



TRANSWARRANTY FINANCE LIMITED

TFL/SEC/2019-20/19

04/09/2019

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

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

BSE Scrip Code : 532812

NSE Scrip Code : TFL

Dear Sir,

Sub: Intimation of Annual General Meeting and Book Closure

This is to inform you that the 25th Annual General Meeting (AGM) of the Company will be held on Friday, 27th September, 2019 at 10.30 a.m. at Cultural Hall of Yashwantrao Chavan Pratishthan, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400021.

The Book Closure dates are fixed as below:

Company Scrip Code	Type of Security and Face Value per Share	Book Closure	Purpose
BSE- 532812 NSE- TFL	Equity Shares of Rs. 10/- each	21 st September, 2019 to 27 th September, 2019 (both days inclusive)	Annual General Meeting

The notice of 25th Annual General Meeting and Annual Report of our Company is enclosed herewith.

Kindly take the same on your records.

Yours faithfully,

For **TRANSWARRANTY FINANCE LIMITED**



Mumbai
Authorised Signatory

Encl: a/a

CIN : L65920MH1994PLC080220

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



TRANSWARRANTY FINANCE LIMITED

FINANCIAL ENGINEERS

25TH ANNUAL REPORT 2018-19



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



Mr. U. Ramachandran
Director & CFO



Mr. Sudharsanan Nair
Director

Mr. Sudharsanan Nair, is B.Com. (Hons.) from Mumbai University. He started as a Banker with Syndicate Bank foreign exchange department. He was associated in promoting Verdia Marble Pvt. Ltd., a marble mining Company. He was Managing Director of Intellvisions Software Ltd., a listed Company, till 2014.

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



Mr. Pravin Khatau
Director



Mrs. Nirmala Parab
Director

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

CORPORATE INFORMATION**Board of Directors**

Mr. Kumar Nair	Chairman & Managing Director
Mr. U. Ramachandran	Director & CFO
Mr. Sudharsanan Nair	Director
Mr. Pravin Khatau	Director
Mrs. Nirmala Parab	Director

Company Secretary

Mr. Sreedhar H.

Auditors

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

Secretarial Auditor

CS M. P. Sharma

Bankers

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

Registered and Corporate Office

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

Registrar & Share Transfer Agent

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

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NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of Transwarranty Finance Limited will be held at Cultural Hall of Yashwantrao Chavan Pratishthan, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400021, on Friday, 27th September, 2019 at 10.30 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2019 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. U. Ramachandran (DIN 00493707), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution, as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 139 and 142 of the Companies Act, 2013, S. S. Khan & Co, Chartered Accountants (Firm Registration No. 133324W), be and are hereby appointed as the Auditors of the Company to hold such office for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the Thirtieth Annual General Meeting, at a remuneration of ₹2,10,000/- (Rupees Two Lakhs and Ten Thousand only) to conduct statutory audit including Limited Reviews for the financial year 2019-20 payable in one or more installments plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred.”

Special Business:

4. **Re-appointment of Mr. Pravin Khatau as an independent director for a second term of five consecutive years w.e.f. 25th February, 2020**

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

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the ‘Act’) including the rules made thereunder read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Pravin Khatau

(DIN 02425468), who was appointed as an independent director of the Company for a term of five years up to 24th February, 2020 and who being eligible for re-appointment as an independent director has given his consent alongwith a declaration that he meets criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom a notice in writing pursuant to Section 160 of the Act has been received from a member in the prescribed manner be re-appointed as an independent director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 25th February, 2020 to 24th February, 2025.”

5. **Re-appointment of Mrs. Nirmala Sachin Parab as an independent director for a second term of five consecutive years w.e.f. 30th March, 2020**

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

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the ‘Act’) including the rules made thereunder read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mrs. Nirmala Sachin Parab (DIN 07149007), who was appointed as an independent director of the Company for a term of five years up to 29th March, 2020 and who being eligible for re-appointment as an independent director has given her consent alongwith a declaration that she meets criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom a notice in writing pursuant to Section 160 of the Act has been received from a member in the prescribed manner be re-appointed as an independent director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 30th March, 2020 to 29th March, 2025.”

6. **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, including any statutory

modification(s) or re-enactment thereof for the time being in force read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended and the Companies (Share Capital and Debentures) Rules, 2014, as amended, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Memorandum and Articles of Association of the Company; 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 ₹50 Crores (Rupees Fifty Crores Only) within the overall borrowing limits approved or to be 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 27th September 2019.

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."

7. Increase in the borrowing limits:

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") to borrow, from time to time, any sum or sums of money, in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount so borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not exceed ₹250 Crores (Rupees Two Hundred and Fifty Crores Only)."

8. 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 hereof, 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 25 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.”

9. Creation of charge on the assets of the Company under Section 180(1)(a) of the Act

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 read with such Rules as may be applicable (including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, approval 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 thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) for creation of such mortgage, charge and/or hypothecation as may be necessary, in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such of the assets of the Company, both present and future, and/ or on the whole or substantially the whole of the undertaking or the undertakings of the Company, in such manner as the Board may direct, in favour of financial institutions, investment institutions, banks, insurance companies, mutual funds, trusts, other bodies corporate or any other person(s) (hereinafter referred to as the “Lending Agencies”) and Trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments, including but not restricted to securing those facilities which have already been sanctioned, including any enhancements therein, upto a limit of an outstanding aggregate amount of ₹250 crores (Rupees Two Hundred and Fifty Crores only) (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business), together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under

the Trust Deed and to the Lending Agencies under their respective Agreements/ Loan Agreements/ Debenture Trust Deeds entered/to be entered into by the Company in respect of the said borrowings.

RESOLVED FURTHER THAT that the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such moneys as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company.”

10. Approval of ‘Employees Stock Option Plan 2019’ (‘ESOP 2019’)

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 2019 (“ESOP 2019”) (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 25,00,000 (Twenty Five lakhs) equity shares of face value of ₹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 2019' ('ESOP 2019') to the employees of Subsidiary(ies) 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 2019' ("ESOP 2019") (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 2019 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/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,

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 Committees thereof to grant options, during one year, exceeding one percent of the issued share capital (excluding outstanding warrants and conversions) of the Company under Employees Stock Option Plan 2019 ("ESOP 2019"), upto 25,00,000 (Twenty Five lakhs) equity shares of face value of ₹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 for material related party transactions

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

"RESOLVED THAT pursuant to the provisions of the

Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the members of the Company be and is hereby accorded to the Board of Directors (including its committee thereof), to ratify/ approve all existing contracts / arrangements /agreements entered into/to be entered by the Company with Vertex Securities Limited, being a related party in which some of the Directors and their relatives are interested, and hence related parties within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, by an amount not exceeding ₹50 Crores (Rupees Fifty Crores); as per the details mentioned in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and be authorized to approve aforesaid transactions and the terms and conditions thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to the above resolution."

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

Sreedhar H.
Company Secretary

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

Place: Mumbai
Date : 29 August, 2019

NOTES:



1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto. Additional Information required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with regard to director seeking appointment/ re-appointment at the Annual General Meeting (AGM) is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable to attend and vote on their behalf at the meeting. Proxies are requested to bring their ID proof at the meeting for the purpose of identification. A Proxy Form is annexed to this Report.

3. During the period beginning 24 (Twenty-Four) hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, members would be entitled to inspect the proxies lodged with the Company at any time during the business hours at the Registered Office of the Company, provided not less than 3 (Three) days' of notice in writing is given to the Company.

4. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21st September, 2019 to Friday, 27th September, 2019 (both days inclusive).

6. Pursuant to Section 101 and Section 136 of the

Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by notifying the Company at companysecretary@transwarranty.com or Registrar & Share Transfer Agents of the Company, Link Intime India Pvt. Ltd. at rnt.helpdesk@linkintime.co.in. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

7. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

8. Relevant documents referred to in the Notice will be available for inspection at the Registered Office and the Corporate Office of the Company between 10.00 a.m. to 12.00 noon, on all working days except Saturdays, Sundays and Public Holidays, up to and including the date of the Annual General Meeting of the Company.

9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents (RTA), Link Intime India Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members

holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA.

10. SEBI had vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 read with BSE circular no. LIST/COMP/15/2018-19 dated July 05, 2018 and NSE circular no. NSE/CML/2018/26 dated July 09, 2018 and as per Regulation 40 of the Listing Regulations, as amended, directed that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. However, Shareholders can continue to hold shares in physical form. Accordingly, Shareholders holding securities in physical form were separately communicated at their registered address by RTA vide three letters sent on August 23, 2018, October 1, 2018 and November 20, 2018 by Registered Post, to dematerialise their physical holding for any further transfer.

In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form. Shareholders can contact the Company or RTA for assistance in this regard.

11. 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.
12. Members/proxies are requested to bring the attendance slip/proxy form duly filled and signed for attending the meeting. Proxies are requested to bring their ID proof at the meeting for the purpose of identification.
- In case of joint holders attending the meeting, only such joint holder whose name appears first in the order of names will be entitled to vote at the meeting.
13. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The facility of casting the votes by the members using electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

14. The facility for voting through polling paper/ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
15. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on the cut-off date i.e. Friday, 20th September, 2019 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 AM on Monday, 23rd September, 2019 and will end at 5.00 PM on Thursday, 26th September, 2019. The Company has appointed Mr. Yogesh Sharma, Practicing Company Secretary (C. P. No.12366) to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

STEPS FOR REMOTE E-VOTING :-

- The remote e-voting period commences at 9.00 AM IST on Monday, 23rd September, 2019 and will end at 5.00 PM on Thursday, 26th September, 2019. During this period, the members of the Company holding shares in either in physical form or in dematerialized form, as on the cut-off date of Friday, 20th September, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

How do I vote electronically using NSDL e-Voting system?

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

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

- 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.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.



3. A new screen will open. You will have to enter your User ID, your Password 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 111938 then user ID is 111938001***

5. Your password details 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, your 'initial password' is communicated to you on your postal address.

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.

- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.

- 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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. 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.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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 with a copy marked to evoting@nsdl.co.in.
2. 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.nsd.com to reset the password.
3. 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.nsd.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- II. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- III. 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 of Friday, 20th September, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IV. Mr. Yogesh Sharma, Practicing Company Secretary (CP No. 12366) 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.
- V. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

VI. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty-eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

VII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.transwarranty.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited & NSE Limited, Mumbai.

16. Transfer to Investor Education and Protection Fund:

- i. In terms of the provisions of Section 124 and Section 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 ("the IEPF Rules") notified by the Ministry of Corporate Affairs with effect from 7th September, 2016, as amended, all unclaimed/ unpaid dividend remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government.

Further, pursuant to Section 124 of the Act read with the IEPF Rules all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

In accordance with the aforesaid IEPF Rules, the Company has regularly sent communication to all such shareholders whose dividends are lying unpaid/ unclaimed against their name for seven consecutive years or more and whose shares are due for transfer to the IEPF Authority and has also published notice(s) in leading newspapers in English and regional language having wide circulation.

The details of such dividends/ shares to be transferred to IEPF are uploaded on the website of the Company at www.transwarranty.com.

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



Date of Declaration of dividend	Dividend for the year	Amount unclaimed (Rs.)	Last date for claiming unpaid / unclaimed dividend	Proposed Period for transfer of unclaimed dividend to IEPF
12-09-2012	2011 - 12	24,758.50/-	26-10-2019	27-10-2019 to 10-11-2019

The Company urges all the Members to encash/claim their respective dividend during the prescribed period. Members who have not encashed the dividend warrants so far in respect of the aforesaid period, are requested to make their claim to Link Intime India Pvt. Ltd. well in advance of the above due dates.

iii. Members whose shares or unclaimed dividend has been transferred to the IEPF, may claim the shares or apply for refund of the unclaimed amounts as the case may be, to the IEPF Authority, by making an electronic application in e-Form IEPF-5 as detailed on the website of the Ministry of Corporate Affairs at the web-link: <http://www.iepf.gov.in/IEPF/refund.html>. Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. No claim lies against the Company in respect of the shares/unclaimed amounts so transferred.

17. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Link Intime India Pvt. Ltd. having their office at C-101, 247 Park,

LBS Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. Both the forms are also available on the website of the Registrar and Share Transfer Agents of Company at the weblink: <https://linkintime.co.in/downloads.html>.

18. Members are requested to address all correspondences, including dividend matters to the Registrars and Transfer Agents of the Company.

19. The Company has designated an exclusive email Id viz. 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**

Sreedhar H.
Company Secretary

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

Place: Mumbai
Date : 29 August, 2019

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

Item No. 2

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

Name of Director	Mr. U Ramachandran
DIN	00493707
Date of Birth	25/11/1956
Type of Appointment	Director retiring by rotation
Date of first appointment by the Board	25/02/2015
Qualification	B. Com(Hons),F.C.A.
No. of Shares held	2,66,909 Equity Shares of ₹10 each
Experience in Specific	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.
Directorships held in other companies	1. Vertex Securities Limited 2. Vertex Commodities And Finpro Pvt. Ltd. 3. Transwarranty Capital Market Services Pvt. Ltd. 4. Welworth Sales And Services Pvt. Ltd. 5. Suncem Surface Coatings Pvt. Ltd.
Membership of Committees of other listed public companies	Member of Audit Committee and Stakeholders' Relationship Committee in Vertex Securities Limited
Disclosure of relationships between directors inter-se	None of the directors are related to each other
Justification for appointment	Excellent knowledge in Audit and accounting profession, Financial Services and Capital Market.

Item No. 3

Appointment of Auditor:

The Members of the Company at the 21st Annual General Meeting ('AGM') held on 11th September, 2015 approved the appointment of M/s. Rahul Gautam Divan & Associates, Chartered Accountants, as the Auditors of the Company for a period of four years from the conclusion of the said AGM. The said auditors will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. The present remuneration of M/s. Rahul Gautam Divan & Associates is ₹2,10,000 to conduct statutory audit including Limited Reviews for the financial year 2018-19 plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred and excluding the tax audit fees of ₹30,000.

The Board of Directors of the Company ('the Board'), on the

recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the appointment of S. S. Khan & Co, Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 30th AGM, subject to his Peer Review Certification. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of ₹2,10,000/- (Rupees Two Lakhs and Ten Thousand only) plus GST as applicable and out of pocket expenses, for statutory audit including Limited Reviews for the financial year 2019-20 as set out in the Resolution relating to their appointment.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, clientele served, technical knowledge etc., and found the said audit firm to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.



S S Khan & Co (Firm Registration No.: 133324W), (“the Audit Firm”) is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was established in the year 2012 and is a proprietary firm having its registered office in Mumbai, India. The Audit Firm primarily renders audit and assurance services to its clients engaged in Financial Services, Hospitality Services and Business Management Services.

S.S.Khan & Co. have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

Item 4 & 5

Re-appointment of Independent Directors

Section 149 of the Act, requires every listed company to have atleast one-third of the total number of directors as independent directors. Accordingly, on the recommendations of Nomination and Remuneration Committee, the Board of Directors, in their meeting appointed Mr. Pravin Khatau as independent director of the Company for a first term of five consecutive years from 25 February 2015 up to 24 February 2020. Similarly, Mrs. Nirmala Parab was also appointed as an independent director for a first term of five consecutive years with effect from 30th March 2015 up to 29th March 2020. These appointments were also approved by the members at twenty first AGM of the Company held on 11th September, 2015.

Since the first term of these independent directors is due for expiry, based on the recommendation of the Nomination and Remuneration Committee, considering the skills, experience, knowledge they possess and the report of performance evaluation of these independent directors for the year 2018-19, the Board, at its meeting held on 29th August, 2019, recommended for the approval of the members, re-appointment of Mr. Pravin Khatau for a second term of five consecutive years with effect from 25th February 2020 up to 24th February 2025; and Mrs. Nirmala Parab for a second term of five consecutive years with effect from 30th March 2020 to 29th March 2025; in terms of Section 149 read with Schedule IV to the Act and the Listing Regulations including any amendment thereto or modification thereof.

In accordance with Section 149(10) and (11) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board’s

report. The aforementioned directors fulfil the requirements of an independent director as laid down under Section 149(6) of the Act and Regulation 16 of the Listing Regulations.

In respect of the appointments of the aforesaid directors, notice in writing in the prescribed manner as required by Section 160 of the Act and rules made thereunder, has been received by the Company, regarding candidature of each of these directors for the office of the director.

The aforementioned directors have accorded their consent to act as directors and have also submitted the declaration of independence, stating that they meet the criteria of independence as provided in section 149(6) of the Act and regulation 16 of Listing Regulations and are not disqualified from being appointed as a director in terms of Section 164 of the Act.

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office and at the corporate office of the Company by any member from Monday to Friday during 10.00 a.m. to 12.30 p.m., except holidays, and the same shall also be available on the Company’s website <http://www.transwarranty.com/Investorrelation.aspx?page=Polices>

The Board is of the opinion that these directors possess requisite skills, experience and knowledge relevant to the Company’s business.

Mr. Pravin Khatau and Mrs. Nirmala Parab are not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by listed companies, and have given their consent in writing to act as Directors of the Company.

Pursuant to section 152 read with Schedule IV to the Act, in the opinion of the Board, the proposed re-appointments fulfil the conditions specified under the Act and the rules made thereunder and the applicable provisions of Listing Regulations and are independent of the Management.

None of the directors are related to each other.

None of the directors, other than the directors proposed to be re-appointed, (in their respective resolutions of re-appointment) key managerial personnel of the Company and their relatives are, directly or indirectly concerned or interested, financially or otherwise in these resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends passing of the special resolutions set out in items nos. 4 & 5 of this notice.

Information about the appointees is given below:

Name of Director	Mr. Pravin Khatau	Mrs. Nirmala Parab
DIN	02425468	07149007
Date of Birth	10/09/1960	09/12/1970
Type of Appointment	Re-appointment as Independent Director	Re-appointment as Independent Director
Date of first appointment on the Board	25/02/2015	30/03/2015
Qualification	MBA	B.Com., MBA
Brief Resume	Mr. Pravin Khatau, born on 10th September, 1960, is an MBA from Wharton and has worked in a senior capacity in Goldman Sachs & Co. and Barings in London. He has experience in Finance, Marketing and Administration. He has been associated with the Company since 2012.	Mrs. Nirmala Sachin Parab is B.Com., MBA. Her career started in IFCI (Industrial Finance Corporation of India). In IFCI she handled project finance for Textile Industry, Steel Industry, Energy Sector etc. She had the distinction of representing IFCI at various Ministerial level meetings and handling various difficult and challenging cases.
No. of Shares held	49,124 Equity Shares of ₹10 each	Nil
Experience in Specific	He was a Senior Director in Goldman Sachs & Co., and Barings in London.	He has over 10 years of experience in project financing with IFCI Ltd.
Directorships held in other companies	Nil	Nil
Membership of Committees of listed public companies	Nil	Nil
Disclosure of relationships between directors inter-se	None of the directors are related to each other	None of the directors are related to each other
Details of sitting fees paid during FY 2018-19	Rs.20,000	Rs.1,60,000
Justification for appointment	Excellent knowledge in Finance, Marketing and Administration	Excellent knowledge in Financial Market

Item No. 6**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 ₹50 crores (Rupees Fifty 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. In case of non-convertible debentures (NCDs) where the proposed amount to be raised through such offer or invitation exceeds the limit specified in 180(1)(c) of the Act, a company may pass a special resolution once a year for



all the offers or invitations to be made for such debentures during the year.

In terms of section 180(1)(c) of the Act, the shareholders had authorised the Board to borrow up to ₹100 crore. Pursuant to the said authority, the Board of Directors, at their meeting held on 29 August 2019, approved issue of NCDs for an aggregate amount not exceeding ₹50 crore. Considering the other borrowings, the Board has also proposed to increase the borrowing limit under section 180(1)(c) to ₹250 crores. 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 an Annual General Meeting held on September 26, 2018 had accorded their approval to the Company for issuance of NCDs up to a limit of ₹50 crore. As on March 31, 2019 the Company had raised NCDs of ₹98 Lakhs and further ₹46 lakhs upto June 2019.

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 27 September, 2019.

The Board recommends passing of the special resolution as set out in item no. 6 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. 7:

Increase in the borrowing limit:

As per the provisions of Section 180(1) (c) of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017 and notified by the Ministry of Corporate Affairs on 9th February, 2018, the Board of Directors of the Company cannot borrow moneys, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in excess of the amount of the paid-up share capital, free reserves and securities premium reserve, without the approval of the Members, by way of a Special Resolution.

The Members by means of a Special Resolution passed in the 21st AGM of the Company on 11th September, 2015, had empowered the Board of Directors of the Company to borrow moneys upto ₹100 Crores even though such borrowing would be in excess of the paid-up share capital and free reserves of the Company.

In order to further expand its business of personal and consumer lending the company needs additional funds. It proposed to generate the funds through bank borrowings, issue of NCDs & through ECB. Hence, it is proposed to enhance the borrowing limits of the Company to ₹250 Crores.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice except to the extent of their shareholding interest, if any, in the Company.

Item No.8:

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 29, 2019, 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 10 MN and within the overall borrowing limit of ₹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 resolution as set out at Item No. 7 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.

Item No. 9:

Creation of charge on the assets of the Company

The Company may be required to secure some of the borrowings by creating mortgage/charge on all or any of the movable or immovable properties of the Company in favour of the lender(s) in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). In terms of Section 180(1)(a) of the Act any proposal to sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertaking(s), requires the approval of the Members by way of a Special Resolution.

Accordingly, the consent of the Members is being sought for the enhancement of the borrowing limits and to secure such borrowings by mortgage/charge on any of the movable and/ or immovable properties and/or the whole or any part of the undertaking(s) of the Company as set out in Resolution No.9 appended to this Notice.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 9 of the Notice except to the extent of their shareholding interest, if any, in the Company.

Item no. 10, 11 & 12:

Approval of 'Employees Stock Option Plan 2019' 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. With same underlying philosophy 'Employees Stock Option Plan 2019' 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 2019 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 shall not exceed 25,00,000 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 2019 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 2019, 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 2019, 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. 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.

L. 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.

M. 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

N. Maximum percentage of secondary acquisition: This is not relevant under the present Plan.**O. 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.

P. 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.

Q. 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.

Item No. 13**Approval for material Related Party Transactions**

Your Company is a Non-Banking financial company and also is engaged in business of lending. In addition thereto, the Company also provides security(ies) and corporate guarantee(s) to secure the borrowings and other facilities being availed by subsidiary(ies). In certain cases, such subsidiaries have also extended security of their movable assets to secure the borrowings/ financial assistance availed by the Company. Further, the Company also enters into other transactions with its related parties.

As per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a transaction with a related party is considered material, if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company. Pursuant to the said Regulation, all material related party transactions require approval of the



members through an ordinary resolution and all related parties shall abstain from voting on such resolutions. However, the said requirement for approval of the shareholders is not applicable for transactions entered into between a holding company and its wholly-owned subsidiary whose accounts are consolidated with the holding company.

The Company holds nearly 53.04% shares in Vertex Securities Limited. Further, accounts of this company is also consolidated with the company and placed before the shareholders for approval.

Going forward and in the ordinary course of business, the Company may enter into new transactions inter alia in relation to lending/ borrowing, providing and receiving corporate guarantee(s) and security(ies) for existing/ new credit facility(ies), with Vertex Securities Ltd., subsidiary and related party of the Company, which may exceed the threshold for material related party transactions by an amount not exceeding an aggregate value of ₹50 crore, individually and/ or collectively.

Since some of the above transactions are not fixed for any particular term, it is not possible for the Company to ascribe an explicit monetary value to such transactions. However, approval of the Audit Committee and/ or Board, wherever required, shall be obtained in terms of the provisions of the Companies Act, 2013 and Listing Regulations.

The approval of the shareholders is being sought by way of an ordinary resolution for the proposed material related party transactions. Approval of the shareholders is also sought to ratify/approve all existing contracts / arrangements /

agreements entered into by the Company with the Directors/ Companies in which some of the Directors and their relatives are interested, and hence related parties within the meaning of the aforesaid law.

The contracts/ arrangements/ transactions with the above entities are necessary in the ordinary course and have a significant role in the Company's operations. Therefore, the Board of Directors commends the resolution as set-out at item no. 13 for approval of the shareholders as an Ordinary Resolution.

The Directors, Key Managerial Personnel or their respective relatives may be deemed to be concerned or interested, financially or otherwise, in this resolution.

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

Sreedhar H.
Company Secretary

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

Place: Mumbai
Date : 29 August, 2019

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report of the Company along with the audited financial statements for the year ended 31st March, 2019.

Financial Highlights

The table below gives the standalone financial highlights of the Company for the year ended 31st March, 2019, as compared to the previous year.

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Total Income	1084.68	962.49
Total Expenditure	996.00	900.92
Profit/(Loss) from Operations before Other Income, Finance Cost & Exceptional Items	88.68	61.57
Finance Costs	72.75	26.60
Profit / (Loss) from Ordinary Activities after Finance Cost but before Exceptional Items	15.93	34.97
Exceptional Items: Goodwill written Off (as per the Scheme of Amalgamation)	-	22.24
Profit / (Loss) from Ordinary Activities before Tax	15.93	12.73
Current Tax	9.30	20.49
MAT Entitlement Credit	-	(16.68)
Deferred Tax	(6.02)	0.80
Net Profit / (Loss) for the period	12.65	8.12
Appropriations:		
Reserves u/s.45 IC of RBI Act	2.53	1.62

Performance Review

During the year ended 31st March, 2019, your Company earned revenue of Rs.1084.68 Lakhs as compared to ₹962.49 Lakhs in the previous year. The operations have recorded a profit of Rs.12.65 Lakhs as compared to a profit of ₹8.12 Lakhs in the previous year.

During the year ended 31st March, 2019, your Company earned consolidated revenue of ₹1868.66 Lakhs as compared to Rs.1782.29 Lakhs in the previous year. The consolidated operations have recorded a profit of Rs.45.37 Lakhs as compared to a profit of ₹82.46 Lakhs 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 which is set out separately with the Directors' Report.

Dividend

Due to inadequacy of profits and in order to consolidate the financial position of the Company, your Directors have not recommended any dividend for the year.

Consolidated Accounts

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

Share Capital

The issued, subscribed and paid-up Equity Share Capital as on 31st March, 2019 was Rs. 24.46 Crores, comprising of 2,44,60,568 Equity Shares of the face value of Rs. 10 each, fully paid-up.

There is no change in the Authorised, Issued, Subscribed and Paid Up Share Capital of the Company during the year.

Subsidiary Companies

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

VSL and VCFPL are engaged in the following businesses:

1. Stock and currency broking services to retail, HNI and institutional clients.
2. Commodity broking services through Vertex Commodities And Finpro Private Limited (VCFPL) to retail, HNI and corporate clients.
3. Merchant banking.
4. Corporate Agency for Insurance

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

1. National Stock Exchange of India Limited (NSE)
2. Bombay Stock Exchange Limited, (BSE)



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

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

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

During the year ended 31st March, 2019, the subsidiary company, Vertex Securities Limited earned revenue of ₹686.33 lakhs as compared to ₹765.02 lakhs in the previous year. The operations have recorded a profit of Rs.18.08 lakhs as compared to a profit of ₹77.32 lakhs in the previous year.

The subsidiary company, Vertex Commodities And Finpro Private Limited had total revenue of ₹109.09 lakhs and a profit of ₹14.78 lakhs for the year ended 31st March, 2019 as against the total revenue of ₹110.73 lakhs and loss of ₹2.74 lakhs respectively in the previous year.

The subsidiary company, Transwarranty Capital Market Services Pvt. Ltd recorded a loss of ₹0.14 lakh for the year ended 31st March, 2019 as against a loss ₹0.25 lakh in the previous year.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, (including the consolidated financial statements and related information of the Company and audited accounts of its subsidiaries), are available on our website www.transwarranty.com. These documents will also be available for inspection during business hours at our registered office.

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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. Re-appointment of independent directors

The Board, at its meeting held on 29th August, 2019, considering the report of performance evaluation and based on the recommendation of Nomination and

Remuneration Committee, re-appointed the following independent directors for a second term as given below:

Sr. No.	Name of independent director	Tenure of second term
1.	Mr. Pravin Khatau	Five years w.e.f. 25 th February, 2020
2.	Mrs. Nirmala Sachin Parab	Five years w.e.f. 30 th March, 2020

Accordingly, resolutions seeking approval of the members for the aforementioned re-appointments forms part of notice convening the 25th AGM.

Necessary details regarding their re-appointment as required under the Act and the Listing Regulations are given in the notice of AGM.

II. Retirement by Rotation

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

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements), 2015, ["Listing Regulations"] brief resume of the Directors proposed for appointment/re-appointment has been given in the statement annexed to the Notice convening the Annual General Meeting.

Management Discussion and Analysis

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

Corporate Governance Report

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

Auditor's Report

There are no qualifications in the Auditor's Report for standalone accounts for the financial year ended 31st March, 2019. Referring to observations given under "Basis for Qualified Opinion" in the Independent Auditor's Report for Consolidated

Accounts, it is clarified that as the Company has initiated legal actions for the recovery of the dues and it will not be prudent to make any provisions as the cases are in various stages in different Courts.

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

Directors' Responsibility Statement

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

1. In preparation of annual accounts for the year ended 31st March, 2019, 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, 2019 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.

Public Deposits

During the financial year under report the Company has not accepted deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Harmonisation of different categories of NBFCs

RBI, vide its circular dated 22 February 2019, harmonised different categories of NBFCs into fewer ones on the basis of the principle of regulation by activity rather than regulation by entity in order to provide greater operational flexibility.

Accordingly, the three categories of NBFCs viz., Asset Finance Companies, Loan Companies and Investment Companies have been merged into a new category called NBFC - Investment and Credit Company.

The Company now is categorised as NBFC- Investment and Credit Company.

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.

Familiarization Programme for Directors

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

The Board of Directors has complete access to the information within the Company. Presentations are regularly made to the Board of Directors and various Committees of the Board. The details of the Company's familiarization programme for Independent Directors can be accessed at (<http://www.transwarranty.com/Investors>).

Performance Evaluation of the Board

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

The evaluation was done on various parameters like vision and strategy, Board participation, quality of contribution to Board discussions and decisions, disclosure of interest, strategic insights or inputs regarding future growth of the Company and its performance, ability to challenge views in a constructive manner, knowledge acquired with regard to the Company's business/ activities, leadership skills, marketing and corporate communications etc.

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



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

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

Board Committees

The Board of Directors of the Company has constituted various Committees in compliance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, such as Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders' Relationship 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.

Meetings

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.

Extract of Annual Return

An extract of annual return as provided under Section 92(3) of the Companies Act, 2013, in the prescribed form in Form MGT-9 is annexed to this report as **Annexure D** and is also hosted on the Company's website www.transwarranty.com/investorrelations.

Risk Management

The Company has Risk Management Systems in place including identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the

Company. After identifying the risk and assessing the level of impact, controls are put in place to mitigate the risk by the concerned executives/the Board to control the exposure of the risk and balance the impact of risk on a continuous basis.

Nomination & Remuneration Policy

The Board, on the recommendation of Nomination, Remuneration 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 our website at www.transwarranty.com.

The details of this Policy are provided in the Corporate Governance Report.

Sexual Harassment Policy

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.

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

Whistle Blower Policy

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

Employees' Stock Option Plan 2008 (ESOP 2008)

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.

Internal control system

The Company has put in place an adequate system of internal controls commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with

applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

The Company's Board & Audit Committee reviews adherence to internal control systems, internal audit reports and legal compliances. The Audit Committee reviews all quarterly and yearly financial results of the Company and recommends the same to Board for its approval.

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.

During the year under review a meeting of Independent Directors was held on 8th February, 2019.

Related Party Transactions

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

Auditors:

The Company's Auditors, M/s. Rahul Gautam Divan and Associates, Chartered Accountants, who were appointed as statutory auditors of the Company at the 21st AGM of the Company held on 11th September, 2015 for a period of four years, will complete their present term on conclusion of the ensuing 25th AGM of the Company.

The Board, on the recommendation of the Audit Committee, recommended for the approval of the Members, the appointment of S.S. Khan & Co., Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of the ensuing 25th AGM till the conclusion of the 30th AGM. On the recommendation of the Audit Committee, the Board also recommended for the approval of the Members, the remuneration of ₹2,10,000/- (Rupees Two Lakhs and Ten Thousand only) to conduct statutory audit including Limited Reviews for the financial year 2019-20. Appropriate resolution seeking your approval to the appointment and remuneration of S.S. Khan & Co., as the Statutory Auditors is appearing in the Notice convening the 25th AGM of the Company.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under the Company has appointed Mr. M. P. Sharma, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this Report as **Annexure G**. The said report contains one observation regarding material related party transactions.

Due to urgent circumstances, the company entered into material related party transactions. The resolution for ratification of previous transactions/ approval of the shareholders is placed at this Annual General Meeting.

Energy Conservation and Technology Absorption

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 been at the forefront of using technology absorption and has always leveraged technological innovations to improve our operational efficiency and satisfy and retain our customer base.

Foreign Exchange Earnings and outgo

Earnings: Nil

Outgo: Nil

Maintenance Of Cost Records

The provision 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.

Particulars of Employees and related disclosure

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

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

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.

Secretarial standards of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential right as to dividend, voting or otherwise
- b. Issue of shares (including sweat equity shares) to employees of the company under any scheme save and except ESOS referred to in this report.
- c. Provisions related to Corporate Social Responsibility are not applicable to the Company

- d. Pursuant to the provisions of the Act, no fraud was reported by auditors of the Company during FY 2019.

Acknowledgement

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

For and on behalf of the Board of Directors

Kumar Nair
Chairman
(DIN 00320541)

Place: Mumbai
Date: 29 August, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Background:

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

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

Global Economic Overview:

Global economic growth marginally declined to 3.6% in 2018 mainly due to demand slowdown in the second half of the year, trade tensions between US and China, uncertainty about China's outlook, poor financial market conditions and subdued business confidence across many economies. As per the World Economic Outlook Report - April 2019, world economic growth is expected to further decelerate to 3.3% in 2019, attributable to negative effects of tariff increases enacted in US and China and an overall weak financial market sentiment.

Indian Economic Overview:

Despite global headwinds, the Indian economy emerged as the fastest growing major economy in the world, with estimated Gross Domestic Product (GDP) growth of 6.8% in 2018-19 as per the Central Statistics Office's (CSO). Demand revival is well reflected in 7.4% growth in financial, real estate and professional services industry and 6.9% growth in manufacturing in 2018-19. Rural India has seen good revival in demand with inflation under check and various government initiatives. IMF has projected growth to pick up to 7.3% in 2019-20 and 7.5% in 2020-21, supported by the continued implementation of structural reforms, easing of infrastructure bottlenecks and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

Industry Overview:

India has a diversified financial sector which comprises commercial banks, insurance companies, NBFCs, Housing Finance Companies, Co-operatives, Pension Funds, Mutual Funds and other smaller financial entities. The NBFC sector continues to remain at the forefront and drive new credit disbursements for India's underserved retail and MSME space. Some of the growth drivers have been unique value proposition, regional outreach, deep understanding of the customer segment, customized product offerings and leveraging technology.

The year 2018 was a year of crisis for some of the NBFCs. Certain NBFCs could not manage asset-liability scenario and resulted in huge defaults, which further deteriorated the availability of the funding for NBFCs. The outlook for NBFCs for 2019 seems weak, but a gradual improvement in the liquidity situation could be expected in the coming months.

Review of operations of the Company:

The Company along with its subsidiaries achieved consolidated revenue of Rs.1868.66 lakhs compared to Rs.1782.29 lakhs in the previous year. On a standalone basis the revenue is marginally higher at ₹1084.68 lakhs compared to ₹962.49 lakhs in previous year. This was mainly due to increase in share trading activity from Rs.571.42 lakhs in 2018-19 as compared to ₹384.60 lakhs in the previous year.

The Company has business advisory services consisting of Trade Finance, Corporate Finance and Investment Banking. Revenue from business advisory services has remained at almost same level of ₹455.74 lakhs in current year as compared to ₹449.96 lakhs in previous year.

The lending business against security of gold jewelry, has lost its shine due to various government measures and stringent directives by RBI to banks and NBFCs. As a result the company had decided to lower its exposure to gold lending business.

The Company has commenced personal and consumer lending business on digital platform in the second half of the year. The initial response has been very encouraging and there is huge potential to scale up the business. The company is taking necessary steps to upgrade the technology platform and to put in place the systems commensurate with higher scale of operations.

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

Strengths:

- Professional and ethical management
- Stringent cost control
- Follows risk management systems

Weakness:

Limitations in getting funding due to low scale of business operations



Opportunities:

- Scalability of digital lending business
- Wealth management
- Distribution of various financial products
- Use of technology for scaling up

Threats:

Exposed to systemic risks like political and economic risks

Business Outlook:

TRANSWARRANTY, an RBI registered NBFC is active in a wide gamut of Financial Services like Corporate Finance, Project Finance, Trade Finance, Gold Loans, Margin Finance, Stock / Commodities / Currencies / Interest Rates / Other Derivatives Broking, Inter-Bank Forex Broking, Merchant Banking, Investment Banking etc. Excellent domain expertise combined with a strong client and institutional relationship network nurtured over last 25 years has ensured that all the Companies in the group are well poised to unlock value for its shareholders in the fast evolving financial landscape in India.

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

Both the companies are well placed to exploit the opportunities when the economy begins to accelerate and industrial activity picks up. The scale up in fund based digital lending business is likely to boost the revenue. The company is also exploring equity capital from strategic / financial investors for the fund based lending business.

Financial Review:

The following table presents company's standalone abridged financials for the year 2018-19 along with comparatives for the previous year.

(₹ in Lakhs)

Particulars	31 March, 2019	31 March, 2018
Revenue from operations	1081.32	951.51
Other income	3.36	10.98
Total revenue	1084.68	962.49
Purchases-Stock-in-Trade	571.53	382.48
Employee Benefit expenses	153.13	190.13
Finance costs	72.75	26.60
Depreciation and amortization expense	24.49	60.88
Other expenses	246.84	267.44
Total expenses	1068.75	927.52
Profit before exceptional items and taxes	15.93	34.96
Exceptional items (net) - income / (expense)	0	22.24
Profit before tax	15.93	12.73
Tax expenses	3.28	4.60
Profit for the year	12.65	8.12

Key Ratios

Particulars	2018-19	2017-18
PBT/Total Income	1.47%	1.32%
PBT/Total Assets	0.30%	0.27%
RONW (Avg. Net Worth)	0.48%	0.39%
Debt/ Equity	0.73:1	0.50:1
Capital Adequacy	41.06%	44.64%
Tier I Capital	39.28%	43.20%
Tier II Capital	1.78%	1.44%

There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios.

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 the business and risk management policies to mitigate the risk.

Internal Control Systems and Their Adequacy:

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

Human Resource Development:

The Company believes that the human resources 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 22 as on 31st March, 2019.

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: 29 August, 2019



REPORT ON CORPORATE GOVERNANCE

1. Corporate Governance:

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

Company's Philosophy on Code of Corporate Governance:

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

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

2. Code of Conduct:

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

3 Board of Directors (the "Board"):

The Board reviews and approves the Company's strategic, operational and financial plans. It also guides corporate strategy, takes key strategic decisions, reviews major plans of action etc. Besides, the plans of action

also include the risk policy, review and approval of annual budget and business plans and monitor performance against corporate strategy.

(i) Composition and size of the Board

The Company's policy is to have an appropriate mix of Executive 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.

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

(ii) 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 Listing Regulations. In terms of Regulation 25(8) of the 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 Listing Regulations and are independent of the Management.

(iii) Meetings of the Board :

During the financial year 2018-19, the Board met four times on 7th May 2018, 14th August, 2018, 14th November, 2018 and 8th February, 2019 respectively. The gap between any two meetings was not more than 120 days.

Pursuant to Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act and Regulation 25 of the SEBI (Listing Obligations &

Disclosure Requirements), Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 8th February, 2019 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.

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 31st March, 2019.

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.

The composition of Board of Directors, attendance at the Board Meetings during the financial year and attendance at the last Annual General Meeting and number of outside Directorships, Chairman/Membership of Committees held by them is as under:

Name of Director	Category/ Designation	No. of Board meetings attended	Last AGM attendance	No. of Directorships in other Boards#	Chairmanship / membership of other Board Committees@
Mr. Kumar Nair	Managing Director – Promoter Director	4	Yes	5	2
Mr. Pravin Khatau	Independent Director	1	No	Nil	Nil
Mr. U. Ramachandran	Director- Finance & CFO	4	Yes	5	Nil
Mrs. Nirmala Sachin Parab	Independent Director	4	Yes	Nil	Nil
Mr. Sudharsanan Nair	Independent Director	4	Yes	1	Nil

No. of Directorship in other Boards includes Directorship in Public Companies, Private Companies and Section 8 Companies but excludes Foreign Companies.

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

None of the directors are related to each other.



Directorship in equity listed companies:

Name of equity listed entities where directors of the Company held directorships as on 31 March 2019:

Name of the director	Name of the listed entity	Category
Kumar Nair	Transwarranty Finance Limited	Chairman, Managing Director & CEO- Executive
	Vertex Securities Limited	Chairman – Executive Director
U. Ramachandran	Transwarranty Finance Limited	Director & CFO- Executive
	Vertex Securities Limited	Managing Director & CEO- Executive
Pravin Khatau	Transwarranty Finance Limited	Independent Director- Non-executive
Nirmala Parab	Transwarranty Finance Limited	Independent Director- Non-executive
Sudharsanan Nair	Transwarranty Finance Limited	Independent Director- Non-executive

(iv) Details of equity shares held by the Directors as on 31st March, 2019 are given below:

Name	Category	Number of equity shares
Mr. Kumar Nair	Executive Director	1,27,08,694
Mr. U. Ramachandran	Executive Director	2,66,909
Mr. Pravin Khatau	Non-Executive –Independent Director	49,124
Mr. Sudharsanan Nair	Non-Executive – Independent Director	100

(v) Information to the Board:

The Board of Directors has complete access to the information within the Company, which inter alia includes:-

- Annual revenue budgets and capital expenditure plans;
- Quarterly results and results of operations of Independent Company and business segments;

- Financing plans of the Company;
- Minutes of meeting of Board of Directors, Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders’ Relationship Committee;
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non- payment of dividend, delay in share transfer, etc., if any.

(vi) Core skills/expertise/competencies:

Sr. No.	Core skills/expertise/competencies
1.	Management and strategy
2.	Banking, Investment, Treasury and Forex Management
3.	Global Business Leadership
4.	Audit and Risk Management
5.	Information Technology, Systems and Computers
6.	Insurance, Mutual Fund and Financial Services
7.	Economics and Statistics
8.	Academics, Education and Authorship

4. Meeting of Independent Directors:

During the year under review the Independent Directors met on 8th February, 2019 to discuss inter alia:

- Evaluation of performance of Non-Independent Directors and Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company.
- 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 details of the familiarisation programme of the Independent Directors are available on the website of the Company (<http://www.transwarranty.com/InvestorRelation/Policies>).

5. Board Committee

The Board constitutes the following Committees of Directors:

- Audit Committee
- Nomination Remuneration and Compensation Committee
- Stakeholders’ Relationship Committee

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

(a) Audit Committee:

(i) Composition

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

(ii) Attendance at the Audit Committee Meeting:

During the financial year 2018-19, the Committee met four times on 7th May 2018, 14th August, 2018, 14th November, 2018 and 8th February, 2019 respectively and the gap between any two meetings was not more than 120 days. The attendance of Members at the Meetings was as follows:

Name	Designation	Category	Attendance out of 5 meetings held
Mr. Sudharsanan Nair	Chairman	Independent	4
Mr. Kumar Nair	Member	Executive	4
Mr. Pravin Khatau	Member	Independent	0
Mrs. Nirmala Parab	Member	Independent	4

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

(iii) Powers of Audit Committee:

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

(iv) Terms of Reference:

- 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.

- Recommending the Board, the appointment, re-appointment, terms of appointment and if required replacement or removal of Auditors and fixation of Audit Fees.
- Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors.
- Reviewing with management the annual financial statements and auditor's report before submission to the Board for approval, with particular reference to:
 - Matters required to be included in Directors' Responsibility Statement to be included in the Director's Report.
 - Changes if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statement arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosures of related party transactions.
 - Qualifications in draft Audit Report.
- Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions with related parties.
- Scrutiny of inter-corporate loans and investments
- Reviewing, with the management the performance of Statutory and Internal Auditors, adequacy of internal control systems.
- Reviewing the adequacy of Internal audit function, if any, including the structure of the internal audit department, staffing and the seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.



- (k) Discussion with Internal Auditors any significant findings and follow up there on.
- (l) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- (m) Discussion with the Statutory Auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (n) To look into the reasons for the substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (o) To review the functioning of Whistle Blower Mechanism.
- (p) Carrying out any other function as is mentioned in the terms of reference of Audit Committee.

(b) Stakeholders' Relationship Committee:

(i) Terms of reference:

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

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

The committee comprises of following Directors:-

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

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

During the financial year 2018-19 no committee meeting was held.

(ii) Number of Complaints:

Details of investor complaints received and redressed during the year 2018- 19 are as follows:

Opening Balance	Received	Resolved	Pending
Nil	Nil	Nil	Nil

(c) Nomination, Remuneration and Compensation Committee:

(i) Composition

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

Name	Designation	Category
Mrs. Nirmala Parab	Chairman	Independent
Mr. Pravin Khatau	Member	Independent
Mr. Sudharsanan Nair	Member	Independent

The Committee acts as a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and as Compensation Committee under Regulation 5 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Share Purchase Scheme) Guidelines, 1999.

(ii) Meetings

During the financial year 2018-19 no committee meeting was held.

(iii) Terms of Reference

- To recommend to the Board composition of the Board and its committees.
- To formulate the criteria for evaluation of performance of Independent Directors and the Board
- To recommend/review remuneration of the Managing Director and Whole-time Director based on their performance and defined assessment criteria
- To recommend to the Board the appointment or reappointment of directors.
- To recommend to the Board appointment of Key Managerial Personnel

- To carry out evaluation of every Director's performance
- Performing such other duties and responsibilities as may be required.

(iv) Nomination 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.

(v) 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.

(d) Corporate Social Responsibility Committee

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

(e) Whistle Blower Policy

Pursuant to Section 177 (9) and (10) of the Companies Act 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for visual mechanism for Directors and Employees to report to the Management about the unethical behavior, fraud or violation of code of conduct. The mechanism provides for adequate safeguards against victimization of Employees and Directors who use such mechanism and makes provisions for direct access to the Chairperson of Audit Committee. None of the Personnel has been denied access to the Audit Committee.

(f) Risk Management

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

(g) Details of remuneration paid to the Directors

Directors	Salary (including Performance Incentive, if any and other allowance) (₹)	Perquisites(₹)	Contribution to P. F. superannuation and Gratuity (₹)	Sitting Fees (₹)	Others (Rent/ Professional fees) (₹)	Total (₹)
Mr. Kumar Nair	2,270,408	-	129,600	-	18,00,000	42,00,008
Mr. Pravin Khatau	-	-	-	20,000	-	20,000
Mr. U.Ramachandran	-	-	-	-	1,00,000	100,000
Mrs. Nirmala Parab	-	-	-	1,60,000	-	1,60,000
Mr. Sudharsanan Nair	-	-	-	1,60,000	-	1,60,000



6. Certificate of non-disqualification of directors from practicing Company Secretary

A certificate issued by CS Yogesh Sharma, Practising Company Secretary, pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

7. General Body Meetings:

- a. Extra Ordinary General Body meetings:

No Extra Ordinary General Body Meeting was held during the financial year ended 31st March, 2019.

- b. Details of Annual General Meetings held during the last three years:

Financial Year	Day, Date and Time	Venue	Special Resolution passed
2015-16	Monday 19 th September, 2016 10.30 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai 400001	No Special resolution was passed.
2016-17	Thursday 23 rd August, 2017 10.30 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai 400001	No Special resolution was passed.
2017-18	Wednesday 26 th September, 2018 10.00 a.m.	Cultural hall of Yashwantrao Chavan Pratishtha, Y.B. Chavan Centre, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400021	Pursuant to the provisions of Section(s) 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof for the time being in force read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended and the Companies (Share Capital and Debentures) Rules, 2014, as amended, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Memorandum and Articles of Association of the Company; 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, 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 ₹50 Crores (Rupees Fifty Crores Only), 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.

- c. Postal Ballot:

During the financial year ended 31st March, 2019, no resolution was passed through postal ballot.

- d. Procedure for Postal Ballot:

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company provided electronic voting(e-voting) facility to all its members. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

Your Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the Register of Members /list of beneficiaries as on cut – off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with the depository participants/ Company's Registrar & Share Transfer Agents. The Company also publishes a notice

in the newspapers declaring the details of completion of dispatch and other requirements under the Companies Act, 2013 and the Rules issued thereunder.

Voting rights are reckoned on the paid up value of shares of your Company in the names of the shareholders as on the cut-off date. Members desiring to vote through physical ballot are requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman /authorized officials of the Company. The results are displayed on the website of your Company, besides being communicated to the Stock Exchanges.

8. Means of Communication:

a. Quarterly Results

The quarterly results of the Company are published in Financial Express or Active Times (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:

www.transwarranty.com

9. 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. Vinayak Bendal, Email Id: debtca@linkintime.co.in; Tel. : +91 49186000.

Debentureholders would have to correspond with the respective Depository Participants for Debentures held in dematerialised mode.

10. Share Transfer System:

Trading in Equity Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.

SEBI vide its Notification No. SEBI/LAD-NRO/ GN/2018/24 dated 8th June, 2018 amended Regulation 40 of SEBI Listing Regulations which mandated transfer of securities only in dematerialised mode from 5th December, 2018.

Pursuant to the above, the Company has sent letters to those shareholders holding shares in physical form advising them to dematerialise their holding.

Further, as per SEBI Notification No. SEBI/LAD-NRO/ GN/2018/49 dated 30th November, 2018, the date for transfer of securities in physical form was extended from 5th December, 2018 to 1st April, 2019. Accordingly, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with the depository, with effect from 1st April, 2019. However, this restriction shall not be applicable to the request received for transmission or transposition of physical shares.

Members holding shares in physical form are requested to get their shares dematerialised at the earliest to avoid any inconvenience in future while transferring the shares. Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account and get their shares dematerialised or alternatively, contact the nearest office of Link Intime India Pvt. Ltd. to seek guidance about the dematerialization procedure. The Members may also visit the website of the Depositories viz. (i) National Securities Depository Limited at the web-link: <https://nsdl.co.in/faqs/faq.php> or (ii) Central Depository Services (India) Limited at the web-link: <https://www.cdslindia.com/investors/open-demat.aspx>, for further understanding about the dematerialisation process.

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

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

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



11. General Shareholders Information:

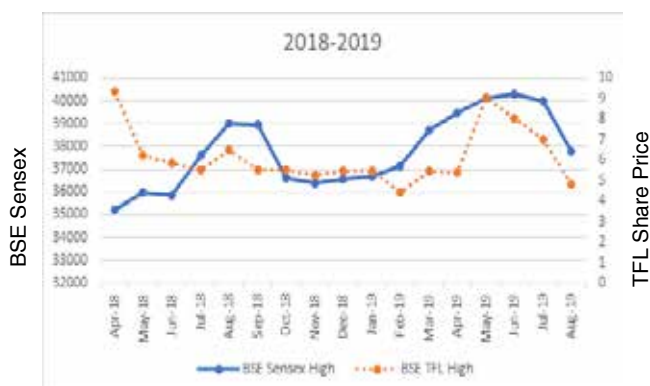
Sr. No.	Particulars	Details									
1	Annual General Meeting for the financial year 2018-19	Wednesday, 27 th September, 2019 10.30 a.m. Cultural Hall of Yashwantrao Chavan Pratishthan, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400021									
2	Financial Calendar (Tentative)										
	Financial reporting for the quarter ending June 30, 2019	Last week of July/August, 2019									
	Financial reporting for the quarter ending September 30, 2019	Second Week of October/November, 2019									
	Financial reporting for the quarter ending December 31, 2019	Second Week of January/February, 2019									
	Financial reporting for the quarter ending March 31, 2020	Last week of April/May 2020									
	Annual General Meeting for the year ended March 31, 2020	August-September, 2020									
3	Date of Book Closure	21 st September, 2019 to 27 th September, 2019 (inclusive of both days)									
4	Listing on Stock Exchanges	<table border="1"> <thead> <tr> <th>Name and Address of Stock Exchange</th> <th>Stock Code</th> <th>Demat ISIN for NSDL and CDSL</th> </tr> </thead> <tbody> <tr> <td>Bombay Stock Exchange Ltd (BSE)</td> <td>532812</td> <td>INE 804H01012</td> </tr> <tr> <td>National Stock Exchange of India Ltd (NSE)</td> <td>TFL</td> <td>INE 804H01012</td> </tr> </tbody> </table>	Name and Address of Stock Exchange	Stock Code	Demat ISIN for NSDL and CDSL	Bombay Stock Exchange Ltd (BSE)	532812	INE 804H01012	National Stock Exchange of India Ltd (NSE)	TFL	INE 804H01012
Name and Address of Stock Exchange	Stock Code	Demat ISIN for NSDL and CDSL									
Bombay Stock Exchange Ltd (BSE)	532812	INE 804H01012									
National Stock Exchange of India Ltd (NSE)	TFL	INE 804H01012									
5	Payment of Annual Listing fees	The Company has paid listing fees for the year									
6	Registrar and Transfer Agents Contact person Contact No Email	Link Intime India Pvt. Ltd, C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai – 400083 Ms. Rima Shah +91 22 49186270 Fax : +91 22 49186060 rnt.helpdesk@linkintime.co.in									
7	Custodial Fees to Depositories	The Company has paid custodial fees for the year									
8	Address for correspondence	Transwarranty Finance Limited, 403, Regent Chambers, Nariman Point, Mumbai - 400 021. Phone : 022 – 6630 6090/4001 0900 Contact person: Mr. Sreedhar H.									
9	Investor Grievances	The Company has designated an exclusive e-mail id viz. companysecretary@transwarranty.com to enable investors to register their complaints, if any. For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non receipt of dividend or annual report or any other query relating to shares be addressed to Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai – 400083. Phone: 022 49186270, Fax: 022 49186060 Email: rnt.helpdesk@linkintime.co.in									
10	Debenture Trustee Address: Phone: Fax: Email:	Vistra ITCL (India) Ltd. The IL&FS Financial Centre, Plot No. C-22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400051 (022) 2653 3333 (022) 2653 3297 mumbai@vistra.com									
11	Functional website of the Company as per Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Pursuant to the requirement of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company maintains a functional website of the Company and website address of the Company is www.transwarranty.com. Website of the Company provides the basic information about the Company e.g. details of its business, financial information, shareholding pattern etc. and the Company is regularly updating the Information provided on its website.									

11. Stock performance vs BSE Sensex and NSE

Market Price Data during the year ended 31.03.2019-

BSE

Month	High (₹)	Low (₹)	BSE Sensex (High)
April 2018	9.38	5.22	35,213.30
May 2018	6.27	4.52	35,993.53
June 2018	5.85	4.76	35,877.41
July 2018	5.50	4.80	37,644.59
August 2018	6.50	4.86	38,989.65
September 2018	5.54	4.51	38,934.35
October 2018	5.50	4.31	36,616.64
November 2018	5.29	4.52	36,389.22
December 2018	5.45	4.50	36,554.99
January 2019	5.45	4.20	36,701.03
February 2019	4.46	3.57	37,172.18
March 2019	5.49	4.26	38,748.54

**NSE**

Month	High (₹)	Low (₹)
April 2018	9.90	5.10
May 2018	6.10	4.65
June 2018	5.75	4.90
July 2018	5.45	4.55
August 2018	5.60	4.60
September 2018	5.45	4.35
October 2018	5.50	4.55
November 2018	5.30	4.40
December 2018	5.50	4.40
January 2019	5.40	3.85
February 2019	5.35	3.65
March 2019	5.40	4.10

12. ShareholdingThe Equity Shareholding pattern as on 31st March, 2019 is as follows:

Category	No. of Shares	%
Promoters and Promoter Group	1,31,14,927	53.62
Public	1,13,45,641	46.38
Total	2,44,60,568	100.00

Distribution of Shareholding as on 31-03-2019:

No. of equity shares held	No. of shareholders	Total no. of shares held	% of shares held
1 - 500	3857	6,40,335	2.62
501 - 1000	496	4,10,068	1.68
1001 - 2000	253	3,88,491	1.59
2001 - 3000	98	2,54,135	1.04
3001 - 4000	56	1,95,633	0.80
4001 - 5000	41	1,91,781	0.78
5001 - 10,000	73	5,36,758	2.19
10,001 and above	82	2,18,43,367	89.30
Total	4956	2,44,60,568	100.00

As on 31st March, 2019, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

13. Corporate Benefits to Shareholders**(i) Dividend History**

Financial Year	Dividend	Dividend (₹ per Share)
2008-09	3.00%	0.30/-
2009-10	Nil	Nil
2010-11	Nil	Nil
2011-12	5.00%	0.50/-
2012-13	Nil	Nil
2013-14	Nil	Nil
2014-15	Nil	Nil
2015-16	Nil	Nil
2016-17	Nil	Nil
2017-18	Nil	Nil
2018-19	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.

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

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

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/Investorrelation.aspx?page=Unclaimed_Dividend.

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

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

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/Investorrelation.aspx?page=Unclaimed_Dividend and also on website specified by the Ministry of Corporate Affairs <http://www.iepf.gov.in/IEPF/services.html>

14. 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 15th November, 2018 is not required to be furnished by the Company.

15. 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 99.85% of the shares have been dematerialized so far.

The number of shares held in dematerialized and physical mode as on 31st March, 2019 is as under:

	No. of shares	% of total capital
Held in dematerialized form in NSDL	2,11,77,885	86.58
Held in dematerialized form in CDSL	32,46,990	10.13
Physical	35,693	0.15
Total	2,44,60,568	100.00

16. Reconciliation of Share Capital Audit:

Pursuant to Regulation 40(9) of the Listing Regulations certificates have been issued on a half-yearly basis, by a qualified Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company.

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.

17. Annual Secretarial Compliance Report:

Pursuant to SEBI Circular dated 8th February, 2019, the Annual Secretarial Compliance Report for the financial year 2018-19 issued by M.P. Sharma & Co., Company Secretaries, confirming compliance with all applicable SEBI Regulations and Circulars/Guidelines issued

thereunder, has been submitted to the Stock Exchanges within 60 days of the end of the financial year. The said report contains one observation regarding material related party transactions.

Due to urgent circumstances the company entered into material related party transactions. The resolution for ratification of previous transactions/ approval of the shareholders is placed at this Annual General Meeting.

18. Total fees paid to the Statutory Auditors and all entities in the network firm/ entities

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

₹ in Lakhs

Payment to Statutory Auditors	FY 2018-19
Statutory Audit	₹3,51,000
Quarterly Audit Fees & Other Services	₹85,471
Income Tax Audit Fees	₹75,000
Total	₹5,11,471

19. Disclosures:

- There were no transactions of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives during the period that may have potential conflict with the interest of the company at large.
- Transactions with related parties are disclosed in Note No. 28 in the notes to the accounts in the Annual Report as required by Accounting Standards under AS 18 issued by Institute of Chartered Accountants of India.
- None of the transactions with related parties were in conflict with the interest of the Company. All the transactions were in the normal course of business and had no potential conflict with the interest of the company at a large and were carried out on an arm's length basis or fair value.
- There were no non-compliances by the Company during the year. No penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities on any matters related to the capital markets, during the previous three financial years.
- The policy for determining material subsidiaries and related party transactions is available on the website www.transwarranty.com/Investors/Policies.
- The Board has adopted a Code of Conduct including Business Ethics Policy for its Directors and Senior Management. This is available on the Company's web-site www.transwarranty.com.
- 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, 2019.
- The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of the financial statement; the Company has not adopted a treatment different from that prescribed by any Accounting Standard.
- Risk assessment and minimization procedures are periodically reviewed by the Audit Committee and the Board of Directors of the Company.
- The Chief Executive Officer and the Chief Financial Officer have certified to the Board of Directors as per the format prescribed in Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company.
- During the financial year 2018-19, the information as mentioned in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration.
- The Company has complied with the applicable mandatory requirements. Non-mandatory requirements as stipulated in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been adopted to the extent as applicable and possible.
- The details of the familiarization programme of the Independent Directors are available on the website of the Company <http://www.transwarranty.com/Investors>.
- The details regarding plant location is not applicable as the Company does not have any plant.
- 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 Listing Regulations.



- Disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.

20. Non-mandatory requirements:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29 August, 2019

Kumar Nair
Chairman
(DIN 00320541)

CEO/ CFO Certification

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, 2019 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**

For **Transwarranty Finance Limited**

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

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

Place : Mumbai
Date : 10 May, 2019

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, 2019.

For **Transwarranty Finance Limited**

Place : Mumbai
Date : 10 May, 2019

Kumar Nair
Managing Director
DIN 00320541

**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 of
Transwarranty Finance Limited
403, Regent Chambers, Nariman Point,
Mumbai 400 021

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Transwarranty Finance Limited having CIN L65920MH-1994PLC080220 and having registered office at 403, Regent Chambers, Nariman Point, Mumbai 400021 (hereinafter referred to as 'the Company'), produced before me/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 my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 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. U. RAMACHANDRAN	00493707f	11/09/2015
3	MR. PRAVIN KHATAU	02425468	25/02/2015
4	MRS. NIRMALA PARAB	07149007	30/03/2015
5	MR. SUDHARSANAN NAIR	01510505	09/11/2015

Ensuring the eligibility of 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.

Yogesh M. Shama

Company Secretary in whole time practice

ACS 33235

C.P. 12366

Date: 29th August, 2019

Place: Mumbai

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF

TRANSWARRANTY FINANCE LIMITED

1. The Corporate Governance Report prepared by Transwarranty Finance Limited (hereinafter the "Company"), contains details as stipulated at Para C of Schedule V in terms of regulations 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") with respect to Corporate Governance for the year ended 31 March 2019.

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

- i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
- ii. Obtained and verified that the composition of the Board of Directors with regards to executive and non-executive directors has been met throughout the reporting period;
- iii. Obtained and read the Directors Register as on 31 March 2019 and verified that at least one women director was on the Board during the year;
- iv. Obtained and read the minutes of the following meetings held from 1 April 2018 to 31 March 2019:
 - (a) Board of Directors meeting;
 - (b) Audit committee;
 - (c) Annual General meeting;
 - (d) Meeting of Independent Directors ;
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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



the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31 March 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for

any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For RAHUL GAUTAM DIVAN & ASSOCIATES

Chartered Accountants

(Firm's Registration Number: 120294W)

RAHUL DIVAN

Partner

Membership Number: 100733

Place : Mumbai

Date : 29 August, 2019

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2019				
(Consolidated Accounts)				
[As per Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures(as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	186,866,457	Not applicable. Refer Item No. II.d. below.
	2	Total Expenditure	181,915,165	
	3	Net Profit/(Loss)	4,951,292	
	4	Earnings Per Share	0.19	
	5	Total Assets	730,727,415	
	6	Total Liabilities	730,727,415	
	7	Net Worth	316,402,304	
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II. Audit Qualification (each audit qualification separately):				
	a.	Details of Audit Qualification:	Sundry debtors under the head current assets include old outstanding dues. The sundry debtors outstanding for more than six months amount to ₹29,624,509. Further, out of total sundry debtors, for a sum of Rs.9,550,724, the Company has initiated legal and recovery actions, the proceedings of which are in different stages.	
			In view, of the above, the quantum of realisability of old outstanding sundry debtors/legally initiated debts is not ascertainable at this stage	
	b.	Type of Audit Qualification :	Qualified Opinion	
	c.	Frequency of qualification:	Repetitive since 31/03/2002	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not applicable	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		(i) Management's estimation on the impact of audit qualification:	Not ascertainable	
		(ii) If management is unable to estimate the impact, reasons for the same:	As the Company has initiated legal actions for recovery of dues, it will not be prudent to make any provisions as the cases are in various stages in different Courts.	
		(iii) Auditors' Comments on (i) or (ii) above:	No comments further to details in Audit Qualification in II(a) above	
III. Signatories:				
		CEO/Managing Director	Kumar Nair	
		CFO	U.Ramachandran	
		Audit Committee Chairman	Sudarsanan Nair	
		Statutory Auditor	Rahul Divan Partner Membership No. 100733 Rahul Gautam Divan & Associates Firm Registration Number 120294W	
		Place: Mumbai		
		Date: 10/05/2019		



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:

CIN	L65920MH1994PLC080220
Registration Date	09/08/1994
Name of the Company	Transwarranty Finance Limited
Category/Sub-category of the Company	Company Limited by Shares
Address of the Registered office & contact details	403, Regent Chambers, Nariman Point, Mumbai – 400 021, Maharashtra Tel.:- 022 – 4001 0900 / 6630 6090 Fax:- 022 – 6630 6655
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai – 400 083 Tel.- +91 2249186270 Fax:+91 22 49186060 Email Id: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN / GIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Vertex Securities Ltd.	L67120KL1993PLC007349	Subsidiary Company	53.04	2(87)(ii)
2.	Vertex Commodities And Finpro Pvt. Ltd.	U67120KL1995PTC008610	Subsidiary Company	-	2(87)
3.	Transwarranty CapitalMarket Services Pvt. Ltd.	U65923MH2012PTC228272	Subsidiary Company	100	2(87)

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

A) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year as on 01.04.2018				Shareholding at the end of the year as on 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	13092210	0	13092210	53.5237	12824737	0	12824737	52.4303	-1.09
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	13092210	0	13092210	53.5237	12824737	0	12824737	52.4303	-1.0934
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	22717	0	22717	0.0929	290190	0	290190	1.1864	1.0935
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub Total (A)(2)	22717	0	22717	0.0929	290190	0	290190	1.1864	1.0935
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	13114927	0	13114927	53.6166	13114927	0	13114927	53.6166	0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub Total (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Central Government/ State Government(s)/ President of India	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹1 lakh.	2050638	4693	2055331	'8.4026	2333095	4693	2337788	9.5574	1.1548
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	1113193	0	1113193	'4.5510	1925785	30000	1955785	7.9957	3.4447
(b)	NBFCs registered with RBI	0	0	0	'0.0000	700	0	700	0.0029	0.00
(c)	Employee Trusts	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	IEPF	0	0	0	'0.0000	4586	0	4586	0.0187	0.02
	Trusts	5225000	0	5225000	21.3609	5225000	0	5225000	21.3609	0.0000
	Hindu Undivided Family	154498	0	154498	'0.6316	258503	0	258503	1.0568	'0.4252
	Non Resident Indians (Non Repat)	40405	0	40405	'0.1652	50930	0	50930	0.2082	'0.0430
	Other Directors	0	0	0	'0.0000	49124	0	49124	0.2008	'0.2008



TRANSWARRANTY FINANCE LIMITED

	Non Resident Indians (Repat)	1365753	0	1365753	'5.5835	28654	0	28654	0.1171	'-5.4664
	Office Bearers	22056	31000	53056	'0.2169	15278	1000	16278	0.0665	'-0.1504
	Clearing Member	21438	0	21438	'0.0876	23959	0	23959	0.0979	'0.0103
	Bodies Corporate	1316967	0	1316967	'5.3840	1394334	0	1394334	5.7003	'0.3163
	Sub Total (B)(3)	11309948	35693	11345641	'46.3834	11309948	35693	11345641	46.3834	'0.0000
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	11309948	35693	11345641	'46.3834	11309948	35693	11345641	46.3834	'0.0000
(C)	Total (A)+(B)	24424875	35693	24460568	'100.0000	24424875	35693	24460568	100.0000	'0.0000
[1]	Non Promoter - Non Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	24424875	35693	24460568	'100.0000	24424875	35693	24460568	'100.0000	

B) Shareholding of Promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year as on 01.04.2018			Shareholding at the end of the year as on 31.03.2019			% change in shareholding during the year
		No. of Shares held	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares held	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	KUMAR NAIR	12708694	51.9558	0.0000	12708694	51.9558	0.0000	0.0000
2	NAIR LEENA KUMAR	267473	1.0935	0.0000	267473	1.0935	0.0000	0.0000
3	ANITHA PLAKKOT	50000	0.2044	0.0000	50000	0.2044	0.0000	0.0000
4	CHERALATH CHANDRAN	35603	0.1456	0.0000	35603	0.1456	0.0000	0.0000
5	JAYACHANDRAN K	22717	0.0929	0.0000	22717	0.0929	0.0000	0.0000
6	C. D. PADMINI DEVI	20840	0.0852	0.0000	20840	0.0852	0.0000	0.0000
7	KARTHIKEYAN KARKATVALLIL	7650	0.0313	0.0000	7650	0.0313	0.0000	0.0000
8	K. INDIRA DEVI	1950	0.0080	0.0000	1950	0.0080	0.0000	0.0000
	Total	13114927	53.6166	0.0000	13114927	53.6166	0.0000	0.0000

C) Change in Promoters Shareholding

Sr No.	NAME & TYPE OF TRANSACTION	Shareholding at the beginning of the year as on 01.04.2018		Transactions during the year		Cumulative Shareholding at the end of the year as on 31.03.2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	KUMAR NAIR	12708694	51.9558			12708694	51.9558
	AT THE END OF THE YEAR					12708694	51.9558
2	NAIR LEENA KUMAR	267473	1.0935			267473	1.0935
	AT THE END OF THE YEAR					267473	1.0935
3	ANITHA PLAKKOT	50000	0.2044			50000	0.2044
	AT THE END OF THE YEAR					50000	0.2044
4	CHERALATH CHANDRAN	35603	0.1456			35603	0.1456
	AT THE END OF THE YEAR					35603	0.1456
5	JAYACHANDRAN K	22717	0.0929			22717	0.0929
	AT THE END OF THE YEAR					22717	0.0929
6	C. D. PADMINI DEVI	20840	0.0852			20840	0.0852
	AT THE END OF THE YEAR					20840	0.0852
7	KARTHIKEYAN KARKATVALLIL	7650	0.0313			7650	0.0313
	AT THE END OF THE YEAR					7650	0.0313
8	K. INDIRA DEVI	1950	0.0080			1950	0.0080
	AT THE END OF THE YEAR					1950	0.0080

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):-

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	KUMAR NAIR-TRUSTEE OF TFL,TCCPL & TFCPL MERGER TRUST	5225000	21.3609			5225000	21.3609
	AT THE END OF THE YEAR					5225000	21.3609
2	VINCO SALES AND SERVICES PVT. LTD.	661986	2.7063			661986	2.7063
	AT THE END OF THE YEAR					661986	2.7063
3	STERLING BIOTECH LIMITED	538124	2.2000			538124	2.2000
	AT THE END OF THE YEAR					538124	2.2000
4	KAREENA A. ROHERA	51233	0.2095			51233	0.2095
	MARKET PURCHASE			20 Apr 2018	36654	87887	0.3593
	MARKET PURCHASE			27 Apr 2018	40000	127887	0.5228
	MARKET PURCHASE			30 Jun 2018	74140	202027	0.8259
	MARKET PURCHASE			20 Jul 2018	25860	227887	0.9317
	AT THE END OF THE YEAR					227887	0.9317
5	ALANKIT ASSIGNMENTS LIMITED-COLLATERAL ACCOUNT	48137	0.1968			48137	0.1968
	MARKET PURCHASE			20 Apr 2018	34965	83102	0.3397
	MARKET PURCHASE			11 May 2018	77515	160617	0.6566
	MARKET SELL			18 May 2018	-4400	156217	0.6386
	MARKET PURCHASE			25 May 2018	100	156317	0.6391
	MARKET SELL			01 Jun 2018	-700	155617	0.6362
	MARKET PURCHASE			08 Jun 2018	400	156017	0.6378
	MARKET SELL			15 Jun 2018	-400	155617	0.6362
	MARKET PURCHASE			10 Aug 2018	400	156017	0.6378
	MARKET SELL			17 Aug 2018	-400	155617	0.6362
	MARKET PURCHASE			05 Oct 2018	150	155767	0.6368
	MARKET SELL			12 Oct 2018	-150	155617	0.6362
	MARKET PURCHASE			23 Nov 2018	100	155717	0.6366
	MARKET SELL			30 Nov 2018	-100	155617	0.6362
	MARKET PURCHASE			07 Dec 2018	1000	156617	0.6403
	MARKET SELL			14 Dec 2018	-1000	155617	0.6362
	MARKET SELL			28 Dec 2018	-1000	154617	0.6321
	MARKET SELL			04 Jan 2019	-1000	153617	0.6280
	MARKET SELL			11 Jan 2019	-14473	139144	0.5689
	MARKET SELL			25 Jan 2019	-1024	138120	0.5647
	MARKET SELL			01 Feb 2019	-8863	129257	0.5284
	AT THE END OF THE YEAR					129257	0.5284
6	ANIL SHATRUGHUN ROHERA-HUF .	0	0.0000			0	0.0000
	MARKET PURCHASE			25 May 2018	100000	100000	0.4088
	AT THE END OF THE YEAR					100000	0.4088
7	RAJU AJIT BHANDARI	93640	0.3828			93640	0.3828
	MARKET PURCHASE			20 Apr 2018	8000	101640	0.4155
	MARKET PURCHASE			27 Apr 2018	1843	103483	0.4231
	MARKET PURCHASE			04 May 2018	1665	105148	0.4299



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	MARKET SELL			18 May 2018	-798	104350	0.4266
	MARKET PURCHASE			08 Jun 2018	15000	119350	0.4879
	MARKET SELL			13 Jul 2018	-3107	116243	0.4752
	MARKET SELL			20 Jul 2018	-274	115969	0.4741
	MARKET SELL			29 Sep 2018	-17203	98766	0.4038
	MARKET SELL			05 Oct 2018	-5450	93316	0.3815
	MARKET SELL			12 Oct 2018	-300	93016	0.3803
	MARKET SELL			26 Oct 2018	-55	92961	0.3800
	MARKET SELL			02 Nov 2018	-5380	87581	0.3580
	MARKET PURCHASE			23 Nov 2018	13895	101476	0.4149
	MARKET PURCHASE			30 Nov 2018	455	101931	0.4167
	MARKET SELL			07 Dec 2018	-800	101131	0.4134
	MARKET SELL			14 Dec 2018	-2944	98187	0.4014
	MARKET SELL			11 Jan 2019	-3576	94611	0.3868
	MARKET SELL			18 Jan 2019	-961	93650	0.3829
	MARKET PURCHASE			08 Mar 2019	4480	98130	0.4012
	MARKET SELL			29 Mar 2019	-3642	94488	0.3863
	AT THE END OF THE YEAR					94488	0.3863
8	VINAYAK TRIPATHI	77609	0.3173			77609	0.3173
	MARKET PURCHASE			20 Apr 2018	3000	80609	0.3295
	MARKET PURCHASE			27 Apr 2018	500	81109	0.3316
	MARKET PURCHASE			11 May 2018	3000	84109	0.3439
	MARKET PURCHASE			09 Nov 2018	500	84609	0.3459
	MARKET PURCHASE			31 Dec 2018	193	84802	0.3467
	MARKET PURCHASE			11 Jan 2019	1200	86002	0.3516
	MARKET PURCHASE			01 Feb 2019	500	86502	0.3536
	MARKET PURCHASE			29 Mar 2019	5	86507	0.3537
	AT THE END OF THE YEAR					86507	0.3537
9	NIRANJANA JAYSUKHLAL DOSHI	0	0.0000			0	0.0000
	MARKET PURCHASE			15 Jun 2018	66000	66000	0.2698
	AT THE END OF THE YEAR					66000	0.2698
10	SATPAL KHATTAR	680000	2.7800			680000	2.7800
	MARKET SELL			13 Apr 2018	-71884	608116	2.4861
	MARKET SELL			20 Apr 2018	-262062	346054	1.4147
	MARKET SELL			27 Apr 2018	-117749	228305	0.9334
	MARKET SELL			04 May 2018	-106450	121855	0.4982
	MARKET SELL			11 May 2018	-121855	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
11	ARVIND KHATTAR	659670	2.6969			659670	2.6969
	MARKET SELL			20 Apr 2018	-74174	585496	2.3936
	MARKET SELL			27 Apr 2018	-62868	522628	2.1366
	MARKET SELL			04 May 2018	-71000	451628	1.8464
	MARKET SELL			11 May 2018	-451628	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
12	SATISH AGARWAL	71515	0.2924			71515	0.2924
	MARKET SELL			11 May 2018	-71515	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the Company
1.	Mr. Kumar Nair At the beginning of the year Change during the year At the end of the year	12708694 0 12708694	51.96 0 51.96	12708694	51.96
2.	Mr. U. Ramachandran At the beginning of the year Change during the year At the end of the year	266909 0 266909	1.09 0 1.09	266909	1.09
3.	Mr. Pravin Khatau At the beginning of the year Change during the year At the end of the year	1500 47624 49,124	0.006 0.1950 0.20	49,124	0.20
4.	Mr. Sudharsanan Nair At the beginning of the year Change during the year At the end of the year	100 0 100	0.00 0 0.00	100	0.00
5.	Mr. Sreedhar H. At the beginning of the year Change during the year At the end of the year	425 0 425	0.002 0 0.002	425	0.002

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	205.92	1,028.11	-	1,234.03
ii) Interest due but not paid	-	126.98	-	126.98
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	205.92	1155.09	-	1361.01
Change in Indebtedness during the financial year			-	
* Addition	640.73	161.26	-	801.99
* Reduction	(160.83)	(101.50)	-	(262.33)
Net Change	479.90	59.76	-	539.66
Indebtedness at the end of the financial year			-	
i) Principal Amount	685.82	1,087.87	-	1,773.69
ii) Interest due but not paid	-	169.92	-	169.92
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	685.82	1,257.79	-	1,943.61



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Managing Director
		Mr. Kumar Nair
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.70
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.30
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, please specify Rent paid	18.00
	Total (A)	42.00

B. Remuneration to other directors

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr. Pravin Khatau	Mrs. Nirmala Parab	Mr. Sudharsanan Nair	
	Fee for attending board/ committee meetings	0.20	1.60	1.60	3.40
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (1)	0.20	1.60	1.60	3.40
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board/ committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Total (B)=(1+2)	0.20	1.60	1.60	3.40

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

(₹ in Lacs)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
		Mr. Sreedhar H.	Mr. U Ramachandran	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.40	NIL	2.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others	-	-	-
5	Others, Professional fees	-	1.00	1.00
	Total	2.40	1.00	3.40

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments, compounding of offences for the year ended 31st March, 2019.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29 August, 2019

Kumar Nair
Chairman
(DIN 00320541)



DISCLOSURES ON EMPLOYEES' STOCK OPTION SCHEME

Sl. No	Particulars	Details
1	Options granted during the year	No options have been granted during the year
2	Pricing formula	As approved by the shareholders in the Annual General Meeting held on 5 th August, 2009, the exercise price for the options is ₹10 per share
3	Options vested during the year	Nil
4	Options exercised during the year	Nil
5	The total number of shares arising as a result of exercise of Option	Nil
6	Options lapsed during the year	Nil
7	Options forfeited during the year	Nil
8	Exercise price	₹10 per share
9	Variation of Terms of Options	The exercise price of the options was fixed at par i.e. ₹10 per share at the Annual General Meeting held on 5 th August,2009,
10	Money realised by exercise of options	Nil
11	Total number of Options in force	Nil
12	Employee wise details of Options Granted to:-	
13	i. Key Managerial Personnel	Nil
14	ii. Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Nil
15	iii. Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant	Nil
16	Diluted Earnings per share(EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS)20	₹0.05
17	Difference between employee compensation cost calculated as per intrinsic value of stock options and fair value of the options	Not Applicable
18	Impact of the difference on profits and EPS	Not Applicable
19	Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock : -Weighted average price (Rs.) -Weighted average Fair Value	Not Applicable
20	A description of the method and significant assumptions used during the year to estimate the fair values of options	Since no options have been granted during the year, hence not applicable.

For and on behalf of Board of Directors

Place: Mumbai
Date: 29 August, 2019

Kumar Nair
Chairman
(DIN 00320541)

Annexure 'F'

FORM NO. AOC-2

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

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Vertex Securities Limited, Subsidiary Company
b)	Nature of contracts/arrangements/transactions	Inter Corporate Transactions
c)	Duration of the contracts / arrangements/transactions	FY 2018-19
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Transactions for an amount of ₹ 16 Crore
e)	Date(s) of approval by the Board	07.05.2018,14.08.2018,14.11.2018 and 08.02.2019
f)	Amount paid as advances, if any	Transactions for an amount of ₹ 16 Crore

For and on behalf of Board of Directors

Place: Mumbai
Date: 29 August, 2019

Kumar Nair
Chairman
(DIN 00320541)



Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
[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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2019 according to the provisions of:

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

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

Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(Not applicable to the Company during the Audit period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not applicable to the Company during the Audit period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 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");

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

- (i) On examination of the relevant documents and records on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - Reserve Bank of India Act, 1934 ("RBI Act")

We 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 & NSE

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

There is an observation regarding compliance with SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015:

The company has entered into material related party transaction which requires approval of shareholders in general meeting.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the Composition of Board of Directors during the Financial Year 2018-19.

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

All the decisions at Board Meetings and Committee Meetings

are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committee of the Board as the case may be.

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

We further report that during the audit period the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. The Company has taken the approval of shareholders 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 ₹50 Crores (Rupees Fifty Crores Only), on a private placement basis. Out of which, the company has issued Non-Convertible Debentures aggregating to ₹98 Lakhs (Rupees Ninety Eight Lakhs Only) during the Financial Year 2018-19.

Place: Mumbai
Date: 30th June, 2019

MATAPRASAD SHARMA
FCS: 2673
C. P: 4536

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



APPENDIX A

To,
The Members,
TRANSWARRANTY FINANCE LIMITED,

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

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

Place: Mumbai
Date: 30th June, 2019

MATAPRASAD SHARMA
FCS: 2673
C. P: 4536

Annexure "H"

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 2018-2019:

Name of the Director	Ratio
Mr. Kumar Nair (Managing Director)	11.84:1
Mr. U. Ramachandran(Director & CFO)	Nil

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

- (ii) The percentage increase / decrease in the remuneration of each Director, Chief Financial Officer and Company Secretary or Manager in the Financial Year 2018-2019:

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

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

- (iii) The percentage increase in the median remuneration of employees in the Financial Year 2018-19: Nil
- (iv) The number of permanent employees on the rolls of the Company: 22 employees as on March 31, 2019
- (v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase in managerial remuneration and for employees other than Managerial Personnel is Nil.
- (vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company: The Company affirms that the remuneration is as per the Remuneration Policy of the Company.
- (vii) The names of the top ten employees in terms of remuneration drawn and the name of every employee who :
- If employed throughout the financial year, was in receipt of remuneration for that year in which, in the aggregate, was not less than one crore and two lakhs rupees- Not applicable
 - If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month- Not applicable
 - If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or alongwith his spouse and dependent children, not less than two percent of the equity shares of the company - Not applicable

For and on behalf of Board of Directors

Place: Mumbai
Date: 29 August, 2019

Kumar Nair
Chairman
(DIN 00320541)



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
TRANSWARRANTY FINANCE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Transwarranty Finance Limited ("the Company") which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 state of affairs of the Company as at 31st March 2019, its profit and its 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 Standalone 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 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 Standalone 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 financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided to that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key Audit Matter	How our audit addressed the key audit matter
<p>Recognition and measurement of deferred taxes (Refer to note no. 12 to the standalone financial statement)</p> <p>As at 31st March 2019 the Company has recorded a deferred tax asset of ₹948,515/-, relating to timing difference between the depreciation as per books and as claimed under Income tax provisions, considering that the future taxable profit will be available against which such difference will be utilized.</p> <p>We identified the recoverability of deferred tax assets as a key audit matter as recognition of these assets involves judgment by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors, including, whether there will be sufficient taxable profits in future periods to support recognition.</p>	<p>Principal Audit Procedures:</p> <p>Our procedures in relation to management's assessment about the recoverability of deferred tax assets included:</p> <ul style="list-style-type: none"> • Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax assets by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts. • Obtaining the communications between the Company and taxation authorities regarding tax positions. • Assessing the adequacy of the deferred tax disclosures (Note 12) to the standalone financial statements. <p>Conclusion:</p> <p>We found that the assumptions and estimates were within the acceptable range and that the disclosures (Note 12) are appropriate.</p>

We have determined that there are no other key audit matters to communicate in our report.

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 Annual Report 2018-19, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone 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.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 Standalone 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 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 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 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 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 financial statements, including the disclosures, and whether the Standalone 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 financial statements for the financial year ended March 31, 2019 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are

in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
- (g) In an opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the remuneration paid 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 25 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants

(Firm's Registration Number: 120294W)

RAHUL DIVAN

Partner

Membership Number: 100733

Place : Mumbai

Date : 10 May 2019

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, some of the fixed assets have been physically verified by the management according to a programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company, except those acquired on amalgamation where the process to transfer the title in the name of the Company has commenced.
- (ii) The Company is a Non-Banking Financial Company. Accordingly, it does not hold any physical inventory. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable to the Company
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit attracting the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder. Thus, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) In our opinion and according to the information and explanation given to us, pursuant to the Rules made by the Central Government, the maintenance of cost records as prescribed under Section 148 (1) of the Companies Act, 2013, is not applicable to the Company for the year under report.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2019 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) Based on our audit procedures and according to the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks, financial institutions or debenture holders. The Company did not have any outstanding loans or borrowings from government.
- (ix) According to the information and explanations given to us, term loan taken by the Company was applied for the purpose for which it was raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge, and according to the information and explanations to us, no material fraud on or by the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details



of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company, being a Non-Banking Financial Company (NBFC), is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. The Company had applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and has been granted certificate of registration dated 6 August, 1998 from the Reserve Bank as a NBFC.

**For RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants**

(Firm's Registration Number: 120294W)

RAHUL DIVAN

Partner

Membership Number: 100733

Place : Mumbai

Date : 10 May 2019

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of Transwarranty Finance Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

2013.

Auditors' Responsibility

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

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

whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019. However, the Company is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants
(Firm's Registration Number: 120294W)
RAHUL DIVAN
Partner
Membership Number: 100733

Place : Mumbai
Date : 10 May 2019

**BALANCE SHEET AS AT 31ST MARCH, 2019**

Particulars	Note No.	As At 31 March 2019		As At 31 March 2018	
		₹	₹	₹	₹
I EQUITY AND LIABILITIES					
(1) Shareholders Funds					
(a) Share Capital	2	24,46,05,680		24,46,05,680	
(b) Reserves and Surplus	3	8,53,01,031		8,40,35,977	
			32,99,06,711		32,86,41,657
(2) Non - Current Liabilities					
(a) Long Term Borrowings	4	9,98,60,900		11,79,23,564	
(b) Other Long Term Liabilities	5	4,85,029		4,85,029	
			10,03,45,929		11,84,08,593
(3) Current Liabilities					
(a) Short Term Borrowings	6	7,75,08,259		47,82,306	
(b) Other Current Liabilities	7	2,69,30,294		2,45,81,627	
(c) Short Term Provisions	8	8,80,153	10,53,18,706	8,15,872	3,01,79,805
Total Equity And Liabilities			53,55,71,346		47,72,30,055
II ASSETS					
(1) Non Current Assets					
(a) Property, Plant and Equipment					
(i) Tangible Assets	9	8,79,18,981		9,01,98,283	
(ii) Intangible Assets	10	4,92,356		5,44,508	
(b) Non Current Investments	11 A	15,23,74,845		15,23,74,845	
(c) Deferred Tax Assets (Net)	12	9,48,515		3,46,353	
(d) Long Term Loans and Advances	13	17,57,79,400	41,75,14,097	17,57,79,650	41,92,43,639
(2) Current Assets					
(a) Current Investments	11 B	11,448		11,354	
(b) Inventories	14	7,23,039		17,61,390	
(c) Trade Receivables	15	4,20,44,419		16,30,068	
(d) Cash and Cash Equivalents	16	93,44,865		14,87,663	
(e) Short Term Loans and Advances	17	3,73,11,576		1,53,90,427	
(f) Other Current Assets	18	2,86,21,902		3,77,05,514	
			11,80,57,249		5,79,86,416
Total Assets			53,55,71,346		47,72,30,055

The Note No.1 to 32 are integral part of these Financial Statements

As per our attached report of even date
For Rahul Gautam Divan & Associates
Chartered Accountants
Firm Registration No.120294W

For and on behalf of Board of Directors

Rahul Divan
Partner
Membership No. 100733

Kumar Nair **U.Ramachandran** **Sudharsanan Nair**
Managing Director Director & CFO Director
DIN. 00320541 DIN. 00493707 DIN.01510505

May 10, 2019
Mumbai

Nirmala Parab **Sridhar H.**
Director Company Secretary
DIN. 07149007

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No.	For the Year Ended	For the Year Ended
		31st March, 2019	31st March, 2018
		₹	₹
REVENUE			
Revenue From Operations	19	10,81,31,609	9,51,51,078
Other Income	20	3,36,715	10,97,655
Total Revenue		10,84,68,324	9,62,48,733
EXPENSES			
Purchase of Shares Stock - In -Trade	21	5,71,53,377	3,82,48,135
Employee Benefits Expense	22	1,53,13,203	1,90,12,900
Finance Costs	23	72,75,398	26,59,774
Depreciation and Amortisation Expense	9 & 10	24,49,254	60,87,985
Other Expenses	24	2,46,84,200	2,67,43,561
Total Expenses		10,68,75,432	9,27,52,354
Profit Before Exceptional and Extra ordinary items and Tax		15,92,892	34,96,379
Exceptional Items:-			
Goodwill Written Off (as per scheme of amalgamation)		-	22,23,576
Profit Before Extra ordinary items and Tax		15,92,892	12,72,803
Extraordinary Items		-	-
Profit Before Tax		15,92,892	12,72,803
Tax Expense			
Current Tax		9,30,000	20,48,590
Less: MAT Credit Entitlement		-	(16,68,195)
Deferred Tax		(6,02,162)	80,145
Profit After Tax		12,65,054	8,12,263
Prior Period Items- Short Tax Provision Written off/ (Written back)		-	-
Profit for the year from Continuing Operations		12,65,054	8,12,263
Profit from Discontinuing Operations		-	-
Tax Expense of Discontinuing Operations		-	-
Profit from Discontinuing Operations After Tax		-	-
Profit For the Period		12,65,054	8,12,263
Basic Earning Per Share of Rs.10/- each (In Rupees)	28	0.05	0.03
Diluted Earning Per Share of Rs.10/- each (In Rupees)	28	0.05	0.03

The Note No.1 to 32 are integral part of these Financial Statements

As per our attached report of even date

For Rahul Gautam Divan & Associates

Chartered Accountants

Firm Registration No.120294W

Rahul Divan

Partner

Membership No. 100733

May 10, 2019

Mumbai

For and on behalf of Board of Directors

Kumar Nair

Managing Director

DIN. 00320541

U.Ramachandran

Director & CFO

DIN. 00493707

Sudharsanan Nair

Director

DIN.01510505

Nirmala Parab Sridhar H.

Director Company Secretary

DIN. 07149007

**Cash Flow Statement for the Year Ended 31st March, 2019**

Particulars	2018-19 Amount (₹)	2017-18 Amount (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	15,92,892	12,72,803
Add: Non Operating Expenses/ Non Cash Expenses		
Depreciation & Amortization	24,49,254	60,87,985
Provision for diminution in value of quoted investments (net)	5,857	12,048
Contingent Provision for Standard Assets	63,307	-
Interest Paid	72,75,398	26,59,774
Goodwill Written off	-	22,23,576
Bad debts Written off	16,951	4,42,410
	98,10,767	1,14,25,792
Less : Interest / Dividend/ Other Non Operating Income Adjustments		
Interest Received	9,000	4,68,100
Dividend Received	15,494	19,354
Profit on sales of shares/ Mutual Fund	16,787	485,273
	41,281	972,727
Operating Profit before Working Capital Changes	1,13,62,378	1,17,25,868
Adjusted for:		
(Increase)/Decrease in Trade Receivables & Other Assets	(2,90,39,175)	(1,33,21,862)
(Increase)/Decrease in Loans & Advances	(14,76,924)	6,37,690
Increase /(Decrease) in Current Liabilities	(11,15,621)	(40,11,911)
Increase /(Decrease) in Non-Current Liabilities	-	(72,850)
Increase /(Decrease) in Provisions	(4,884)	(1,24,422)
Cash Generated from Operation	(2,02,74,226)	(51,67,487)
Income Tax Refund / (Paid)	(16,76,650)	95,958
Net Cash From Operating Activities	(2,19,50,875)	(50,71,529)
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets	(1,17,800)	(3,19,000)
(Purchase)/ Sale of Investments (Net)	(94)	407,823
Inter Corporate Deposits received / (Given)	49,25,541	(54,96,027)
Micro Finance Gold Loan (Given) / Received Back	(2,09,67,488)	(20,08,782)
Interest Received	9,000	4,68,100
Profit on sales of shares/ Mutual Fund	16,787	4,85,273
Dividend Received	15,494	19,354
Transfer of Cash & Cash Equivalents on Amalgamation	-	3,83,376
Net Cash used in Investing Activities	(1,61,18,560)	(60,59,883)

Cash Flow Statement for the Year Ended 31st March, 2019

Particulars	2018-19 Amount (₹)	2017-18 Amount (₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Secured Loans	3,92,39,596	1,37,25,924
Proceeds from the issue of Non Convertible Debentures	98,00,000	-
Interest Paid	(31,12,957)	(20,43,748)
Dividend Paid (including tax thereon)	-	-
Net Cash from / (used in) Financing Activities	4,59,26,638	1,16,82,177
Net Increase / (Decrease) in Cash & Cash Equivalent	78,57,203	5,50,765
Opening Balance of Cash and Cash Equivalent	14,87,663	9,36,898
Closing Balance of Cash and Cash Equivalent	93,44,866	14,87,663

As per our attached report of even date

For Rahul Gautam Divan & Associates

Chartered Accountants

Firm Registration No.120294W

Rahul Divan

Partner

Membership No. 100733

May 10, 2019

Mumbai

For and on behalf of Board of Directors**Kumar Nair**

Managing Director

DIN. 00320541

U.Ramachandran

Director & CFO

DIN. 00493707

Sudharsanan Nair

Director

DIN.01510505

Nirmala Parab Sridhar H.

Director Company Secretary

DIN. 07149007



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

(ALL AMOUNTS ARE MENTIONED IN RUPEES)

1 SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation of Financial Statements

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

(B) Property, Plant and Equipment & Depreciation

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

(C) Current Assets

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

(D) Leases

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

(E) Revenue Recognition

- (i) The company's income from operations is accounted for on accrual basis.
Interest income from loan transactions is accounted based on applying Internal Rate of Return (IRR) which is implicit in such contracts. Interest on other assets is recognized on time proportion basis. Service charges and other fees on loan transactions are recognized at the commencement of contracts. Delayed payment charges & interest and fee based income are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.
- (ii) Service Income is recognized as per the term of the contract/ agreements entered into with the customer when the related services are performed.
- (iii) Dividend income is recognized when the right to receive the dividend is established.
- (iv) Profit or loss arising on account of sale of trade investments in forward contract in respect of firm commitment were booked as income or expenditure as on the date of such contract entered.
- (v) Interest Income on Personal Loans and Consumer Loans are recognized as and when the periodic Equated Monthly Instalments (EMIs) are due.

(F) Provisioning / Write off of Assets

The provisioning and write off of assets is as per management estimates, subject to minimum provision required as per RBI Master Directions. The company may make accelerated provision for non-performing assets based on past experience, emerging trends and estimates. Contingent provision against standard assets outstanding, is also made as required by RBI Master Directions and is disclosed separately.

(G) Retirement Benefits

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

(H) Taxation

- (i) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income tax Act, 1961.
- (ii) The deferred tax charge or credit reflects the tax effect of timing differences between the book and the tax profits accounted for using the tax rates and laws that have been substantially enacted as on the Balance Sheet date.
- (iii) Deferred Tax Assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future.

(I) Investments

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

(J) Earning per Share

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

(K) Foreign Currency Transactions

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

(L) Provisions

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

(M) Impairment of Assets

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

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(N) Employee Stock Option

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
2. SHARE CAPITAL		
Authorized		
31,000,000 Equity Shares of Rs.10/- each	31,00,00,000	31,00,00,000
	31,00,00,000	31,00,00,000
Issued, Subscribed and Fully Paid Up		
24,460,568 Equity Shares of Rs.10/- each fully paid up	24,46,05,680	24,46,05,680
	24,46,05,680	24,46,05,680

Note:-

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

Particulars	2018-19		2017-18	
	No of Shares	(₹)	No of Shares	(₹)
EQUITY SHARES				
A) Fully Paid Up Shares				
No of shares outstanding at the beginning of the year	2,44,60,568	24,46,05,680	2,44,60,568	24,46,05,680
Add/ (Less):- Shares issued / (Buy Back) during the year	-	-	-	-
No of shares outstanding at the end of the year	2,44,60,568	24,46,05,680	2,44,60,568	24,46,05,680

2) Terms and rights attached to Equity Share.

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.

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

Equity Shares

Particulars	2018-19		2017-18	
	No of Shares	(₹)	No of Shares	(₹)
EQUITY SHARES				
a) Fully Paid Up Shares				
1) Kumar Nair	1,27,08,694	51.96	1,27,08,694	51.96
2) TFL-TCCPL and TFCPL Merger Trust	52,25,000	21.36	52,25,000	21.36

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	As at 1st April, 2018 (₹)	Additions due to Amalgamation (₹)	Additions/ Created During the Year (₹)	Deductions Due to Amalgamation (₹)	As at 31st March, 2019 (₹)
3. RESERVES AND SURPLUS					
a) Other Reserves					
- Reserve U/S 45IC of RBI Act	3,38,86,628	-	2,53,011	-	3,41,39,639
- General Reserve	1,04,10,757	-	-	-	1,04,10,757
b) Surplus as per Statement of Profit & Loss (Note-1)	3,97,38,592	-	10,12,043	-	4,07,50,635
	8,40,35,977	-	12,65,054	-	8,53,01,031

Particulars	As at 1st April, 2017 (₹)	Additions due to Amalgamation (₹)	Additions/ Created During the Year (₹)	Deductions Due to Amalgamation (₹)	As at 31st March, 2018 (₹)
a) Capital Reserve	3,78,93,245	-	-	3,78,93,245	-
b) Securities Premium	20,82,91,145	-	-	20,82,91,145	-
c) Other Reserves					
- Reserve U/S 45IC of RBI Act	3,37,24,176	-	1,62,452	-	3,38,86,628
- General Reserve	1,04,10,757	-	-	-	1,04,10,757
d) Surplus as per Statement of Profit & Loss (Note-1)	4,35,19,967	-	6,49,811	44,31,186	3,97,38,592
	33,38,39,290	-	8,12,263	25,06,15,576	8,40,35,977

Note-1	Year ended 31/03/2019	Year ended 31/03/2018
1) Profit for the Year	12,65,054	8,12,263
Less:-		
Transfer to Reserve U/S 45 IC of RBI Act	2,53,011	1,62,452
	2,53,011	1,62,452
	10,12,043	6,49,811

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
NON- CURRENT LIABILITIES		
4. LONG TERM BORROWINGS		
I. Secured Loans		
A. Loan From Banks		
Housing Loan Account- ICICI Bank Ltd (Secured against Office Premises situated at 405, Regent Chambers, Nariman Point, Mumbai)	-	1,51,12,664



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
B. Loan From Others		
Non Convertible Debentures (NCDs) (Refer Foot Note No.4 of Note No.5) (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)	55,00,000	-
Total- A	55,00,000	1,51,12,664
II. Unsecured Loans		
A. Loan From Others		
Inter Corporate Deposits	8,01,50,000	8,96,50,000
Loan from Related Parties	1,25,10,900	1,31,60,900
Non Convertible Debentures (Refer Foot Note No.4 of Note No.5)	17,00,000	-
Total- B	9,43,60,900	10,28,10,900
Total- A + B	9,98,60,900	11,79,23,564
5. OTHER LONG TERM LIABILITIES		
Trade Payables	4,85,029	4,85,029
	4,85,029	4,85,029
CURRENT LIABILITIES		
6. SHORT TERM BORROWINGS		
A) Secured Loans		
1) Loans Repayable on Demand		
a) From Bank		
Catholic Syrian Bank - Overdraft Account (Secured by way of first ranking pari passu charge with the existing secured NCD holders on the movable assets of the Company and Personal Guarantee given by the Managing Director) South Indian Bank- Cash Credit Account	3,60,27,388	44,56,563
South Indian Bank - Cash Credit Account (Secured against Current Assets of the Company, Collateral Security of Office Premises No.405 and Personal Guarantee given by the Managing Director)	2,44,02,853	-
b) From Others		
Aditya Birla Finance Limited (Secured against Pledge of approved Securities)	52,477	3,25,743
Non Convertible Debentures (NCDs)- Current Maturity of Long term Borrowing (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)	26,00,000	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)			
Note:-					
<p>1) Overdraft from Catholic Syrian Bank is Working Capital Facility for lending in Gold 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. Current Interest rate is 13.40% p.a.</p> <p>2) Overdraft from South Indian Bank 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. Current Interest rate is 10.75% p.a.</p> <p>3) Credit Facility from Aditya Birla Finance Limited is for Line Of Credit against unencumbered and tradable Securities. Sanctioned Limit is of ₹600 Lakhs. The validity of the Credit Facility is 12 months. Current Interest Rate is 10% p.a.</p> <p>4) Secured / Unsecured Redeemable Non-convertible Debentures: The Company had privately placed Secured Redeemable Non-convertible Debentures for a maturity period of 400 days, 3 years or 5 years. The funds raised by the Company during the year by Issue of Secured / Unsecured Non Convertible Debentures were utilised for the purpose intended, i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital, in compliance with applicable laws.</p>					
Series	Date of Allotment	As on 31.03.2019	As on 31.03.2018	Redemption period from the date of allotment	Interest Rate %
A) Secured Debentures					
A/2018-19	14.12.2018	4,00,000	-	60 Months	11.75%
A/2018-19	14.12.2018	2,00,000	-	36 Months	11.50%
A/2018-19	14.12.2018	25,00,000	-	36 Months	11.25%
B/2018-19	14.03.2019	10,00,000	-	36 Months	11.25%
A/2018-19	14.12.2018	26,00,000	-	400 Days	11%
B/2018-19	14.03.2019	14,00,000	-	400 Days	11%
B) Unsecured Debentures					
A/2018-19	14.12.2018	5,00,000	-	60 Months	12%
B/2018-19	14.03.2019	10,00,000	-	60 Months	12%
A/2018-19	14.12.2018	2,00,000	-	60 Months	11.75%
Total		98,00,000			
		Total - (A)		6,30,82,718	47,82,306
B) Unsecured Loans					



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
i) Inter Corporate Deposits from Subsidiary Company	1,44,25,541	-
Total- B	1,44,25,541	-
Total- A + B	7,75,08,259	47,82,306
7. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt	-	6,98,152
Book Overdraft	24,13,761	13,72,934
Interest Accrued & Due on borrowings	1,69,92,542	1,28,30,101
Unclaimed Dividends	24,859	25,624
Other Payables (Creditors for Expenses)	74,99,133	96,54,816
	2,69,30,294	2,45,81,627
8. SHORT - TERM PROVISIONS		
a) Provision for Employees		
Provision for Gratuity	32,489	-
Provision for Leave Encashment	6,38,769	6,76,142
b) Others		
Provision for Diminution in value of Quoted Investments	1,45,587	1,39,730
Contingent Provision For Standard Assets	63,308	-
	8,80,153	8,15,872

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

9. PROPERTY, PLANT AND EQUIPMENT - TANGIBLE

Sr. No.	Description	GROSS BLOCK/ COST/BOOK VALUE				DEPRECIATION /AMORTISATION				NET BLOCK		
		Total As at 01-Apr-18 (₹)	Additions on Amalgamation (₹)	Additions/ Adjustments During the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 01-Apr-18 (₹)	Additions on Amalgamation (₹)	Provided during the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-19 (₹)	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)
1	Furniture	59,34,105	-	-	-	47,45,145	-	1,87,575	-	49,32,720	10,01,384	11,88,960
2	Computers	12,59,391	-	72,300	-	12,59,391	-	3,601	-	12,62,991	68,699	-
3	Office Equipments	34,47,736	-	-	-	34,17,590	-	8,189	-	34,25,783	21,951	30,146
4	Vehicles	38,72,140	-	-	-	31,45,428	-	2,89,258	-	34,34,686	4,37,454	7,26,712
5	Office Premises No. 403	4,78,87,926	-	-	-	29,11,098	-	10,22,392	-	39,33,490	4,39,54,436	4,49,76,828
6	Office Premises No. 405	4,86,57,169	-	-	-	85,89,845	-	8,38,036	-	94,27,881	3,92,29,288	4,00,67,324
7	Residential Premises	2,34,470	-	-	-	1,11,650	-	2,551	-	1,14,201	1,20,269	1,22,820
8	Land	30,85,500	-	-	-	-	-	-	-	-	30,85,500	30,85,500
	Total	11,43,78,437	-	72,300	-	2,41,80,148	-	23,51,602	-	2,65,31,752	8,79,18,981	9,01,98,283
	Previous Year	61,10,514	10,51,48,923	31,19,000	-	50,30,403	1,31,77,725	59,72,020	-	2,41,80,148	9,01,98,283	-

10. PROPERTY, PLANT AND EQUIPMENT - INTANGIBLE

Sr. No.	Description	GROSS BLOCK/ COST/BOOK VALUE				DEPRECIATION /AMORTISATION				NET BLOCK		
		Total As at 01-Apr-18 (₹)	Additions on Amalgamation (₹)	Additions/ Adjustments During the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 01-Apr-18 (₹)	Additions on Amalgamation (₹)	Provided during the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-19 (₹)	As at 31-Mar-19 (₹)	As at 31-Mar-18 (₹)
1	Goodwill	4,00,000	-	-	-	-	-	-	-	-	4,00,000	4,00,000
2	Computer Software	34,18,425	-	45,500	-	32,73,917	-	97,652	-	33,71,569	92,356	1,44,508
	Total	38,18,425	-	45,500	-	32,73,917	-	97,652	-	33,71,569	4,92,356	5,44,508
	Previous Year	38,18,425	-	-	-	31,57,952	-	1,15,965	-	32,73,917	5,44,508	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Face Value ₹	31.03.2019		31.03.2018	
		Quantity (Nos)	Value ₹	Quantity (Nos)	Value ₹
11 NON-CURRENT INVESTMENTS (AT COST)					
a) Investments in Equity Instruments					
i) In Subsidiary Companies					
a) Quoted					
Vertex Securities Limited (Market Value Rs.68,301,873/-)	2	3,92,53,950	14,08,89,984	3,92,53,950	14,08,89,984
b) Un Quoted					
Transwarranty Capital Market Services Pvt. Ltd.	2	50,000	1,00,000	50,000	1,00,000
ii) Others					
a) Quoted					
South Indian Bank (Right Share) (Market Value Rs.165/-)	1	10	40	10	40
NEPC India Ltd. (Market Value Rs.Nil/-)	10	2,000	85,156	2,000	85,156
Shree Rama Newsprints Ltd (Market Value Rs.27,188/-)	10	1,250	86,838	1,250	86,838
Anil Products Ltd (Market Value Rs.Nil/-)	10	39	780	39	780
b) Unquoted & fully Paid Up					
Catholic Syrian Bank Ltd.	10	700	31,000	700	31,000
Regent Chamber Co-Op. Society	50	10	501	10	501
Saraswat Bank Cooperative Bank	10	1,000	10,000	1,000	10,000
Nawani Corp (India) Ltd.	10	6,10,000	61,00,000	6,10,000	61,00,000
b) Investments in Preference Shares					
a) In Subsidiary Companies (Un Quoted)					
15% Non Cumulative Redeemable Preference Shares of Vertex Securities Limited	100	27,758	50,51,600	27,758	50,51,600
c) Investments in Government or trust securities					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
UTI Master Share (Market Value Rs.13,945/-)	-	1,000	13,945	1,000	13,945
Total			15,23,74,845		15,23,74,845

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

- 1) Aggregate amount of Quoted investments is ₹141,076,744/- (P.Y. ₹141,076,744/-) and market value is ₹68,343,171/- (P.Y. ₹97,397,361/-)
- 2) Aggregate amount of Un Quoted investments is ₹11,298,101/- (P.Y. ₹11,298,101/-)
- 3) Aggregate provision made for diminution in value of investments is Rs.145,587/- (P.Y. Rs.1,39,730/-)

11 (B) CURRENT INVESTMENTS

Particulars	Face Value ₹	31.03.2019		31.03.2018	
		Quantity (Nos. / Units)	Value ₹	Quantity (Nos. / Units)	Value ₹
a) Unquoted					
Mutual Fund					
UTI - Liquid Cash Plan - Institutional Daily Dividend		1.03	1,144	1.03	1,052
UTI - Floating Rate Fund-STP-Direct Growth Plan		3.86	10,304	3.86	10,302
Total			11,448		11,354

- 1) Aggregate amount of unquoted investments is Rs.11,448/- (P.Y. ₹11,354/-)

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
NON CURRENT ASSETS		
12. DEFERRED TAX ASSET (NET)		
Deferred Tax Assets on Depreciation	9,48,515	3,46,353
	9,48,515	3,46,353
13. LONG TERM LOANS AND ADVANCES		
A) Unsecured, Considered Good		
a) Other Receivables	4,07,75,000	4,07,75,000
b) Security Deposits	3,91,900	3,92,150
c) Other Loans and Advances		
Inter Corporate Deposits	5,88,50,000	5,88,50,000
TFL-TCCPL and TFCPL Merger Scheme Trust	7,57,62,500	7,57,62,500
	17,57,79,400	17,57,79,650
CURRENT ASSETS		
14. INVENTORIES		
Shares Held In Stock - In - Trade	7,23,039	17,61,390
	7,23,039	17,61,390
15. TRADE RECEIVABLES		



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	1,40,222	69,270
Other Debts	4,19,04,197	15,60,798
	4,20,44,419	16,30,068
Less:- Bad Debts Written Off	-	-
	4,20,44,419	16,30,068
16. CASH AND CASH EQUIVALENTS		
a) Balance with Banks		
In Current Account	89,31,396	6,74,921
In Dividend Account	24,859	25,624
b) Cash on Hand	3,88,611	7,87,118
	93,44,865	14,87,663
17. SHORT TERM LOANS AND ADVANCES		
A) Secured, Considered Good		
a) Others		
Gold Loans	63,02,686	52,18,186
Property Loans	81,837	81,837
Loan against Shares	1,05,450	3,25,000
B) Unsecured , Considered Good		
a) Loans and advances to Related Parties	2,46,500	55,900
b) Others		
Loans and advances to Employees	2,81,683	33,770
Deposits	27,362	27,362
MAT Credit Entitlement	13,39,017	30,07,212
Advance Payment of Income Tax (Including TDS & Net of Provisions) (Provision For Tax ₹13,341,335/- (P.Y. ₹14,079,530/-)	83,84,879	59,70,035
Other Short Term Advances	17,09,788	6,71,127
Personal Loans & Consumer Loans Receivables	1,88,32,374	-
	3,73,11,576	1,53,90,427
18. OTHER CURRENT ASSETS		
Other Receivables	2,53,50,000	3,33,50,000
Interest Accrued on ICD's	3,62,329	26,99,154
Interest Accrued on Gold Loan , etc.	29,09,573	16,51,157
Interest Accrued on LAS	-	5,203
	2,86,21,902	3,77,05,514

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	For the Year Ended 31st March, 2019 (₹)	For the Year Ended 31st March, 2018 (₹)
19. REVENUE FROM OPERATIONS		
a) Sale of Products		
Sale of Shares held in Stock -in -Trade	5,71,41,563	3,84,60,061
b) Interest		
Interest on Gold Loan	12,95,450	11,04,665
Interest on LAS	79,692	9,203
Interest on ICD	11,69,692	89,56,431
Interest on Personal Loans & Consumer Loans	7,84,061	-
c) Other Financial Services		
Trade Finance	44,43,281	1,08,95,738
Corporate Finance	10,00,000	-
Investment Banking	4,01,31,000	3,41,00,000
d) Rent Income	20,86,870	16,24,980
	10,81,31,609	9,51,51,078
20. OTHER INCOME		
a) Dividend Income	15,494	19,354
b) Net gain/loss on Sale of Investments	16,787	4,85,273
c) Bad Debts written off recovered	15,063	7,167
d) Processing Fees & Other Charges	2,37,942	-
e) Other Non Operating Income		
- Interest Income-Others	9,000	4,68,100
- Miscellaneous Income	42,429	1,17,761
	3,36,715	10,97,655
21. RAW MATERIAL AND WORK-IN-PROGRESS		
Purchase of Shares held in Stock-in-Trade	5,71,53,377	3,82,48,135
	5,71,53,377	3,82,48,135
22. EMPLOYEE BENEFITS EXPENSES		
a) Salaries, Wages, Bonus, Gratuity & Allowances	1,46,01,069	1,81,96,997
b) Contribution to Provident Fund	5,02,337	6,12,261
c) Staff Welfare Expenses	2,09,797	2,03,642
	1,53,13,203	1,90,12,900



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	For the Year Ended 31st March, 2019 (₹)	For the Year Ended 31st March, 2018 (₹)
23. FINANCE COST		
a) Interest Expense		
On Term Loans	17,62,002	16,75,932
On Overdrafts & Other Borrowings	44,49,506	7,44,151
b) Other Borrowing Costs		
Financial and Bank Charges	10,63,890	2,39,691
	72,75,398	26,59,774
24. OTHER EXPENSES		
Rent	38,37,130	16,74,800
Rates & Taxes	4,27,751	2,02,030
Insurance	3,75,675	5,44,768
Advertisement , Publicity & Sales Promotion	4,01,716	6,65,058
Travelling & Other Incidental Expenses	11,03,317	20,19,105
Office Maintenance	31,55,072	24,05,248
Vehicle Running & Maintenance	75,550	-
Printing & Stationery	1,75,909	2,50,084
Communication Expenses	2,78,601	2,85,775
Electricity	2,28,722	2,66,323
Donation	25,000	25,000
Auditor's Remuneration		
- As Auditors	1,70,000	1,70,000
- For Tax Audit	30,000	30,000
- For Other Services	45,471	65,900
Legal , Professional & Consultancy Charges	18,11,338	16,08,784
Directors Sitting Fees	3,40,000	4,64,000
Other Operational Expenses	1,18,57,636	1,55,31,109
Loss on Futures & Options	2,59,197	81,119
Bad Debts Written Off	16,951	4,42,410
Provision for Quoted Investment	5,857	12,048
Contingent Provision For Standard Assets	63,307	-
	2,46,84,200	2,67,43,561
Note:-		
1) EXPENDITURE IN FOREIGN CURRENCY		
Expenditure in Foreign Currency	-	2,35,125

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	For the Year Ended 31st March, 2019 (₹)	For the Year Ended 31st March, 2018 (₹)
25. Contingent Liabilities		
1) Guarantees issued by the company for acquiring office premises.	-	4,06,00,000
2) Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for Exchange Margin requirements	8,00,00,000	5,00,00,000
3) Corporate Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for OD Facility	5,00,00,000	5,00,00,000
4) Claims against the Company not acknowledged as debt		
a) Tax Demand in respect of :-		
- Income tax for Assessment Year 2011-12	-	5,46,710
- Income tax for Assessment Year 2012-13	-	23,58,110
	13,00,00,000	14,35,04,820
26. Earnings Per Share		
I. Net Profit as per Statement of Profit and Loss available for Equity Share Holders	12,65,054	8,12,263
II. Weighted Average number of equity shares for Earnings per share computation		
A) For Basic Earnings per share of ₹ 10/- each (Nos)	2,44,60,568	2,44,60,568
B) For Diluted Earnings per share of ₹ 10/- each (Nos)	2,44,60,568	2,44,60,568
III. Earnings Per Share (Face Value of ₹ 10/- each)		
Basic (₹)	0.05	0.03
Diluted (₹)	0.05	0.03



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

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

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Change in the benefit Obligations:				
Present value of obligations as on 01. 04. 2018	28,93,276	24,46,970	6,76,142	8,00,564
Current Service Cost	1,69,782	1,20,949	3,11,838	3,30,149
Past Service Cost	-	2,93,332	-	-
Interest Cost	1,83,251	1,68,841	33,671	55,065
Actuarial (Gain)/Loss on obligation	76,126	(1,36,816)	59,505	(5,04,582)
Benefits Paid	(8,34,481)	-	(4,42,387)	(5,054)
Present value of obligations as on 31.03.2019	24,87,954	28,93,276	6,38,769	6,76,142
Change in Plan Assets:				
Fair Value of Plan Assets as on 01.04.2018	29,71,556	25,05,620	-	-
Adjustment to the opening balance	(25,308)	(3,011)	-	-
Expected Return on Plan Assets	2,16,695	2,19,240	4,42,387	5,054
Employer's Contributions	1,32,290	2,46,031	(4,42,387)	(5,054)
Benefits Paid	(8,34,481)	-	-	-
Actuarial Gain/(Loss) on Plan Assets	(5,287)	3,676	-	-
Fair Value of plan assets as on 31.03.2019	24,55,465	29,71,556	-	-
Net (Asset) Liability (i) - (ii) :	32,489	(78,280)	6,38,769	6,76,142
Net Cost for the year ended 31.03.2019				
Current Service Cost	1,69,782	1,20,949	3,11,838	3,30,149
Past Service Cost	-	2,93,332	-	-
Interest Cost	1,83,251	1,68,841	33,671	55,065
Expected Return on plan Assets	(2,16,695)	(2,19,240)	-	(5,054)
Actuarial (Gain)/ Loss recognized during the year	81,413	(1,40,492)	59,505	(5,04,582)
Adjustment (Gain) to opening value of planned assets	-	-	-	-
Net Cost	2,17,751	2,23,390	4,05,014	(1,24,422)
Amount recognized in the Balance sheet (Asset) / Liability	32,489	(78,280)	6,38,769	6,76,142
Amount recognized in the Statement of Profit and Loss (Gain)/Loss	2,17,751	2,23,390	4,05,014	(1,24,422)
Principal actuarial Assumptions:-				
Discount rate	7.50%	7.40%	7.50%	7.40%
Expected Return on plan assets	8.35%	8.35%	-	-
Salary Escalation Rate	3.00%	3.00%	3.00%	3.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.**Demographic Assumptions:**

Retirement age	60 Year
Mortality rate	Unlimited

28. RELATED PARTY DISCLOSURES

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

(i) List of Related parties

(a) Subsidiaries of the company	:	Vertex Securities Limited (VSL) Vertex Commodities and Finpro (P) Ltd. (VCFPL) Transwarranty Capital Market Services Private Limited (TCMSPL)
(b) Common Controlled Entity	:	Welworth Sales & Services Pvt. Ltd. (WSSPL)
(c) Key Management Personnel's	:	Mr. Kumar Nair (Managing Director) Mr. U. Ramachandran (Director & Chief Financial Officer)
(d) Relative of Key Management Personnel's	:	Mrs. Leena Nair (Wife of Mr. Kumar Nair) Mrs. Jyoti Ramachandran (Wife of Mr. U. Ramachandran) Mr. Rajendran U. (Brother of Mr.U. Ramachandran)

Details of Related Party Transactions

Name of the Company/ Transactions	2018-19 (₹ In Millions)	2017-18 (₹ In Millions)
1) Inter Corporate Deposits Given - Subsidiary Companies		
VSL	50.20	66.09
VCFPL	-	32.70
TCMSPL	0.17	0.01
2) Inter Corporate Deposits Given - Common Controlled Entity		
WSSPL	0.02	0.01
3) Inter Corporate Deposits Received - Subsidiary Companies		
VSL	64.63	4.61
4) Share Trading Debit - Subsidiary Companies		
VSL	4.97	28.13
5) Share Trading Credit - Subsidiary Companies		
VSL	4.28	28.23
6) Current Account Debit - Subsidiary Companies		
VSL	0.00	0.00
TCMSPL	0.00	0.01
7) Current Account Credit - Subsidiary Companies		
VSL	0.06	0.11
TCPL	-	0.02
8) Interest paid on ICD- Subsidiary Companies		
VSL	1.10	5.53



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Name of the Company/ Transactions	2018-19 (₹ In Millions)	2017-18 (₹ In Millions)
9) Brokerage and Other Charges Paid on Share Trading- Subsidiary Companies		
VSL	0.05	0.12
10) Personal Loan Incentive Paid - Subsidiary Companies		
VSL	0.02	-
11) Salary and Other Allowances to Key Management Personnel		
Kumar Nair	2.40	2.40
12) Professional Charges paid to Key Management Personnel		
U. Ramachandran	0.10	0.10
13) Rent paid to Key Management Personnel		
Kumar Nair	1.80	1.20
14) Rent paid to Relative of Key Management Personnel		
Leena Nair	1.80	-
15) Loan received from Key Management Personnel		
Kumar Nair	0.64	14.84
16) Loan paid back to Key Management Personnel		
Kumar Nair	1.29	1.68
17) Interest paid on Loan to Key Management Personnel		
Kumar Nair	1.90	0.14
18) Investment in Non Convertible Debentures by relatives of Key Management Personnel		
Jyoti Ramachandran	1.00	-
Rajendran U.	0.20	-
19) Interest paid on Non Convertible Debentures - Relative of Key Management Personnel		
Jyoti Ramachandran	0.01	-
Rajendran U.	0.01	-
Balance As on 31-03-2019 [Debit /(Credit)]		
Inter Corporate Deposit - Subsidiary Companies		
VSL	(14.43)	-
TCMSPL	0.18	0.01
Current Account - Subsidiary Companies		
VSL	(0.33)	(0.27)
TCMSPL	0.01	0.01
TCPL	-	(0.02)
Share Account - Subsidiary Company		
VSL - Share Trading Account	(0.30)	(0.41)
ICD Interest Payable - Subsidiary Company		
VSL	(10.92)	(9.93)
Inter Corporate Deposit - Common Controlled Entity		
WSSPL	0.03	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Name of the Company/ Transactions	2018-19 (₹ In Millions)	2017-18 (₹ In Millions)
Loan Account - Key Management Personnel		
Kumar Nair	(12.51)	(13.16)
Interest Payable on Loan Account - Key Management Personnel		
Kumar Nair	(0.14)	(0.13)

- 29) Operating Leases: The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 22 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognized in the Statement of Profit and Loss as 'Rent' under Note No. 24 is Rs.3,837,130/- (P.Y. ₹1,674,800/-). Future minimum lease rent payable are as follows:

Particulars	As at 31-Mar-19	As at 31-Mar-18
Not later than one year	37,28,325	22,15,725
Later than one year but not later than five years	1,32,000	1,13,478
Later than five years	-	-

- 30) The company is primarily engaged in a single segment viz. Financial Services and related activities, therefore the separate disclosures required under Accounting Standard (AS-17) on Segment Reporting issued by ICAI are not applicable.
- 31) (a) Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.
(b) Debit and Credit balances are subject to confirmation of parties.
- 32) Previous Year figures are regrouped or rearranged wherever necessary.

As per our attached report of even date
For Rahul Gautam Divan & Associates
 Chartered Accountants
 Firm Registration No.120294W

For and on behalf of Board of Directors

Rahul Divan
 Partner
 Membership No. 100733

Kumar Nair **U.Ramachandran** **Sudharsanan Nair**
 Managing Director Director & CFO Director
 DIN. 00320541 DIN. 00493707 DIN.01510505

May 10, 2019
 Mumbai

Nirmala Parab **Sridhar H.**
 Director Company Secretary
 DIN. 07149007



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Members of

TRANSWARRANTY FINANCE LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Transwarranty Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated 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 31st March 2019, their consolidated profits and their consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

As stated in Note 34 forming part of the consolidated financial statements, sundry debtors under the head current assets include old outstanding dues. The sundry debtors outstanding for more than six months amount to ₹2,96,24,509/-. Further out of the total sundry debtors, for a sum of ₹95,50,724/, the Group has initiated legal and recovery actions, the proceedings of which are in different stages.

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

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 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 financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
<p>Recognition and measurement of deferred taxes (Refer to note no. 14 to the consolidated financial statement) As at 31st March 2019 the Holding Company has recorded a deferred tax asset of ₹948,515/-, relating to timing difference between the depreciation as per books and as claimed under Income tax provisions, considering that the future taxable profit will be available against which such difference will be utilized. We identified the recoverability of deferred tax assets as a key audit matter as recognition of these assets involves judgment by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors, including, whether there will be sufficient taxable profits in future periods to support recognition.</p>	<p>Principal Audit Procedures: Our procedures in relation to management's assessment about the recoverability of deferred tax assets included:</p> <ul style="list-style-type: none"> • Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax assets by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts. • Obtaining the communications between the Holding Company and taxation authorities regarding tax positions. • Assessing the adequacy of the deferred tax disclosures (Note 14) to the consolidated financial statements. <p>Conclusion: We found that the assumptions and estimates were within the acceptable range and that the disclosures (Note 14) are appropriate.</p>

Litigations and claims

(Refer to note 27 to the consolidated financial statements)

The cases are pending with tax authorities like Income Tax and service tax.

In normal course of business, financial exposures may arise from pending proceedings. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the financial statements, is inherently subjective.

We have considered litigations as Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.

Principal Audit Procedures:

- Evaluation of management's judgment of tax risks, estimates of tax exposures and contingencies. Past and current experience with the tax authorities were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability.
- Discussing selected matters with the entity's management.
- Critically assessing the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation.

Conclusion:

Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation & disclosure on the subject matter in the financial statements.

We have determined that there are no other key audit matters to communicate in our report.

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 Annual Report 2018-19, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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.

Responsibility of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance

with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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.

Those 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, 2019 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 Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on

31st March, 2019 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 31st March, 2019 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) In an opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the remuneration paid 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and

according to the explanations given to us :

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 27 to the consolidated financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants
(Firm's Registration Number: 120294W)
RAHUL DIVAN
Partner
Membership Number: 100733
Place : Mumbai
Date : 10 May 2019



ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Transwarranty Finance Limited ("the Holding Company") and its subsidiary companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the 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 31 March 2019. However, the Company is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants
(Firm's Registration Number: 120294W)
RAHUL DIVAN
Partner
Membership Number: 100733
Place : Mumbai
Date : 10 May 2019

**NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT
 FOR THE YEAR ENDED 31ST MARCH 2019**
**TO THE BOARD OF DIRECTORS OF
 TRANSWARRANTY FINANCE LIMITED**

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

- a. The Company had applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and has been granted certificate of registration dated 6 August, 1998 from the Reserve Bank of India as a Non-Banking Financial Company (NBFC). Further, the company is entitled to continue to hold such Registration in terms of its asset/income pattern as on 31st March, 2019.
- b. The company meets the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

- c. The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits;
- d. The company has not accepted any public deposits during the year under reference; and
- e. The company has complied with prudential norms relating to the income recognition, accounting standards, asset classification and provision of bad and doubtful debts as applicable to it.

For RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants
(Firm's Registration Number: 120294W)
RAHUL DIVAN
Partner
Membership Number: 100733
Place : Mumbai
Date : 10 May 2019



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019

Particulars	Note No.	As At 31 March 2019		As At 31 March 2018	
		₹	₹	₹	₹
I EQUITY AND LIABILITIES					
(1) Shareholders Funds					
(a) Share Capital	2	24,46,05,680		24,46,05,680	
(b) Reserves and Surplus	3	7,17,96,624		6,88,02,562	
			31,64,02,304		31,34,08,242
(2) Minority Interest	4		6,22,32,373		6,06,89,412
(3) Non - Current Liabilities					
(a) Long Term Borrowings	5	10,65,29,899		12,47,09,657	
(b) Other Long Term Liabilities	6	1,29,82,257		1,24,19,986	
			11,95,12,156		13,71,29,643
(3) Current Liabilities					
(a) Short Term Borrowings	7	9,37,74,543		3,54,63,270	
(b) Trade Payables	8	11,07,65,295		10,34,94,327	
(c) Other Current Liabilities	9	2,57,84,337		2,18,83,872	
(d) Short Term Provisions	10	22,56,407		25,75,600	16,34,17,069
Total Equity And Liabilities			73,07,27,415		67,46,44,366
II ASSETS					
(1) Non Current Assets					
(a) Property, Plant and Equipments					
(i) Tangible Assets	11	9,38,70,614		9,66,46,586	
(ii) Intangible Assets	12	10,28,758		14,18,163	
(b) Goodwill on Consolidation		6,80,41,472		6,80,41,472	
(c) Non Current Investments	13 (A)	88,40,961		88,40,961	
(d) Deferred Tax Assets (Net)	14	8,62,080		3,46,353	
(e) Long Term Loans and Advances	15	17,57,79,400		17,57,79,650	
			34,84,23,285		35,10,73,185
(2) Current Assets					
(a) Current Investments	13 (B)	11,448		11,354	
(b) Inventories	16	7,23,039		17,61,390	
(c) Trade Receivables	17	11,64,23,678		7,36,45,151	
(d) Cash and Cash Equivalents	18	5,74,34,942		4,73,01,586	
(e) Short Term Loans and Advances	19	16,38,35,218		15,52,78,024	
(f) Other Current Assets	20	4,38,75,805		4,55,73,676	
			38,23,04,130		32,35,71,181
Total Assets			73,07,27,415		67,46,44,366

The Note No.1 to 32 are integral part of these Financial Statements

As per our attached report of even date
For Rahul Gautam Divan & Associates
Chartered Accountants
Firm Registration No.120294W

For and on behalf of Board of Directors

Rahul Divan
Partner
Membership No. 100733

Kumar Nair **U.Ramachandran** **Sudharsanan Nair**
Managing Director Director & CFO Director
DIN. 00320541 DIN. 00493707 DIN.01510505

May 10, 2019
Mumbai

Nirmala Parab **Sridhar H.**
Director Company Secretary
DIN. 07149007

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No.	For the Year Ended 31st March, 2019 ₹	For the Year Ended 31st March, 2018 ₹
REVENUE			
Revenue From Operations	21	17,28,98,171	16,29,76,386
Other Income	22	1,39,68,286	1,52,52,404
Total Revenue		18,68,66,457	17,82,28,790
EXPENSES			
Purchase of Shares held in Stock - In -Trade	23	5,71,53,377	3,82,48,135
Employee Benefits Expense	24	3,99,62,948	4,00,12,151
Finance Costs	25	1,34,55,873	93,75,024
Depreciation and Amortisation Expense	11 & 12	44,86,574	86,13,602
Other Expenses	26	6,68,56,392	7,10,50,028
Total Expenses		18,19,15,165	16,72,98,940
Profit Before Exceptional and Extra ordinary items and Tax		49,51,293	1,09,29,850
Exceptional Items:-			
Goodwill Written Off (as per scheme of amalgamation)		-	22,23,576
Profit Before Extra ordinary items and Tax		49,51,293	87,06,274
Extraordinary Items		-	-
Profit Before Tax		49,51,293	87,06,274
Tax Expense			
Current Tax		9,30,000	20,48,590
Less: MAT Credit Entitlement		-	(16,68,195)
Deferred Tax		(5,15,729)	80,145
Short Provision of tax relating to earlier years		-	-
Profit After Tax		45,37,022	82,45,734
Prior Period Expenses		-	-
Profit for the year from Continuing Operations		45,37,022	82,45,734
Profit from Discontinuing Operations		-	-
Tax Expense of Discontinuing Operations		-	-
Profit from Discontinuing Operations After Tax		-	-
Profit For the Year		45,37,022	82,45,734
Basic Earning Per Share of ₹ 10/- each (In Rupees)	28	0.19	0.34
Diluted Earning Per Share of ₹ 10/- each (In Rupees)	28	0.19	0.34
The Note No.1 to 39 are integral part of these Financial Statements			

As per our attached report of even date

For Rahul Gautam Divan & AssociatesChartered Accountants
Firm Registration No.120294W**Rahul Divan**
Partner
Membership No. 100733May 10, 2019
Mumbai**For and on behalf of Board of Directors****Kumar Nair** **U.Ramachandran** **Sudharsanan Nair**
Managing Director Director & CFO Director
DIN. 00320541 DIN. 00493707 DIN.01510505**Nirmala Parab** **Sridhar H.**
Director Company Secretary
DIN. 07149007

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

Particulars	2018-19 Amount (₹)	2017-18 Amount (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	49,51,293	87,06,274
Add: Non Operating Expenses/ Non Cash Expenses		
Depreciation & Amortization	44,86,574	86,13,602
Interest Paid	1,34,55,873	93,75,024
Goodwill Written off	-	22,23,576
Bad Debts Written Off	16,951	4,42,410
Loss on Fixed Assets	41,565	50,470
Provision for diminution in value of quoted investments (net)	5,857	12,048
Contingent Provision for Standard Assets	63,307	-
	1,80,70,127	2,07,17,130
Less : Interest / Dividend/ Other Non Operating Income Adjustments		
Interest Received	27,95,745	31,77,747
Dividend Received	15,494	19,354
Gain on Sale of Investments	16,787	4,85,273
Sundry Creditors balances written back	42,429	1,17,761
	28,70,455	38,00,135
Operating Profit before Working Capital Changes		
Adjusted for:		
(Increase)/Decrease in Trade Receivables & Other Assets	(3,37,40,175)	(1,77,82,329)
(Increase)/Decrease in Loans & Advances	(1,55,81,250)	1,28,40,122
Increase /(Decrease) in Current Liabilities	87,27,314	(1,60,90,300)
Increase /(Decrease) in Non-Current Liabilities	5,62,271	(6,05,782)
Increase /(Decrease) in Provisions	(3,88,357)	85,930
Cash Generated from Operation	(2,02,69,232)	40,70,910
Income Tax Refund / (Paid)	(23,21,193)	2,11,184
Net Cash From Operating Activities	(2,25,90,425)	42,82,094
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Property, Plant and Equipment	(14,78,018)	(37,15,136)
Sale of Property, Plant & Equipment	1,15,256	23,000
(Purchase) / Sale of Investments (Net)	16,693	8,93,097
Inter Corporate Deposits Received / (Given)	3,07,889	(16,90,423)
Gold Loan Received / (Given)	(23,54,665)	(16,83,782)
Interest Received	6,10,600	13,66,693
Dividend Received	15,494	19,354
Net Cash used in Investing Activities	(27,66,751)	(47,87,197)
CASH FLOW FROM FINANCING ACTIVITIES		

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	2018-19 Amount (₹)	2017-18 Amount (₹)
Increase/ (Decrease) in Secured Loans	4,78,72,014	1,23,25,775
Increase/ (Decrease) in Unsecured Loans	10,75,157	1,33,93,914
Dividend Paid (including tax thereon)	(766)	-
Interest Paid	(1,34,55,873)	(93,75,024)
Net Cash from / (used in) Financing Activities	3,54,90,532	1,63,44,665
Net Increase / (Decrease) in Cash & Cash Equivalent	1,01,33,356	1,58,39,561
Opening Balance of Cash and Cash Equivalent	4,73,01,586	3,14,62,025
Closing Balance of Cash and Cash Equivalent	5,74,34,942	4,73,01,586

As per our attached report of even date
For Rahul Gautam Divan & Associates
Chartered Accountants
Firm Registration No.120294W

For and on behalf of Board of Directors

Rahul Divan
Partner
Membership No. 100733

Kumar Nair **U.Ramachandran** **Sudharsanan Nair**
Managing Director Director & CFO Director
DIN. 00320541 DIN. 00493707 DIN.01510505

May 10, 2019
Mumbai

Nirmala Parab **Sridhar H.**
Director Company Secretary
DIN. 07149007

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.****(ALL AMOUNTS ARE MENTIONED IN RUPEES)****1 SIGNIFICANT ACCOUNTING POLICIES**

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

B) Other Significant Accounting Policies

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

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
2. SHARE CAPITAL		
Authorized		
31,000,000 Equity Shares of Rs.10/- each	31,00,00,000	31,00,00,000
	31,00,00,000	31,00,00,000
Issued, Subscribed and Fully Paid Up		
24,460,568 Equity Shares of Rs.10/- each fully paid up	24,46,05,680	24,46,05,680
	24,46,05,680	24,46,05,680

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

Particulars	2018-19		2017-18	
	No of Shares	(₹)	No of Shares	(₹)
EQUITY SHARES				
A) Fully Paid Up Shares				
No of shares outstanding at the beginning of the year	2,44,60,568	24,46,05,680	2,44,60,568	24,46,05,680
Add/ (Less):- Issued / (Buy Back)	-	-	-	-
No of shares outstanding at the end of the year	2,44,60,568	24,46,05,680	2,44,60,568	24,46,05,680

2) Terms and rights attached to Equity Share.

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.

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

Particulars	2018-19		2017-18	
	No of Shares	%	No of Shares	%
EQUITY SHARES				
a) Fully Paid Up Shares				
1) Kumar Nair	1,27,08,694	51.96	1,27,08,694	51.96
2) TFL-TCCPL and TFCPL Merger Trust	52,25,000	21.36	52,25,000	21.36

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.**4) Employees Stock Option Scheme****Vertex Securities Limited**

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

Grant	Options (Face Value of Rs.10/- per share)	Price Per Option	Options (Split to Face value of Rs.2/- per share)	Price Per Option (After Share Split)	Re pricing of the options done on 07-09-2016
Grant -I	4,62,500	69.00	23,12,500	13.80	2.00
Grant -II	50,000	145.50	2,50,000	29.10	2.00
Grant -III	17,500	145.50	87,500	29.10	2.00
Grant-IV	25,000	145.50	1,25,000	29.10	2.00
Grant-V	1,00,000	145.50	5,00,000	29.10	2.00
Grant-VI	-	-	10,13,750	29.10	2.00
Grant-VII	-	-	2,00,000	5.46	2.00
Grant-VIII	-	-	18,75,000	5.46	2.00

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

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
Options outstanding at the beginning of the year split to face Value of Rs.2/- share	-	88,125
Prior Period Adjustments	-	-
Options granted during the year	-	-
Options vested during the year	-	30,375
Options exercised during the year	-	-
Options forfeited during the year	-	3,750
Options lapsed /surrendered during the year	-	54,000
Options outstanding at the end of the year	-	-

- Had fair value method been used , the compensation cost would have been higher by ₹ Nil (Previous Year ₹ Nil) Profit after tax would have been Higher by ₹ Nil (Previous year ₹ Nil) and Basic EPS would have been ₹0.05 Per share (Previous Year ₹0.10 Per share) and Diluted EPS would have been ₹0.05 (Previous Year ₹0.10).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	As at 1st April, 2018 (₹)	Additions due to Amalgamation (₹)	Additions/ Created During the Year (₹)	Deductions Due to Amalgamation (₹)	As at 31st March, 2019 (₹)
3. RESERVES AND SURPLUS					
a) Other Reserves					
- Reserve U/S 45IC of RBI Act	3,38,86,628	-	2,53,011	-	3,41,39,639
- General Reserve	1,04,10,757	-	-	-	1,04,10,757
b) Surplus as per Statement of Profit & Loss (Note-1)	2,45,05,177	-	27,41,051	-	2,72,46,228
	6,88,02,562	-	29,94,062	-	7,17,96,624

Particulars	As at 1st April, 2017 (₹)	Additions due to Amalgamation (₹)	Additions/ Created During the Year (₹)	Deductions Due to Amalgamation (₹)	As at 31st March, 2018 (₹)
Reserve & Surplus:-					
a) Capital Reserve	3,78,93,245	-	-	3,78,93,245	-
b) Securities Premium Reserve	20,82,91,145	-	-	20,82,91,145	-
c) Other Reserves					
- Reserve U/S 45IC of RBI Act	3,37,24,176	-	1,62,452	-	3,38,86,628
- General Reserve	1,04,10,757	-	-	-	1,04,10,757
d) Surplus as per Statement of Profit & Loss (Note-1)	2,43,44,589	11,070	45,80,704	44,31,186	2,45,05,177
	31,46,63,912	11,070	47,43,156	25,06,15,576	6,88,02,562

Note-1	Year ended 31/03/2019	Year ended 31/03/2018
1) Profit for the Year	45,37,022	82,45,734
Less:-		
Transfer to Reserve U/S 45 IC of RBI Act	2,53,011	1,62,452
Share of Profit transferred to Minority Interest -VSL	15,42,960	35,02,577
Share of Profit / (Loss) transferred to Minority Interest -VCFPL	- 17,95,971	1 36,65,030
	27,41,051	45,80,704

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
4. MINORITY INTEREST		
Vertex Commodities & Finpro (P) Limited	205	205
Vertex Securities Limited	6,22,32,168	6,06,89,207
	6,22,32,373	6,06,89,412

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.**(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
NON- CURRENT LIABILITIES		
5. LONG TERM BORROWINGS		
I. Secured Loans		
A. Loan From Banks		
Housing Loan Account- ICICI Bank Ltd (Secured against Office Premises situated at 405, Regent Chambers, Nariman Point, Mumbai)	-	1,51,12,664
Vehicle Loan from HDFC Bank (Secured against hypothecation of Motor Car)	12,525	1,54,776
B. Loan From Others		
Non Convertible Debentures (NCDs) (Refer Note No.7) (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)	55,00,000	-
Total- A	55,12,525	1,52,67,440
II. Unsecured Loans		
From Others		
Inter Corporate Deposits	8,01,50,000	8,96,50,000
Loan from Related Parties	1,25,10,900	1,31,60,900
Security Deposit From Franchises	66,56,474	66,31,317
Non Convertible Debentures (NCDs) (Refer Note No.7)	17,00,000	-
Total- B	10,10,17,374	10,94,42,217
Total- A + B	10,65,29,899	12,47,09,657
Note:-		
1) Vehicle loan of Vertex Securities Limited was sanctioned on 05.05.2016 from HDFC Bank for a period of 5 years. Current EMI per month is Rs.12,630/-		
6. OTHER LONG TERM LIABILITIES		
a) Trade Payables		
Amount Payable to Clients	1,17,54,020	1,11,46,445
Gold Loan	4,85,029	4,85,029
b) Others		
Other Creditors	7,43,208	7,88,512
1,29,82,257	1,24,19,986	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
CURRENT LIABILITIES		
7. SHORT TERM BORROWINGS		
A) Secured Loans		
1) Loans Repayable on Demand		
a) From Bank		
Overdraft Account - The Catholic Syrian Bank Ltd	3,60,27,388	44,56,563
Note:- Overdraft from Catholic Syrian Bank is Working Capital Facility for lending in Gold 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. Current Interest rate is 13.40% p.a.		
Overdraft Account- Axis Bank	3,06,91,825	3,06,80,964
Note:- Overdraft from Axis bank is Working Capital Facility secured against mortgage of property owned by Transwarranty Finance Limited - ₹25,000,000/- (P.Y.25,000,000/-), Corporate Guarantee of the Company and personal guarantee given by the Managing Director. Limits shall be renewed before the expiry of the sanctioned period of one year. Current interest rate is 11.00%)		
South Indian Bank Cash Credit Account	2,44,02,853	-
Note:- Cash Credit from South Indian Bank 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. Current Interest rate is 10.75% p.a.		
b) From Others		
Aditya Birla Finance Ltd.	52,477	3,25,743
Note:- Credit Facility from Aditya Birla Finance Limited is for Line Of Credit against unencumbered and tradable Securities. Sanctioned Limit is of ₹600 Lakhs. The validity of the Credit Facility is 12 months. Current Interest Rate is 10% p.a.		
Non Convertible Debentures- Current Maturity of Long Term Borrowing	26,00,000	-
Note:- Secured / Unsecured Redeemable Non-convertible Debentures		
The Company had privately placed Secured Redeemable Non-convertible Debentures for a maturity period of 400 days, 3 years or 5 years		
The funds raised by the Company during the year by Issue of Secured / Unsecured Non Convertible Debentures were utilized for the purpose intended, i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital, in compliance with applicable laws.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars						As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
Series	Date of Allotment	As on 31.03.2019	As on 31.03.2018	Redemption period from the date of allotment	Interest Rate %		
A) Secured Debentures							
A/2018-19	14.12.2018	4,00,000	-	60 Months	11.75%		
A/2018-19	14.12.2018	2,00,000	-	36 Months	11.50%		
A/2018-19	14.12.2018	25,00,000	-	36 Months	11.25%		
B/2018-19	14.03.2019	10,00,000	-	36 Months	11.25%		
A/2018-19	14.12.2018	26,00,000	-	400 Days	11%		
B/2018-19	14.03.2019	14,00,000	-	400 Days	11%		
B) Unsecured Debentures							
A/2018-19	14.12.2018	5,00,000	-	60 Months	12%		
B/2018-19	14.03.2019	10,00,000	-	60 Months	12%		
A/2018-19	14.12.2018	2,00,000	-	60 Months	11.75%		
Total		98,00,000					
Total -						9,37,74,543	3,54,63,270
8. TRADE PAYABLES							
a) Amount Due to Micro , Small & Medium Enterprises						-	-
b) Other Creditors							
- Amount due to Clients						11,07,65,295	10,34,94,327
						11,07,65,295	10,34,94,327
9. OTHER CURRENT LIABILITIES							
a) Current Maturities of Long Term Debt						1,42,251	8,26,595
b) Book Overdraft						75,09,260	31,81,720
c) Interest Accrued & Due on borrowings						60,69,775	28,98,116
d) Unclaimed Dividends						24,859	25,624
e) Other Payables							
-Creditors for Expenses						1,20,38,193	1,49,51,817
						2,57,84,337	2,18,83,872



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
10. SHORT - TERM PROVISIONS		
a) Provision for Employees		
Provision for Gratuity	1,46,617	88,702
Provision for Leave Encashment	12,77,210	10,80,954
b) Others		
Provision for Diminution in value of Quoted Investments	1,45,587	1,39,730
Provision Others	6,23,686	12,66,214
Contingent Provision for Standard Assets	63,307	-
	22,56,407	25,75,600

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

11. PROPERTY, PLANT AND EQUIPMENT - TANGIBLE

Sr. No.	Description	GROSS BLOCK/ COST/BOOK VALUE				DEPRECIATION /AMORTISATION				NET BLOCK								
		Total As at 01-Apr-18	Additions on Amalgamation	Additions/ Adjustments During the Year	Deductions/ Adjustments During the Year	Total As at 31-Mar-19	Total As at 01-Apr-18	Additions on Amalgamation	Provided during the Year	Deductions/ Adjustments During the Year	Total As at 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18					
1	Furniture & Fixture	1,61,46,722	(₹)	6,50,115	(₹)	4,72,217	(₹)	1,63,24,620	(₹)	1,37,04,898	(₹)	4,14,128	(₹)	1,39,11,139	(₹)	24,13,481	(₹)	24,41,824
2	Office Equipments	1,76,29,480		5,11,184	(97,645)	2,40,000		1,78,03,019		1,29,53,832		1,41,268		1,38,60,096		39,42,923		46,75,648
3	Vehicles	66,31,847		29,000	-	-		66,60,847		54,66,494		-		58,45,789		8,15,058		11,65,353
4	Computers	2,17,88,638		2,42,219	97,645	-		2,21,28,502		2,16,77,348		1,41,494		2,18,18,842		3,09,660		1,11,290
5	Office Premises No.403	4,78,87,926		-	-	-		4,78,87,926		29,11,098		10,22,392		39,33,490		4,39,54,436		4,49,76,828
6	Office Premises No.405	4,86,57,169		-	-	-		4,86,57,169		85,89,845		8,38,036		94,27,881		3,92,29,288		4,00,67,324
7	Residential Premises	2,34,470		-	-	-		2,34,470		1,11,650		2,551		1,14,201		1,20,269		1,22,820
8	Land	30,85,500		-	-	-		30,85,500		-		-		-		30,85,500		30,85,500
	Total	16,20,61,752		14,32,518		7,12,217		16,27,82,053		6,54,15,165		5,55,396		6,89,11,438		9,38,70,614		9,66,46,587
	Previous Year	5,36,69,652		10,51,48,923		4,45,705		16,20,61,756		4,46,73,662		1,31,77,724		79,36,012		6,54,15,163		9,66,46,593

12. PROPERTY, PLANT AND EQUIPMENT - INTANGIBLE

Sr. No.	Description	GROSS BLOCK/ COST/BOOK VALUE				DEPRECIATION /AMORTISATION				NET BLOCK								
		Total As at 01-Apr-18	Additions on Amalgamation	Additions/ Adjustments During the Year	Deductions/ Adjustments During the Year	Total As at 31-Mar-19	Total As at 01-Apr-18	Additions on Amalgamation	Provided during the Year	Deductions/ Adjustments During the Year	Total As at 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18					
1	Goodwill	4,00,000		-	-	-		4,00,000		-		-		4,00,000		4,00,000		4,00,000
2	Computer Software	95,40,889		45,500	-	-		95,86,389		93,69,703		1,24,328		94,94,031		92,358		1,71,186
3	Licence	1,18,26,335		-	-	-		1,18,26,335		1,10,51,481		2,85,577		1,13,37,058		4,89,277		7,74,854
4	Membership Rights	10,00,000		-	-	-		10,00,000		10,00,000		-		10,00,000		-		-
	Bombay Stock Exchange			-	-	-		-		-		-		-		-		-
	NIMCE	1,00,000		-	-	-		1,00,000		1,00,000		-		1,00,000		-		-
	MCX	2,51,000		-	-	-		2,51,000		2,51,000		-		2,51,000		-		-
	NCDEX	5,00,000		-	-	-		5,00,000		5,00,000		-		5,00,000		-		-
	NSEL	2,50,000		-	-	-		2,50,000		1,77,877		25,000		2,02,877		47,123		72,123
	Total	2,38,68,224		45,500				2,39,13,724		2,24,50,061		4,34,905		2,28,84,966		10,28,758		14,18,163
	Previous Year	2,38,41,974		26,250		-		2,38,68,224		2,17,72,471		6,77,590		2,24,50,061		14,18,164		-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	Face Value ₹	31.03.2019		31.03.2018	
		Quantity (Nos)	Value ₹	Quantity (Nos)	Value ₹
13A NON-CURRENT INVESTMENTS (AT COST)					
a) Investments in Equity Instruments					
i) Quoted Investments					
South Indian Bank (Right Share) (Market Value ₹ 165/-)	1	10	40	10	40
NEPC India Ltd. (Market Value ₹ Nil/-)	10	2,000	85,156	2,000	85,156
Rama Newsprint Papers Ltd. (Market Value ₹ 27,188/-)	10	1,250	86,838	1,250	86,838
Anil Limited (Market Value ₹ Nil/-)	10	39	780	39	780
ii) Unquoted Investments					
Catholic Syrian Bank Ltd.	10	700	31,000	700	31,000
Cochin Stock Exchange	10	905	25,07,700	905	25,07,700
Regent Chamber Co-Op. Society	50	10	501	10	501
Saraswat Bank Co.Operative Bank	10	1000	10,000	1000	10,000
Nawani Corp (India) Ltd.	10	61000	61,00,000	61000	61,00,000
b) Investments in Government of trust securities					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
UTI Master Share (Market Value ₹)	-	1,000	13,945	1,000	13,945
Total			88,40,961		88,40,961

- 1) Aggregate amount of Quoted investments is ₹186,760/- (P.Y. Rs.186,760/-) and market value is ₹27,353/- (P.Y. ₹47,565/-)
- 2) Aggregate amount of Unquoted investments is ₹8,654,200/- (P.Y. ₹8,654,200/-)
- 3) Aggregate provision made for diminution in value of investments is ₹145,587/- (P.Y. ₹139,730/-)

13 (B) CURRENT INVESTMENTS

Particulars	Face Value ₹	31.03.2019		31.03.2018	
		Quantity (Nos. / Units)	Value ₹	Quantity (Nos. / Units)	Value ₹
Mutual Fund					
UTI Liquid Cash Plan- Institutional Daily Dividend- Reinvestment		1.032	1,144	1.032	1,052
UTI- Floting Rate Fund-STP- Direct Growth Plan		3.855	10,304	3.860	10,302
Total			11,448		11,354

- (a) Aggregate amount of quoted investments is ₹ Nil (P.Y. ₹Nil) and market value is ₹Nil (P. Y. ₹ Nil).
- (b) Aggregate amount of un quoted investments is ₹ 11,448/- (P.Y. ₹11,354/-)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
NON CURRENT ASSETS		
14. DEFERRED TAX ASSET (NET)		
1) The Deferred Tax Assets(Net) at the year end comprises of timing differences arising on account of :-		
Deferred tax Asset:		
- On Depreciation	8,18,980	3,46,353
- On Others	43,100	-
	8,62,080	3,46,353
15. LONG TERM LOANS AND ADVANCES		
A) Unsecured, Considered Good		
a) Other Receivables	4,07,75,000	4,07,75,000
b) Security Deposits	3,91,900	3,92,150
c) Other Loans and Advances		
Inter Corporate Deposits	5,88,50,000	5,88,50,000
TFL-TCCPL and TFCPL Merger Scheme Trust	7,57,62,500	7,57,62,500
	17,57,79,400	17,57,79,650
CURRENT ASSETS		
16. INVENTORIES		
Shares Held In Stock - In - Trade	7,23,039	17,61,390
	7,23,039	17,61,390
17. TRADE RECEIVABLES		
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	2,96,24,509	2,85,64,619
Other Debts	8,67,99,169	4,50,80,532
	11,64,23,678	7,36,45,151
Less:- Bad Debts Written Off	-	-
	11,64,23,678	7,36,45,151
18. CASH AND CASH EQUIVALENTS		
a) Cash on Hand	6,99,011	9,48,182
b) Balance with Banks		
In Current Account	2,30,23,573	1,53,27,780
In Dividend Account	24,859	25,624
In Deposit Accounts :-		
Less than 12 months Maturity	3,36,87,500	3,10,00,000
Note:-		
1. Fixed Deposit of ₹32,687,500/- (P.Y. ₹30,000,000/-) are pledged against Bank Guarantees and ₹1,000,000/- (P.Y. ₹1,000,000/-) are pledged against Trading Guarantee for Exchange.		
	5,74,34,942	4,73,01,586



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
19. SHORT TERM LOANS AND ADVANCES		
A) Secured, Considered Good		
a) Others		
Gold Loans	63,02,686	52,18,186
Loan Against Shares	1,05,450	3,25,000
Loan Against Property	81,837	81,837
B) Unsecured , Considered Good		
a) Loans and advances to Related Parties	59,000	40,200
b) Others		
Inter Corporate Deposits	8,01,50,000	8,96,50,000
Loans and advances to Employees	2,81,683	33,770
Deposits	3,38,28,850	4,17,23,764
MAT Credit Entitlement	13,39,017	30,07,212
Advance Payment of Income Tax (Including TDS, Net of Provisions) (Provision For Tax ₹13,341,335/- (P.Y. ₹14,079,530/-)	1,17,68,855	87,09,467
Other Short Term Advances	12,04,396	5,92,847
Advance Receivable	98,81,070	58,95,741
Personal Loans & Consumer Loans Receivables	1,88,32,374	
	16,38,35,218	15,52,78,024
20. OTHER CURRENT ASSETS		
Other Receivables	2,53,50,000	3,33,50,000
Interest Accrued on ICD's	57,79,965	29,16,195
Interest Accrued on Fixed Deposits	98,36,266	76,51,121
Interest Accrued on Gold Loan etc.	29,09,574	16,56,360
	4,38,75,805	4,55,73,676

Particulars	For the Year Ended 31st March, 2019 (₹)	For the Year Ended 31st March, 2018 (₹)
21. REVENUE FROM OPERATIONS		
a) Sale of Shares held in Stock -in -Trade	5,71,41,563	3,84,60,061
b) Interest		
Interest on Gold Loan	12,95,450	11,04,665
Interest on Loan Against Shares	79,692	9,203
Interest on Inter Corporate Deposits	1,05,66,000	91,53,212
Interest on Personal Loans & Consumer Loans	7,84,061	-
c) Other Financial Services		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	For the Year Ended 31st March, 2019 (₹)	For the Year Ended 31st March, 2018 (₹)
Trade Finance	44,43,281	1,08,95,738
Corporate Finance	10,00,000	-
Investment Banking	4,01,31,000	3,41,00,000
Brokerage Income	5,18,80,863	6,46,58,338
Merchant Banking Fees	16,00,000	7,50,000
Income From DP Operations	18,89,391	22,20,189
d) Rent Income	20,86,870	16,24,980
	17,28,98,171	16,29,76,386
22. OTHER INCOME		
a) Dividend Income	15,494	19,354
b) Net Gain on sale of Investments	16,787	4,85,273
c) Bad Debts Written Off Recovered	15,063	7,167
d) Processing Fees & Other Charges	2,37,942	-
e) Other Non Operating Income		
- Interest Income	27,95,745	31,77,747
- Miscellaneous Income	57,37,957	56,82,354
- Late Payment Charges	48,79,298	56,07,509
- Software & AMC Charges Recovered	2,70,000	2,73,000
	1,39,68,286	1,52,52,404
23. PURCHASE OF SHARES HELD IN STOCK-IN-TRADE	5,71,53,377	3,82,48,135
	5,71,53,377	3,82,48,135
24. EMPLOYEE BENEFITS EXPENSES		
a) Salaries, Wages, Bonus, Gratuity & Allowances	3,68,66,975	3,66,80,082
b) Contribution to Provident Fund	18,52,754	20,26,481
c) Staff Welfare Expenses	12,43,220	13,05,588
	3,99,62,949	4,00,12,151
25. FINANCE COST		
a) Interest Expense		
On Term Loans	17,62,002	16,75,932
On Overdrafts & Other Borrowings	74,38,803	67,00,838
b) Other Borrowing Costs		
Interest on Loans & NCDs	21,80,331	1,47,908



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	For the Year Ended 31st March, 2019 (₹)	For the Year Ended 31st March, 2018 (₹)
Bank Charges	12,97,500	3,74,696
Bank Guarantee Expenses	7,77,238	4,75,650
	1,34,55,874	93,75,024
26. OTHER EXPENSES		
Rent	64,64,125	42,60,489
Rates & Taxes	4,35,979	2,18,544
Insurance	3,91,537	5,70,873
Advertisement , Publicity & Sales Promotion	8,49,531	9,23,477
Travelling & Other Incidental Expenses	22,42,327	27,52,378
Office Maintenance	58,64,118	53,94,561
Vehicle Running & Maintenance	2,37,321	1,15,086
Printing & Stationery	5,85,238	6,28,480
Communication Expenses	9,15,686	10,73,574
Electricity	13,55,627	14,40,421
Donation	25,000	25,000
Auditor's Remuneration		
- As Auditors	3,51,000	3,51,000
- For Tax Audit	75,000	75,000
- For Other Services	85,471	1,05,900
Legal , Professional & Consultancy Charges	43,05,080	38,90,597
Directors Sitting Fees	6,20,000	6,79,556
Loss on futures & Options	2,59,197	81,119
Other Operational Expenses	4,16,66,475	4,79,59,045
Bad Debts written off	16,951	4,42,410
Provision for Quoted Investments (Net)	5,857	12,048
Loss on Sale of Fixed Assets	41,565	50,470
Contingent Provision for Standard Assets	63,307	-
	6,68,56,392	7,10,50,028
Note:-		
EXPENDITURE IN FOREIGN CURRENCY		
Expenditure in Foreign Currency	-	2,35,125

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	For the Year Ended 31st March, 2019 (₹)	For the Year Ended 31st March, 2018 (₹)
27. Contingent Liabilities		
1) Guarantees issued by the company for acquiring office premises	-	4,06,00,000
2) Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for Exchange Margin requirements	8,00,00,000	5,00,00,000
3) Corporate Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for OD Facility	5,00,00,000	5,00,00,000
4) Counter Guarantee issued by Vertex Securities Limited in favour of the banker for guarantee given by them for Exchange Margin requirements.	5,78,75,000	5,25,00,000
5) Guarantees issued by Vertex Securities Limited on behalf of its Subsidiary Company Vertex Commodities & Finpro Pvt. Ltd. for Exchange Margin requirements	2,00,00,000	2,00,00,000
6) i) Claims against the company not acknowledged as debt:- Vertex Securities Limited		
a. Tax demand in respect of which:-		
- Income tax for Assessment Year 2013-14	1,27,290	1,27,290
- Service Tax orders for FY 2006-07 to 2009-10	6,22,000	6,22,000
- Service Tax orders for FY 2008-09 to 2012-13	8,82,042	8,82,042
- Service Tax orders for FY 2009-10 to 2013-14	41,74,056	41,74,056
- Service Tax orders for FY 2011-12 to 2013-14	10,86,974	10,86,974
- Service Tax orders for FY 2013-14	54,560	54,560
- Service Tax orders for FY 2014-15	1,10,971	1,10,971
ii) Claims against the company not acknowledged as debt:- Transwarranty Finance Limited		
- Income tax for Assessment Year 2011-12	-	5,46,710
- Income tax for Assessment Year 2012-13	-	23,58,110
	21,49,32,893	22,30,62,713
28. Earnings Per Share		
I. Net Profit as per Statement of Profit and Loss available for Equity Share Holders	45,37,022	82,45,734
II. Weighted Average number of equity shares for Earnings per share computation		
A) For Basic Earnings per share of ₹ 10/- each (Nos)	2,44,60,568	2,44,60,568
B) For Diluted Earnings per share of ₹ 10/- each (Nos)	2,44,60,568	2,44,60,568
III. Earnings Per Share (Face Value of ₹ 10/- each)		
Basic (₹)	0.19	0.34
Diluted (₹)	0.19	0.34



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

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

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Change in the benefit Obligations:				
Present value of obligations as on 01. 04. 2018	49,74,451	43,25,524	10,80,954	11,86,090
Current Service Cost	4,05,159	3,25,231	6,20,614	6,11,440
Past Service Cost	-	2,93,332	-	-
Interest Cost	3,41,282	2,93,419	65,617	80,976
Actuarial (Gain)/Loss on obligation	(85,028)	(1,46,971)	(47,588)	(7,78,750)
Benefits Paid	(9,97,548)	(1,16,084)	(4,42,387)	(18,802)
Present value of obligations as on 31.03.2019	46,38,316	49,74,451	12,77,210	10,80,954
Change in Plan Assets:				
Fair Value of Plan Assets as on 01.04.2018	64,41,034	54,68,300	-	-
Adjustment to the opening balance	38,054	(28,121)	-	-
Expected Return on Plan Assets	5,05,142	4,76,381	4,42,387	5,054
Employer's Contributions	1,38,592	6,46,031	(4,42,387)	8,694
Benefits Paid	(9,97,548)	(1,16,084)	-	(13,748)
Actuarial Gain/(Loss) on Plan Assets	(22,327)	(5,473)	-	-
Fair Value of plan assets as on 31.03.2019	61,02,947	64,41,034	-	-
Net (Asset) Liability (i) - (ii) :	(14,64,631)	(14,66,583)	12,77,210	10,80,954
Net Cost for the year ended 31.03.2019				
Current Service Cost	4,05,159	3,25,231	6,20,614	7,60,045
Past Service Cost	-	2,93,332	-	-
Interest Cost	3,41,282	2,93,419	65,617	76,416
Expected Return on plan Assets	(5,05,142)	(4,76,381)	-	-
Actuarial (Gain)/ Loss recognized during the year	(62,701)	(1,41,498)	(47,588)	(5,90,562)
Adjustment (Gain) to opening value of planned assets	-	-	-	-
Net Cost	1,78,598	2,94,103	6,38,643	2,45,899
Amount recognised in the Balance sheet (Asset) / Liability	(14,64,631)	(14,66,583)	12,77,210	11,86,090
Amount recognised in the Statement of Profit and Loss	1,78,598	2,94,103	6,38,643	2,45,899
(Gain) / Loss				
Principal actuarial Assumptions:-				
a) Transwarranty Finance Limited				
Discount rate	7.50%	7.40%	7.50%	7.40%
Expected Return on plan assets	8.35%	8.35%	-	-
Salary Escalation Rate	3.00%	3.00%	3.00%	3.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2018-19	2017-18	2018-19	2017-18
Attrition Rate	5.00%	5.00%	5.00%	5.00%
a) Vertex Securities Limited				
Discount rate	7.91%	7.91%	7.91%	7.91%
Expected Return on plan assets	8.35%	8.35%	-	-
Salary Escalation Rate	3.00%	3.00%	3.00%	3.00%
Attrition Rate	10.00%	10.00%	10.00%	10.00%

Demographic Assumptions:

Retirement age	60 Year
Mortality rate	Unlimited

30 . RELATED PARTY DISCLOSURES

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

(I) List of Related parties

(a) Common Controlled Entity	: Welworth Sales & Services Private Limited (WSSPL)
(b) Key Management Personnel	: Mr. Kumar Nair (Managing Director) : Mr. U.Ramachandran (Director & C.F.O) : Mr. George Mampilly (Director & Chief Financial Officer)
(c) Relative of Key Management Personnel	: Mrs. Leena Nair (Wife of Mr. Kumar Nair) Mrs. Jyoti Ramachandran (Wife of Mr.U. Ramachandran) Mr. Rajendran U. (Brother of Mr.U.Ramachandran)

Details of Related Party Transactions

Name of the Company/ Transactions	2018-19 (₹In Millions)	2017-18 (₹In Millions)
1) Inter Corporate Deposits Given - Common Controlled Entity		
WSSPL	0.02	-
2) Salary, Remuneration and Other allowances - Key Management Personnel		
Kumar Nair	2.40	2.40
U. Ramachandran	1.58	1.58
George Mampilly	1.19	-
3) Margin Received (in Vertex Securities Ltd.) - Key Management Personnel		
Kumar Nair	-	0.11
4) Margin Returned (in Vertex Securities Ltd.) - Key Management Personnel		
Kumar Nair	-	17.17



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Name of the Company/ Transactions	2018-19 (₹In Millions)	2017-18 (₹In Millions)
5) Interest paid on Margin Received (in Vertex Securities Ltd.) - Key Management Personnel		
Kumar Nair	-	0.80
6) Rent paid (in Transwarranty Finance Limited) - Key Management Personnel		
Kumar Nair	1.80	1.20
7) Rent paid (in Transwarranty Finance Limited) - Relative of Key Management Personnel		
Leena Nair	1.80	-
8) Interest Paid on Loan (in Transwarranty Finance Limited) - Key Management Personnel		
Kumar Nair	1.90	0.14
9) Professional Charges paid (In Transwarranty Finance Limited) to Key Management Personnel		
U. Ramachandran	0.10	0.10
10) Shares of TCMSPL purchased from Key Management Personnel		
Kumar Nair	-	0.10
11) Loan received (in Transwarranty Finance Limited) from Key Management Personnel		
Kumar Nair	0.64	14.84
12) Loan paid (in Transwarranty Finance Limited) back to Key Management Personnel		
Kumar Nair	1.29	1.68
13) Investment in Non Convertible Debentures by relatives of Key Management Personnel		
Jyoti Ramachandran	1.00	-
Rajendran U.	0.20	-
14) Interest paid on Non Convertible Debentures - Relative of Key Management Personnel		
Jyoti Ramachandran	0.01	-
Rajendran U.	0.01	-
Balance As on 31-03-2019 [Debit / (Credit)] (In the Books of Transwarranty Finance Limited)		
Intercorporate Deposit - Common Controlled Entity		
WSSPL	0.03	0.01
Loan Account - Key Management Person		
Kumar Nair	(12.51)	(13.16)
Interest Payable on Loan Account - Key Management Personnel		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

Name of the Company/ Transactions	2018-19 (₹In Millions)	2017-18 (₹In Millions)
Kumar Nair	(0.14)	(0.13)
(In the Books of Vertex Securities Limited)		
Trading Account - Key Management Person		
Kumar Nair - Trading Account	0.00	0.00

31. Principles of Consolidation:

- The consolidated financial statements relate to Transwarranty Finance Limited, the holding company and its majority owned subsidiaries. The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements'. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.
- In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investment in the subsidiaries and/or joint ventures over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment as stated above.
- Investments in Associates are dealt with in accordance with Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India. As on the reporting date the company does not have any associate company.
- The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as of the Company i.e., for the year ended March 31, 2019.

32. Information on subsidiaries :

The Subsidiary companies considered in the consolidated financial statement are :

Name of the Company	Country of Incorporation	Percentage of Holding at 31-03-2019
Vertex Securities Limited (VSL)	India	53.04%
Vertex Commodities & Finpro Pvt. Ltd (Subsidiary of VSL)	India	100% (P.Y.99.9998%)
Transwarranty Capital Market Services Private Limited	India	100%

- Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.
 - Debit and Credit balances are subject to confirmation of parties.
34. Sundry debtors include old outstanding debts amounting to Rs.9,550,724/- (Rs.9,750,724/-) in respect of which Company has initiated legal and other recovery actions, the proceedings of which are in different stages of progress. No provision for doubtful debts has been made in the accounts during the year since the management is confident that the debts are good and recoverable.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.****(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

35. a) Lien has been marked in favour of Axis bank in respect of Bank Deposits worth ₹32,687,500/- (P.Y ₹30,000,000/-) together with accumulated interest thereon, against bank guarantees issued by them on account of the Company. Lien has been marked in favour of BSE against trading guarantee in respect of Bank Deposit worth ₹1,000,000 /- (P.Y. ₹1,000,000 /-) together with accumulated interest thereon.
36. The management has evaluated the long term investments and confirms that there exist no circumstances which warrant provision on account of permanent diminution in the value of investments.

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

Investments in Equity Instruments	Number of shares	Market Price per share as at 31.03.2019	Market Value as at 31.03.2019
Atlos Ltd.	100	Not Available	Not Available
Apple Credit Corp. Ltd.	100	Not Available	Not Available
Arihant Cotsyn Ltd.	50	Not Available	Not Available
Cauvery Software Engg. Systems Ltd.	100	Not Available	Not Available
Classic Diamond India Ltd.	100	Not Available	Not Available
Computer Power	5,00,000	Not Available	Not Available
Dunlop Ltd.	100	Not Available	Not Available
Femnor Mineral	100	Not Available	Not Available
Goldstone Infrastructure	100	Not Available	Not Available
Indo French Biotech Enterprise Ltd.	1,000	Not Available	Not Available
Kerala Ayurveda Ltd.	100	66.80	6,680
Kitex Garments Ltd.	700	102.20	71,540
Koluthara Exports	4,900	Not Available	Not Available
MOH Ltd.	20,000	Not Available	Not Available
Nagarjuna Finance Ltd.	200	Not Available	Not Available
Superstar Distillaries & Foods Ltd.	2,600	Not Available	Not Available
Synthetics & Chemicals Ltd.	100	Not Available	Not Available
TISCO SPN	15	Not Available	Not Available
Trend Design	800	Not Available	Not Available
TTK Health Care	100	678.65	67,865
UTI Master share	50	Not Available	Not Available
Vanady Chemicals	200	Not Available	Not Available
Vatsa Corporation Ltd.	4,200	Not Available	Not Available
Vysali Pharmaceuticals Ltd.	11,600	Not Available	Not Available
TOTAL	5,47,315		1,46,085

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

37. The company is primarily engaged in a single segment viz. Financial Services and related activities , therefore the separate disclosures required under Accounting Standard (AS-17) on Segment Reporting issued by ICAI are not applicable.
38. Operating Leases: The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 60 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognised in the Statement of Profit and Loss as 'Rent' under Note No. 26 is ₹6,464,125/- (P.Y. 4,260,489/-). Future minimum lease rent payable are as follows:-

Particulars	As at 31-Mar-19	As at 31-Mar-18
Not later than one year	56,90,994	39,42,375
Later than one year but not later than five years	63,12,375	13,65,650
Later than five years	8,64,000	13,81,020

39. Previous Year figures are regrouped or rearranged wherever necessary.

As per our attached report of even date
For Rahul Gautam Divan & Associates
 Chartered Accountants
 Firm Registration No.120294W

Rahul Divan
 Partner
 Membership No. 100733

May 10, 2019
 Mumbai

For and on behalf of Board of Directors

Kumar Nair
 Managing Director
 DIN. 00320541

Nirmala Parab
 Director Company
 DIN. 07149007

U.Ramachandran
 Director & CFO
 DIN. 00493707

Sridhar H.
 Secretary

Sudharsanan Nair
 Director
 DIN.01510505

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

Name of the Company	2018-19		2017-18		2018-19		2017-18	
	Net Assets (Total Assets minus Total Liabilities) As % of Consolidated Net Assets	Net Assets	Net Assets (Total Assets minus Total Liabilities) As % of Consolidated Net Assets	Net Assets	Share in Profit or Loss As % of Consolidated Profit or Loss	Profit / (Loss)	Share in Profit or Loss As % of Consolidated Profit or Loss	Profit / (Loss)
Parent Company Transwarranty Finance Limited	49.32	18,38,65,127	49.79	18,26,00,073	15.34	12,65,054	9.85	8,12,263
Indian Subsidiaries: Direct Subsidiaries								
1. Vertex Securities Limited	21.63	8,06,53,468	21.50	7,88,45,861	21.92	18,07,608	93.77	77,32,054
2. Transwarranty Capital Market Services Pvt. Ltd.	(0.02)	(64,833)	(0.01)	(51,312)	(0.16)	(13,521)	(0.30)	(24,713)
Indirect Subsidiaries								
1. Vertex Commodities & Finpro Private Limited	12.38	4,61,39,442	12.18	4,46,61,561	17.92	14,77,880	(3.32)	(2,73,869)
Minority Interest in All Subsidiaries:	16.69	6,22,32,373	16.55	6,06,89,413	-	-	-	-
TOTAL	100	37,28,25,577	100	36,67,45,596	55	82,45,734	100	1,22,03,972

AsAs per our attached report of even date

For Rahul Gautam Divan & Associates

Chartered Accountants

Firm Registration No.120294W

Rahul Divan

Partner

Membership No. 100733

May 10, 2019

Mumbai

For and on behalf of Board of Directors**Kumar Nair**

Managing Director

DIN. 00320541

U.Ramachandran

Director & CFO

DIN. 00493707

Sudharsanan Nair

Director

DIN.01510505

Nirmala Parab

Director Company Secretary

DIN. 0714900

Sridhar H.

Secretary

DIN. 0714900

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.

Part- A Subsidiaries

(Amount in ₹)

S. No.	Particulars			
1	Serial Number	1	2	3
2	Name of the Subsidiary	Vertex Securities Limited	Vertex Commodities & Finpro Private Limited	Transwarranty Capital Market Services Private Limited
3	Reporting Period of the Subsidiary	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019
4	Reporting Currency & Exchange Rate	INR Rs.1/-	INR Rs.1/-	INR Rs.1/-
5	Share Capital	150,800,178	58,615,000	100,000
6	Reserves & Surplus	(11,531,380)	(12,475,559)	(164,833)
7	Total Assets	291,054,760	66,205,326	169,267
8	Total Liabilities	291,054,760	66,205,326	169,267
9	Investments	61,123,030	-	-
10	Turnover	68,633,109	10,909,211	-
11	Profit/(Loss) before Taxation	1,807,608	1,564,313	(13,521)
12	Provision For Taxation	Nil	(86,433)	Nil
13	Profit / (Loss) after Taxation	1,807,608	1,477,880	(13,521)
14	Proposed Dividend	Nil	Nil	Nil
15	% of Share Holding	53.04%	100%	100 %
Notes:-				
1) There are no subsidiaries which are yet to commence operations				
2) Names 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 Rahul Gautam Divan & Associates
Chartered Accountants

For and on behalf of Board of Directors

Rahul Divan
Partner

Kumar Nair
Chairman &
Managing
Director
DIN 00320541

U.Ramachandran
Director & CFO
DIN 00493707

Sudharsanan Nair
Director
DIN 01510505

Mumbai
May 10, 2019

Nirmala Parab
Director
DIN 07149007

Sridhar H.
Company Secretary



TRANSWARRANTY FINANCE LIMITED

Form No. MGT-11
PROXY FORM

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

Transwarranty Finance Limited

CIN: L65920MH1994PLC080220

Registered Office: 403, Regent Chambers,
Nariman Point, Mumbai – 400 021

Tel.: +91-40010900 Fax.: +91-22-6630 6655 Website: www.transwarranty.com

Email.: companysecretary@transwarranty.com

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id: DP ID

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

1. Name:.....

Address:

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

2. Name:.....

Address:

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

3. Name:.....

Address:

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held at Cultural Hall of Yashwantrao Chavan Pratishthan, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400021, on Friday, 27th September, 2019 at 10.30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Rsln No	Resolutions	Optional	
		*For	*Against
1.	To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31 st March, 2019 and the Reports of the Directors and Auditors thereon.		

2.	To appoint a Director in place of Mr. U. Ramachandran (DIN-00493707), who retires by rotation and being eligible offers himself for re-appointment.		
3.	To approve the appointment of S.S.Khan & Co., Chartered Accountants (Firm Registration No. 133324W) as Statutory Auditors and to fix their remuneration		
	Special Business		
4.	To approve the re-appointment of Mr. Pravin Khatau as Independent Director of the Company for a period of five years		
5.	To approve the re-appointment of Mrs. Nirjala Sachin Parab as Independent Director of the Company for a period of five years		
6.	Issuance of non-convertible debentures on private placement basis		
7.	Increase in borrowing limits		
8.	Raising of funds by way of External Commercial Borrowings		
9.	Creation of charge on the assets of the Company		
10.	Approval of Employees Stock Option Plan 2019		
11.	Approval of Employees Stock Option Plan 2019 to the employees of subsidiaries of the Company		
12.	Grant of options under ESOP 2019 exceeding 1% of issued share capital of the Company		
13.	Approval for material related party transactions		

Signed this day of 2019.

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

* It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix revenue
stamp
of ₹ 1



TRANSWARRANTY FINANCE LIMITED



TRANSWARRANTY FINANCE LIMITED

CIN: L65920MH1994PLC080220

Registered Office:403, Regent Chambers,
Nariman Point, Mumbai – 400 021

Website : www.transwarranty.com

e-mail id : companysecretary@transwarranty.com

ATTENDANCE SLIP

Name:	
Address:	
Regd. Folio No./Client ID;	
No. of shares:	

I hereby record my presence at the **25TH ANNUAL GENERAL MEETING** of the Company at Cultural Hall of Yashwantrao Chavan Pratishthan, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400021, at 10.30 a.m. on Friday, 27th September,2019.

.....
Name of the Shareholder/Proxy/Authorised
Representative of Body Corporate
(in BLOCK letters)

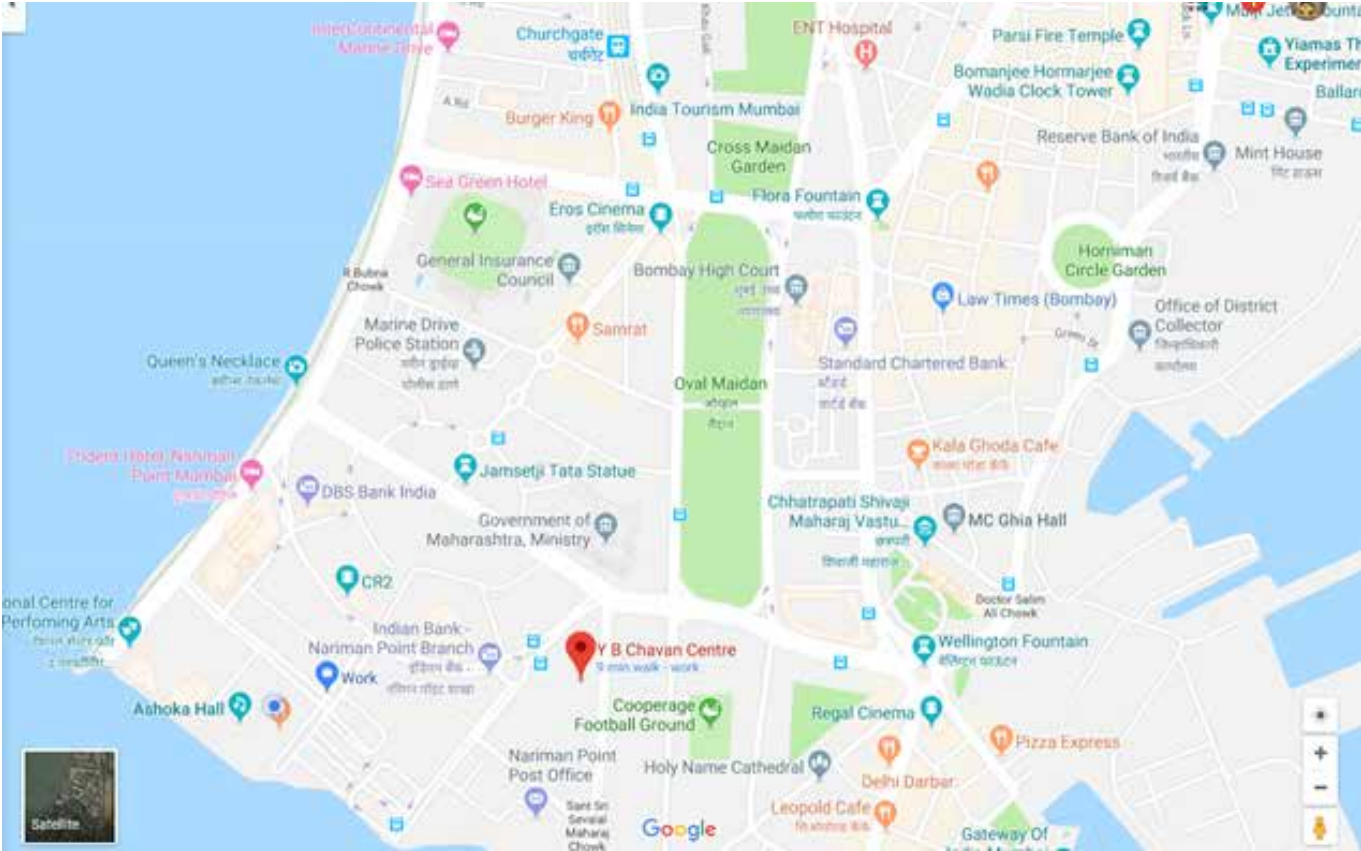
.....
Signature of the Shareholder/Proxy/
Authorised Representative of
Body Corporate

Notes:

- (1) Members/Proxyholders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
- (2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

ELECTRONIC VOTING PARTICULARS		
Remote e-voting Event Number	USER ID	PASSWORD/PIN
111938		

ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING



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

VERTEX COMMODITIES AND FINPRO PRIVATE LIMITED

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

- Retail Commodities Broking
- Corporate Agency for comprehensive insurance products

TRANSWARRANTY CAPITAL MARKET SERVICES PRIVATE LIMITED

TRANSWARRANTY FINANCE LIMITED

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

Advisory Business:

Investment Banking

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

Corporate Finance

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

Trade Finance

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

Project Finance

- Financial Structuring
- Project Report and Financial Feasibility Study
- Raising Project Equity
- Raising Project Loans both in Rupee and Foreign Currency

Fund Based Business:

- **Gold Loan** - Retail loans against security of Gold
- **Online Personal Loans**
- **Online Consumer Loans**

Membership and Licenses

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

Regd. Office:

CIN: L65920MH1994PLC080220
403, Regent Chambers, Nariman Point, Mumbai - 400 021.
Tel.:022-40010900•Fax:022-66306655
Website:www.transwarranty.com•Email:mail@transwarranty.com