANIES**

### **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.

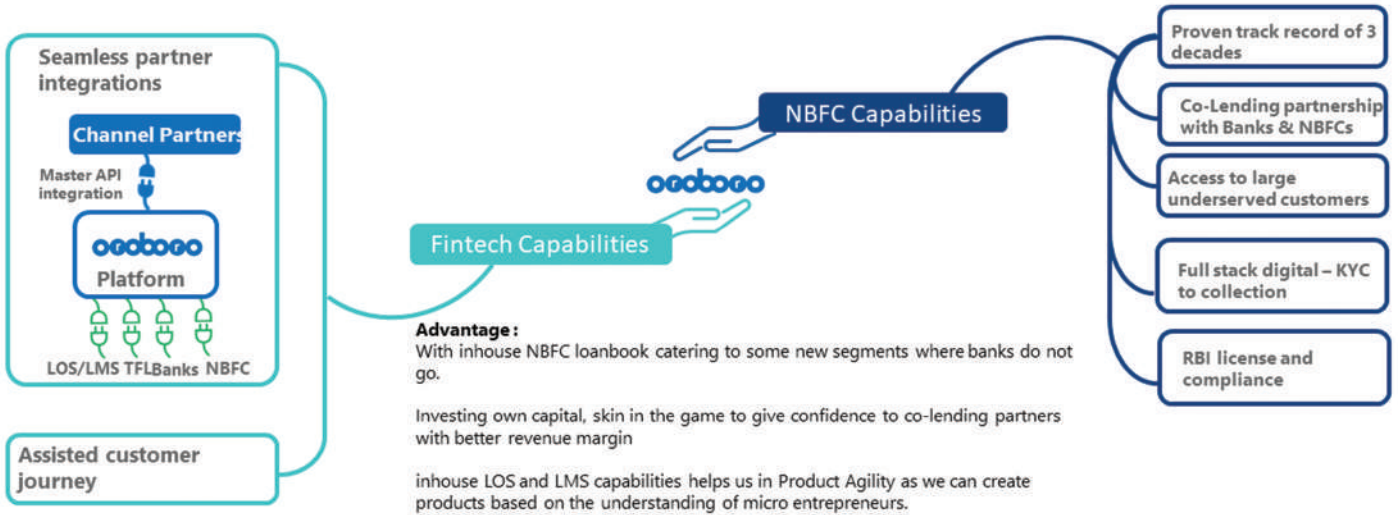
- Retail Stock Broking
- Distribution of Mutual Funds, IPO and other Financial Products
- Retail investment advisory services
- Depository Participant
- Institutional Broking
- Arbitrage
- AMFI Certified Corporate Agent

### **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

### **TRANSWARRANTY CAPITAL MARKET SERVICES PRIVATE LIMITED**





01 Digital First

Full automated journey leveraging "India Stack"- Onboarding to Disbursement

API capability to Consume Partner Data for efficient underwriting  
By using this supplemental data, we can better evaluate micro entrepreneur's' financial health, expanding access to credit for those with limited or no traditional credit history.

Data Led Underwriting 02

03 In-house Tech stack

Inhouse LOS,LMS,BRE and automated collection Module enables us the agility to handle a wide array of credit solutions

Grounds up development of Products and processes basis the market needs.  
Different Products - Different Tenures- Different Repayments

Customer First Approach 04



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