



TRANSWARRANTY FINANCE LIMITED

TFL/SEC/2021-22/22

03/09/2021

The Manager,
Corporate Relations Dept.,
BSE Ltd.
P.J. Towers,
Dalal Street, Fort
Mumbai 400001

The Manager,
Listing Compliance Department
National Stock Exchange of India Ltd.
Bandra Kurla Complex
Bandra (East)
Mumbai 400051

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 27th Annual General Meeting (AGM) of the Members of the Company will be held on Wednesday, 29th September, 2021 at 4.00 p.m. through Video Conferencing / Other Audio Visual Means, in accordance with the relevant circulars issued by the Ministry of Corporate Affairs ('the MCA') and the Securities and Exchange Board of India ('the SEBI'), in view of the prevailing COVID -19 pandemic.

The Book Closure dates are fixed as below:

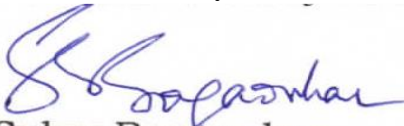
Company Code	Scrip	Type of Security and Face Value per Share	Book Closure	Purpose
BSE- 532812 NSE- TFL		Equity Shares of Rs. 10/- each	23 rd September, 2021 to 29 th September, 2021 (both days inclusive)	Annual General Meeting

The notice of 27th 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


Suhas Borgaonkar
Company Secretary

Encl: As above

CIN: L65920MH1994PLC080220

403, Regent Chambers, Nariman Point, Mumbai- 400021 • Tel: 6630 6090 / 2204 7965
Fax: 6630 0999 / 4001 0999 • e-mail : mail@transwarranty.com • website:www.transwarranty.com



**TRANSWARRANTY
FINANCE LIMITED**
FINANCIAL ENGINEERS



Board of Directors



Mr. Kumar Nair
Chairman & Managing Director

Mr. Kumar Nair, is B.Sc., FCA (ICAI), ACA (ICAEW) & OPM (Harvard Business School). He has over two decades of experience in Financial Services, Capital Market and Investment Banking. Prior to this he was a key member of the core senior management team at Kotak Mahindra Finance Limited.



Mr. Ramachandran Unnikrishnan
Director & CFO

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



Mr. Sudharsanan Nair
Director

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



Mr. Pravin Khatau
Director

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



Mrs. Nirmala Parab
Director

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



Mr. Shishir Vasant Dalal
Additional Director

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

CORPORATE INFORMATION

Board of Directors

Mr. Kumar Nair	Chairman & Managing Director
Mr. Ramachandran Unnikrishnan	Director & CFO
Mr. Pravin Khatau	Independent Director
Mr. Sudharsanan Nair	Independent Director
Mrs. Nirmala Parab	Independent Director
Mr. Shishir Vasant Dalal	Additional Independent Director (w.e.f. 30.09.2020)

Company Secretary

Mr. Suhas Borgaonkar

Auditors

S.S. Khan & Co.
Chartered Accountants
24, 1st Floor, 5 Malharraowadi,
Dadi Seth Agiary Lane,
Kalbadevi, Mumbai - 400 002.

Secretarial Auditor

Yogesh Sharma & Co.
B-1, Neha Apartment,
Opp. Dr. Badwaik's Hospital,
LBS Marg, Bhandup (W),
Mumbai - 400 078.

Bankers

CSB Bank Limited
South Indian 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

Contents

Corporate Information	1
Notice	2
Directors' Report	21
Management Discussion and Analysis	29
Report on Corporate Governance	32
Independent Auditors' Report	60
Balance Sheet	69
Statement of Profit & Loss	71
Cash Flow Statement	73
Notes to the Financial Statements	76
Consolidated Financial Statements	127
Statement Pursuant to Section 129(3) of the Companies Act, 2013	190



NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of Transwarranty Finance Limited will be held through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), on Wednesday, 29th September, 2021 at 4.00 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kumar Nair (DIN 00320541), who retires by rotation and being eligible offers himself for re-appointment.

Special Business:

3. **Appointment of Mr. Shishir Vasant Dalal (00007008) as an Independent Director of the Company for a period of five years**

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

“**RESOLVED THAT** pursuant to provisions of Section 149 and Section 152 and any other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the ‘Act’) and the Rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification/s or re-enactment thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, Mr. Shishir Vasant Dalal (DIN 00007008) who was appointed as an Additional Director (Independent) of the Company with effect from 30th September, 2020, who by virtue of the provisions of Section 161(1) of the Companies Act, 2013 holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up to 29th September, 2025, not liable to retire by rotation.”

RESOLVED FURTHER THAT, pursuant to provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or any amendment(s) thereto, or any substitution(s) or any re-enactment(s) made thereof, for the time being in force), Mr. Shishir Vasant Dalal (DIN: 00007008), who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) and 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 30th September, 2020 up to 29th September, 2025.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution the Managing Director and/or Director & CFO and/or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the said resolution.”

4. **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 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 29th September, 2021.

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."

5. **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 50 MN;

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

6. **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 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and Section 188 of the Companies Act, 2013 (the "Act") 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 committees thereof), for transactions/contracts/arrangements already entered / to be entered into any and all transactions/contracts/arrangements with Vertex Securities Limited, a subsidiary of the Company and a related party as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, inter-alia, relating to making of loan(s) to/borrow from Vertex Securities Limited, and/or giving of guarantee(s) or providing security(ies) on behalf of Vertex Securities Limited and/or making any investments in the securities of Vertex Securities Limited and/or the purchase from and/or sale to it of any securities and/or providing/availing of any services by the Company to/from Vertex Securities Limited, on such terms and conditions as the Board on its absolute discretion, may deem fit, PROVIDED HOWEVER THAT the total aggregate amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with Vertex Securities Limited and remaining outstanding at any point of time shall not exceed ₹ 50 Crore (Rupees Fifty Crores) during a financial year.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto.”

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

Suhas Borgaonkar
Company Secretary

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

Place: Mumbai
Date : 12th August, 2021

NOTES:

1. In view of the ongoing COVID-19 pandemic, social distancing is a norm to be followed and the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 02/2021 dated 13th January, 2021 read with General Circular No. 20/2020 dated 5th May, 2020, General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 (collectively referred to as “said Circulars”) permitted the holding of the Annual General Meeting (“AGM”/ “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of members at a common venue. In this Annual Report, the connotation of “Members” and “Shareholders” is the same.

Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 (“Act”) read with the said Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Company has decided to convene its ensuing 27th AGM through VC/OAVM, and the Members can attend and participate in the ensuing AGM through VC/OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the Deemed Venue of the AGM. National Securities Depositories Limited (NSDL) will be providing the facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained in note no. 17 below and is also available on the website of the Company at www.transwarranty.com.

2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Item No. 3 to 6 of the Notice of 27th AGM, which is considered to be unavoidable by the Board of Directors of the Company, is annexed hereto. Also, relevant details in respect of Directors seeking appointment/ re-appointment at the AGM, in terms of Regulation 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.25 of Secretarial Standard- 2 on General Meetings are also annexed to this notice.
3. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company

Secretaries of India (“ICSI”) read with Clarification/ Guidance on applicability of Secretarial Standards 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 403, Regent Chambers, Nariman Point, Mumbai 400021.

4. Generally, a MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

However, since this AGM is being held through VC/ OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with and in line with the Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15th January, 2021 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (“said SEBI Circulars”) issued by the Securities and Exchange Board of India (“SEBI”), THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

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

5. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In view of the continuing COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the said Circulars issued by the MCA and said SEBI Circulars, the Annual Report including Notice of the 27th AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by Email, to all the Shareholders whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes to the Shareholders and to all other persons so entitled.

Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and said SEBI Circulars, the Annual Report including Notice of the 27th AGM of the Company will also be available on the website of the Company at www.transwarranty.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of NSDL i.e. www.evoting.nsdl.com.

7. Members are requested to send all their documents and communications pertaining to shares to Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent (RTA) of the Company at their address at C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra 400083, Telephone No. 022 - 4918 6000, rnt.helpdesk@linkintime.co.in, for both physical and demat segment of Equity Shares. Please quote on all such correspondence - “Unit – Transwarranty Finance Limited”.
8. 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.



9. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
10. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at companysecretary@transwarranty.com or mnt.helpdesk@linkintime.co.in along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to companysecretary@transwarranty.com.
11. The Register of Members and Share Transfer Books will remain closed from 23rd September, 2021 to 29th September, 2021 (both days inclusive) for the purpose of AGM.
12. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agents (RTA), Link Intime India Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company or RTA.
- The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA.
13. In terms of the provisions of Regulation 40 of Listing Regulations, 2015 and various notifications issued in that regard, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not being processed from 1st April, 2019 unless the securities are held in dematerialized form with the depositories. In view of the same, Members are requested to take action to dematerialize the Equity Shares of the Company, promptly.
14. 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.
15. Members are requested:
- To quote their folio number/ DP ID and Client ID in all correspondence.
 - To notify immediately change of their address and bank particulars to the RTA in case the shares are held in physical form; and in case the shares are held in dematerialized form, the information should be passed on directly to their respective Depository Participant and not to the Company / RTA, without any delay.
16. In terms of provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in dematerialized form are requested to submit the said details to their Depository Participant(s) and the Members holding shares in physical form, are requested to submit the said details to the Company or RTA.

17. PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:

- I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- II. For convenience of the Members and proper conduct of AGM, Members can login and join atleast 15 (fifteen) minutes before the time scheduled for the AGM and the window for login shall be kept open throughout the proceedings of the AGM. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 Members on 'first come first serve' basis. This will not include large Members (i.e. Members holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis
- III. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- IV. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

- V. The Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 22nd September, 2021 by 5.00 p.m. through email on companysecretary@transwarranty.com. The same will be replied by / on behalf of the Company suitably. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

18. The instructions and other information relating to voting through electronic means is given hereunder:

VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide Members with the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") as well as e-voting during the proceeding of the AGM ("e-voting at the AGM") will be provided by National Securities Depository Limited (NSDL).
- II. Members who have cast their vote by remote e-Voting prior to the AGM can also attend the AGM but shall not be entitled to cast their vote again. Only those Members, who will be present at the AGM through VC / OAVM facility and who would not have cast their vote by remote e-Voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.
- III. The remote e-voting period commences on Sunday, 26th September, 2021 at 09:00 a.m. and ends on Tuesday, 28th September 2021 at 5.00 p.m. During this period, the Members, holding



shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, 22nd September, 2021 may cast their vote electronically by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September, 2021.

IV. 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: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="497 1017 1474 1321">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="497 1348 1474 1446">2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="497 1473 1474 1806">3. 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 ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at [abovementioned website](#).



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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login method for members other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

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

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 117850 then user ID is 117850001***

5. Password details for shareholders other than Individual shareholders are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, please follow steps mentioned under the head **"Procedure to be followed by those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-Voting for the resolutions set out in this notice"**.
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.nsd.com.
 - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsd.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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button
 9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
 3. Now you are ready for e-Voting as the Voting page opens.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify



the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Procedure to be followed by those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to rnt.helpdesk@linkintime.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to rnt.helpdesk@linkintime.co.in.

If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing the details mentioned in Point (1) or Point (2) as the case may be.

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

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

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

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General**

meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
 3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at companysecretary@transwarranty.com. The same will be replied by the company suitably.
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.nsdl.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.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in
- V. Any person, who acquires shares of the Company and becomes Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or vishal.parad@linkintime.co.in.
 - VI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only i.e. 22nd September, 2021 shall be entitled to avail the facility of remote e-Voting as well as e-Voting at the AGM.
 - VII. Mr. Yogesh Sharma of Yogesh Sharma & Co., Practicing Company Secretary 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.
 - VIII. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by the Chairman after completion of the scrutiny of e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The Results declared along with the report of the

General Guidelines for Members

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.



Scrutinizer shall be placed on the website of the Company companysecretary@transwarranty.com and on the website of NSDL within two working days of passing of resolutions at the AGM of the Company after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchange.

- IX. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and the Certificate from Statutory Auditors of the Company as stipulated under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended, will be available for electronic inspection. Members seeking to inspect such documents can send an email to companysecretary@transwarranty.com.
19. Members of the Company had approved the appointment of M/s. S.S.Khan & Co., Chartered Accountants, as the Statutory Auditors at the 25th AGM of the Company which is valid till the 30th AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by MCA, the appointment of Statutory Auditors is not required to be ratified at every AGM.
20. Members are requested to address all correspondences to the Registrars and Transfer Agents of the Company.

21. Transfer to Investor Education and Protection Fund:

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.

22. 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

Suhas Borgaonkar
Company Secretary

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

Place: Mumbai
Date : 12th August, 2021

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 and 3

Name of Director	Mr. Kumar Nair	Mr. Shishir Vasant Dalal
DIN	00320541	00007008
Date of Birth	24/03/1962	29/05/1956
Nationality	Foreign	Indian
Type of Appointment	Director retiring by rotation	Appointment as an Independent Director
Date of first appointment by the Board	09/08/1994	30/09/2020
Qualification	B.Sc., F.C.A. & OPM (Harvard Business School)	B.Com, F.C.A.
No. of Shares held	1,27,08,694 Equity Shares of ₹ 10 each	Nil
Experience in Specific	He has over 30 years of experience in Financial Services, Capital Market and Investment Banking. He was a key member of the core senior management team in Kotak Mahindra Finance Ltd.	Mr. Shishir Dalal is a renowned and accomplished Fellow Chartered Accountant. He was the Senior Co- Founder Partner in Dalal & Shah Chartered Accountants, a renowned firm which had clients like Jain Irrigation Group, Bajaj Group, Kalyani, Kirloskar, Raymond, Century Textiles, Parle Bisleri which later became a network firm of PwC India and PwC Worldwide. He also sits as a Honorary Vice President in BCJ & Asha Parekh Research Hospital in Santacruz.
Directorships held in other public companies (excluding foreign companies)	<ol style="list-style-type: none"> 1. Vertex Securities Limited 2. Vertex Commodities & Finpro Pvt. Ltd. 3. Transwarranty Capital Market Services Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Keynote Financial Services Limited 2. Windsor Machines Limited 3. Sustainable Agro-Commercial Finance Limited 4. Ensemble Infrastructure India Limited



Membership of Committees of other listed public companies	Member of Nomination, Remuneration & Compensation Committee in Vertex Securities Limited	Audit Committee : <ol style="list-style-type: none">1. Windsor Machines Limited-Chairman2. Keynote Financial Services Limited-Chairman3. Sustainable Agro- Commercial Finance Limited- Chairman Nomination & Remuneration Committee: <ol style="list-style-type: none">1. Windsor Machines Limited-Chairman2. Sustainable Agro- Commercial Finance Limited- Member
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
Justification for appointment	Excellent knowledge in Financial Services, Capital Market and Investment Banking.	Excellent knowledge in Financial Services.
No. of Board Meetings attended during the financial year 2020-21	9 out of 9 meetings for FY 2020-21	2 Meetings w.e.f. the appointment date (30.09.2020) out of 9 meetings for FY 2020-21.
Details of last remuneration drawn from the Company (excluding sitting fees)	₹ 17,65,526	Nil
Terms and conditions of appointment/ re-appointment	Mr. Kumar Nair is proposed to be reappointed as a Director of the Company and is liable to retire by rotation.	Appointment as Non-Executive Independent Director, w.e.f. September 30, 2020 for a period of five years, not liable to retire by rotation.

Item No. 3**Appointment of Mr. Shishir Vasant Dalal as an Independent Director of the Company**

Pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee vide resolution dated 30th September, 2020, the Board of Directors vide its resolution dated 30th September, 2020, had appointed Mr. Shishir Vasant Dalal (00007008), as an Additional Director- Independent with effect from 30th September, 2020 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Shishir Vasant Dalal holds the office upto the date of the ensuing Annual General Meeting.

The Company has received notice pursuant to the provisions of Section 160 of the Companies Act, 2013 from a member proposing appointment of Mr. Shishir Vasant Dalal (DIN: 00007008), as Director of the Company.

The Company has received from Mr. Shishir Vasant Dalal (DIN: 00007008), (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Mr. Shishir Vasant Dalal is not debarred from holding of office of Director pursuant to any Securities and Exchange Board of India Order or any other such authority.

The Board evaluated the performance of Mr. Shishir Vasant Dalal, and observed that he has adequate understanding and knowledge of the Company and the industry. He also has independent views and judgment about the activities

of the Company and effectively contributes to the Board. Keeping in view his vast experience and knowledge, it will be beneficial and in the interest of the Company to appoint Mr. Shishir Vasant Dalal, as an Independent Director of the Company.

Pursuant to Ministry of Corporate Affairs notification dated October 22, 2019, Mr. Shishir Vasant Dalal has registered his name in the databank maintained by the Indian Institute of Corporate Affairs in accordance with the requirements of law.

In the opinion of the Board, Mr. Shishir Vasant Dalal, fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, for his appointment as a Non-Executive Independent Director of the Company and is independent of the management.

The copy of the letter for appointment of Mr. Shishir Vasant Dalal, as an Independent Non-Executive Director setting out terms and conditions is available for inspection by the members through electronic mode during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturdays, Sundays and Public Holidays upto and including the date of AGM of the Company. The terms and conditions of appointment of independent directors is also available on the Company's website <http://www.transwarranty.com>.

Pursuant to recommendation of Nomination, Remuneration and Compensation Committee, the Board of Directors accordingly recommends the Resolutions set out in Item No. 3 of the accompanying notice for approval by the members of the Company as an Ordinary Resolution.

Mr. Shishir Vasant Dalal is not related to any other Director and Key Managerial Personnel of the Company. He does not hold any Equity Share in the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Shishir Vasant Dalal and his relatives, to the extent of his appointment are concerned or interested, financially or otherwise, in the said resolution mentioned at Item No.3 of the accompanying Notice.



Item No.4

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 ₹ 250 crore. Pursuant to the said authority, the Board of Directors, at their meeting held on 25th August 2020, approved issue of NCDs for an aggregate amount not exceeding ₹ 50 crore. The proposed issue of NCDs will be within the aforesaid Board approved borrowing limits as may be decided by the Board from time to time.

The shareholders, at the Annual General Meeting held on 30th September, 2020 had accorded their approval to the Company for issuance of NCDs up to a limit of ₹ 50 crore. As on March 31, 2021 the Company had raised NCDs of ₹ 284 Lakhs and total ₹ 318 Lakhs upto June 2021. The Company has successfully completed the redemption of NCDs due for redemption on respective due dates during the year.

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

In case of secured NCDs, principal amount of the Secured NCDs issued/ to be issued together with interest due on the Secured NCDs, is secured by way of first ranking pari passu charge with the existing secured creditors on the movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value of one time of the Secured NCDs outstanding plus interest accrued thereon.

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

Approval of the members is, therefore, sought under section 42 of the Act read with Rule 14 of the Companies PAS Rules, by way of a special resolution for making offer(s) or invitation(s) to eligible persons to subscribe to the non-convertible debentures of the Company on private placement basis for a period of one year commencing from 29th September, 2021.

The Board recommends passing of the special resolution as set out in item no. 4 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. 5:**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 12th August, 2021, has approved issue of Foreign Currency/ Rupee Denominated Bonds or other instruments, in one or more tranches, on private placement basis, up to Rupee equivalent USD 50 MN and within the overall borrowing limit of ₹ 250 crores (Rupees Two Hundred and Fifty crores Only), subject to the approval of the Members.

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

Accordingly, the Board recommends the Special resolution as set out at Item No. 5 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. 6**Approval for material Related Party Transactions**

Pursuant to the Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the "Listing Regulations"), all related party transactions shall require prior approval of the Audit Committee. Also, all material transactions with related parties shall require approval of the members of a public listed company through an ordinary resolution and the related parties shall not vote to approve such resolutions. Additionally, as per the provisions of Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), all related party transactions beyond the threshold mentioned in sub-rule (3)(a) of the said Rule 15, shall require prior approval of the members at a general meeting.

"Material Related Party Transaction" under the Listing Regulations means any transaction(s) entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a listed company as per its last audited financial statements.

The annual consolidated turnover of the Company for the financial year 2020-21 is ₹ 16.17 Crores. Accordingly, any transaction(s) by the Company with its related party exceeding ₹ 1.62 crores (being 10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, prior approval of the members will be required for the same.

The Company has made investments in its group companies and it may also make further investments and/or may lend funds in/to its group entities from time to time as and when they require funds for their business activities/working capital needs.

Considering that the aggregate amount/value of transactions entered/ to be entered into by the Company with Vertex Securities Limited may exceed ₹1.62 Crores, it is proposed to obtain the members' approval in respect of the following transactions during the financial year:



Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Transactions	Amount*
1.	Vertex Securities Limited	Subsidiary Company	Loans/Inter-corporate Deposits/ Investment, purchase and/or sale of securities, transfer of assets from and to, providing/ availing of services, etc	Not exceeding ₹ 50 Crores

* The ceiling on the amount of transactions specified as above would mean the transactions, if any, entered into and remaining outstanding at any point of time during a financial year

The members at the 26th AGM had accorded their approval for the Company to enter into various transactions as mentioned above with its related party, viz., Vertex Securities Limited for an amount of up to ₹ 50 Crore. Pursuant to the said approval, the Company has done transactions with Vertex Securities Limited for an amount aggregating ₹ 14.72 Crores during the financial year 2020-21. Apart from the above, no other transactions have been entered into by the Company with these companies.

Vertex Securities Limited is a SEBI licensed stock broker and Merchant Banker. It is one of the foremost brokerage houses, being a member of various exchanges in the capital market. It is also a member in the commodity markets through its subsidiary company. It is a member of the National Stock Exchange of India (NSE) and the Bombay Stock Exchange. It is a full-fledged depository participant of the National Securities Depository Ltd. As on 31st March,

2021, the Company holds 53.04% equity stake of the total paid up share capital in Vertex Securities Limited. The Company continues to have control of Vertex Securities Limited pursuant to Section 2(87)(i) by having majority directors of Vertex Securities Limited.

The above transactions, which are enabling in nature, have been approved by the Audit Committee of the Board of the Company in terms of the requirements of Regulation 23(3) of the Listing Regulations.

The approval of the shareholders is being sought by way of an ordinary resolution for the existing/proposed material related party transactions entered/to be entered during the financial year.

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. 6 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 the resolution set-out at item no. 6.

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

Suhas Borgaonkar
Company Secretary

Place : Mumbai
Date : 12th August, 2021

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

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report of the Company along with the audited financial statements for the year ended 31st March, 2021.

Financial Highlights

The table below gives the standalone and consolidated financial highlights of the Company for the year ended 31st March, 2021, as compared to the previous year.

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	693.98	168.24	1617.42	811.23
Total Expenditure	1047.36	614.40	1903.61	1682.88
Profit / (Loss) but before Exceptional Items and Tax	(353.38)	(446.16)	(286.19)	(871.65)
Exceptional Items	-	-	-	-
Total tax Expenses	(5.40)	(13.43)	(5.40)	(13.43)
Profit/(Loss) for the Year	(347.98)	(432.73)	(280.79)	(858.22)
Other Comprehensive Income	(3.75)	(0.28)	(6.07)	(7.95)
Total Comprehensive Income	(351.73)	(433.01)	(286.86)	(866.17)
Appropriations:				
Reserves u/s.45 IC of RBI Act	341.40	341.40	341.40	341.40

Performance Review:

During the year ended 31st March, 2021, your Company earned revenue of ₹ 693.98 Lakhs as compared to ₹ 168.24 Lakhs in the previous year. The operations have recorded a loss of ₹ 347.97 Lakhs as compared to a loss of ₹ 432.73 Lakhs in the previous year.

During the year ended 31st March, 2021, your Company earned consolidated revenue of ₹ 1617.42 Lakhs as compared to ₹ 811.23 Lakhs in the previous year. The consolidated operations have recorded a loss of ₹ 280.79 Lakhs as compared to a loss of ₹ 858.22 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:

The Consolidated Financial Statements of the Company are prepared in accordance with Section 129 of the Companies Act, 2013 read with relevant Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this Annual Report. Pursuant to Section 136 of the Companies Act, 2013, the standalone financial statements



of the Company and the 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 www.transwarranty.com.

State of Company's affairs and operations

The Company has been in the personal and consumer lending business on digital platform. The business activity is very encouraging and there is huge potential to scale up the business. However, due to COVID-19 pandemic company consciously scaled down the level of operations in order to preserve the capital of the company. It gradually resumed lending operations during second half of the year.

The company has taken necessary steps to upgrade the technology platform and has put in place the systems to cater to higher scale of operations. Further company has strengthened its position in financial advisory services.

Share Capital Structure:

The issued, subscribed and paid-up Equity Share Capital as on 31st March, 2021 was ₹ 24.46 Crores, comprising of 2,44,60,568 Equity Shares of the face value of ₹ 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.

Further, the Company has not issued any convertible securities or shares with differential voting rights.

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

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. Indian Commodity Exchange of India Ltd. (ICEX)

During the year ended 31st March, 2021, the subsidiary company, Vertex Securities Limited earned revenue of ₹ 832.17 Lakhs as compared to ₹ 551.52 Lakhs in the previous year. The operations have recorded a profit of ₹ 40.56 Lakhs as compared to a loss of ₹ 340.87 Lakhs in the previous year.

The subsidiary company, Vertex Commodities And Finpro Private Limited had total revenue of ₹ 100.01 lakhs and net profit of ₹ 26.84 lakhs for the year ended 31st March, 2021 as against the total revenue of ₹ 111.30 lakhs and net loss of ₹ 84.40 lakhs respectively in the previous year.

The subsidiary company, Transwarranty Capital Market Services Pvt. Ltd recorded a loss of ₹ 0.22 lakhs for the year ended 31st March, 2021 as against loss of ₹ 0.22 lakhs in the previous year.

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

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

Directors and Key Managerial Personnel:

I. Appointment of Directors:

Appointment of Mr. Shishir Vasant Dalal as an Independent Director

The Board, vide its resolution dated 30th September, 2020 and based on the recommendation of Nomination, Remuneration and Compensation Committee, had appointed Mr. Shishir Vasant Dalal as an Additional Independent Director of the Company for a period of five years, subject to the approval of the shareholders of the Company.

Accordingly, resolutions seeking approval of the members for the aforementioned appointment forms part of notice convening the 27th 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. Kumar Nair (DIN 00320541), 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:

Your Company is committed to maintain the highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders. The Company has complied with the requirements and disclosures that have to be made in terms of the requirements of Corporate Governance specified in SEBI Listing Regulations.

The Report on Corporate Governance as stipulated under Regulation 27 of the Listing Regulations, 2015 forms part of this report as **Annexure B**. A certificate of Statutory Auditor confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

Code of conduct for Directors & Senior Management

The Board has adopted a Code of Conduct for Directors & Senior Management in accordance with the provisions of the Companies Act, 2013 and Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code also incorporates the duties of Independent Directors. All the Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director forms part of the Corporate Governance Report. A copy of the Code has been put on the Company's website.

Audit Committee

The Audit Committee is constituted with two Independent Directors and one Executive Director comprising of Mr. Sudharsanan Nair, as the Chairman, Mr. Kumar Nair and Mrs. Nirmala Parab as other Committee Members.

More details regarding the Audit Committee including composition, attendance at the meetings and brief terms of reference are given in the annexed 'Corporate Governance Report'.



Statutory Auditors

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

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

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

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, 2021, 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, 2020 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.

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 holds one to one discussion with the newly appointed Director to familiarize him/her with the Company's operations.

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>).

Annual evaluation of the Board, its Committees and individual directors

The Board of Directors has carried out an annual evaluation

of its own performance, of board committees and of individual directors pursuant to the provisions of the Companies Act, 2013 and the 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 of the Board and Committees

The Board met 9 (nine) times during the financial year. 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.

Annual Return

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for the financial year ended 31st March, 2021 is uploaded on the website of the Company and can be accessed at www.transwarranty.com.

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 salient features of this Policy are provided in the Corporate Governance Report.



Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

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

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

Your Directors state that during the year under review, there were no cases filed pursuant to the above Act.

Whistle Blower Policy/Vigil Mechanism:

The Company has Whistle Blower Policy encompassing vigil mechanism to report genuine concerns and grievances. The policy provides adequate safeguards against victimisation of persons who use the Whistle Blower mechanism. It provides appropriate avenues to the employees to bring to the attention of the management any issue, which is perceived to be in violation or in conflict with the fundamental business of the Company. The employees are encouraged to voice their concerns by way of whistle blower policy and have been given access to the Audit Committee. The policy is available on the website of the Company at www.transwarranty.com

Employees' Stock Option Plan 2019 (ESOP 2019):

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

Disclosures as per the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and disclosure pursuant to the Rule 12(9) of Companies (Share Capital and Debenture) Rules, 2014 are provided as **Annexure C** to the Board's Report and are also available on Company's website at <https://www.transwarranty.com>

A certificate from S.S.Khan & Co., Chartered Accountants, Statutory Auditors of the Company, confirming that ESOP

2019 has been implemented in accordance with the SEBI SBEB Regulations and that the respective resolutions passed by the Company in General Meetings would be placed in the ensuing Annual General Meeting for inspection by the members.

During the year under review, no options were granted, vested or exercised under the **Employees' Stock Option Plan 2008** and hence the disclosure required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and Regulation 14 of the SBEB Regulations is not required to be furnished. Accordingly, your Company is also not required to obtain certificate from the Statutory Auditors in respect of implementation of the ESOP 2008 for the financial year 2020-21.

The Company has not issued any sweat equity shares or equity shares with differential rights during the year ended 31st March, 2021.

Internal control system

The Company has put in place an adequate system of internal control 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.

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading and Policy on Disclosure of Material Events/ Information which is applicable to all Directors and the Designated Employees of the Company. The Code lays down the guidelines, which advices on the procedures to be followed and disclosures to be made while dealing in shares of the Company and indicate the consequences of non-compliance. A copy of the Code has been put on the Company's website.

Declaration by Independent Directors:

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

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

During the year under review a meeting of Independent Directors was held on 11th February, 2021.

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 from time to time and the same are disclosed in the Financial Statements of the Company for the year under review.

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

The disclosures on the Related Party Transactions in Form AOC-2 is provided as **Annexure D** to the Board's Report.

Your Directors draw attention of the members to Note 39 to the financial statement, which sets out related party disclosures.

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. Yogesh M. Sharma, a Company Secretary in Practice to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the year under review issued by Mr. Yogesh Sharma is annexed to this Report as **Annexure E**. With reference to the qualification regarding delay in submission of related party transactions for the half year ended 30.09.2021, the Board noted that the said delay was due to the Pandemic situation and shut down of offices and transportation due to lockdown. Further, the Company had requested National Stock Exchange of India Limited (NSE) and BSE Ltd for waiver of fine levied by both the exchanges. The request for waiver of fine has been approved by NSE vide letter dated 20th May, 2021 and BSE vide their email dated 25th June, 2021.

Also, with regard to the qualification that the Board of Directors of the Company should comprise of minimum six directors w.e.f. 01.04.2020 (only NSE requirement), the Board noted that the delay in appointment from 30.09.2020 was due to the pandemic situation and inability to meet prospective candidates due to lockdown. Further, NSE had provided waiver for the fine levied vide its letter dated 13th April, 2021 on the Company's request for waiver of fine.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India, the Company has obtained the Annual Secretarial Compliance Report for the financial year ended 31st March, 2021, thereby confirming compliance of the applicable SEBI Regulations and circulars / guidelines issued thereunder, on behalf of the Company.

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 always leveraged technological innovations to improve its operational efficiency and satisfy and retain our customer base.

Foreign Exchange Earnings and outgo:

Earnings: Nil

Outgo - Nil

Maintenance of Cost Records:

The provisions of Section 148 of the Act are not applicable to the Company. Accordingly, there is no requirement of



maintenance of cost records as specified under Section 148(1) of the Act.

Material Changes and Commitments

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

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 F**.

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.

General Shareholder Information

General Shareholder Information is given in the Report on Corporate Governance forming part of this Annual Report.

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).

Moratorium of loans

The Reserve Bank of India, issued guidelines on 27th March 2020 permitting all commercial banks, co-operative

banks, All India Financial Institutions, and NBFCs to give moratorium to customers in respect of instalments falling due between 1st March 2020 to 31st May 2020 and further till 31st August, 2020. Accordingly, the Company started offering moratorium to its customers basis a Board approved policy.

RBI guidelines

The Company continues to be in compliance with the RBI Directions.

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:

- Issue of equity shares with differential right as to dividend, voting or otherwise
- Provisions related to Corporate Social Responsibility are not applicable to the Company
- No fraud was reported by auditors of the Company during the year under review.
- There were no delays or defaults in payment of interest/principle of any of its debt securities

Acknowledgement:

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

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

For and on behalf of the
Board of Directors
Kumar Nair
Chairman
(DIN 00320541)

Place: Mumbai
Date: 12th August, 2021

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:

The COVID-19 pandemic has brought with it unimaginable suffering to people all over the world. The pandemic and consequent nationwide lockdowns caused extreme stress on all global economies, with estimated contraction of 3.4% in 2020. Governments and Central banks in most of the countries resorted to large scale fiscal and monetary measures to contain the situation which have helped in gradual recovery in global economic activity. The International Monetary Fund (IMF) has projected the global economy to grow 6% in calendar year 2021 and 4.4% in 2022 on the back of the continued fiscal and monetary support provided by Governments of the world over coupled with widespread vaccination.

Indian Economic Overview:

Indian economy registered a massive contraction of 24.4% in first quarter of FY2021 due to nation wide lockdown imposed from March, 2020. It was further extended upto August, 2020. In the second quarter again GDP contracted by 7.3%. The positive growth during the third quarter was indicative of slow resumption of economic activities, higher consumption and activity across sectors. In order to make India self-reliant and fight against the impact of COVID-19, the Prime Minister of India announced stimulus packages worth ₹ 20 lakh crores or 10% of India's GDP towards Atmanirbhar Bharat Abhiyan. The Government announced additional packages under the programme in September 2020 and November 2020. The Indian economy grew by 1.6% in the fourth quarter recording a minor pickup in growth. For the full fiscal year, the economy shrunk by -7.3% as the COVID-19 pandemic adversely affected the economy.

Industry Overview:

The financial services sector in India is a diversified sector consisting of commercial banks, insurance companies, non-banking financial companies, housing finance companies,

co-operatives, pension funds, mutual funds and various other smaller financial entities. NBFCs have become important constituents of the financial sector. NBFCs are leveraging their superior understanding of regional dynamics, well-developed collection system and personalised services to expedite financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have been main differentiators for NBFCs. With superior capital adequacy, better margins, frugal cost management and lower non-performing assets (NPAs), the NBFC sector is well poised to seize the opportunity provided in the post-pandemic revival cycle.

Review of operations of the Company:

The Company along with its subsidiaries achieved consolidated revenue of ₹ 1617.42 lakhs during the year as compared to ₹ 710.84 lakhs in the previous year. On a standalone basis the revenue is ₹ 693.98 lakhs compared to ₹ 168.30 lakhs in previous year. This was mainly due to income from share trading activity during the 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 been in the personal and consumer lending business on digital platform. The business activity is very encouraging and there is huge potential to scale up the business. However, due to COVID-19 pandemic company consciously scaled down the level of operations in order to preserve the capital of the company. It gradually resumed lending operations during second half of the year. This is the first full year of operations. The company has taken necessary steps to upgrade the technology platform and has put in place the systems to cater to higher scale of operations.

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

Strengths:

- Professional and ethical management
- Stringent cost control
- Follows risk management systems
- Strong collection field force



Weakness:

Limitations in getting funding due to low scale of business operations

Opportunities:

- Scalability of digital lending business
- Leveraging technology for scale up
- Distribution of various financial products
- Wealth management

Threats:

- Exposed to systemic risks 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 / 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 company is striving hard for robust technology platforms for deriving business benefits and differentiation in the marketplace through automation, digitalisation and analytics. The field force will have comprehensive mobile solutions for generating and processing of leads, loan applications and for collections and receipting on the field. . Application Programme Interface (API) based integrations and full set of digital payment options and the integration with partner networks is likely to improve collection efficiency. This 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 2020-21 as per Ind AS along with comparatives for the previous year restated as per Ind AS.

(₹ in Lakhs)

Particulars	31 st March, 2021	31 st March, 2020
Revenue from operations	681.49	142.00
Other income	12.49	26.24
Total revenue	693.58	168.24
Purchases-Stock-in-Trade	569.10	-
Employee Benefit expenses	121.10	143.21
Finance costs	265.76	222.93
Depreciation and amortization expense	21.22	26.94
Other expenses	70.17	221.32
Total expenses	1047.35	614.40
Profit before exceptional items and taxes	(353.38)	(446.16)
Exceptional items (net) - income / (expense)	-	-
Profit before tax	(353.38)	(446.16)
Tax expenses	(5.40)	(13.43)
Profit for the year	(347.98)	(432.73)
Other Comprehensive Income	(3.76)	(0.28)
Total Comprehensive Income	(351.74)	(433.01)

Key Ratios

Particulars	2020-21	2019-20
Debtors Turnover ratio	0.81:1	0.06:1
Interest Coverage Ratio	0.38:1	(1.00):1
Current Ratio	1.95%	1.36%
Net Profit Margin (%)	(50.68)	(2.57)
PBT/Total Income	(50.92)	(2.67%)
PBT/Total Assets	(0.06%)	(0.10%)
RONW (Avg. Net Worth)	(0.18%)	(0.04%)
Debt/ Equity	1.88:1	0.82:1
Capital Adequacy	19.73%	54.88%
Tier I Capital	11.42%	48.64%
Tier II Capital	8.31%	6.25%

Profitability ratios for the year are negative due to loss for the year, which is mainly attributable to ECL Provision required under Ind AS and lower revenue. The same has resulted in reduction in Equity and hence significant increase in Debt Equity ratio.

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 28 as on 31st March, 2021.

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: 12th August, 2021



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. 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 six 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 four 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 2020-21, the Board met nine times on 17th April, 2020, 3rd June, 2020, 2nd July, 2020, 29th July, 2020, 25th August, 2020, 23rd October, 2020, 12th November, 2020, 11th February, 2021 and 30th March, 2021 respectively. Also, one circular resolution was passed by the Board on 30th September, 2020. The gap between these meetings was within the prescribed period under the Act and Listing Regulations, 2015.

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 11th February, 2021 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, 2021.

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

None of the directors are related to each other.

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	9/9	Yes	4	2
Mr. Pravin Khatau	Independent Director	6/9	Yes	Nil	Nil
Mr. Ramachandran Unnikrishnan	Director & CFO	9/9	Yes	4	Nil
Mrs. Nirmala Sachin Parab	Independent Director	9/9	Yes	Nil	Nil
Mr. Sudharsanan Nair	Independent Director	9/9	Yes	1	Nil
Mr. Shishir Vasant Dalal	Additional Director-Independent	2/4*	NA	10	3

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.

*Appointed as an Additional Director w.e.f. 30.09.2020



Directorship in equity listed companies:

Name of equity listed entities where directors of the Company held directorships as on 31st March 2021:

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
Ramachandran Unnikrishnan	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
Shishir Vasant Dalal	Transwarranty Finance Limited	Additional Independent Director- Non-executive
	Keynote Financial Services Limited	Independent Director- Non-executive
	Windsor Machines Limited	Independent Director- Non-executive- Chairman

(iv) Details of equity shares held by the Directors as on 31st March, 2021 are given below:

Name	Category	Number of equity shares
Mr. Kumar Nair	Executive Director	1,27,08,694
Mr. Ramachandran Unnikrishnan	Executive Director	2,66,909
Mr. Pravin Khatau	Non-Executive –Independent Director	46,000
Mrs. Nirmala Parab	Non-Executive –Independent Director	Nil
Mr. Sudharsanan Nair	Non-Executive – Independent Director	100
Mr. Shishir Vasant Dalal	Non-Executive – Additional Independent Director	Nil

(v) Appointment of Directors:

The Board, on recommendation of the Nomination, Remuneration and Compensation Committee had approved the appointment of Mr. Shishir Vasant Dalal (DIN 00007008) as an Additional Independent Director for a first term of five years commencing from 30th September, 2020 to 29th September, 2025, subject to approval of the shareholders.

Mr. Kumar Nair (DIN: 00320541) shall retire by rotation at the ensuing Annual General Meeting pursuant to Section 152 of Companies Act, 2013 and being eligible offers himself for reappointment.

The brief resume and information relating to Mr. Kumar Nair and Mr. Shishir Vasant Dalal is furnished as part of the Notice convening the Annual General Meeting.

(vi) 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, Stakeholders' Relationship Committee and other Committees, if any;
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as delay in share transfer, etc., if any.

(vii) A Chart/Matrix setting out the skills / expertise/ competence of the Board of Directors:

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

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

Sr. No.	List of skills/expertise/ competencies	Name of Directors having the identified skills/expertise/ competencies
1.	Management and strategy	Mr. Kumar Nair and Mr. Ramachandran Unnikrishnan
2.	Banking, Investment, Treasury and Forex Management	Mr. Sudharsanan Nair, Mr. Pravin Khatau, Mrs. Nirmala Parab and Mr. Shishir Vasant Dalal
3.	Global Business Leadership	Mr. Kumar Nair and Mr. Ramachandran Unnikrishnan
4.	Audit and Risk Management	Mr. Kumar Nair, Mr. Ramachandran Unnikrishnan and Mr. Shishir Vasant Dalal
5.	Information Technology, Systems and Computers	Mr. Sudharsanan Nair and Mr. Kumar Nair
6.	Insurance, Mutual Fund and Financial Services	Mr. Kumar Nair, Mr. Ramachandran Unnikrishnan, Mr. Sudharsanan Nair and Mrs. Nirmala Parab
7.	Economics and Statistics	Mr. Pravin Khatau
8.	Academics, Education and Authorship	Mr. Kumar Nair, Mr. Ramachandran Unnikrishnan, Mr. Pravin Khatau, Mr. Sudharsanan Nair, Mrs. Nirmala Parab and Mr. Shishir Vasant Dalal

4. Meeting of Independent Directors:

During the year under review the Independent Directors met on 11th February, 2021 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 www.transwarranty.com.

5. Board Committee

The Board constitutes the following Committees of Directors:

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



(d) Debenture Issue 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 3 members, out of which Mr. Sudharsanan Nair 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 2020-21, the Committee met four times on 29th July, 2020, 25th August, 2020, 12th November, 2020 and 11th February, 2021 respectively. The gap between these meetings was within the prescribed period under the Act and Listing Regulations, 2015. The attendance of Members at the Meetings was as follows:

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

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

(iii) Powers of Audit Committee:

(a) To investigate any activity within the terms of reference.

(b) To seek information from any employee

(c) To obtain outside legal or other professional advice.

(d) To secure attendance of outsiders with relevant expertise, if considered necessary

(iv) Terms of Reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending the Board, the appointment, re-appointment, terms of appointment and if required replacement or removal of Auditors and fixation of Audit Fees;
3. Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors;
4. Reviewing with management the annual financial statements and auditor's report before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in Directors' Responsibility Statement to be included in the Director's Report;
 - b) Changes if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statement arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosures of related party transactions;
 - g) Qualifications in draft Audit Report;

5. Reviewing, with the management, the quarterly financial statement before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency regarding the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions with related parties.
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management the performance of Statutory and Internal Auditors, adequacy of internal control systems;
13. Reviewing the adequacy of Internal audit function, if any, including the structure of the internal audit department, staffing and the seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
14. Discussion with Internal Auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;
16. Discussion with the Statutory Auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for the substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of Whistle Blower Mechanism;
19. Approval of appointment of Chief Financial Officer (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments
21. Carrying out any other function as is mentioned in the terms of reference of Audit Committee.

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

(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
Mrs. Nirmala Parab	Member	Independent

Mr. Suhas Borgaonkar, 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, one committee meeting was held on 11th February, 2021.

(ii) Number of Complaints:

Details of investor complaints received and redressed during the year 2020- 21 are as follows:

Opening Balance	Received	Resolved	Pending
Nil	Nil	Nil	Nil

(c) Nomination, Remuneration and Compensation Committee:

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

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

(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. Kumar Nair	Member	Executive
Mr. Sudharsanan Nair	Member	Independent

(ii) Meetings

During the financial year 2020-21 the committee met thrice i.e. on 29th July, 2020, 25th August, 2020 and 12th November, 2020. Also, one Circular resolution was passed by the Committee on 30th September, 2020.

(iii) Terms of Reference

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the Remuneration of the Directors, Key Managerial Personnel and other senior employees.
- To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors
- To devise a policy on Board Diversity
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors .

- To recommend to the Board, all remuneration, in whatever form, payable to senior management.
- 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) Details of Remuneration paid to Directors:

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

The Remuneration paid to Mr. Kumar Nair, Managing Director & CEO is subject to the limit laid down under Section 197 and Schedule V to the Companies Act, 2013, and in accordance with the terms of appointment approved by the Shareholders of the Company. The remuneration of the Executive Directors is determined by the Nomination, Remuneration and Compensation Committee based on factors such as the Company's performance and performance/track record of the Executive Directors. The remuneration consists of Salary, Company's contribution to Provident Fund, House Rent Allowance (HRA), Leave Travel Allowance (LTA) and other perquisites and allowances in accordance with the rules of the Company, applicable from time to time.

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

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

The Non-executive Directors are paid sitting fees for attending the meetings of the Board or Committee thereof within the limits prescribed under the Companies Act, 2013.

The details of payments made during the year ended 31st March, 2021 is as follows:

Directors	Salary (including Performance Incentive, if any and other allowance) (₹)	Perquisites (₹)	Contribution to P. F. superannuation and Gratuity (₹)	Sitting Fees (₹) *	Others (Rent) (₹)	Total (₹)
Mr. Kumar Nair	17,15,526	50,000	-	-	-	17,65,526
Mr. Pravin Khatau	-	-	-	-	-	-
Mr. Ramachandran Unnikrishnan	-	-	-	-	-	-
Mrs. Nirmala Parab	-	-	-	-	-	-
Mr. Sudharsanan Nair	-	-	-	-	-	-
Mr. Shishir Vasant Dalal	-	-	-	-	-	-

* During the Fy 2020-21, the independent directors had waived off the sitting fees due to the pandemic situation



(vi) 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 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.

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

A certificate issued by CS Yogesh Sharma, Practicing Company Secretary, pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the 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. Details of Annual General Meetings held during the last three years:

Financial Year	Day, Date and Time	Venue	Special Resolution passed, if any
2017-18	Wednesday 26 th September, 2018 10.00 a.m.	Cultural hall of Yashwantrao Chavan Pratishthan, Y.B. Chavan Centre, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400021	Issuance of Non-Convertible Debentures on Private Placement Basis

Financial Year	Day, Date and Time	Venue	Special Resolution passed, if any
2018-19	Friday 27 th September, 2019 10.30 a.m.	Cultural hall of Yashwantrao Chavan Pratishthan, Y.B. Chavan Centre, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400021	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Pravin Khatau as an independent director for a second term of five consecutive years w.e.f. 25th February, 2020 2. Re-appointment of Mrs. Nirmla Parab as an independent director for a second term of five consecutive years w.e.f. 30th March, 2020 3. Issuance of Non-Convertible Debentures on Private Placement Basis 4. Increase in the borrowing limits 5. Raising of funds by way of External Commercial Borrowings 6. Creation of charge on the assets of the Company under Section 180(1)(a) of the Act 7. Approval of 'Employees Stock Option Plan 2019' ('ESOP 2019') 8. Approval of 'Employees Stock Option Plan 2019' ('ESOP 2019') to the employees of Subsidiary(ies) of the Company 9. Grant of Options under ESOP 2019 exceeding 1% of issued share capital of the Company
2019-20	Wednesday 30/09/2020 At 4.00 p.m.	Through Video Conference/ Other Audio Visual Means (Deemed Venue): Registered Office: 403, Regent Chambers, Nariman Point, Mumbai 400021	<p>Yes.</p> <ol style="list-style-type: none"> 1. Re-appointment of Mr. Kumar Nair as a Managing Director & CEO of the Company for a period of three years. 2. Re-appointment of Mr. Sudharsanan Nair as an Independent Director for a second term of five consecutive years w.e.f. 9th November, 2020 3. Issuance of Non-convertible Debentures on Private Placement Basis 4. Raising of funds by way of External Commercial Borrowings

b. Extra Ordinary General Body meetings:

No Extra Ordinary General Body Meeting was held during the financial year ended 31st March, 2021.

c. Postal Ballot:

During the financial year ended 31st March, 2021, no resolution was passed through postal ballot.

d. No special resolution is proposed to be conducted through postal ballot.

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



8. Means of Communication:

a. Quarterly Results:

The quarterly results of the Company are published in Financial Express (English newspaper) and Mumbai Lakhsadeep (Marathi newspaper). Annual Reports are sent to the Shareholders at their registered address with the Company and is being regularly placed on the

website of the Company. As the financial results of the Company are published in the Newspapers and also displayed on the Company's website, a separately half yearly declaration of financial performance is not sent to each household of shareholders.

b. Website, where displayed:

www.transwarranty.com

9. General Shareholders Information:

Sr. No.	Particulars	Details
1	Annual General Meeting for the financial year 2020-21	Wednesday, 29 th September, 2021 4.00 p.m. Deemed to be held at the Registered Office of the Company at 403, Regent Chambers, Nariman Point, Mumbai 400021
2	Financial Year 2020-21	During the financial year under review, the Board Meetings for the approval of the Quarterly and Annual Financial Results were held on the following dates: 1 st Quarter Results : 25 th August, 2020 2 nd Quarter Results : 12 th November, 2020 3 rd Quarter Results : 11 th February, 2021 4 th Quarter/Annual Results : 25 th June, 2021
3	Financial Calendar for 2021-22 (Tentative)	
	Financial reporting for the quarter ending June 30, 2021	Last week of July/August, 2021
	Financial reporting for the quarter ending September 30, 2021	Second Week of October/November, 2021
	Financial reporting for the quarter ending December 31, 2021	Second Week of January/February, 2022
	Financial reporting for the quarter ending March 31, 2022	Last week of April/May 2022
	Annual General Meeting for the year ended March 31, 2022	August-September, 2022
4	Date of Book Closure	23 rd September, 2021 to 29 th September, 2021 (inclusive of both days)

5	Listing on Stock Exchanges	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
6	Payment of Annual Listing fees	The Company has paid listing fees for the year		
7	Registrar and Transfer Agents	Link Intime India Pvt. Ltd, C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai – 400083		
	Contact person	Mr. Vishal Parad		
	Contact No	+91 22 49186270 Fax. : +91 22 49186060		
	Email	rnt.helpdesk@linkintime.co.in		
8	Custodial Fees to Depositories	The Company has paid custodial fees for the year		
9	Address for correspondence	Transwarranty Finance Limited, 403, Regent Chambers, Nariman Point, Mumbai - 400 021. Phone : 022 – 6630 6090/4001 0900 Contact person: Mr. Suhas Borgaonkar.		
10	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		
11	Debenture Trustee Address: Phone: Fax: Email:	Vistra ITCL (India) Ltd. The IL&FS Financial Centre, Plot No. C-22, G Block, 7 th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400051 (022) 2653 3333 (022) 2653 3297 mumbai@vistra.com		
12	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.		



10. Address for correspondence for Non-convertible Debentures:

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

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

11. 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 and SEBI Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018 amended Regulation 40 of SEBI Listing Regulations which mandated transfer of securities only in dematerialised mode from 1st April, 2019. Pursuant to the above, the Company has sent letters to those shareholders holding shares in physical form advising them to dematerialise their holding.

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. 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, 2018, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the shares of the Company and for conducting a Secretarial Audit on a quarterly basis for reconciliation of the Share Capital of the Company. Members holding shares in Demat mode should address all their correspondence to their respective Depository Participant.

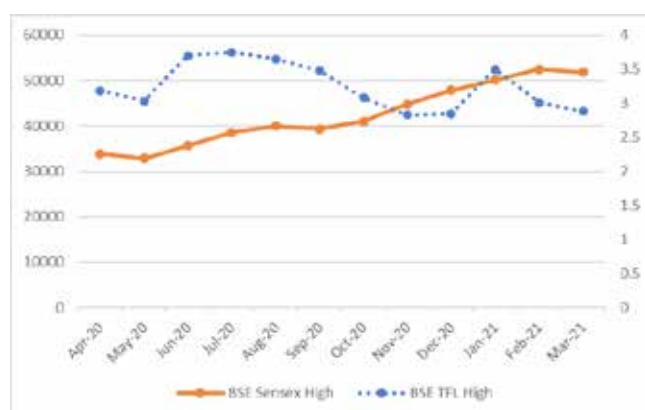
11. Stock performance vs BSE Sensex and NSE

Market Price Data during the year ended 31.03.2021-

BSE

Month	High (₹)	Low (₹)	BSE Sensex (High)
April 2020	3.19	2.31	33887.25
May 2020	3.04	2.49	32845.48
June 2020	3.70	2.50	35706.55
July 2020	3.75	3.01	38617.03
August 2020	3.65	2.85	40010.17

September 2020	3.48	2.94	39359.51
October 2020	3.08	2.32	41048.05
November 2020	2.83	2.28	44825.37
December 2020	2.85	2.39	47896.97
January 2021	3.5	2.64	50184.01
February 2021	3.01	2.23	52516.76
March 2021	2.88	2.24	51821.84



NSE

Month	High (₹)	Low (₹)
April 2020	2.90	2.00
May 2020	2.90	2.15
June 2020	3.20	2.30
July 2020	3.25	2.75
August 2020	3.80	2.80
September 2020	3.50	2.80
October 2020	3.15	2.70
November 2020	2.90	2.50
December 2020	2.80	2.35
January 2021	3.30	2.65
February 2021	2.90	2.45
March 2021	2.60	2.25

12. Shareholding

The Equity Shareholding pattern as on 31st March, 2021 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 31-03-2021:

No. of equity shares held	No. of shareholders	No. of shares held	% of share capital
1 - 500	3820	623164	2.55
501 - 1000	488	407744	1.67
1001 - 2000	230	353203	1.44
2001 - 3000	96	249628	1.02
3001 - 4000	52	180038	0.74
4001 - 5000	42	194701	0.79
5001 - 10,000	72	522277	2.14
10,001 and above	75	21929813	89.65
Total	4875	2,44,60,568	100.00

As on 31st March, 2021, 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
2019-20	Nil	Nil
2020-21	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
2018-19	16,378

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/Transwarranty/InvestorRelations>.

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

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

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/ 000000141 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 99.87% of the shares have been dematerialized so far.

The number of shares held in dematerialized and physical mode as on 31st March, 2021 is as under:

	No. of shares	% of total capital
Held in dematerialized form in NSDL	2,11,85,387	86.61
Held in dematerialized form in CDSL	32,42,438	13.26
Physical	32,743	0.13
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 2020-21 issued by Yogesh. Sharma & Co., Company Secretaries, confirming compliance with all applicable SEBI Regulations and Circulars/Guidelines issued thereunder, has been submitted to the Stock Exchanges within the prescribed timeline.

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

S.S.Khan & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company at the AGM held in the year 2019 for a period of five years from the conclusion of the ensuing 25th AGM till the conclusion of the 30th AGM.

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

Payment to Statutory Auditors	FY 2020-21
Statutory Audit	₹ 3,51,000
Quarterly Audit Fees	₹ 70,000
Certification charges	₹ 33,500
Total	₹ 4,54,500

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.

- All Related Party Transactions attracting compliance under Section 188 of the Companies Act are within Arm's Length and in the ordinary course of business and are placed before the Audit Committee as well as the Board for approval. The Board approved policy for related party transactions has been uploaded on the website of the company and can be accessed at <http://www.transwarranty.com/Transwarranty/InvestorRelations>.

The transactions have no potential conflict with the interest of the Company. The disclosures on the Related Party Transactions are provided in the Financial Statements and Note No. 39 in the Notes to Financial Statements of the Company.

- None of the transactions with related parties were in conflict with the interest of the Company. All the transactions were in the normal course of business and had no potential conflict with the interest of the company at a large and were carried out on an arm's length basis or fair value.
- The policy for determining material subsidiaries and related party transactions is available on the website <http://www.transwarranty.com/Transwarranty/InvestorRelations>.
- The Board has adopted a Code of Conduct including Business Ethics Policy for its Directors and Senior Management. This is available on the Company's website 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, 2021.
- 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 2020-21, 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 www.transwarranty.com
 - 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.
- 15. 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 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

Kumar Nair
Chairman
(DIN 00320541)

Place: Mumbai
Date: 12th August, 2021

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, 2021 and to the best of our knowledge and belief
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that, we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps we have taken or propose to take steps to rectify these deficiencies.
- d) We further certify that we have indicated to the Auditors and the Audit Committee that:
 - i) There have been no significant changes in internal control over financial reporting during the year;
 - ii) There have been no significant changes in accounting policies during the year;
 - iii) To the best of our knowledge, there have been no instances of fraud, involving management or an employee having a significant role in the Company's internal control systems.

For **Transwarranty Finance Limited**

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

Place : Mumbai
 Date : 25th June, 2021

For **Transwarranty Finance Limited**

Ramachandran Unnikrishnan
 Director & Chief Financial Officer
 (DIN 00493707)

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

In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct and Ethics during the financial year ended March 31, 2021.

For **Transwarranty Finance Limited**

Kumar Nair
 Managing Director
 DIN 00320541

Place : Mumbai
 Date : 10th June, 2021

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,
The Members
Transwarranty Finance Limited
403, Regent Chambers, Nariman Point,
Mumbai 400 021

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

In our opinion and to the best of 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 us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 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
1	MR. KUMAR NAIR	00320541
2	MR. U. RAMACHANDRAN	00493707
3	MR. PRAVIN KHATAU	02425468
4	MRS. NIRMALA PARAB	07149007
5	MR. SUDHARSANAN NAIR	01510505
6	MR. SHISHIR VASANT DALAL	00007008

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.

For **YOGESH SHARMA & CO.**

YOGESH. M. SHARMA
FCS:11305 C.P: 12366

Date: 9th August, 2021
Place: Mumbai
UDIN: F011305C000806363

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

TRANSWARRANTY FINANCE LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Transwarranty Finance Limited ("the Company) for the year ended on 31 March 2021, as stipulated in the relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion

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

For S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 11 August 2021
UDIN: 21144212AAAADP177



The Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular dated 16th June, 2015 on ESOP Disclosures for the Financial Year 2020-21

Sr. No.	Particulars	Remarks
A	Disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time	Please refer to Note No. 44 of the Annual Report – 2020-21
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time	(1.54)
C	Details related to ESOS	
i.	A description of each ESOS that existed at any time during the year, including general terms and conditions of each ESOS	Details are provided in Annexure-1
ii.	Method used to account for ESOS – Intrinsic or Fair Value	Fair Value
iii.	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable
iv.	Option movement during the year (for each ESOS)	Details are provided in Annexure – 2
v.	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not Applicable since no shares are exercised during the year
vi.	A description of the method and significant assumptions used during the year to estimate the fair value of options at the time of grant including the following information:	Not Applicable
	a) Risk-free interest rate	
	b) Expected life	
	c) Expected Volatility	
	d) Expected dividends	
	e) The price of underlying share in the market at the time of option grant	
	f) Weighted average market price of Company's shares on NSE at the time of grant	
	Methods used and assumptions made to incorporate effects of expected early exercise	Not applicable
	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Not Applicable

Sr. No.	Particulars	Remarks
	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	The expected life of share option is based on historical data. Future market conditions are not used for measurement of fair value.
vii.	Employee wise details of options granted to -	
	a) Senior Managerial Personnel;	Details are provided in Annexure – 3
	b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Details are provided in Annexure-4
	c) identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	No employee of the Company received grant of options during the year exceeding 1% of issued capital of the Company.

Notes:

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

For and on behalf of the Board of Directors

Kumar Nair
Chairman
(DIN 00320541)

Place: Mumbai
Date: 12th August, 2021

Annexures**Annexure -1****Details related to ESOS**

Sr. No.	Particulars	ESOP 2019 (Period 2019 to 2024)
1.	Date of shareholders’ approval	27 th September, 2019
2.	Total number of options approved under ESOS	Upto 25,00,000
3.	Vesting requirements	5 years
4.	Exercise price or Pricing formula	Book Value of ₹ 10
5.	Maximum term of options granted	5 years
6.	Source of shares (primary, secondary or combination)	Primary
7.	Variation in terms of options	Nil

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

Particulars	ESOP 2019 (Period 2019 to 2024)
Number of options outstanding at the beginning of the period	24,99,728
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	3,94,604
Number of options vested during the year	4,21,026
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Variation in terms of options	Nil
Money realised by exercise of options (₹)	Nil
Number of options outstanding at the end of the year	16,84,098
Number of options exercisable at the end of the year	4,21,026

Annexure - 3**Employee wise details of options granted to Senior Managerial Personnel during the FY 2020-21:**

Name	Designation	Number of options granted during the year	Exercise Price
Suhas Borgaonkar	Vice President & Company Secretary (Transwarranty Finance Limited)	Nil	₹ 10

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

Name	Designation	No of grants received	% Options Granted during the year
Suhas Borgoankar	Vice President & Company Secretary	Nil	Nil
Haridas T.V.	General Manager	Nil	Nil
Roby Sasidharan	General Manager	Nil	Nil
Sachin Patil	Senior Manager	Nil	Nil
Raviraja Poojari	Senior Manager	Nil	Nil
Rajaram Rajagopalan	Senior Manager	Nil	Nil
Raunak Ramachandran	Wealth Management Advisor	Nil	Nil

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 2020-21
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Transactions for an amount of ₹ 14.72 Cr
e)	Date(s) of approval by the Board	29.07.2020, 25.08.2020, 12.11.2020, 11.02.2021
f)	Amount paid as advances, if any	Transactions for an amount of ₹ 14.72 Cr

For and on behalf of the Board of Directors

Kumar Nair
Chairman
(DIN 00320541)

Place: Mumbai
Date: 12th August, 2021



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 our 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 scanned copies of the documents provided by the company through e-mail and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('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, 2021 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 (Depositories and Participants) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit period)**;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit period)**;
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit period)**;

(j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”);

V. On examination of the relevant documents and records on test-check basis, the following Laws applicable specifically to the Company:

Reserve Bank of India Act, 1934 and Rules, regulations and guidelines issued by Reserve Bank of India and its Circulars, Master Circulars, directions and notifications; to the extent as applicable to the Non-deposit taking Non-Banking Financial Companies.

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 Ltd. (“BSE”) and National Stock Exchange of India Limited (“NSE”) (hereinafter collectively referred to as “Stock Exchanges”) read with LODR.

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 subject to following observations:

1) *The Company has complied with the Regulation 17(1) of LODR relating to minimum six number of directors on the Board of the Company (applicable in NSE) w.e.f. 30th September, 2020. Subsequently NSE have provided waiver to the company for the same.*

2) *There has been delay in submission of disclosures of related party transactions on a consolidated basis for the half year ended September, 2020 to Stock Exchanges pursuant to the Regulation 23(9) of LODR. Subsequently the Stock Exchanges have provided waiver to the company for the same.*

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 (except to the extent mentioned in the observation no.1 above). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All the decisions at Board Meetings and Committee Meetings are carried out by requisite majority 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 period the Company had following specific action/events having a major bearing on the company’s affairs in above referred laws, rules, regulations, guidelines, standards, etc.:

The company has issued Non-Convertible Debentures aggregating to ₹ 1,31,00,000 during the Audit period.

For Yogesh Sharma & Co.

Yogesh M Sharma
FCS: 11305 C. P: 12366
UDIN: F011305C000750637

Place: Mumbai
 Date: 07th August 2021

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



APPENDIX A

To,
The Members,
TRANSWARRANTY FINANCE LIMITED,

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was one on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

4. Whenever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Yogesh Sharma & Co.

Yogesh M Sharma
FCS: 11305 C. P: 12366

Place: Mumbai
Date: 07th August 2021

Annexure "F"

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 2020-2021:

Name of the Director	Ratio
Mr. Kumar Nair (Managing Director)	7.83:1
Mr. U. Ramachandran (Director & CFO)	-

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 2020-2021:

Name	% increase/ (decrease)
Mr. Kumar Nair (Managing Director)	(26%)
Mr. U. Ramachandran (Director & CFO)	Nil
Mr. Suhas Borgaonkar (Company Secretary)	(25%)

Other Directors of the Company are paid only sitting fees which are not considered as remuneration. Also, during the year, there was reduction in the salary due to covid19 pandemic.

- (iii) The percentage increase in the median remuneration of employees in the Financial Year 2020-21: Nil
- (iv) The number of permanent employees on the rolls of the Company: 28 employees as on March 31, 2021
- (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 :

- a) If employed throughout the financial year, was in receipt of remuneration for that year in which, in the aggregate, was not less than one crore and two lakhs rupees- Nil
- b) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month- Nil
- c) If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or alongwith his spouse and dependent children, not less than two percent of the equity shares of the company - Nil

For and on behalf of Board of Director

Kumar Nair
Chairman
(DIN 00320541)

Place: Mumbai
Date: 12th August, 2021



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 2021, the Statement of Profit and Loss, Statement of Changes in Equity and 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 2021, its losses (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with 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 2021. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Impairment of financial assets as at balance sheet date (expected credit losses) (Refer Note No. 5 & 6 to the standalone financial statements)</p>	
<p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p> <p>In the process, a significant degree of judgment has been applied by the Management for:</p> <ul style="list-style-type: none"> • Staging of loans [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories]; • Grouping of borrowers based on homogeneity by using appropriate statistical techniques; • Estimation of behavioral life; • Determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan products with no/minimal historical defaults <p>In view of the high degree of Management's judgment involved in estimation of ECL it is a key audit matter.</p>	<ul style="list-style-type: none"> • Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109. • Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Company's policy on moratorium. • Tested the ECL model, including assumptions and underlying computation. Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. • Tested assumptions used by the Management in determining the overlay for macro-economic factors.



Emphasis of Matter

We draw attention to Note No. 5 & 6 to the standalone financial statements wherein the Company has provided for impairment losses of ₹ 1,26,75,000/- on trade receivables and ₹ 6,58,13,975/- on loans given as on 31st March 2021. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report 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.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;

making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, 2021 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, Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts 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 S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 25 June 2021
UDIN: 21144212AAAADA6202

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.
- (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, 2021 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.
- (ix) According to the information and explanations given to us, term loan taken by the Company was applied for the purpose for which it was raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge, and according to the information and explanations to us, no material fraud on or by the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.



(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

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

him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 25 June 2021
UDIN: 21144212AAAADA6202

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 2021 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 2021. However, the Company is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 25 June 2021
UDIN: 21144212AAAADA6202

Balance sheet as at 31st March 2021

Particulars	Note No.	As at 31 st March 2021	As at 31 st March 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	3	1,643,842	3,402,393
Bank Balance other than cash and cash equivalents	4	-	24,859
Receivables			
Trade Receivables	5	55,066,577	54,706,055
Loans	6	187,261,296	18,095,528
Investments	7	146,373,256	152,803,399
Other Financial assets	8	82,775,731	80,373,716
		473,120,702	309,405,950
Non-financial Assets			
Inventories	9	723,039	723,039
Current tax assets (Net)	10	6,758,362	6,483,940
Deferred tax Assets (Net)	11	21,353,096	20,813,361
Property, Plant and Equipment	12	83,349,440	85,463,817
Goodwill	12	400,000	400,000
Other Intangible assets	12	25,927	183,926
Other non-financial assets	13	42,248,473	42,489,121
		154,858,337	156,557,204
Total Assets		627,979,039	465,963,154
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
(I) Trade Payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		485,029	523,579
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,837,983	2,901,087
Debt Securities	15	27,904,789	22,284,135



Particulars	Note No.	As at 31 st March 2021	As at 31 st March 2020
Borrowings (Other than Debt Securities)	16	345,475,458	170,262,735
Other financial liabilities	17	47,537,144	31,334,091
		424,240,403	227,305,627
Non-Financial Liabilities			
Provisions	18	1,209,454	798,011
Other non-financial liabilities	19	3,869,299	4,026,109
		5,078,753	4,824,120
EQUITY			
Equity Share capital	20	244,605,680	244,605,680
Other Equity	21	(45,945,797)	(10,772,273)
		198,659,883	233,833,407
Total Liabilities and Equity		627,979,039	465,963,154

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on Behalf of Board of Directors

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

Sarfaraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

25th June 2021
Mumbai

Suhas Bargoankar
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Note No.	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Revenue from operations			
Interest Income	22	6,043,361	7,872,828
Fees and commission Income	23	5,218,900	5,827,024
Sale of Stock	24	56,886,993	-
Corporate Finance	25	-	500,000
Investment Banking	26	-	-
Total Revenue from operations		68,149,254	14,199,852
Other Income	27	1,248,474	2,629,714
Total Income		69,397,728	16,829,566
Expenses			
Finance Costs	28	26,576,213	22,928,447
Purchases of Stock-in-trade	29	56,909,555	-
Employee Benefits Expenses	30	12,110,205	14,320,535
Depreciation, amortization and impairment	31	2,122,460	2,694,096
Others expenses	32	7,016,960	21,502,838
Total Expenses		104,735,393	61,445,916
Profit / (Loss) before exceptional items and tax		(35,337,665)	(44,616,350)
Exceptional items		-	-
Profit/(Loss) before tax		(35,337,665)	(44,616,350)
Tax Expense:			
Current Tax		-	-
Deferred Tax		(539,735)	(1,343,070)
Profit / (Loss) for the year from continuing operations		(34,797,930)	(43,273,280)
Profit/(loss) from discontinued operations		-	-
Tax Expense of discontinued operations		-	-
Profit/(loss) from discontinued operations(After tax)		-	-
Profit/(Loss) for the year		(34,797,930)	(43,273,280)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		-	-
Fair valuation on Equity instrument		(420,958)	27,226
Remeasurement of the net defined benefit obligation gain / (loss)		45,364	(54,642)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income		(375,594)	(27,416)
Total Comprehensive Income for the Year (Comprising Profit (Loss) and other Comprehensive Income for the Year)		(35,173,524)	(43,300,696)



Particulars	Note No.	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Earnings per equity share (for continuing and discontinued operations)			
Basic (₹)	33	(1.44)	(1.77)
Diluted (₹)	33	(1.44)	(1.77)

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on Behalf of Board of Directors

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

Sarfaraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

25th June 2021
Mumbai

Suhas Bargoankar
Company Secretary

Cash Flow Statement for the year ended 31st March, 2021

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
I. Cash Flows from Operating Activities:		
Net Profit Before Tax and Extraordinary Items	(35,337,665)	(44,616,350)
Adjustments for:		
Depreciation	2,122,460	2,694,096
Interest Income	(6,043,361)	(7,872,828)
Dividend Income	(14,687)	(22,873)
Interest Expense	26,576,213	22,928,447
Impairment Allowance	1,222,091	4,388,264
Adjustments for Changes in Working Capital:		
(Increase) / Decrease in Trade and other Receivables	(360,522)	13,364
Increase / (Decrease) in Trade & Other Payables	(101,653)	426,327
(Increase)/decrease in loans	(170,387,859)	2,977,076
(Increase)/decrease in other financial assets	99,350	(67,912)
(Increase)/decrease in other non-financial assets	240,648	1,362,046
Increase / (Decrease) in other financial Liabilities	28,378,569	10,124,012
Increase/(decrease) in provisions	456,807	72,111
Increase / (Decrease) in non- financial Liabilities	(156,810)	41,736
Cash inflow from interest on loans	3,541,997	6,909,937
Income tax paid (net of refunds)	(274,422)	1,900,939
Net Cash Flows from Operating Activities	(150,038,845)	1,258,391
II. Cash Flows from Investing Activities:		
Dividend Income	14,687	22,873
(Purchase)/ Sale of Investment	6,009,184	(102,798)
Purchase of Property Plant and Equipment	(84)	(180,503)
(Purchase)/ Sale of Intangible Asset	150,000	(150,000)
Net Cash Flows from Investing Activities	6,173,787	(410,428)
III. Cash Flows from Financing Activities:		
Borrowings other than debt securities issued/ (Redeemed) (net)	175,212,723	2,693,576
Debt securities issued/ (Redeemed) (net)	5,620,654	12,663,899
Finance cost paid	(38,726,871)	(22,123,052)
Net Cash Flows from Financing Activities	142,106,506	(6,765,577)
Net Increase or (Decrease) in Cash and Cash Equivalents (I + II + III)	(1,758,551)	(5,917,614)
- Add: Cash and Cash Equivalents at Beginning of the year (Refer Note)	3,402,393	9,320,007
Cash and Cash Equivalents at End of the Year	1,643,842	3,402,393



Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Note:		
Cash and Cash Equivalents		
- Cash in Hand	1,037,692	1,158,121
- Balances with Banks		
- In Current Accounts	606,150	2,244,272
Total	1,643,842	3,402,393

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on Behalf of Board of Directors

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

Sarfaraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

25th June 2021
Mumbai

Suhas Bargoankar
Company Secretary

Statement of Changes in Equity for the year ended 31st March 2021

Equity share capital			
Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	20	244,605,680	244,605,680
Changes in equity share capital during the year		-	-
Balance at the end of the year		244,605,680	244,605,680

Other equity						
For the year ended 31 March 2021						
Particulars	Note No.	Retained earnings	Reserve fund as per RBI Act	General reserve	Other Comprehensive Income - Equity Instruments	Total other equity
Balance as at 31 March 2020	21	(55,776,707)	34,139,639	10,410,757	454,038	(10,772,273)
Profit after tax		(34,797,930)	-	-	-	(34,797,930)
Other comprehensive income		45,364	-	-	(420,958)	(375,594)
		(90,529,273)	34,139,639	10,410,757	33,080	(45,945,797)
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	-	-	-
Balance as at 31 March 2021		(90,529,273)	34,139,639	10,410,757	33,080	(45,945,797)

For the year ended 31 March 2020						
Particulars	Note No.	Retained earnings	Reserve fund as per RBI Act	General reserve	Other Comprehensive Income - Equity Instruments	Total other equity
Balance as at 31 March 2019	21	(12,448,785)	34,139,639	10,410,757	426,812	32,528,423
Profit after tax		(43,273,280)	-	-	-	(43,273,280)
Other comprehensive income		(54,642)	-	-	27,226	(27,416)
		(55,776,707)	34,139,639	10,410,757	454,038	(10,772,273)
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	-	-	-
Balance as at 31 March 2020		(55,776,707)	34,139,639	10,410,757	454,038	(10,772,273)

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on Behalf of Board of Directors

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

Sarfaraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

25th June 2021
Mumbai

Suhas Bargoankar
Company Secretary



Notes forming part of the Financial Statements for the year ended 31st March, 2021

Note 1 CORPORATE INFORMATION

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

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

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

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

These standalone or separate financial statements were approved by the Company's Board of Directors and authorised for issue on 25th June 2021.

2.2 Functional and presentation currency

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

Notes forming part of the Financial Statements for the year ended 31st March, 2021

2.3 Basis of measurement

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

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

2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

2.5 Use of estimates and judgements and Estimation uncertainty

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

2.6 Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets, are based on historical experience and other emerging factors on account of the pandemic which may also have an effect on the expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed repayment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.



Notes forming part of the Financial Statements for the year ended 31st March, 2021

2.7 Revenue recognition :

a) Recognition of interest income

Effective Interest Rate (EIR) Method

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

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

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

Interest Income

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

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

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

b) Fee and commission income

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

c) Sale of Stock

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

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

Notes forming part of the Financial Statements for the year ended 31st March, 2021

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

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

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

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

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

d) **Sale of services**

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

e) **Rent Income**

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

f) **Income from securities**

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

g) **Dividend Income**

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

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

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

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are



Notes forming part of the Financial Statements for the year ended 31st March, 2021

not ready for its intended use at the reporting date.

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

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

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

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

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

2.9 Intangible assets

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

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

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

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

2.10 Investments in subsidiaries and associates

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

Notes forming part of the Financial Statements for the year ended 31st March, 2021

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

2.11 Foreign exchange transactions and translations

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

a) Initial recognition

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

b) Conversion

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

c) Exchange difference

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

2.12 Financial instruments

a) Recognition and initial measurement

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

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

b) Classification and Subsequent measurement of financial assets

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

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



Notes forming part of the Financial Statements for the year ended 31st March, 2021

Amortised cost -

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

FVOCI - debt instruments -

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

FVOCI - equity instruments -

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

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

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

Subsequent measurement of financial assets

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

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

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

Notes forming part of the Financial Statements for the year ended 31st March, 2021

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

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

c) **Financial liabilities and equity instruments:**

Classification as debt or equity -

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

Equity instruments -

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

Financial liabilities -

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

d) **Derecognition**

Financial assets

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

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

Financial liabilities

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



Notes forming part of the Financial Statements for the year ended 31st March, 2021

e) **Offsetting**

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

f) **Impairment of financial instruments**

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

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

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

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

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

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

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

Significant increase in credit risk (stage 2)

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

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Credit impaired (stage 3)

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

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

The loan is otherwise considered to be in default.

Measurement of ECL

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

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

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

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

Overview of Expected Credit Loss (ECL) model

The Company recognises lifetime ECL for trade and other receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that may result from all possible default events over the expected life of a financial assets. (refer Note No. 5 on "Receivables")

2.13 Employee benefits

a) Short-term employee benefits

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



Notes forming part of the Financial Statements for the year ended 31st March, 2021

b) Contribution to provident fund and ESIC

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

c) Gratuity

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

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

Remeasurement gains/losses

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

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

d) Leave encashment / compensated absences / sick leave

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

e) Employee shared based payments

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

2.14 Finance costs

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

Notes forming part of the Financial Statements for the year ended 31st March, 2021

2.15 Taxation - Current and deferred tax

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

a) Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.16 Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cashgenerating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cashgenerating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount



Notes forming part of the Financial Statements for the year ended 31st March, 2021

does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

2.17 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.18 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee -

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases. Basis the above principle, all leases entered into by the Company as a lessee have been classified as operating leases.

Lease payments under an operating lease is recognised on an accrual basis in the Statement of Profit and Loss.

Where the Company is the lessor -

The Company has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Cost including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct cost are recognised immediately in Statement of profit and loss.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

2.19 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.21 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it can not be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

2.22 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2.23 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020. On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:



Notes forming part of the Financial Statements for the year ended 31st March, 2021

Balance Sheet: • Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current. • Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period. • Specified format for disclosure of shareholding of promoters. • Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used. • Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss: • Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 3

Cash and Cash Equivalents

Particulars	As at 31 st March 2021	As at 31 st March 2020
Cash on Hand	1,037,692	1,158,121
Balance with Banks In Current Account	606,150	2,244,272
Total	1,643,842	3,402,393

NOTE 4

Bank balances other than cash and cash equivalents

Particulars	As at 31 st March 2021	As at 31 st March 2020
Balance with Banks In Dividend Account	-	24,859
Total	-	24,859

NOTE 5

Receivables

Particulars	As at 31 st March 2021	As at 31 st March 2020
(i) Trade receivables		
Trade Receivables	42,391,577	42,031,055
Trade Receivables from related parties	-	-
Trade receivable which have significant increase in credit risk	25,350,000	25,350,000
Trade receivables - credit impaired	-	-
	67,741,577	67,381,055
Less: Impairment loss allowance	(12,675,000)	(12,675,000)
Total	55,066,577	54,706,055



Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 6

Loans

Particulars	As at 31 st March 2021			As at 31 st March 2020		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Loans						
Gold Loan	4,115,100		4,115,100	6,115,100		6,115,100
Promissory Note Loan	187,586		187,586	187,586		187,586
Property Loans	81,837		81,837	81,837		81,837
Loan against Shares	-		-	66,077		66,077
Loans to Related Parties	468,976		468,976	292,980		292,980
Loans to Employee	391,301		391,301	254,000		254,000
Personal Loans & Consumer Loans Receivables	7,830,471		7,830,471	16,706,264		16,706,264
Inter Corporate Deposits	240,000,000		240,000,000	58,850,000		58,850,000
Total (A) - Gross	253,075,271	-	253,075,271	82,553,844	-	82,553,844
Less: Impairment loss allowance	65,813,975		65,813,975	64,458,316		64,458,316
Total (A)- Net	187,261,296	-	187,261,296	18,095,528	-	18,095,528
(B) Out of above						
(i) Secured	4,384,523		4,384,523	6,450,600		6,450,600
Less: Impairment loss allowance	269,423		269,423	269,423		269,423
Total (i)	4,115,100		4,115,100	6,181,177		6,181,177
(ii) Unsecured	248,690,748		248,690,748	76,103,244		76,103,244
Less: Impairment loss allowance	65,544,552		65,544,552	64,188,893		64,188,893
Total (ii)	183,146,196		183,146,196	11,914,351		11,914,351
Total (B) = (i) + (ii)	187,261,296	-	187,261,296	18,095,528	-	18,095,528
(C) Out of above						
(I) Loans in India						
(i) Public Sector	-		-	-		-
Less: Impairment loss allowance	-		-	-		-
Subtotal (i)	-	-	-	-	-	-
(ii) Others	253,075,271		253,075,271	82,553,844		82,553,844
Less: Impairment loss allowance	65,813,975		65,813,975	64,458,316		64,458,316
Subtotal (ii)	187,261,296	-	187,261,296	18,095,528	-	18,095,528
Total (I)	187,261,296	-	187,261,296	18,095,528	-	18,095,528
(II) Loans outside India						
Less: Impairment loss allowance	-		-	-		-
Total (II)	-	-	-	-	-	-
Total C(I) and C(II)	187,261,296	-	187,261,296	18,095,528	-	18,095,528

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Summary of loans by stage distribution

Particulars	As at 31 March 2021				As at 31 March 2020	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2
	0-90 DPD	90-180 DPD	180 DPD or more		0-90 DPD	90-180 DPD
Gross carrying amount	109,091,425	73,881,632	70,102,214	253,075,271	17,838,987	1,255,482
Less: Impairment loss allowance	30,212	576,840	65,206,923	65,813,975	57,872	941,069
Net carrying amount	109,061,213	73,304,792	4,895,291	187,261,296	17,781,115	314,413

NOTE 7

Investments

Particulars	As at 31st March 2021	As at 31st March 2020
(A) At cost		
Investment in subsidiaries		
Equity shares	140,989,984	140,989,984
Preference shares	5,051,600	5,051,600
Total (A)	146,041,584	146,041,584
(B) At fair value through other comprehensive income		
(i) In equity instruments		
Equity shares	10,501	6,131,000
Add: Fair value gain/(losses)	-	472,908
Total (B)	10,501	6,603,908
(C) At fair value through profit or loss		
(i) In mutual funds	118,441	114,246
Add: Fair value gain/(losses)		
Sub-total (i)	118,441	114,246
(ii) In Government securities	18,945	18,945
Add: Fair value gain/(losses)	-	-
Sub-total (ii)	18,945	18,945
(iii) In equity instruments		
Equity shares	203,815	183,316
Add: Fair value gain/(losses)	(20,029)	(158,600)
Sub-total (iii)	183,786	24,716
Total (C) = (i + ii + iii)	321,172	157,907
Total (A+B+C)	146,373,256	152,803,399



Notes forming part of the Financial Statements for the year ended 31st March, 2021

Particulars	As at 31st March 2021	As at 31 st March 2020
Out of the above		
In India	146,373,256	152,803,399
Outside India	-	-
Total	146,373,256	152,803,399

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Units	Amount	Units	Amount
Mutual Funds				
UTI - Liquid Cash Plan - Institutional Daily Dividend	1.04	1,085	1.04	1,144
UTI - Floating Rate Fund-STP-Direct Growth Plan	3.86	13,161	3.86	12,384
HDFC Liquid Fund- Growth	25.93	104,194	25.93	100,718
Sub total (i)	30.83	118,441	30.82	114,246
Government Securities				
National Savings Certificate VIII issue	1.00	5,000	1.00	5,000
UTI Master Share	1,000.00	13,945	1,000.00	13,945
Sub total (ii)	1,001.00	18,945	1,001.00	18,945
Equity Instruments				
Subsidiaries				
Vertex Securities Limited	39,253,950	140,889,984	39,253,950	140,889,984
Transwarranty Capital Market Services Pvt. Ltd.	50,000	100,000	50,000	100,000
Sub total (iii)	39,303,950	140,989,984	39,303,950	140,989,984
Others				
Quoted				
South Indian Bank (Right Share)	10.00	83	10.00	58
NEPC India Ltd.	2,000.00	-	2,000.00	-
Shree Rama Newsprints Ltd	1,250.00	20,813	1,250.00	14,157
CSB Limited	700.00	162,890	-	-
Anil Products Ltd	39.00	-	39.00	-
Sub total (iv)	3,999.00	183,785	3,299.00	14,215
UnQuoted				
Catholic Syrian Bank Ltd.	-	-	700.00	82,950
Nawani Corp (India) Ltd.	-	-	610,000.00	6,520,958
Regent Chamber Co-Op. Society	10.00	501	10.00	501
Saraswat Bank Cooperative Bank	1,000.00	10,000	1,000.00	10,000
Sub total (v)	1,010.00	10,501	611,710.00	6,614,409
Preference shares				
Vertex Securities Limited	27,758.00	5,051,600	27,758.00	5,051,600
Sub total (vi)	27,758.00	5,051,600	27,758.00	5,051,600
Total	39,337,749	146,373,256	39,947,749	152,803,399

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 8

Other Financial assets

Particulars	As at 31 st March 2021	As at 31 st March 2020
Deposit	335,206	434,556
Advance Lease rental	25,010	25,010
Interest Accrued on ICDs	2,174,775	-
Interest Accrued on Gold Loan , etc.	4,478,240	4,151,650
Interest Accrued on LAS	-	-
TFL-TCCPL and TFCPL Merger Scheme Trust	75,762,500	75,762,500
Total	82,775,731	80,373,716

NOTE 9

Inventories

Particulars	As at 31 st March 2021	As at 31 st March 2020
Shares Held In Stock - In - Trade	723,039	723,039
Total	723,039	723,039

NOTE 10

Current tax Assets (Net)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Income Tax (Net of Provisions)	6,758,362	6,483,940
Total	6,758,362	6,483,940

NOTE 11

Deferred tax Assets (Net)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Deferred tax Assets	21,353,096	20,813,361
Total	21,353,096	20,813,361

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****Deferred tax assets recorded in Balance Sheet**

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
Depreciation on property, plant and equipment	939,277	939,277
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	20,413,974	20,061,233
Present value of security deposit	6,538	6,538
Remeasurement of employee benefit	139,930	32,955
Effective Interest Rate (EIR) on financial instruments	126,025	71,319
Gross deferred tax assets	21,625,744	21,111,322
<i>Deferred tax liabilities</i>		
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	13,507	122,956
Effective Interest Rate (EIR) on financial instruments	152,286	114,628
Remeasurement of employee benefit	-	-
Present value of security deposit	106,855	60,377
Gross deferred tax liabilities	272,648	297,961
Deferred tax assets/(liabilities), net	21,353,096	20,813,361

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 12

Property, plant and equipment and intangible assets
For the financial year 2020-21

Particulars	Gross Block			Depreciation and amortisation			Net Block As at 31 st March, 2021
	As at 1 st April, 2020	Additions	Deductions/ Adjustments	As at 31 st March, 2021	As at 1 st April, 2020	For the Year	
Property, plant and equipment (a)							
Furniture	5,934,105	-	-	5,934,105	5,158,875	164,703	610,527
Computers	1,512,192	-	-	1,512,192	1,313,438	83,210	115,544
Office Equipments	3,447,735	-	-	3,447,735	3,436,297	4,554	6,884
Vehicles	3,872,140	-	-	3,872,140	3,872,140	-	-
Office Premises No. 403 (Refer note a)	47,887,926	-	-	47,887,926	4,983,165	1,021,809	41,882,952
Office Premises No. 405 (Refer note b)	48,657,169	-	-	48,657,169	10,286,608	837,635	37,532,926
Residential Premises	234,471	-	-	234,471	116,815	2,550	115,106
Land	3,085,501	-	-	3,085,501	-	-	3,085,501
Sub-Total	114,631,239	-	-	114,631,239	29,167,338	2,114,461	83,349,440
Intangible Asset (b)							
Goodwill	400,000	-	-	400,000	-	-	400,000
Software	3,613,925	-	150,000	3,463,925	3,429,999	7,999	25,927
Sub-Total	4,013,925	-	150,000	3,863,925	3,429,999	7,999	425,927
Total	118,645,164	-	150,000	118,495,164	32,597,337	2,122,460	83,775,367

Notes

- a . Carrying amount of Office Premises No. 403 has been hypothecated as a security by the Company against the overdraft facility taken by Vertex Securities Limited (subsidiary company)
- b . Carrying amount of Office Premises No. 405 has been hypothecated as a security by the Company against the overdraft facility taken by the Company



Notes forming part of the Financial Statements for the year ended 31st March, 2021

For the financial year 2019-20

Particulars	Gross Block			Depreciation and amortisation			Net Block As at 31 st March, 2020
	As at 1 st April, 2019	Additions	Deductions/ Adjustments	As at 31 st March, 2020	As at 1 st April, 2019	For the Year	
Property, plant and equipment (a)							
Furniture	5,934,105	-	-	5,934,105	4,932,720	226,206	775,179
Computers	1,331,691	180,501	-	1,512,192	1,262,992	50,447	198,753
Office Equipments	3,447,736	-	-	3,447,736	3,425,785	10,543	11,408
Vehicles	3,872,140	-	-	3,872,140	3,434,686	437,454	-
Office Premises No. 403 (Refer note a)	47,887,926	-	-	47,887,926	3,933,490	1,049,675	42,904,761
Office Premises No. 405 (Refer note b)	48,657,169	-	-	48,657,169	9,427,881	858,727	38,370,561
Residential Premises	234,470	-	-	234,470	114,201	2,614	117,655
Land	3,085,500	-	-	3,085,500	-	-	3,085,500
Sub-Total	114,450,737	180,501	-	114,631,238	26,531,755	2,635,666	85,463,817
Intangible Asset (b)							
Goodwill	400,000	-	-	400,000	-	-	400,000
Software	3,463,925	150,000	-	3,613,925	3,371,569	58,430	183,926
Sub-Total	3,863,925	150,000	-	4,013,925	3,371,569	58,430	583,926
Total	118,314,662	330,501	-	118,645,163	29,903,324	2,694,096	86,047,743

Notes

- a . Carrying amount of Office Premises No. 403 has been hypothecated as a security by the Company against the overdraft facility taken by Vertex Securities Limited (subsidiary company)
- b . Carrying amount of Office Premises No. 405 has been hypothecated as a security by the Company against the overdraft facility taken by the Company

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 13

Other non-financial assets

Particulars	As at 31 st March 2021	As at 31 st March 2020
Capital Advances	40,775,000	40,775,000
MAT Credit Entitlement	1,339,017	1,339,017
Prepaid Expense	55,817	101,430
Cenvat Credit- GST	60,550	198,607
Advances to others	18,089	-
Margin Deposit	-	75,067
Total	42,248,473	42,489,121

NOTE 14

Payables

Particulars	As at 31 st March 2021	As at 31 st March 2020
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	485,029	523,579
Total (I)	485,029	523,579
(II) Other Payables **		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,837,983	2,901,087
Total (II)	2,837,983	2,901,087

** Includes payable to related parties ₹ NIL (Previous year ₹ 659,025/-).



Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 15

Debt Securities

Particulars	As at 31 st March 2021	As at 31 st March 2020
(A) At amortised cost		
(I) Secured		
Privately placed redeemable non-convertible debentures (Refer note a)	21,731,217	17,810,563
Sub-Total (I)	25,831,217	17,810,563
(II) Unsecured		
Privately placed redeemable non-convertible debentures	6,173,572	4,473,572
Sub-Total (II)	6,173,572	4,473,572
Total (I + II)	27,904,789	22,284,135
(B) Out of above		
In India	27,904,789	22,284,135
Outside India	-	-
Total	27,904,789	22,284,135

Footnotes:

- a. Secured by way of first ranking pari passu charge with the existing secured creditors on the movable assets of the company to the extent of 100% of the amount of outstanding NCDs and interest thereon.

(b) (i) Terms of repayment of non-convertible debentures (NCDs) :

Original Maturity of loan (In no. of days)	As at 31 st March 2021		As at 31 st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
(a) Secured				
On maturity				
Maturity between 3 to 5 years	11.25% - 11.75%	1,700,000	11.25% - 11.75%	1,325,403
Maturity between 1 to 3 years	11.25% - 11.50%	15,100,000	11.25% - 11.50%	9,097,868
Maturity within 1 year	11% - 11.25%	5,300,000	11.00%	7,387,292
Total at face value		22,100,000		17,810,563
Less: Unamortised finance cost		368,783		-
Total amortised cost		21,731,217		17,810,563
(b) Unsecured				
On maturity				
Maturity between 1 to 3 years	11.75% - 12.00%	700,000		-
Maturity between 3 to 5 years	11.75% - 12.00%	5,600,000	11.75% - 12.00%	4,473,572
Total at face value		6,300,000		4,473,572
Less: Unamortised finance cost		126,428		-
Total amortised cost		6,173,572		4,473,572

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 16

Borrowings (other than debt securities)

Particulars	As at 31 st March 2021	As at 31 st March 2020
At Amotised Cost:		
(I) In India		
(A) Loans from related parties	12,120,260	12,360,900
(B) Loans repayable on demand		
(a) Overdraft Facility		
(i) from banks	76,205,198	70,751,226
(ii) from other parties	-	609
(C) Other Loans		
Inter corporate Deposits	257,150,000	87,150,000
Total	345,475,458	170,262,735
(II) Out of the above		
India	345,475,458	170,262,735
Outside India	-	-
Total	345,475,458	170,262,735
(III) Out of above		
Secured	76,205,198	70,751,835
Unsecured	269,270,260	99,510,900
Total	345,475,458	170,262,735

(IV) Terms of repayment of Related parties:

Original Maturity of loan (In no. of days)	As at 31 st March 2021		As at 31 st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
Unsecured				
On maturity				
Maturity between 3 to 5 years	15.00%	12,120,260	15.00%	12,360,900
Total at face value		12,120,260		12,360,900
Less: Unamortised finance cost		-		-
Total amortised cost		12,120,260		12,360,900

Notes forming part of the Financial Statements for the year ended 31st March, 2021

(V) Terms of Loans repayable on demand (Overdraft facility)

Original Maturity of loan (In no. of days)	As at 31 st March 2021		As at 31 st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
Secured				
On maturity				
Maturity within 1 year	10.50% - 13.40%	76,205,198	10.50% - 13.40%	70,751,226
Total at face value		76,205,198		70,751,226
Less: Unamortised finance cost		-		-
Total amortised cost		76,205,198		70,751,226

- (a) Overdraft from The CSB Bank Limited 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.
- (b) Overdraft from The South Indian Bank Limited is Working Capital Facility for Onward lending. Loan is Secured against entire current Assets of the company, collateral security of Office premises No. 405 and personal guarantee of the Managing Director. Tenure of the loan is for 12 months and repayable on demand. Limit shall be renewed before the expiry of the sanctioned period of one year.

(VI) Terms of Loans repayable on demand from others:

Original Maturity of loan (In no. of days)	As at 31 st March 2021		As at 31 st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
Secured				
On maturity				
Maturity within 1 year	10.00%	-	10.00%	609
Total at face value		-		609
Less: Unamortised finance cost		-		-
Total amortised cost		-		609

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.

(VII) Inter Corporate Deposit

Original Maturity of loan (In no. of days)	As at 31 st March 2021		As at 31 st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
Unsecured				
On maturity				
Maturity between 1 to 3 years	9.00% to 12.50%	257,150,000	10.00% to 12.50%	87,150,000
Total at face value		257,150,000		87,150,000
Less: Unamortised finance cost		-		-
Total amortised cost		257,150,000		87,150,000

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 17

Other Financial Liabilities

Particulars	As at 31 st March 2021	As at 31 st March 2020
Interest Accrued	5,647,279	17,797,937
Bank Overdraft	41,889,813	12,541,442
Unclaimed Dividends	-	24,859
Deposit	51	769,231
Advance Lease Rental	-	200,622
Total	47,537,144	31,334,091

NOTE 18

Provision

Particulars	As at 31 st March 2021	As at 31 st March 2020
Provision for employee benefits		
Gratuity	272,876	235,760
Compensated absences	936,578	562,251
Total	1,209,454	798,011

NOTE 19

Other Non-Financial Liabilities

Particulars	As at 31 st March 2021	As at 31 st March 2020
Statutory Dues	1,041,796	1,226,109
Others	2,827,503	2,800,000
Total	3,869,299	4,026,109

NOTE 20

Equity Share capital

Particulars	As at 31 st March 2021	As at 31 st March 2020
Authorised		
31,000,000 Equity Shares of ₹10/- each	310,000,000	310,000,000
Issued, Subscribed and Paid Up		
24,460,568 Equity Shares of ₹10/- each fully paid up	244,605,680	244,605,680
Total	244,605,680	244,605,680

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****(A) Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	Nos.	Amount (₹)
As at 1 April 2019		
Equity share capital issued, subscribed and fully paid up	24,460,568	244,605,680
As at 31st March 2020	24,460,568	244,605,680
As at 1 April 2020		
Equity share capital issued, subscribed and fully paid up	24,460,568	244,605,680
As at 31st March 2021	24,460,568	244,605,680

(B) Terms/rights/restrictions attached to equity shares

The company has only one class of Equity share having a Par Value of ₹10/- each. Each holder of equity share is entitled for one vote per share.

The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the share holders in the ensuring Annual General Meeting.

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

(C) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Nos.	% of Holding	Nos.	% of Holding
Kumar Nair	12,708,694	51.96	12,708,694	51.96
TFL-TCCPL and TFCPL Merger Trust	5,225,000	21.36	5,225,000	21.36

NOTE 21**Other equity**

Particulars	As at 31 st March 2021	As at 31 st March 2020
(I) Retained Earnings		
Balance at the beginning of the year (a)	(55,776,707)	(12,448,785)
Profit/(Loss) for the year (b)	(34,797,930)	(43,273,280)
Other Comprehensive income (c)	45,364	(54,642)
Opening IndAS Adjustment (d)		
Appropriations:		
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-
Other- Deduction due to amalgamation	-	-
Total appropriations (e)	-	-
Balance at the end of the year (a+b+c+d-e)	(90,529,273)	(55,776,707)

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March 2021	As at 31 st March 2020
(II) Other Comprehensive Income - fair value on equity instruments		
Balance at the beginning of the year (a)	454,038	426,812
Gain / (Loss) on fair valuation on equity instruments (b)	(420,958)	27,226
Opening IndAS Adjustment (c)	-	-
Balance at the end of the year (a+b+c)	33,080	454,038
Other Reserves		
(II) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	34,139,639	34,139,639
Add: Transferred during the year	-	-
Balance as at the end of the year	34,139,639	34,139,639
(III) General Reserve		
Balance as at the beginning of the year	10,410,757	10,410,757
Add:- Received during the year	-	-
Balance at the end of the year	10,410,757	10,410,757
Total	(45,945,797)	(10,772,273)

Nature and purpose of other equity

(i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve. Every year 20% of the Profit after Tax transferred to the said reserve.

(iii) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 22

Interest Income

Particulars	For the Year ended 31 st March 2021			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
On Loan	-	6,043,361	-	6,043,361
Total	-	6,043,361	-	6,043,361

Particulars	For the Year ended 31 st March 2020			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
On Loan	-	7,872,828	-	7,872,828
Total	-	7,872,828	-	7,872,828

NOTE 23

Fees and Commission Income

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Trade Finance		
CB-Syndication Fees	-	9,753
ICD-Syndication Fees	1,862,005	1,319,984
LC-Syndication Fees	1,702,206	3,283,562
Processing Fees & Other Charges	343,604	1,039,702
Suppliers Credit & Buyers Credit	1,288,794	174,023
Insurance Commission	22,291	-
Total	5,218,900	5,827,024

NOTE 24

Sale of Stock

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Sale of Products		
Sale of Shares held in Stock -in -Trade	56,886,993	-
Total	56,886,993	-

NOTE 25

Corporate Finance

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Corporate Finance	-	500,000
Total	-	500,000

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 26

Investment Banking

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Investment Banking	-	-
Total	-	-

NOTE 27

Other Income

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Rent Income	629,128	2,276,210
Dividend Income	14,687	22,873
Miscellaneous Income	604,659	330,631
Total	1,248,474	2,629,714

NOTE 28

Finance costs

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Interest on borrowings	25,779,095	22,190,955
Other Financial Charges	797,118	737,492
Total	26,576,213	22,928,447

NOTE 29

Purchases of Stock-in-trade

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Purchase of Shares held in Stock-in-Trade	56,909,555	-
Total	56,909,555	-

NOTE 30

Employee Benefits Expenses

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Employees emoluments	11,700,225	14,013,755
Contribution to provident fund and Other Funds	370,483	60,145
Staff welfare expenses	39,497	246,635
Total	12,110,205	14,320,535

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****NOTE 31****Depreciation, amortization and impairment**

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Depreciation for the Year	2,122,460	2,694,096
Total	2,122,460	2,694,096

NOTE 32**Other Expenses**

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Rent	343,138	3,889,821
Rates, taxes and energy	572,808	3,122,759
Repairs and maintenance	33,172	599,156
Computer Expense	535,978	460,614
Listing Expense	540,000	540,000
Annual Custody Fees	150,000	114,959
Collectors Fees	-	175,000
Credit Verification Charges	21,540	356,213
Brokerage and Commission	46,602	985,697
Legal and Professional charges	1,044,264	1,469,544
Society Charges	423,900	410,183
Travelling Expense	116,259	958,446
Communication Cost	221,061	236,169
Printing and stationery	152,803	238,128
Advertisement and publicity	191,619	734,070
Director's fees, allowances and expenses	-	519,401
Auditor's fees and expenses	228,850	257,206
Insurance	375,323	377,668
Electricity Charges	76,824	240,250
Loss on Futures & Options	-	509,646
Balance Written Off	134,368	155,971
Impairment Allowance	1,222,091	4,388,264
Other Expenses	586,360	763,673
Total	7,016,960	21,502,838

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
(i) Payments to the auditors comprises of		
For Statutory audit	170,000	170,000
For taxation matters		
Other Services	58,850	57,206
	228,250	227,206

NOTE 33

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
(A) Net profit attributable to equity shareholders	(35,173,524)	(43,300,696)
(B) Weighted average number of equity shares for basic and diluted earnings per share	24,460,568	24,460,568
Basic earning price per share (₹) (A/B)	(1.44)	(1.77)
Diluted earning price per share (₹) (A/B)	(1.44)	(1.77)

NOTE 34

Segment Information

Disclosure under Indian Accounting Standard 108 – ‘Operating Segments’ is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company’s total revenue in the year ended 31 March 2021 or 31 March 2020.

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****NOTE 35****Revenue from contract with customers**

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
Type of Service		
CB-Syndication Fees	-	9,753
ICD-Syndication Fees	1,862,005	1,319,984
LC-Syndication Fees	1,702,206	3,283,562
Processing Fees & Other Charges	343,604	1,039,702
Suppliers Credit & Buyers Credit	1,288,794	174,023
Insurance Commission	22,291	-
Corporate Finance	-	500,000
Investment Banking	-	-
Total	5,218,900	6,327,024

Geographical market

India	5,183,384	6,327,024
Outside India	35,516	-
Total	5,218,900	6,327,024

Timing of revenue recognition

Services transferred at a point in time	5,218,900	6,327,024
Services transferred over time	-	-
Total	5,218,900	6,327,024

Contract Balances

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
Gross Trade receivables (refer note 5)	67,741,577	67,381,055
Total	67,741,577	67,381,055

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 36

Income tax expense

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
(a) Income tax expense is as follows:		
Current tax		
Current tax on profits for the year	-	-
Total Current tax expense	-	-
Deferred tax		
Decrease / (increase) in deferred tax asset	(539,735)	(1,343,070)
(Decrease) / increase in deferred tax liabilities	-	-
Total Deferred tax expense/(benefit)	(539,735)	(1,343,070)
Total Income tax expense	(539,735)	(1,343,070)
Income tax expense/(credit) is attributable to:		
Profit from continuing Operations	(539,735)	(1,343,070)
Profit/(Loss) from discontinuing Operations	-	-
Total	(539,735)	(1,343,070)

(b) Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
Profit / (Loss) before income tax expense	(35,337,665)	(44,616,350)
Profit / (Loss) from discontinuing Operations before income tax expense	-	-
	(35,337,665)	(44,616,350)
Tax at the Indian tax rate of 26% (FY 2020-21 : 26%)	-	-
Add/(less) effect of :		
Effect of expenses that are not deductible in determining taxable profit	-	-
Effect of expenses that are partially deductible in determining taxable profit	-	-
Others	-	-
Deferred tax at different rate	-	-
Income tax expense	-	-

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****NOTE 37****Employee benefits plan****Defined benefit plans****(A) Gratuity**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below:

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Defined benefit obligation as at the opening of the year	2,770,557	2,487,954
Current service cost	163,590	140,622
Interest on defined benefit obligation	182,260	179,844
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	29,434	87,847
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	(72,962)	(48,576)
Benefits paid	(281,257)	(77,134)
Defined benefit obligation as at the end of the year	2,791,622	2,770,557

Movement in Plan Assets

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Fair value of plan asset as at the beginning of the year	2,534,797	2,455,465
Adjustment to opening Fair Value of Plan Asset	(1)	(11,104)
Employer contributions	91,596	-
Interest on plan assets	171,775	182,941
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	1,836	(15,371)
Benefits paid	(281,257)	(77,134)
Fair value of plan asset as at the end of the year	2,518,746	2,534,797

Reconciliation of net liability/asset

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Net defined benefit liability/(asset) as at the beginning of the year	235,760	32,489
Adjustment to opening balance	1	11,104
Expense charged to Statement of Profit and Loss	174,075	137,525
Amount recognised in other comprehensive income	(45,364)	54,642
Contributions Paid	(91,596)	-
Net defined benefit liability/(asset) as at the end of the year	272,876	235,760

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Expenses charged to the Statement of Profit and Loss

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Current service Cost	163,590	140,622
Net Interest Cost	10,485	(3,097)
Total	174,075	137,525

Remeasurement (gains)/losses in other comprehensive income

Particulars	For the year ended	
	31 st March, 2021	31 st March, 2020
Opening amount recognised in other comprehensive income	-	-
Changes in financial assumptions	29,434	87,847
Changes in demographic assumptions	-	-
Experience adjustments	(72,962)	(48,576)
Actual return on plan assets less interest on plan assets	(1,836)	15,371
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised outside profit or loss in other comprehensive income	(45,364)	54,642

Amount recognised in Balance Sheet

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Present value of funded defined benefit obligation	2,791,622	2,770,557
Fair value of plan assets	2,518,746	2,534,797
Net funded obligation	272,876	235,760
Amount not recognised due to asset limit	-	-
Net defined benefit liability/(assets) recognised in Balance Sheet	272,876	235,760

Key actuarial assumptions

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Discount rate (p.a.)	6.55%	6.81%
Salary escalation rate (p.a.)	3%	3%
Category of plan assets		
Insurer managed funds	100%	100%

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Expected Payout:

Year	31 st March, 2021	31 st March, 2020
	PVO Payout	PVO Payout
Expected Outgo First	183,034	188,384
Expected Outgo Second	1,454,890	184,930
Expected Outgo Third	95,668	1,371,546
Expected Outgo Fourth	96,998	102,933
Expected Outgo Fifth	96,852	102,908
Expected Outgo Sixth to Tenth Years	1,130,371	1,352,800

Sensitivity analysis for significant assumptions is as shown below

Particulars	31 st March, 2021	31 st March, 2020
Impact of increase in 100 bps on discount rate	2,682,381	2,645,042
Impact of decrease in 100 bps on discount rate	2,912,265	2,908,573
Impact of increase in 100 bps on salary escalation rate	2,911,248	2,907,689
Impact of decrease in 100 bps on salary escalation rate	2,681,575	2,643,868

(B) Compensated Absence

Movement in defined benefit obligations

Particulars	As At	
	31 st March, 2021	31 st March, 2020
Defined benefit obligations as the beginning of the year	562,251	638,769
Current service cost	166,922	49,166
Interest on defined benefit obligation	36,927	46,111
Remeasurement due to:		
Actuarial loss/(gain) arising from change in financial assumptions	11,715	22,375
Actuarial loss/(gain) arising on account of experience changes	262,618	247,813
Actuarial loss/(gain) arising on due to Demographic Assumption	-	404
Employees contribution		
Benefits paid	(103,855)	(442,387)
Defined benefit obligation as at the end of the year	936,578	562,251

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Movement in plan assets

Particulars	As At	
	31 st March, 2021	31 st March, 2020
Fair value of plan asset as at the beginning of the year		
Interest on plan assets		
Remeasurements due to:		
Actual return on plan assets less interest on plan assets		
Employer contribution	103,855	442,387
Employees contribution		
Benefits paid	(103,855)	(442,387)
Fair value of plan asset as at the end of the year	-	-

Reconciliation of net liability/asset

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Net defined benefit liability/(asset) as at the beginning of the year	562,251	638,769
Expense charged to Statement of Profit and Loss	478,182	365,869
Employer contributions	(103,855)	(442,387)
Net defined benefit liability/(asset) as at the end of the year	936,578	562,251

Expenses charged to the Statement of Profit and Loss

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Current service Cost	166,922	49,166
Interest Cost	36,927	46,111
Acturian (Gain)/ Loss recognized for the period	274,333	270,592
Total	478,182	365,869

Remeasurement (gains)/losses in other comprehensive income

Particulars	For the year ended	
	31 st March, 2021	31 st March, 2020
Opening amount recognised in other comprehensive income	-	-
Experience adjustments	-	-
Actual return on plan assets less interest on plan assets	-	-
Closing amount recognised outside profit or loss in other comprehensive income	-	-



Notes forming part of the Financial Statements for the year ended 31st March, 2021

Amount recognised in Balance Sheet

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Present value of funded defined benefit obligation	936,578	562,251
Fair value of plan assets	-	-
Net funded obligation	936,578	562,251
Amount not recognised due to asset limit		-
Net defined benefit liability recognised in Balance Sheet	936,578	562,251

Key actuarial assumptions

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Discount rate (p.a.)	6.55%	6.81%
Rate of increase in compensation	3.00%	3.00%

Expected Payout:

Year	31 st March, 2021	31 st March, 2020
	PVO Payout	PVO Payout
Expected Outgo First	192,388	40,010
Expected Outgo Second	303,941	39,252
Expected Outgo Third	37,736	215,396
Expected Outgo Fourth	37,033	26,595
Expected Outgo Fifth	36,341	26,104
Expected Outgo Sixth to Tenth Years	325,181	246,901

Sensitivity analysis for significant assumptions is as shown below

Particulars	31 st March, 2021	31 st March, 2020
Impact of increase in 100 bps on discount rate	893,509	530,395
Impact of decrease in 100 bps on discount rate	985,396	598,164
Impact of increase in 100 bps on salary escalation rate	984,925	597,897
Impact of decrease in 100 bps on salary escalation rate	893,279	530,162

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 38

Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Disputed claims against the Company not acknowledged as debts	-	-
Total	-	-

(b) Capital and other commitments

Particulars	As at	
	31 st March, 2021	31 st March, 2020
(i) Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	-	-
(ii) Other commitments – towards partially disbursed/un-encashed loans		
Guarantees issued by the company for acquiring office premises.	-	-
Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary Vertex Securities Limited for margin requirements	-	80,000,000
Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary Vertex Securities Limited for OD Facilities	35,000,000	35,000,000

(C) Lease commitments

The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 22 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognized in the Statement of Profit and Loss as 'Rent' under Note No. 32 is ₹ 3,43,138/- (P.Y. ₹ 38,89,821/-). Future minimum lease rent payable are as follows:

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Minimum lease obligations:		
Not later than one year	114,000	3,928,877
Later than one year but not later than five years	125,400	272,497
Later than five years		-



Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 39

Related Parties Disclosure

39.1 Names of Related Parties & Nature of Relationship with whom the company have transaction during the year, as required by the Ind As 24 “Related Party Disclosures” and Companies Act, 2013.

Sr.No.	Name of Related Party	Relationship
1	Vertex Securities Limited (VSL)	Subsidiary
2	Vertex Commodities and Finpro (P) Ltd. (VCFPL)	Subsidiary
3	Transwarranty Capital Market Services Private Limited (TCMSPL)	Subsidiary
4	Welworth Sales & Services Pvt. Ltd. (WSSPL)	Common Controlled Entity (Up to 30/03/2021)
5	Mr. Kumar Nair (Managing Director)	Key Management Personnel
6	Mr. U. Ramachandran (Director & Chief Financial Officer)	Key Management Personnel
7	Mrs. Leena Nair (Wife of Mr. Kumar Nair)	Relative of Key Management Personnel
8	Mrs. Jyoti Ramachandran (Wife of Mr. U. Ramachandran)	Relative of Key Management Personnel
9	Mr. Rajendran U. (Brother of Mr.U. Ramachandran)	Relative of Key Management Personnel

39.2 Transactions with Related Parties

Name of Related Party and Nature of relationship		Nature of Transaction	2021	2020
			Transactional Value (₹)	Transactional Value (₹)
A)	Subsidiary			
1	Vertex Securities Limited (VSL)	Inter corporate deposit given	73,605,476	67,276,910
		Inter corporate deposit received	73,605,476	52,851,369
		Share Trading Debit	3,224,876	2,451,420
		Share Trading Credit	2,744,233	2,456,850
		Current account debit	1,926,844	5,800
		Current account Credit	1,926,844	22,827
		Interest paid on ICD	849,569	1,907,378
		Brokerage and Other Charges Paid on Share Trading	48,393	-
		Personal Loan Incentive Paid	-	75,910
2	Transwarranty Capital Market Services Private Limited (TCMSPL)	Inter corporate deposit given	-	32,780
		Current account debit	600	-
B)	Common Controlled Entity			
1	Welworth Sales & Services Pvt. Ltd. (WSSPL)	Inter corporate deposit given	2,200	10,200

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Name of Related Party and Nature of relationship		Nature of Transaction	2021	2020
			Transactional Value (₹)	Transactional Value (₹)
C)	Key Management Personnel			
1	Kumar Nair	Salary and Other Allowances	1,765,526	2,400,008
		Rent Paid	-	1,800,000
		Loan Received	-	100,000
		Loan Paid	240,640	250,000
		Interest paid	-	1,862,284
2	Mrs. Leena Nair (Wife of Mr. Kumar Nair)	Rent Paid	-	1,800,000
3	Mrs. Jyoti Ramachandran (Wife of Mr. U. Ramachandran)	Interest paid on Non Convertible Debentures	119,737	120,000
4	Mr. Rajendran U. (Brother of Mr.U. Ramachandran)	Investment in Non Convertible Debentures	500,000	700,000
		Interest paid on Non Convertible Debentures	115,824	65,766

39.3 Balances as at the end of the year:

			As at 31 st March, 2021	As at 31 st March, 2020
	Receivables			
A)	Subsidiary			
	Transwarranty Capital Market Services Private Limited (TCMSPL)	Inter corporate deposit	210,980	210,980
		Current account debit	9,900	9,300
B)	Common Controlled Entity			
	Welworth Sales & Services Pvt. Ltd. (WSSPL)	Inter corporate deposit	43,700	41,500
	Payables			
A)	Subsidiary			
	Vertex Securities Limited (VSL)	Inter corporate deposit	-	-
		Current account	-	351,577
		Share trading account	173,195	307,448
		Interest payable	-	12,639,408
B)	Key Management Personnel			
	Kumar Nair	Loan account	12,120,260	12,360,900
		Interest payable	254,537	254,537



Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 40

Capital

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/non-convertible debentures or combination of short term /long term debt as may be appropriate.

NOTE 41

Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

NOTE 42

Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

Fair value hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

- Level 1:** valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.
- Level 2:** valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3:** valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2021

Particulars	FVTPL	FVOCI	Carrying Value	Fair value measurement using			
				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Asset							
Cash and cash equivalents			1,643,842	-	-	-	-
Bank balances other than cash and cash equivalents			-	-	-	-	-
Trade receivables			55,066,577	-	-	-	-
Loans			187,261,296	-	-	-	-
Investments	321,172	10,501	146,041,584	321,172	-	10,501	331,673
Other financial assets			82,775,731	-	-	-	-
Total	321,172	10,501	472,789,029	321,172	-	10,501	331,673
Financial Liabilities							
Trade payables	-	-	485,029	-	-	-	-
Other payables	-	-	2,837,983	-	-	-	-
Debt Securities	-	-	27,904,789	-	-	-	-
Borrowings (other than debt securities)	-	-	345,475,458	-	-	-	-
Other financial liabilities	-	-	47,537,144	-	-	-	-
Total	-	-	424,240,403	-	-	-	-

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2020

Particulars	FVTPL	FVOCI	Carrying Value	Fair value measurement using			
				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Asset							
Cash and cash equivalents	-	-	3,402,393	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	24,859	-	-	-	-
Trade receivables	-	-	54,706,055	-	-	-	-
Loans	-	-	18,095,528	-	-	-	-
Investments	157,907	6,603,908	146,041,584	157,907	-	6,603,908	6,761,815
Other financial assets	-	-	80,373,716	-	-	-	-
Total	157,907	6,603,908	302,644,134	157,907	-	6,603,908	6,761,815
Financial Liabilities							
Trade payables	-	-	523,579	-	-	-	-
Other payables	-	-	2,901,087	-	-	-	-
Debt Securities	-	-	22,284,135	-	-	-	-
Borrowings (other than debt securities)	-	-	170,262,735	-	-	-	-
Other financial liabilities	-	-	31,334,091	-	-	-	-
Total	-	-	227,305,627	-	-	-	-



Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 43

Risk management

Liquidity and funding risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also has Inter corporate deposits line available from holding company & fellow subsidiary companies within its group to meet any short term fund requirements.

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Financial assets						
Cash and cash equivalents	1,643,842	-	1,643,842	3,402,393	-	3,402,393
Bank balances other than cash and cash equivalents	-	-	-	-	24,859	24,859
Trade receivables	55,066,577	-	55,066,577	54,706,055	-	54,706,055
Loans	187,261,296	-	187,261,296	18,095,528	-	18,095,528
Other financial assets	7,013,231	75,762,500	82,775,731	4,176,660	76,197,056	80,373,716
Non-financial assets	-	-	-	-	-	-
Inventories	723,039	-	723,039	723,039	-	723,039
Current tax assets (net)	6,758,362	-	6,758,362	6,483,940	-	6,483,940
Deferred tax assets (net)	-	21,353,096	21,353,096	-	20,813,361	20,813,361
Property, plant and equipment	-	83,349,440	83,349,440	-	85,463,817	85,463,817
Goodwill	-	400,000	400,000	-	400,000	400,000
Other intangible assets	-	25,927	25,927	-	183,926	183,926
Other non-financial assets	1,473,473	40,775,000	42,248,473	1,714,121	40,775,000	42,489,121
Total	259,939,819	221,665,963	481,605,782	89,301,735	223,858,018	313,159,754
LIABILITIES						
Financial liabilities						
Trade payables	485,029	-	485,029	523,579	-	523,579
Other payables	2,837,983	-	2,837,983	2,901,087	-	2,901,087
Debt securities	5,300,000	22,604,789	27,904,789	7,400,000	15,300,000	22,700,000
Borrowings (other than debt securities)	76,205,198	269,270,260	345,475,458	70,751,835	99,510,900	170,262,735
Other financial liabilities	47,537,144	-	47,537,144	31,309,233	24,859	31,334,092
Non-financial liabilities						
Provisions	210,279	999,175	1,209,454	56,040	7,41,971	798,011
Other non-financial liabilities	1,069,299	2,800,000	3,869,299	1,226,109	2,800,000	4,026,109
Total	133,644,932	295,674,224	429,319,156	114,167,883	118,377,730	232,545,613

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

Interest rate risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day to- day operations. Further, certain interest bearing liabilities carry variable interest rates

The sensitivity analyses below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

Average Exposure to interest rate risk

Particulars	As at 31 March 2021	As at 31 March 2020
Floating rate borrowings	73,660,564	60,017,484
Total Borrowings	73,660,564	60,017,484

A change of 50bps in interest rates would have following impact on profit before tax

Particulars	As at 31 March 2021	As at 31 March 2020
Interest rates - increase by 50 basis point (50 bps)	(368,303)	(300,087)
Interest rates - decrease by 50 basis point (50 bps)	368,303	300,087

Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial/ contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of counterparties. Inadequate collateral may also lead to financial losses in the event of default. The company has adopted a policy of dealing with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented in the financial statements.

Since the company is into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis. The Company's major classes of financial assets are cash and cash equivalents, loans, term deposits, trade receivables and security deposits. The nature of loan products across broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk. The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers



Notes forming part of the Financial Statements for the year ended 31st March, 2021

Impairment Assessment

The Company is mainly engaged in the business of providing gold loans, consumer loans and unsecured personal loans to salaries individuals, traders and self-employed. The tenure of the personal loans generally ranges from 9 months to 18 months.

Classification of financial assets under various stages

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes more than 180 days past due on its contractual payments

It is company's policy to assess loss allowance calculations (ECL) in all cases where borrower becomes 90 days past due on its contractual payment. The Company classifies its financial assets other than trade receivables in three stages having the following characteristics:

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

As at 31 March 2021

Particulars	Stage 1	Stage 2	Stage 3
Days past due (DPD)	0 - 1 year	1-3 year	3 year or more
Trade receivables			
Gross Carrying Value	109,091,425	73,881,632	70,102,214
Allowance for ECL	30,212	576,840	65,206,923
ECL Coverage ratio	3%	0.78%	93%

Particulars	Stage 1	Stage 2		Stage 3
Days past due (DPD)	0 -90 DPD	90-180 DPD	180 -365 DPD	365 DPD or more
Trade Receivables				
Gross Carrying Value	-	593,383	-	67,148,194
Allowance for ECL	-	-	-	12,675,000
ECL Coverage ratio	-	-	-	19

As at 31 March 2020

Particulars	Stage 1	Stage 2	Stage 3
Days past due (DPD)	0 - 1 year	1-3 year	3 year or more
Trade receivables			
Gross Carrying Value	17,838,987	1,255,482	63,459,375
Allowance for ECL	57,872	941,069	63,459,375
ECL Coverage ratio	0.32%	74.96%	100%

Particulars	Stage 1	Stage 2		Stage 3
Days past due (DPD)	0 -90 DPD	90-180 DPD	180 -365 DPD	365 DPD or more
Trade Receivables				
Gross Carrying Value	-	232,861	-	67,148,194
Allowance for ECL	-	-	-	12,675,000
ECL Coverage ratio	-	-	-	19

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 44

Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Particulars	01 st April 2020	Cash Flows	Changes in fair value	Others	31 st March 2021
Debt Securities	22,284,135	5,620,654	-	-	27,904,789
Borrowings other than debt securities	170,262,735	175,212,723	-	-	345,475,458
Total liabilities from financing activities	192,546,870	180,833,377	-	-	373,380,247

Particulars	01 st April 2019	Cash Flows	Changes in fair value	Others	31 st March 2020
Debt Securities	9,620,236	12,663,899	-	-	22,284,135
Borrowings other than debt securities	167,569,159	2,693,576	-	-	170,262,735
Total liabilities from financing activities	177,189,395	15,357,475	-	-	192,546,870

NOTE 45 Employee Stock Option Plan

- Pursuant to approval of the Members at the Annual General Meeting held on 27th September, 2019, the Company adopted the "Employees Stock Option Plan 2019" ('ESOP 2019). As per the said plan, the Company granted 2,499,728 equity shares of ₹. 10 each on 10th December 2019.
- The vesting period is over five years from the date of grant, commencing after one year from the date of grant.
- Exercise period would commence one year from date of grant and will expire on completion of five years from date of vesting.
- The options will be settled in equity shares of the Company.
- The Exercise Price of the Vested Option shall be higher of (a) the Market Price of the Share or (b) the face value of the Share.
- "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.

Stock options	Number of options	
	March 31, 2021	March 31, 2020
Options outstanding at the beginning of the year	24,99,728	-
Granted during the year	-	24,99,728
Exercised during the year	-	-
Forfeited during the year	3,94,604	-
Expired/lapsed during the year	-	-
Vested during the year	4,21,026	-
Options outstanding at the end of the year	16,84,098	24,99,728
Options exercisable at the end of the year	4,21,026	-



Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 46

Covid-19 outbreak was declared as a global pandemic by World Health Organisation. Stock broking service, which constitutes the major business of the Group, had been declared as an essential service and accordingly, the Group has been in operation consistently with minimal permitted staff. Accordingly, as of 31 March 2021, based on the facts and circumstances existing as of that date, the Group does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on Behalf of Board of Directors

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

Sarfaraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

25th June 2021
Mumbai

Suhas Bargoankar
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of

TRANSWARRANTY FINANCE LIMITED

Report on the Audit of the Consolidated Financial Statements

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 2021, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, 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 2021, its consolidated losses (including other comprehensive income), its consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 2021. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matter	How our audit addressed the key audit matter
Impairment of financial assets as at balance sheet date (expected credit losses) (Refer Note No. 5 & 6 to the consolidated financial statements)	
<p>Ind AS 109 requires the Group to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's loans and advances.</p> <p>In the process, a significant degree of judgment has been applied by the Management for:</p> <ul style="list-style-type: none"> • Staging of loans [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories]; • Grouping of borrowers based on homogeneity by using appropriate statistical techniques; • Estimation of behavioral life; • Determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan products with no/minimal historical defaults <p>In view of the high degree of Management's judgment involved in estimation of ECL it is a key audit matter.</p>	<ul style="list-style-type: none"> • Read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109. • Read and assessed the Group's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Group's policy on moratorium. • Tested the ECL model, including assumptions and underlying computation. Assessed the floor/minimum rates of provisioning applied by the Group for loan products with inadequate historical defaults. • Tested assumptions used by the Management in determining the overlay for macro-economic factors.

Emphasis of Matter

We draw attention to Note No. 5 & 6 to the consolidated financial statements wherein the Group has provided for impairment losses of ₹ 4,20,76,333/- on trade receivables and ₹ 6,58,13,975/- on loans given as on 31st March 2021. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include the consolidated financial statements and our auditors' 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of the consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Company's ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due



to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 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, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with

by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Holding Company and its subsidiaries to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note No. 37 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 and its subsidiaries.

For S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 25 June 2021
UDIN: 21144212AAAADB4681



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 2021, 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 2021. However, the Company is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 25 June 2021
UDIN: 21144212AAAADB4681



Consolidated Balance sheet as at 31st March, 2021

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	3	61,741,463	38,161,259
Bank Balances other than cash and cash equivalents	4	82,375,000	25,424,859
Receivables			
Trade Receivables	5	102,434,070	64,017,745
Loans	6	269,280,760	105,054,407
Investments	7	545,254	6,984,865
Other Financial assets	8	179,407,173	130,179,890
		695,783,720	369,823,025
Non-financial Assets			
Inventories	9	723,039	723,039
Current tax assets (net)	10	12,446,784	11,033,193
Deferred tax Assets (Net)	11	21,866,379	21,326,644
Property, Plant and Equipment	12	90,753,800	94,143,698
Goodwill on consolidation		68,041,472	68,041,472
Other Intangible assets	12	4,294,903	6,323,164
Other non-financial assets	13	50,149,676	47,289,121
		248,276,053	248,880,331
Total Assets		944,059,773	618,703,356
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
(I) Trade Payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		233,461,446	112,559,616
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,975,999	3,026,780
Debt Securities	15	27,904,789	22,284,135

Particulars	Note No.	As at 31 st March 2021	As at 31 st March 2020
Borrowings (Other than Debt Securities)	16	400,987,462	202,855,915
Other financial liabilities	17	59,309,206	27,692,185
		724,638,902	368,418,631
Non-Financial Liabilities			
Provisions	18	2,282,650	1,735,209
Other non-financial liabilities	19	8,298,420	11,023,284
		10,581,070	12,758,493
EQUITY			
Equity Share capital	20	244,605,680	244,605,680
Other Equity	21	(79,915,439)	(48,172,250)
Total equity attributable to shareholders		164,690,241	196,433,430
Non Controlling interest		44,149,560	41,092,802
Total		208,839,801	237,526,232
Total Liabilities and Equity		944,059,773	618,703,356

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on Behalf of Board of Directors

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

Sarfraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

25th June, 2021
Mumbai

Suhas Bargoankar
Company Secretary



Consolidated Statement of Profit and Loss Account for the year ended 31st March, 2021

Particulars	Note No.	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Revenue from operations			
Interest Income	22	8,394,443	10,039,021
Fees and commission Income	23	77,676,730	55,442,242
Sale of Stock	24	56,886,993	-
Corporate Finance	25	-	500,000
Investment Banking	26	-	-
Total Revenue from operations		142,958,166	65,981,263
Other Income	27	18,783,870	15,141,383
Total Income		161,742,036	81,122,646
Expenses			
Finance Costs	28	33,430,804	27,365,394
Purchases of Stock-in-trade	29	56,909,555	-
Employee Benefits Expenses	30	36,685,449	41,961,592
Depreciation, amortization and impairment	31	5,898,467	6,563,822
Others expenses	32	57,436,697	92,396,707
Total Expenses		190,360,972	168,287,515
Profit / (loss) before exceptional items and tax		(28,618,936)	(87,164,869)
Exceptional items		-	-
Profit/(loss) before tax		(28,618,936)	(87,164,869)
Tax Expense:			
Current Tax		-	-
Deferred Tax		(539,735)	(1,343,070)
Profit/(loss) for the year		(28,079,201)	(85,821,799)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss (specify items and amounts)		-	-
a) Fair valuation on Equity instrument		(430,428)	37,263
b) Remeasurement of the net defined benefit obligation gain / (loss)		(176,805)	(832,459)
Other Comprehensive Income		(607,233)	(795,196)
Total Comprehensive Income for the year		(28,686,434)	(86,616,995)
Minority interest		3,056,758	(20,332,242)
Profit attributable to Equity shareholders		(31,743,192)	(66,284,753)
Net Profit attributable to :			
Owners of equity		(31,244,743)	(65,850,128)
Non-controlling interest		3,165,542	(19,971,671)

Particulars	Note No.	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Other Comprehensive Income attributable to:			
Owners of equity		(498,449)	(434,625)
Non-controlling interest		(108,784)	(360,571)
Total Comprehensive Income attributable to:			
Owners of equity		(31,743,192)	(66,284,753)
Non-controlling interest		3,056,758	(20,332,242)
Earnings per equity share	33		
Basic (₹)		(1.28)	(2.69)
Diluted (₹)		(1.28)	(2.69)

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on Behalf of Board of Directors

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

Sarfaraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

25th June, 2021
Mumbai

Suhas Bargoankar
Company Secretary



Consolidated Cash Flow Statement for the year ended 31st March, 2021

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
I. Cash Flows from Operating Activities:		
Net Profit Before Tax and Extraordinary Items	(28,618,936)	(87,164,869)
Adjustments for:		
Reversal of Rent Expense on lease liability	(1,634,996)	(1,867,399)
Depreciation	5,898,467	6,563,822
Remeasurement of the net defined benefit obligation gain / (loss)	(176,805)	(832,459)
Interest Income	(8,394,443)	(10,039,021)
Dividend Income	(14,687)	(22,873)
Interest Expense	33,430,804	27,365,394
Impairment Allowance	1,258,024	33,753,664
Adjustments for Changes in Working Capital:		
(Increase) / Decrease in Trade and other Receivables	(38,452,262)	35,715,526
Increase / (Decrease) in Trade & Other Payables	120,851,049	(15,508,802)
(Increase)/decrease in loans	(165,448,444)	(3,813,720)
(Increase)/decrease in other financial assets	(48,277,135)	(7,540,066)
(Increase)/decrease in Inventories	-	-
(Increase)/decrease in other non-financial assets	(2,860,555)	5,714,082
Increase / (Decrease) in other financial Liabilities	31,128,273	6,868,809
Increase/(decrease) in provisions	547,441	311,382
Increase / (Decrease) in non- financial Liabilities	(1,233,892)	197,889
Cash inflow from interest on loans	7,444,294	17,718,698
Income tax paid (net of refunds)	(1,413,591)	760,636
Net Cash Flows from Operating Activities	(95,967,394)	8,180,693
II. Cash Flows from Investing Activities:		
Dividend Income	14,687	22,873
(Purchase)/ Sale of Fixed Deposits	(56,950,142)	8,287,500
Sale of Inventories	-	-
Purchase of Investment	6,009,183	(102,798)
Purchase of Property Plant and Equipment	(967,212)	(4,997,773)
Purchase of Intangible Asset	150,000	(852,373)
Net Cash Flows from Investing Activities	(51,743,484)	2,357,429

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
III. Cash Flows from Financing Activities:		
Borrowings other than debt securities issued/ (Redeemed) (net)	198,131,547	18,865,697
Debt securities issued/ (Redeemed) (net)	5,620,654	12,663,899
Finance cost paid	(32,461,119)	(27,629,041)
Net Cash Flows from Financing Activities	171,291,082	3,900,555
Net Increase or (Decrease) in Cash and Cash Equivalent (I + II + III)	23,580,205	14,438,678
- Add: Cash and Cash Equivalents at Beginning of the year (Refer Note)	38,161,259	23,722,583
Cash and Cash Equivalents at End of the Year	61,741,463	38,161,259
<i>Note:</i>		
Cash and Cash Equivalents		
- Cash in Hand	1,417,355	1,626,193
- Balances with Banks		
- In Current Accounts	60,324,108	36,535,066
Total	61,741,463	38,161,259

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on Behalf of Board of Directors

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

Sarfaraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

25th June, 2021
Mumbai

Suhas Bargoankar
Company Secretary



Consolidated Notes to Financial Statement for the year ended 31st March 2021

Equity share capital			
Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	20	244,605,680	244,605,680
Changes in equity share capital during the year		-	-
Balance at the end of the year		244,605,680	244,605,680

Other equity								
For the year ended 31 March 2021								
Particulars	Note No.	Retained earnings	Reserve fund as per RBI Act	General reserve	Other Comprehensive Income - fair value on equity instruments	Attributable to owner of equity	Non Controlling Interest	Total
Balance as at 31 March 2020	21	(92,316,672)	34,139,639	10,410,757	(405,976)	(48,172,249)	41,092,801	(7,079,449)
Profit after tax		(31,244,738)	-	-	-	(31,244,738)	3,165,542	(28,079,196)
Other comprehensive income - Defined Benefit obligation		(72,468)	-	-	(425,981)	(498,449)	(108,784)	(607,233)
		<u>(123,633,878)</u>	<u>34,139,639</u>	<u>10,410,757</u>	<u>(831,957)</u>	<u>(79,915,439)</u>	<u>44,149,560</u>	<u>(35,765,879)</u>
"Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934"		-	-	-	-	-	-	-
Balance as at 31 March 2021		<u>(123,633,878)</u>	<u>34,139,639</u>	<u>10,410,757</u>	<u>(831,957)</u>	<u>(79,915,439)</u>	<u>44,149,560</u>	<u>(35,765,879)</u>

For the year ended 31 March 2020								
Particulars	Note No.	Retained earnings	Reserve fund as per RBI Act	General reserve	Other Comprehensive Income - fair value on equity instruments	Attributable to owner of equity	Non Controlling Interest	Total
Balance as at 31 March 2019	21	(25,999,479)	34,139,639	10,410,757	(438,526)	18,112,394	61,425,154	79,537,548
Profit after tax		(65,850,128)	-	-	-	(65,850,128)	(19,971,671)	(85,821,799)
Other comprehensive income - Defined benefit obligation		(467,174)	-	-	32,550	(434,624)	(360,571)	(795,195)
Change in Non Controlling Interest of Vertex Securities Ltd (a subsidiary)		109	-	-	-	109	(109)	-
		<u>(92,316,672)</u>	<u>34,139,639</u>	<u>10,410,757</u>	<u>(405,976)</u>	<u>(48,172,249)</u>	<u>41,092,801</u>	<u>(7,079,449)</u>
"Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934"		-	-	-	-	-	-	-
Balance as at 31 March 2020		<u>(92,316,672)</u>	<u>34,139,639</u>	<u>10,410,757</u>	<u>(405,976)</u>	<u>(48,172,249)</u>	<u>41,092,801</u>	<u>(7,079,449)</u>

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For and on Behalf of Board of Directors

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

Sarfaraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

25th June, 2021
Mumbai

Suhas Bargoankar
Company Secretary

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Note 1 CORPORATE INFORMATION

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

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

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

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

These consolidated financial statements were approved by the Parent Company's Board of Directors and authorised for issue on 25 June 2021.

2.2 Functional and presentation currency

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



Notes forming part of the Financial Statements for the year ended 31st March, 2021

2.3 Basis of measurement

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

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

2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

2.5 Use of estimates and judgements and Estimation uncertainty

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

2.6 Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets, are based on historical experience and other emerging factors on account of the pandemic which may also have an effect on the expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed repayment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

2.7 Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The list of Subsidiaries considered for consolidation, and the Company's holdings therein are as under:

Name of the Entity	Country of Incorporation	Consolidated as	Percentage of Voting Power as at 31 st March, 2021	Percentage of Voting Power as at 31 st March, 2020
Vertex Securities Limited	India	Subsidiary	53.04%	53.04%
Vertex Commodities & Finpro (P) Limited	India	Subsidiary of Vertex Securities Limited	100%	100%
Transwarranty Capital Market Services Private Limited	India	Subsidiary	100%	100%



Notes forming part of the Financial Statements for the year ended 31st March, 2021

(ii) Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries .

31 st March, 2021								
Name of the Entities	Net Assets (Total Assets - Total Liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹
Parent								
Transwarranty Finance Limited	61.57	198,659,883	123.93	(34,797,930)	61.85	(375,594)	122.61	(35,173,524)
Subsidiaries								
Vertex Securities Limited	32.16	103,763,308	(14.45)	4,056,439	38.15	(231,639)	(13.33)	3,824,801
Transwarranty Capital Market Services Private Limited	(0.03)	(108,623)	0.08	(21,792)	-	-	0.08	(21,792)
Subsidiary of Vertex Securities Limited								
Vertex Commodities and Finpro (P) Limited	6.31	20,364,866	(9.56)	2,684,083	-	-	(9.36)	2,684,083
Total	100.00	322,679,434	100.00	(28,079,200)	100.00	(607,233)	100.00	(28,686,433)
Adjustments arising out of consolidation		(113,839,633)		-		-		-
Non-controlling interest		(44,149,560)		(3,165,542)		108,784		(3,056,758)
Grand Total		164,690,241		(31,244,742)		(498,448)		(31,743,191)

31 st March, 2021								
Name of the Entities	Net Assets (Total Assets - Total Liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹
Parent								
Transwarranty Finance Limited	66.55	233,833,410	50.42	(43,273,277)	3.45	(27,416)	49.99	(43,300,693)
Subsidiaries								
Vertex Securities Limited	28.44	99,938,507	39.72	(34,086,878)	94.16	(748,768)	40.22	(34,835,646)
Transwarranty Capital Market Services Private Limited	(0.02)	(86,831)	0.03	(21,998)	-	-	0.03	(21,998)
Subsidiary of Vertex Securities Limited								
Vertex Commodities and Finpro (P) Limited	5.03	17,680,783	9.83	(8,439,646)	2.39	(19,012)	9.77	(8,458,658)
Total	100.00	351,365,869	100.00	(85,821,799)	100.00	(795,196)	100.00	(86,616,995)
Adjustments arising out of consolidation		(113,839,639)		-		-		-
Non-controlling interest		(41,092,803)		19,971,671		360,571		20,332,242
Grand Total		196,433,427		(65,850,128)		(434,624)		(66,284,752)

Notes forming part of the Financial Statements for the year ended 31st March, 2021**2.8 Revenue recognition :****a) Recognition of interest income****Effective Interest Rate (EIR) Method**

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

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

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

Interest Income

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

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

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b) Fee and commission income

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



Notes forming part of the Financial Statements for the year ended 31st March, 2021

c) **Sale of Stock**

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

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

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

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

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

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

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

d) **Sale of services**

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

e) **Rent Income**

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

f) **Income from securities**

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

g) **Dividend Income**

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

Notes forming part of the Financial Statements for the year ended 31st March, 2021

2.9 Property, Plant and Equipments (PPE)

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

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

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

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

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

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

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

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

2.10 Intangible assets

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

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

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



Notes forming part of the Financial Statements for the year ended 31st March, 2021

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

2.11 Investments in subsidiaries and associates

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

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

2.12 Foreign exchange transactions and translations

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

a) Initial recognition

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

b) Conversion

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

c) Exchange difference

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

2.13 Financial instruments

a) Recognition and initial measurement

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

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

Notes forming part of the Financial Statements for the year ended 31st March, 2021**b) Classification and Subsequent measurement of financial assets**

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

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

Amortised cost -

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

FVOCI - debt instruments -

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

FVOCI - equity instruments -

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

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

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

Subsequent measurement of financial assets

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

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement



Notes forming part of the Financial Statements for the year ended 31st March, 2021

of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

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

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

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

c) **Financial liabilities and equity instruments:**

Classification as debt or equity -

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

Equity instruments -

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

Financial liabilities -

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

e) **Derecognition**

Financial assets

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

Notes forming part of the Financial Statements for the year ended 31st March, 2021

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

Financial liabilities

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

f) Offsetting

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

g) Impairment of financial instruments

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

Overview of Expected Credit Loss (ECL) model

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

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

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

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



Notes forming part of the Financial Statements for the year ended 31st March, 2021

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

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

Significant increase in credit risk (stage 2)

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

Credit impaired (stage 3)

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

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

The loan is otherwise considered to be in default.

Measurement of ECL

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

- * Determination of PD is covered above for each stages of ECL.
- * EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- * LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value, if any, at the time it is expected to be realised.

The Company recognises lifetime ECL for trade and other receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that may result from all possible default events over the expected life of a financial assets. (refer note 5 - Trade receivables)

Notes forming part of the Financial Statements for the year ended 31st March, 2021**2.14 Employee benefits****a) Short-term employee benefits**

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

b) Contribution to provident fund and ESIC

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

c) Gratuity

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

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

Remeasurement gains/losses

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

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

d) Leave encashment / compensated absences / sick leave

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

e) Employee shared based payments

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



Notes forming part of the Financial Statements for the year ended 31st March, 2021

2.15 Finance costs

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

2.16 Taxation - Current and deferred tax

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

a) Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.17 Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that

Notes forming part of the Financial Statements for the year ended 31st March, 2021

reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cashgenerating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cashgenerating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

2.18 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.19 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

With effect from 1 April 2019, the Company has applied Ind AS 116 'Leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

Where the Company is the lessee -

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases. Basis the above principle, all leases entered into by the Company as a lessee have been classified as operating leases.

Lease payments under an operating lease is recognised on an accrual basis in the Statement of Profit and Loss.



Notes forming part of the Financial Statements for the year ended 31st March, 2021

Where the Company is the lessor -

The Company has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Cost including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct cost are recognised immediately in Statement of profit and loss.

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is –

- 1) increased by interest on lease liability;
- 2) reduced by lease payments made; and
- 3) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Company.

2.20 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.21 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

2.22 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it can not be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

2.23 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2.24 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020. On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****NOTE 3****Cash and Cash Equivalents**

Particulars	As at 31 st March 2021	As at 31 st March 2020
Cash on Hand	1,417,355	1,626,193
Balance with Banks		
In Current Account	60,324,108	36,535,066
Total	61,741,463	38,161,259

NOTE 4**Bank balances other than cash and cash equivalents**

Particulars	As at 31 st March 2021	As at 31 st March 2020
Balance with Banks		
In Dividend Account	-	24,859
In Fixed Deposit	82,375,000	25,400,000
Total	82,375,000	25,424,859

*Fixed Deposit of ₹ Nil (P.Y. ₹ 2,44,00,000/-) are pledged against Bank Guarantees and ₹ 1,000,000/- (P.Y. ₹ 1,000,000/-) are pledged against Trading Guarantee for Exchange.

NOTE 5**Trade Receivables**

Particulars	As at 31 st March 2021	As at 31 st March 2020
Trade Receivables	84,204,577	49,956,003
Trade Receivables from related parties	-	-
Trade receivable which have significant increase in credit risk	32,883,070	29,521,090
Trade receivables - credit impaired	27,422,756	26,581,051
	144,510,403	106,058,144
Less: Impairment loss allowance	(42,076,333)	(42,040,400)
Total	102,434,070	64,017,745

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 6

Loans

Particulars	As at 31 st March 2021			As at 31 st March 2020		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
Loans						
Gold Loan	4,115,100		4,115,100	6,115,100		6,115,100
Promissory Note Loan	187,586		187,586	187,586		187,586
Property Loans	81,837		81,837	81,837		81,837
Loan against Shares	-		-	66,077		66,077
Loan repayable on demand	82,150,000		82,150,000	87,150,000		87,150,000
Loans to Related Parties	295,781		295,781	292,980		292,980
Loans to Employee	433,960		433,960	283,159		283,159
Personal Loans & Consumer Loans Receivables	7,830,471		7,830,471	16,706,264		16,706,264
Inter Corporate Deposits	240,000,000		240,000,000	58,629,720		58,629,720
Total (A) - Gross	335,094,735		335,094,735	169,512,723		169,512,723
Less: Impairment loss allowance	65,813,975		65,813,975	64,458,316		64,458,316
Total (A) Net	269,280,760		269,280,760	105,054,407		105,054,407
(B) Out of above						
(i) Secured	4,384,523		4,384,523	6,450,600		6,450,600
Less: Impairment loss allowance	269,423		269,423	269,423		269,423
Total (i)	4,115,100	-	4,115,100	6,181,177	-	6,181,177
(ii) Unsecured	330,710,212		330,710,212	1,63,062,123		1,63,062,123
Less: Impairment loss allowance	65,544,552		65,544,552	64,188,893		64,188,893
Total (ii)	265,165,660	-	265,165,660	98,873,230	-	98,873,230
Total (B) = (i) + (ii)	269,280,760	-	269,280,760	105,054,407	-	105,054,407
(C) Out of above						
(I) Loans in India						
(i) Public Sector						
Less: Impairment loss allowance	-		-	-		-
Subtotal (i)	-	-	-	-	-	-
(ii) Others	335,094,735		335,094,735	169,512,723		169,512,723
Less: Impairment loss allowance	65,813,975		65,813,975	64,458,316		64,458,316
Subtotal (ii)	269,280,760	-	269,280,760	105,054,407	-	105,054,407
Total (I)	269,280,760	-	269,280,760	105,054,407	-	105,054,407
(II) Loans outside India						
Less: Impairment loss allowance	-		-	-		-
Total (II)	-	-	-	-	-	-
Total C(I) and C(II)	269,280,760	-	269,280,760	105,054,407	-	105,054,407



Notes forming part of the Financial Statements for the year ended 31st March, 2021

Summary of loans by stage distribution

Particulars	As at 31 March 2021				As at 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	0-90 DPD	90-180 DPD	180 DPD or more		0-90 DPD	90-180 DPD	180 DPD or more	
Gross carrying amount	100,318,230	73,881,632	160,894,873	335,094,735	104,797,866	1,255,482	63,459,375	169,512,723
Less: Impairment loss allowance	30,212	576,840	65,206,923	65,813,975	57,872	941,069	63,459,375	64,458,316
Net carrying amount	100,288,018	73,304,792	95,687,950	269,280,760	104,739,994	314,413	-	105,054,407

NOTE 7

Investments

Particulars	As at 31st March 2021	As at 31st March 2020
(A) At fair value through other comprehensive income		
(i) In equity instruments		
Equity shares	233,552	6,354,050
Add: Fair value gain/(losses)	(9,470)	472,908
Total (A)	224,082	6,826,958
(B) At fair value through profit or loss		
(i) In mutual funds	118,441	114,246
Add: Fair value gain/(losses)	-	-
Sub-total (i)	118,441	114,246
(ii) In Government securities	18,945	18,945
Add: Fair value gain/(losses)	-	-
Sub-total (ii)	18,945	18,945
(iii) In equity instruments		
Equity shares	203,815	183,316
Add: Fair value gain/(losses)	(20,029)	(158,600)
Sub-total (iii)	183,786	24,716
Total (C) = (i + ii + iii)	321,172	157,907
Total (A+B+C)	545,254	6,984,865

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Particulars	As at 31st March 2021	As at 31st March 2020
Out of the above		
In India	545,254	6,984,865
Outside India	-	-
Total	545,254	6,984,865

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Units	Amount	Units	Amount
Mutual Funds				
UTI - Liquid Cash Plan - Institutional Daily Dividend	1.04	1,085	1.04	1,144
UTI - Floating Rate Fund-STP-Direct Growth Plan	3.86	13,161	3.86	12,384
HDFC Liquid Fund- Growth	25.93	104,194	25.93	100,718
Sub total (i)	30.83	118,441	30.82	114,246
Government Securities				
National Savings Certificate VIII issue	1.00	5,000	1.00	5,000
UTI Master Share	1,000.00	13,945	1,000.00	13,945
Sub total (ii)	1,001.00	18,945	1,001.00	18,945
Others				
Quoted				
South Indian Bank (Right Share)	10.00	83	10.00	58
NEPC India Ltd.	2,000.00	-	2,000.00	-
Shree Rama Newsprints Ltd	1,250.00	20,813	1,250.00	14,157
CSB Ltd	700.00	162,890	-	-
Anil Products Ltd	39.00	-	39.00	-
Sub total (iii)	3,999.00	183,786	3,299.00	14,215
UnQuoted				
CSB Ltd	-	-	700.00	82,950
Nawani Corp (India) Ltd.	-	-	610,000	6,520,958
Regent Chamber Co-Op. Society	10.00	501	10.00	501
Cochin Stock Exchange Ltd	905.00	213,581	905.00	223,050
Saraswat Bank Cooperative Bank	1,000.00	10,000	1,000.00	10,000
Sub total (iv)	1,915.00	224,082	612,615.00	6,837,459
Total (i+ii+iii+iv)	6,945.83	545,254	616,945.82	6,984,865

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****NOTE 8****Other Financial assets**

Particulars	As at 31st March 2021	As at 31st March 2020
Deposit	69,188,325	41,445,526
Rent Deposit	2,001,848	1,861,943
Advance Lease rental	118,461	167,415
Interest Accrued on ICD	7,234,892	6,611,333
Interest Accrued on Gold Loan , etc.	4,478,240	4,151,650
Interest Accrued on LAS	-	-
Advance to creditors	622,907	179,522
Other Receivables	20,000,000	-
Other Advances	-	-
TFL-TCCPL and TFCPL Merger Scheme Trust	75,762,500	75,762,500
Total	179,407,173	130,179,890

NOTE 9**Inventories**

Particulars	As at 31st March 2021	As at 31st March 2020
Shares Held In Stock - In - Trade	723,039	723,039
Total	723,039	723,039

NOTE 10**Current tax assets (NET)**

Particulars	As at 31st March 2021	As at 31st March 2020
Advance Payment of Income Tax (Including TDS)(Net of Provisions)	12,446,784	11,033,193
Total	12,446,784	11,033,193

NOTE 11**Deferred tax Assets (Net)**

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Tax	21,866,379	21,326,644
Total	21,866,379	21,326,644

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Deferred tax assets recorded in Balance Sheet

Particulars	As at 31 st March 2021	As at 31 st March 2020
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
Depreciation on property, plant and equipment	939,277	939,277
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	20,061,233	20,061,233
Present value of security deposit	653,358	653,358
Provision of employee benefit	76,057	76,057
Effective Interest Rate (EIR) on financial instruments	71,319	71,319
Gross deferred tax assets	21,801,244	21,801,244
<i>Deferred tax liabilities</i>		
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	122,956	122,956
Effective Interest Rate (EIR) on financial instruments	114,628	114,628
Provision of employee benefit	-	-
Present value of security deposit	60,377	60,377
Depreciation and amortiation on Property, Plant & Equipment	129,535	129,535
Other timing differences	47,104	47,104
Gross deferred tax liabilities	474,601	474,601
Deferred tax assets/(liabilities), net	21,326,644	21,326,644



Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 12

Property, plant and equipment and intangible assets
For the financial year 2020-21

Particulars	Gross Block		Depreciation and amortisation			Net Block				
	As at 1 st April, 2020	Additions	Deductions/ Adjustments	As at 31 st March, 2021	As at 1 st April, 2020	Addition	Deductions Adjustments	For the Year	As at 31 st March, 2021	
Property, plant and equipment										
Furniture	19,907,031	677,900	-	20,584,931	14,876,324	-	-	1,204,484	16,080,808	4,504,123
Computers	23,243,173	132,483	-	23,375,656	22,184,949	-	-	472,971	22,657,920	717,736
Office Equipments	18,103,708	156,741	-	18,260,449	14,829,539	-	-	754,934	15,584,473	2,675,976
Vehicles (refer note c)	6,660,847	-	-	6,660,847	6,358,650	-	-	62,727	6,421,377	239,470
Office Premises No. 403 (refer note a)	47,887,926	-	-	47,887,926	4,983,165	-	-	1,021,809	6,004,974	41,882,952
Office Premises No. 405 (refer note b)	48,657,169	-	-	48,657,169	10,286,608	-	-	837,635	11,124,243	37,532,936
Residential Premises	234,471	-	-	234,471	116,815	-	-	2,550	119,365	115,106
Land	3,085,501	-	-	3,085,501	-	-	-	-	-	3,085,501
Sub-Total	167,779,826	967,124	-	168,746,950	73,636,050	-	-	4,357,110	77,993,160	90,753,800
Intangible Asset										
Goodwill	400,000	-	-	400,000	-	-	-	-	-	400,000
Right of Use Asset (refer note d)	6,281,168	-	592,601	5,688,567	1,472,425	-	255,696	1,187,106	2,403,835	3,284,732
Software	9,938,758	-	150,000	9,788,758	9,574,867	-	-	110,819	9,685,686	103,072
License	12,326,335	-	-	12,326,335	11,597,927	-	-	221,309	11,819,236	507,099
Bombay Stock Exchange	1,000,000	-	-	1,000,000	1,000,000	-	-	-	1,000,000	-
NMCE	100,000	-	-	100,000	100,000	-	-	-	100,000	-
MCX	251,000	-	-	251,000	251,000	-	-	-	251,000	-
NCDEX	500,000	-	-	500,000	500,000	-	-	-	500,000	-
NSEL	250,000	-	-	250,000	227,877	-	-	22,123	250,000	-
Sub-Total	31,047,261	-	742,601	30,304,660	24,724,096	-	255,696	1,541,357	26,009,757	4,294,903
Total	198,827,087	967,124	742,601	199,051,610	98,360,146	-	255,696	5,898,467	104,002,917	95,048,703

Notes

- Carrying amount of Office Premises No. 403 has been hypothecated as a security by the Company against the overdraft facility taken by Vertex Securities Limited
- Carrying amount of Office Premises No. 405 has been hypothecated as a security by the Company against the overdraft facility taken by the Company
- Carrying amount of Vehicles amounting to ₹ 2,82,375 has been pledged as a security by the Company.
- Represents Right-of-use assets recognised on application of Ind AS 116 'Leases' w.e.f 1 April 2019.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

For the financial year 2019-20

Particulars	Gross Block			Depreciation and amortisation				Net Block As at 31 st March, 2020		
	As at 1 st April, 2019	Additions	Deductions/ Adjustments	As at 31 st March, 2020	As at 1 st April, 2019	Addition	Deductions Adjustments		For the Year	As at 31 st March, 2020
Property, plant and equipment										
Furniture	16,324,621	3,582,410	-	19,907,031	13,911,139	-	-	965,236	14,876,375	5,030,656
Computers	22,128,503	1,017,026	-	23,243,174	21,818,843	-	-	366,107	22,184,950	1,058,224
Office Equipments	17,803,021	398,334	-	18,103,710	13,860,092	-	-	969,472	14,829,564	3,274,145
Vehicles (refer note c)	6,660,847	-	-	6,660,847	5,845,790	-	-	512,861	6,358,651	302,196
Office Premises No. 403 (refer note a)	47,887,926	-	-	47,887,926	3,983,490	-	-	1,049,675	4,983,165	42,904,761
Office Premises No. 405 (refer note b)	48,657,169	-	-	48,657,169	9,427,881	-	-	858,727	10,286,608	38,370,561
Residential Premises	234,470	-	-	234,470	114,201	-	-	2,614	116,815	117,655
Land	3,085,500	-	-	3,085,500	-	-	-	-	-	3,085,500
Sub-Total	162,782,057	4,997,770	-	167,779,827	68,911,436	-	-	4,724,692	73,636,128	94,143,698
Intangible Asset										
Goodwill	400,000	-	-	400,000	-	-	-	-	-	400,000
Right of Use Asset (refer note d)	-	6,281,168	-	6,281,168	9,494,031	-	-	1,472,425	1,472,425	4,808,743
Software	9,586,389	352,369	-	9,938,758	9,494,031	-	-	80,836	9,574,867	363,891
License	11,826,335	500,000	-	12,326,335	11,337,058	-	-	260,870	11,597,928	728,407
Bombay Stock Exchange	1,000,000	-	-	1,000,000	1,000,000	-	-	-	1,000,000	-
NMCE	100,000	-	-	100,000	100,000	-	-	-	100,000	-
MCX	251,000	-	-	251,000	251,000	-	-	-	251,000	-
NCDEX	500,000	-	-	500,000	500,000	-	-	-	500,000	-
NSEL	250,000	-	-	250,000	202,877	-	-	25,000	227,877	22,123
Sub-Total	23,913,724	7,133,537	-	31,047,261	22,884,966	-	-	1,839,131	24,724,097	6,323,164
Total	186,695,781	12,131,307	-	198,827,088	91,796,402	-	-	6,563,823	98,360,225	100,466,862

Notes

- Carrying amount of Office Premises No. 403 has been hypothecated as a security by the Company against the overdraft facility taken by Vertex Securities Limited
- Carrying amount of Office Premises No. 405 has been hypothecated as a security by the Company against the overdraft facility taken by the Company
- Carrying amount of Vehicles amounting to ₹ 3,51,594 has been pledged as a security by the Company
- Represents Right-of-use assets recognised on application of Ind AS 116 'Leases' w.e.f 1 April 2019.

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****NOTE 13****Other non-financial assets**

Particulars	As at 31st March 2021	As at 31st March 2020
Capital Advances	40,844,898	40,775,000
Balance with tax authorities	214,479	300,241
MAT Credit Entitlement	1,339,017	1,339,017
Deposits against appeals	-	-
Prepaid Expense	4,717,047	1,229,393
Plan asset - Gratuity	327,373	771,053
Cenvat Credit	60,550	198,607
Advances to others	2,646,312	2,675,811
Total	50,149,676	47,289,121

NOTE 14**Payables**

Particulars	As at 31st March 2021	As at 31st March 2020
(I) Trade Payables*		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	233,461,446	112,559,616
Total (I)	233,461,446	112,559,616
(II) Other Payables**		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,975,999	3,026,780
Total (II)	2,975,999	3,026,780

** Includes payable to related parties ₹ NIL (Previous year ₹ 6,59,025/-).

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 15

Debt Securities

Particulars	As at 31 st March 2021	As at 31 st March 2020
(A) At amortised cost		
(I) Secured		
Privately placed redeemable non-convertible debentures (refer note a)	21,731,217	17,810,563
Sub-Total (I)	21,731,217	17,810,563
(II) Unsecured		
Privately placed redeemable non-convertible debentures	6,173,572	4,473,572
Sub-Total (II)	6,173,572	4,473,572
Total (I + II)	27,904,789	22,284,135
(B) Out of above		
In India	27,904,789	22,284,135
Outside India	-	-
Total	27,904,789	22,284,135

Footnotes:

- a. Secured by way of first ranking pari passu charge with the existing secured creditors on the movable assets of the company to the extent of 100% of the amount of outstanding NCDs and interest thereon.

(C) (i) Terms of repayment of non-convertible debentures (NCDs) :

Original Maturity of loan (In no. of days)	As at 31 st March 2021		As at 31 st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
(a) Secured				
On maturity				
Maturity between 3 to 5 years	11.25% - 11.75%	1,700,000	11.25% - 11.75%	1,325,403
Maturity between 1 to 3 years	11.25% - 11.50%	15,100,000	11.25% - 11.50%	9,097,868
Maturity within 1 year	11.00%	5,300,000	11.00%	7,387,292
Total at face value		22,100,000		17,810,563
Less: Unamortised finance cost		368,783		-
Total amortised cost		21,731,217		17,810,563
(b) Unsecured				
On maturity				
Maturity between 3 to 5 years	11.75% - 12.00%	5,600,000	11.75% - 12.00%	4,473,572
Maturity between 1 to 3 years	11.75% - 12.00%	700,000		-
Maturity within 1 year		-		-
Total at face value		6,300,000		4,473,572
Less: Unamortised finance cost		126,428		-
Total amortised cost		6,173,572		4,473,572

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 16

Borrowings (other than debt securities)

Particulars	As at 31 st March 2021	As at 31 st March 2020
At Amortised Cost:		
(I) In India		
(A) Term loans		
(i) from banks	-	12,715
(B) Loans from related parties	12,366,840	12,396,500
(C) Loans repayable on demand		
(a) Overdraft Facility		
(i) from banks	111,470,622	103,296,091
(ii) from other parties	-	609
(D) Other Loans		
Inter corporate Deposit	277,150,000	87,150,000
Total	400,987,462	202,855,915
(II) Outside India		
In India	400,987,462	202,855,915
Outside India	-	-
Total	400,987,462	202,855,915
(III) Out of above		
Secured	111,470,622	103,309,415
Unsecured	289,516,840	99,546,500
Total	400,987,462	202,855,915

(IV) Terms of repayment of term loans :

Original Maturity of loan (In no. of days)	As at 31 st March 2021		As at 31 st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
Secured				
On maturity				
Maturity within 1 year		-	10.50%	12,715
Total at face value		-		12,715
Less: Unamortised finance cost		-		-
Total amortised cost		-		12,715

- Secured against Office Premises situated at 405, Regent Chambers, Nariman Point, Mumbai
- Vehicle Loan taken from HDFC Bank is secured by hypothecation of Motor Car.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

(V) Terms of repayment of Related parties:

Original Maturity of loan (In no. of days)	As at 31 st March 2021		As at 31 st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
Unsecured				
On maturity				
Maturity between 3 to 5 years	15.00%	12,366,840	15.00%	12,396,500
Total at face value		12,366,840		12,396,500
Less: Unamortised finance cost		-		-
Total amortised cost		12,366,840		12,396,500

(VI) Terms of Loans repayable on demand (Overdraft facility)

Original Maturity of loan (In no. of days)	As at 31 st March 2021		As at 31 st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
Secured				
On maturity				
Maturity within 1 year	10.50% - 13.40%	111,470,622	10.50% - 13.40%	103,296,091
Total at face value		111,470,622		103,296,091
Less: Unamortised finance cost		-		-
Total amortised cost		111,470,622		103,296,091

- (a) Overdraft from The CSB Bank Limited 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.
- (b) Overdraft from The South Indian Bank Limited is Working Capital Facility for Onward lending. Loan is Secured against entire current Assets of the company, collateral security of Office premises No. 405 and personal guarantee of the Managing Director. Tenure of the loan is for 12 months and repayable on demand. Limit shall be renewed before the expiry of the sanctioned period of one year.
- (c) Overdraft from The South Indian Bank Limited is Working Capital Facility secured against mortgage of property owned by Transwarranty Finance Limited, Corporate Guarantee of Holding Company and Personal Guarantee of the Chariman. The total limit allowed is 3.5 crores and the interest rate on the overdraft facility is 10.75% pa.

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****(VII) Terms of Loans repayable on demand from others:**

Original Maturity of loan (In no. of days)	As at 31 st March 2020		As at 31 st March 2019	
	Interest range	Amount (₹)	Interest range	Amount (₹)
Secured				
On maturity				
Maturity within 1 year		-	10.00%	609
Total at face value		-		609
Less: Unamortised finance cost		-		-
Total amortised cost		-		609

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.

(VIII) Inter Corporate Deposit

Original Maturity of loan (In no. of days)	As at 31 st March 2021		As at 31 st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
Unsecured				
On maturity				
Maturity between 1 to 3 years	10.00% to 12.50%	277,150,000	10.00% to 12.50%	87,150,000
Total at face value		277,150,000		87,150,000
Less: Unamortised finance cost		-		-
Total amortised cost		277,150,000		87,150,000

NOTE 17**Other Financial Liabilities**

Particulars	As at 31 st March 2021	As at 31 st March 2020
Interest Accrued	5,647,279	5,158,531
Book Overdraft	45,312,505	14,506,511
Unclaimed Dividends	-	24,859
Deposit	51	769,231
Security Deposit from Franchises & Advances	6,728,764	6,645,005
Employee benefits payable	1,493,402	158,870
Advance Lease Rental	-	200,622
Others	127,205	228,555
Total	59,309,206	27,692,185

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 18

Provision

Particulars	As at 31 st March 2021	As at 31 st March 2020
(a) Provision for employee benefits		
Gratuity	452,926	390,404
Compensated absences	1,829,724	1,344,805
Total	2,282,650	1,735,209

NOTE 19

Other Non-Financial Liabilities

Particulars	As at 31 st March 2021	As at 31 st March 2020
Statutory Dues	1,157,914	2,346,270
Lease liability	3,570,388	5,061,360
Others	3,570,118	3,615,654
Total	8,298,420	11,023,284

NOTE 20

Equity Share capital

Particulars	As at 31 st March 2021	As at 31 st March 2020
Authorised		
31,000,000 Equity Shares of ₹10/- each	310,000,000	310,000,000
Issued, Subscribed and Paid Up		
24,460,568 Equity Shares of ₹10/- each fully paid up	244,605,680	244,605,680
Total	244,605,680	244,605,680

(A) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Nos.	Amount (₹)
As at 1 April 2019		
Equity share capital issued, subscribed and fully paid up	24,460,568	244,605,680
As at 31st March 2020	24,460,568	244,605,680
As at 1 April 2020		
Equity share capital issued, subscribed and fully paid up	24,460,568	244,605,680
As at 31st March 2021	24,460,568	244,605,680

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****(B) Terms/rights/restrictions attached to equity shares**

The company has only one class of Equity share having a Par Value of ₹10/- each. Each holder of equity share is entitled for one vote per share.

The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the share holders in the 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.

(C) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021	
	Nos.	% of Holding
Kumar Nair	12,708,694	51.96
TFL-TCCPL and TFCPL Merger Trust	5,225,000	21.36

NOTE 21**Other equity**

Particulars	As at 31 st March 2021	As at 31 st March 2020
(I) Retained Earnings		
Balance at the beginning of the year (a)	(92,316,672)	(25,999,479)
Profit for the year (b)	(31,244,738)	(65,850,126)
Other Comprehensive income - Defined benefit obligation	(72,468)	(467,174)
Effects of first time adoption of Ind AS	-	-
Change in Non Controlling Interest of Vertex Securities Ltd (a subsidiary)	-	109
Appropriations:		
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-
Other- Deduction due to amalgamation	-	-
Total appropriations (c)	-	-
Addition due to Amalgamation	-	-
Balance at the end of the year (a+b+c)	(123,633,878)	(92,316,670)
Other Comprehensive Income - fair value on equity instruments		
Balance at the beginning of the year	(405,976)	(438,526)
Gain / (Loss) on fair valuation on equity instruments	(425,981)	32,550
Effects of first time adoption of Ind AS	-	-
Balance at the end of the year	(831,957)	(405,976)

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Particulars	As at 31 st March 2021	As at 31 st March 2020
(II) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	34,139,639	34,139,639
Add: Transferred during the year	-	-
Balance as at the end of the year	34,139,639	34,139,639
(III) General Reserve		
Balance as at the beginning of the year	10,410,757	10,410,757
Add:- Received during the year	-	-
Balance at the end of the year	10,410,757	10,410,757
Total	(79,915,439)	(48,172,250)

Nature and purpose of other equity

(i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve. Every year 20% of the Profit after Tax transferred to the said reserve.

(iii) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 22

Interest Income

Particulars	For the Year ended 31 st March 2021		
	On financial assets measured at		
	FVOCI	Amortised Cost	Total
On Loan	-	6,043,361	6,043,361
Interest on Fixed Deposits & Others *	-	2,351,082	2,351,082
Total	-	8,394,443	8,394,443

Particulars	For the Year ended 31 st March 2020		
	On financial assets measured at		
	FVOCI	Amortised Cost	Total
On Loan	-	7,872,828	7,872,828
Interest on Fixed Deposits & Others *	-	2,166,193	2,166,193
Total	-	10,039,021	10,039,021

* interest received on fixed deposit with bank which are pledged with exchange for margin purpose.

NOTE 23

Fees and Commission Income

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Trade Finance		
CB-Syndication Fees	-	9,753
ICD-Syndication Fees	1,862,005	1,319,984
LC-Syndication Fees	1,702,206	3,283,562
Processing Fees & Other Charges	343,603	1,039,702
Fees and commission income	69,651,704	47,467,853
Income from DP operation	2,828,418	2,147,365
Suppliers Credit & Buyers Credit	1,288,794	174,023
Total	77,676,730	55,442,242

NOTE 24

Sale of Stock

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Sale of Products		
Sale of Shares held in Stock -in -Trade	56,886,993	-
Total	56,886,993	-

Notes forming part of the Financial Statements for the year ended 31st March, 2021

NOTE 25

Corporate Finance

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Corporate Finance	-	500,000
Total	-	500,000

NOTE 26

Investment Banking

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Investment Banking	-	-
Total	-	-

NOTE 27

Other Income

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Rent Income	629,128	2,276,210
Dividend Income	14,687	22,873
Interest on Inter Corporate Deposits	6,204,084	5,795,017
Other interest income	3,980,437	3,759,226
Unwinding of discounting of deposits	47,305	55,558
Miscellaneous Income	7,908,229	3,232,499
Total	18,783,870	15,141,383

NOTE 28

Finance costs

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Interest on borrowings	32,150,895	25,979,968
Interest expense on lease liability	482,337	647,596
Other Financial Charges	797,572	737,830
Total	33,430,804	27,365,394

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****NOTE 29****Purchases of Stock-in-trade**

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Purchase of Shares held in Stock-in-Trade	56,909,555	-
Total	56,909,555	-

NOTE 30**Employee Benefits Expenses**

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Employees emoluments	34,231,794	39,182,392
Contribution to provident fund	1,658,295	1,788,536
Staff welfare expenses	795,360	990,664
Total	36,685,449	41,961,592

NOTE 31**Depreciation, amortization and impairment**

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Depreciation on tangible assets	4,357,110	4,724,692
Amortisation on intangible assets	1,541,357	1,839,130
Total	5,898,467	6,563,822

NOTE 32**Other Expenses**

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Rent	909,765	4,649,995
Rates, taxes and energy	1,455,918	4,342,512
Annual Subscription	1,120,769	1,134,500
AMC Charges	2,039,277	2,624,106
Connectivity Charges	3,772,987	4,052,813
Repairs and maintenance	141,737	727,048
Marketing fee/Commission paid	9,102,920	7,224,815
Brokerage and Commission	24,283,163	14,459,995
Legal and Professional charges	2,001,075	2,869,805
Society Charges	423,900	410,183

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Particulars	For the Year ended 31 st March 2021	For the Year ended 31 st March 2020
Travelling Expense	279,268	1,957,408
Communication Cost	855,088	783,707
Printing and stationery	338,593	488,419
Advertisement and publicity	417,205	950,668
Director's fees, allowances and expenses	80,000	799,401
Auditor's fees and expenses	439,850	448,206
Insurance	392,760	383,575
Client Meeting Expenses and Business Promotion	145,727	320,739
Stock Exchange Charges	192,046	205,698
Electricity Charges	76,824	240,250
Loss on Futures & Options	-	509,646
Bad Debts Written Off	341,569	1,526,626
Computer Expense	535,978	460,614
Listing Expense	540,000	540,000
Annual Custody Fees	150,000	114,959
Collectors Fees	-	175,000
Credit Verification Charges	21,540	356,213
Impairment Allowance	1,258,024	33,753,664
Miscellaneous Expenses	6,120,714	5,886,144
Total	57,436,697	92,396,707

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
(i) Payments to the auditors comprises of		
For Statutory audit	351,000	351,000
Other Services	88,850	97,206
	439,850	448,206

NOTE 33

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

**Notes forming part of the Financial Statements for the year ended 31st March, 2021**

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
(A) Net profit attributable to owners of equity	(31,244,743)	(65,850,128)
(B) Weighted average number of equity shares for basic and diluted earnings per share	24,460,568	24,460,568
Basic earning price per share (₹) (A/B)	(1.28)	(2.69)
Diluted earning price per share (₹) (A/B)	(1.28)	(2.69)

NOTE 34**Segment Information**

Disclosure under Indian Accounting Standard 108 – ‘Operating Segments’ is not given as, in the opinion of the management, the entire business activity falls under one segment, viz., primarily engaged as stock and securities broker and providing the financial services. The Company conducts its business only in one Geographical Segment, viz., India. Also there are no revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company’s total revenue in the year ended 31 March 2021 or 31 March 2020.

NOTE 35**Revenue from contract with customers**

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
Type of Service		
CB-Syndication Fees	-	9,753
ICD-Syndication Fees	1,862,005	1,319,984
LC-Syndication Fees	1,702,206	3,283,562
Processing Fees & Other Charges	343,603	1,039,702
Fees and commission income	69,651,704	47,467,853
Income from DP operation	2,828,418	2,147,365
Suppliers Credit & Buyers Credit	1,288,794	174,023
Corporate Finance	-	500,000
Investment Banking	-	-
Total	77,676,730	55,942,242
Geographical market		
India	77,676,730	55,942,242
Outside India	-	-
Total	77,676,730	55,942,242

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Timing of revenue recognition

Services transferred at a point in time	77,676,730	55,942,242
Services transferred over time	-	-
Total	77,676,730	55,942,242

Contract Balances

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
Gross Trade receivables (refer note 5)	144,510,403	106,058,144
Total	144,510,403	106,058,144

NOTE 36

Income tax expense

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
(a) Income tax expense is as follows:		
Current tax		
Current tax on profits for the year	-	-
Total Current tax expense	-	-
Deferred tax		
Decrease / (increase) in deferred tax asset	-	-
(Decrease) / increase in deferred tax liabilities	(539,735)	(1,343,070)
Total Deferred tax expense/(benefit)	(539,735)	(1,343,070)
Total Income tax expense	(539,735)	(1,343,070)
Income tax expense/(credit) is attributable to:		
Profit from continuing Operations	(539,735)	(1,343,070)
Profit/(Loss) from discontinuing Operations	-	-
Total	(539,735)	(1,343,070)

(b) Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
Profit before income tax expense	(28,618,936)	(87,164,869)
	(28,618,936)	(87,164,869)
Add/(less) effect of :		
Deferred tax at different rate	(539,735)	(1,343,070)
Income tax expense	(539,735)	(1,343,070)

**Notes forming part of the Financial Statements for the year ended 31st March, 2021****NOTE 37****Contingent liabilities and commitments****(a) Contingent liabilities not provided for in respect of**

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Claims against the Company not acknowledged as debts		
Tax Demand in respect of		
Income Tax demand order for FY 2013-14	127,290	127,290
Service Tax orders for FY 2006-07 to 2009-10	622,000	622,000
Service Tax orders for FY 2008-09 to 2012-13	882,042	882,042
Service Tax orders for FY 2009-10 to 2013-14	-	4,174,056
Service Tax orders for FY 2011-12 to 2013-14	-	1,086,974
Service Tax orders for FY 2013-14	54,560	54,560
Service Tax orders for FY 2014-15	110,971	110,971
Total	1,796,863	7,057,893

(b) Capital and other commitments

Particulars	As at	
	31 st March, 2021	31 st March, 2020
(i) Capital Commitments	-	-
(ii) Other commitments – towards partially disbursed/un-encashed loans		
Corporate Guarantee given to bank on behalf of subsidiary company Vertex Commodities & Finpro (P) Limited	20,000,000	20,000,000
Counter guarantee issued in favour of the banker for guarantee given by them to NSE for margin requirement for ` 52.80 Mn and to BSE ` 2.57 Mn for Margin requirement	55,375,000	55,375,000
Counter guarantee issues in favour of the banker for guarantee given by them to MCX for margin requirement	-	2,500,000
Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary Vertex Securities Limited for margin requirements	-	80,000,000
Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary Vertex Securities Limited for OD Facilities	35,000,000	35,000,000

Notes forming part of the Financial Statements for the year ended 31st March, 2021

(C) Lease commitments

The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 22 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognized in the Statement of Profit and Loss as 'Rent' under Note No. 32 is ₹ INR 9,09,765/- (P.Y. ₹ INR 46,49,995/-). Future minimum lease rent payable are as follows:

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Minimum lease obligations:		
Not later than one year	546,290	4,547,147
Later than one year but not later than five years	1,25,400	704,787
Later than five years	-	-

NOTE 38

Related Parties Disclosure

38.1 Names of Related Parties & Nature of Relationship with whom the company have transaction during the year, as required by the Ind As 24 "Related Party Disclosures" and Companies Act, 2013.

Sr.No.	Name of Related Party	Relationship
1	Vertex Securities Limited (VSL)	Subsidiary
2	Vertex Commodities and Finpro (P) Ltd. (VCFPL)	Subsidiary
3	Transwarranty Capital Market Services Private Limited (TCMSPL)	Subsidiary
4	Welworth Sales & Services Pvt. Ltd. (WSSPL)	Common Controlled Entity (upto 30/03/2021)
5	Mr. Kumar Nair (Managing Director)	Key Management Personnel
6	Mr. U. Ramachandran (Director & Chief Financial Officer Transwarranty Finance Limited)	Key Management Personnel
7	M. George Mampilly (Executive Directors & Chief Financial Officer - Vertex Securities Ltd.)	Key Management Personnel
8	Mrs. Leena Nair (Wife of Mr. Kumar Nair)	Relative of Key Management Personnel
9	Mrs. Jyoti Ramachandran (Wife of Mr. U. Ramachandran)	Relative of Key Management Personnel
10	Mr. Rajendran U. (Brother of Mr.U. Ramachandran)	Relative of Key Management Personnel

38.2 Transactions with Related Parties

Name of Related Party and Nature of relationship	Nature of Transaction	2021	2020
		Transactional Value (₹)	Transactional Value (₹)
A) Common Controlled Entity			
1 Welworth Sales & Services Pvt. Ltd. (WSSPL)	Inter corporate deposit given	2,200	10,200
B) Key Management Personnel			
1 Kumar Nair	Salary and Other Allowances	1,765,525	2,400,008
	Rent Paid	-	1,800,000
	Loan Received	-	100,000
	Loan Paid	240,640	250,000
	Interest paid	-	1,862,284



Notes forming part of the Financial Statements for the year ended 31st March, 2021

Name of Related Party and Nature of relationship	Nature of Transaction	2021	2020
		Transactional Value (₹)	Transactional Value (₹)
2 Mr. U. Ramachandran (Director & Chief Financial Officer Transwarranty Finance Limited)	Salary and other allowance	1,401,250	1,800,000
3 Mr. George Mampilly (Executive Directors & Chief Financial Officer - Vertex Securities Limited)	Salary and other allowance	936,741	12,00,000
4 Mrs. Leena Nair (Wife of Mr. Kumar Nair)	Rent Paid	-	1,800,000
5 Mrs. Jyoti Ramachandran (Wife of Mr. U. Ramachandran)	Interest paid on Non Convertible Debentures	11,973	120,000
6 Mr. Rajendran U. (Brother of Mr.U. Ramachandran)	Investment in Non Convertible Debentures	500,000	700,000
	Interest paid on Non Convertible Debentures	115,824	65,766

38.3 Balances as at the end of the year:

Name of Related Party and Nature of relationship	Nature of Transaction	As at 31 st March, 2021	As at 31 st March, 2020
(In the books of Transwarranty Finance Limited)			
Receivables			
A) Common Controlled Entity			
Welworth Sales & Services Pvt. Ltd. (WSSPL)	Inter corporate deposit	43,700	41,500
Payables			
A) Key Management Personnel			
Kumar Nair	Loan account	12,120,260	12,360,900
	Interest payable	254,537	254,537

NOTE 39

Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Fair value hierarchy

The Parent Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2021

Particulars	FVTPL	FVOCI	Carrying Value	Fair value measurement using			Total
				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Asset							
Cash and cash equivalents			61,741,463	-	-	-	-
Bank balances other than cash and cash equivalents			82,375,000	-	-	-	-
Trade receivables			102,434,070	-	-	-	-
Loans			269,280,760	-	-	-	-
Investments	321,172	224,082	-	321,172	-	224,082	545,254
Other financial assets			179,407,173	-	-	-	-
Total	321,172	224,082	695,238,466	321,172	-	224,082	545,254
Financial Liabilities							
Trade payables	-	-	233,461,446	-	-	-	-
Other payables	-	-	2,975,999	-	-	-	-
Debt Securities	-	-	27,904,789	-	-	-	-
Borrowings (other than debt securities)	-	-	400,987,462	-	-	-	-
Other financial liabilities	-	-	59,309,206	-	-	-	-
Total	-	-	724,638,902	-	-	-	-

Notes forming part of the Financial Statements for the year ended 31st March, 2021

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2020

Particulars	FVTPL	FVOCI	Carrying Value	Fair value measurement using			Total
				Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Asset							
Cash and cash equivalents	-	-	38,161,259	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	25,424,859	-	-	-	-
Trade receivables	-	-	64,017,745	-	-	-	-
Loans	-	-	105,054,407	-	-	-	-
Investments	157,907	6,826,958	-	157,907	-	6,826,958	6,984,865
Other financial assets	-	-	130,179,890	-	-	-	-
Total	157,907	6,826,958	362,838,159	157,907	-	6,826,958	6,984,865
Financial Liabilities							
Trade payables	-	-	112,559,616	-	-	-	-
Other payables	-	-	3,026,780	-	-	-	-
Debt Securities	-	-	22,284,135	-	-	-	-
Borrowings (other than debt securities)	-	-	202,855,915	-	-	-	-
Other financial liabilities	-	-	27,692,185	-	-	-	-
Total	-	-	368,418,631	-	-	-	-

NOTE 40

Risk management

Liquidity and funding risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also has Inter corporate deposits line available from holding company & fellow subsidiary companies within its group to meet any short term fund requirements.

Notes forming part of the Financial Statements for the year ended 31st March, 2021

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Financial assets						
Cash and cash equivalents	61,741,463		61,741,463	38,161,259		38,161,259
Bank balances other than cash and cash equivalents		82,375,000	82,375,000		25,424,859	25,424,859
Trade receivables	102,434,070		102,434,070	64,017,745		64,017,745
Loans	269,280,760		269,280,760	105,054,407		105,054,407
Other financial assets	12,336,039	167,071,134	179,407,173	7,279,732	122,900,157	130,179,889
Non-financial assets						
Inventories	723,039		723,039	723,039		723,039
Current tax assets (net)	12,446,784		12,446,784	11,033,193		11,033,193
Deferred tax assets (net)		21,866,379	21,866,379		21,326,644	21,326,644
Property, plant and equipment		90,753,800	90,753,800		94,143,698	94,143,698
Goodwill		68,041,472	68,041,472		68,041,472	68,041,472
Other intangible assets		4,294,903	4,294,903		6,323,164	6,323,164
Other non-financial assets	7,363,359	42,786,317	50,149,676	5,739,547	41,549,574	47,289,121
Total	466,325,514	477,189,006	943,514,520	232,008,921	379,709,568	611,718,489
LIABILITIES						
Financial liabilities						
Trade payables	233,461,446	-	233,461,446	112,559,616		112,559,616
Other payables	2,975,999	-	2,975,999	3,026,780		3,026,780
Debt securities	5,300,000	22,604,789	27,904,789	7,387,292	14,896,843	22,284,135
Borrowings (other than debt securities)	111,470,622	289,516,840	400,987,462	103,309,415	99,546,500	202,855,915
Other financial liabilities	50,959,784	8,349,422	59,309,206	21,022,318	6,669,864	27,692,182
Non-financial liabilities						
Provisions	423,257	1,859,393	2,282,650	190,514	1,544,695	1,735,209
Other non-financial liabilities	1,157,914	7,140,506	8,298,420	4,917,728	6,105,556	11,023,284
Total	405,749,022	329,470,950	735,219,972	252,389,786	128,763,457	381,153,243

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

Interest rate risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates

The sensitivity analyses below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting



Notes forming part of the Financial Statements for the year ended 31st March, 2021

year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

Average Exposure to interest rate risk

Particulars	As at 31 March 2021	As at 31 March 2020
Floating rate borrowings	105,200,423	83,246,493
Total Borrowings	105,200,423	83,246,493

A change of 50bps in interest rates would have following impact on profit before tax

Particulars	As at 31 March 2021	As at 31 March 2020
Interest rates - increase by 50 basis point (50 bps)	(526,002)	(416,232)
Interest rates - decrease by 50 basis point (50 bps)	526,002	416,232

Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial/ contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of counterparties. Inadequate collateral may also lead to financial losses in the event of default. The company has adopted a policy of dealing with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented in the financial statements.

Since the company is into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis. The Company's major classes of financial assets are cash and cash equivalents, loans, term deposits, trade receivables and security deposits. The nature of loan products across broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk. The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers

Impairment Assessment

The Company is mainly engaged in the business of providing gold loans, consumer loans and unsecured personal loans to salaries individuals, traders and self-employed. The tenure of the personal loans generally ranges from 9 months to 18 months.

Classification of financial assets under various stages

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes more than 180 days past due on its contractual payments

It is company's policy to assess loss allowance calculations (ECL) in all cases where borrower becomes 90 days past due on its contractual payment. The Company classifies its financial assets other than trade receivables in three stages having the following characteristics:

Notes forming part of the Financial Statements for the year ended 31st March, 2021

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

As at 31 March 2021

Particulars	Stage 1	Stage 2	Stage 3
Days past due (DPD)	0 - 1 year	1-3 year	3 year or more
Loans			
Gross Carrying Value	100,318,230	73,881,632	160,894,873
Allowance for ECL	30,212	576,840	65,206,923
ECL Coverage ratio	0.03	0.78	40.53

Particulars	Stage 1	Stage 2		Stage 3
Days past due (DPD)	0 -90 DPD	90-180 DPD	180 -365 DPD	365 DPD or more
Trade Receivables				
Gross Carrying Value	41,812,999	1,024,082	7,102,371	94,570,950
Allowance for ECL	-	215,349	1,763,228	40,097,756
ECL Coverage ratio	-	21	25	42

As at 31 March 2020

Particulars	Stage 1	Stage 2	Stage 3
Days past due (DPD)	0 - 1 year	1-3 year	3 year or more
Loans			
Gross Carrying Value	104,797,866	1,255,482	63,459,375
Allowance for ECL	57,872	941,069	63,459,375
ECL Coverage ratio	0.06	74.96	100.00

Particulars	Stage 1	Stage 2		Stage 3
Days past due (DPD)	0 -90 DPD	90-180 DPD	180 -365 DPD	365 DPD or more
Trade Receivables				
Gross Carrying Value	7,924,944	1,375,871	2,795,219	93,962,106
Allowance for ECL	-	687,934	2,096,415	39,256,051
ECL Coverage ratio	-	50	75	42

NOTE 41

Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Particulars	01 st April 2019	Cash Flows	Changes in fair value	Others	31 st March 2020
Debt Securities	22,284,135	5,620,654			27,904,789
Borrowings other than debt securities	202,855,915	198,131,547			400,987,462
Total liabilities from financing activities	225,140,050	203,752,201	-	-	428,892,251

**Notes forming part of the Financial Statements for the year ended 31st March, 2021**

Particulars	01 st April 2019	Cash Flows	Changes in fair value	Others	31 st March 2020
Debt Securities	9,620,236	12,663,899			22,284,135
Borrowings other than debt securities	183,990,218	18,865,697			202,855,915
Total liabilities from financing activities	193,610,454	31,529,596	-	-	225,140,050

Note 42**Capital Management**

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or combination of short term /long term debt as may be appropriate.

Note 43**Events after reporting date**

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

Note 44 Employee Stock Option Plan

- Pursuant to approval of the Members at the Annual General Meeting held on 27th September, 2019, the Company adopted the "Employees Stock Option Plan 2019" ('ESOP 2019). As per the said plan, the Company granted 2,499,728 equity shares of ₹. 10 each on 10th December 2019.
- The vesting period is over five years from the date of grant, commencing after one year from the date of grant.
- Exercise period would commence one year from date of grant and will expire on completion of five years from date of vesting.
- The options will be settled in equity shares of the Company.
- The Exercise Price of the Vested Option shall be higher of (a) the Market Price of the Share or (b) the face value of the Share.
- "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.

Stock options	Number of options	
	March 31, 2021	March 31, 2020
Options outstanding at the beginning of the year	24,99,728	-
Granted during the year	-	24,99,728
Exercised during the year	-	-
Forfeited during the year	3,94,604	-
Expired/lapsed during the year	-	-
Vested during the year	4,21,026	-
Options outstanding at the end of the year	16,84,098	24,99,728
Options exercisable at the end of the year	4,21,026	-

Notes forming part of the Financial Statements for the year ended 31st March, 2021**Note No. 45**

Covid-19 outbreak was declared as a global pandemic by World Health Organisation. Stock broking service, which constitutes the major business of the Group, had been declared as an essential service and accordingly, the Group has been in operation consistently with minimal permitted staff. Accordingly, as of 31 March 2021, based on the facts and circumstances existing as of that date, the Group does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.

The accompanying notes are an integral part of the financial statements

As per our attached report of even date**For and on Behalf of Board of Directors**

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

Sarfaraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

25th June, 2021
Mumbai

Suhas Bargoankar
Company Secretary



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 And Finpro Private Limited	Transwarranty Capital Market Services Private Limited
3	The date since when subsidiary was acquired	18.07.2008	18.07.2008	21.07.2016
4	Reporting Period for the subsidiary concerned, if different from the Holding Company's reporting period	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021	01/04/2020 to 31/03/2021
5	Reporting Currency & Exchange Rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA
5	Share Capital	14,80,24,378	3,86,15,000	1,00,000
6	Reserves & Surplus	(4,42,61,069)	(1,82,50,134)	(2,08,623)
7	Total Assets	37,10,77,420	6,17,03,796	1,74,577
8	Total Liabilities	37,10,77,420	6,17,03,796	1,74,577
9	Investments	3,88,28,911	-	-
10	Turnover	8,32,17,317	1,00,01,435	-
11	Profit/(Loss) before Taxation	40,56,440	26,84,083	(21,792)
12	Provision For Taxation	Nil	Nil	Nil
13	Profit / (Loss) after Taxation	40,56,440	26,84,083	(21,792)
14	Proposed Dividend	Nil	Nil	Nil
15	% of Share Holding	53.04%	0%	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 and on Behalf of Board of Directors

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

Sarfraz Khan
Proprietor
Membership No. 144212

Kumar Nair
Managing Director
DIN 00320541

Ramachandran U.
Director & CFO
DIN 00493707

25th June, 2021
Mumbai

Suhas Bargoankar
Company Secretary

NOTES

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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 Indian Commodity Exchange Ltd. (ICEX).

- 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
- Joint Ventures (Indian / International)
- Corporate Advisory Services
- Business Re-Structuring

Trade Finance

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

Corporate Finance

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

Project Finance

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

Fund Based Business:

- **Gold Loan** - Retail loans against security of Gold
- **Online Pocket Loans upto ₹ 25,000.**

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)

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