



TRANSWARRANTY FINANCE LIMITED

FINANCIAL ENGINEERS

23rd Annual Report 2016-17

Board of Directors



Mr. Kumar Nair
Managing Director

management team at Kotak Mahindra Finance Limited.

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



Mr. Ramachandran U.
Director & CFO

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



Mr. Sudharsanan Nair
Director

He was associated in promoting Verdia Marble Pvt. Ltd., a marble mining Company. He was Managing Director of Intellvisions Software Ltd., a listed Company, till 2014.

Mr. 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



Mr. Pravin Khatau
Director

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



Mrs. Nirmala Sachin Parab
Director

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

CORPORATE INFORMATION

Board of Directors

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

Company Secretary

Mr. Sreedhar H.

Auditors

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

Bankers

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

Registered and Corporate Office

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

Registrar & Share Transfer Agent

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

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NOTICE

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

Ordinary Business:

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

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

Special Business:

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

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

Terms of Remuneration:

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

2) Perquisites and other allowances:

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

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

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

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

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

For Transwarranty Finance Limited

Place : Mumbai

Date : April, 27, 2017

Sd/-

Company Secretary

Regd Office:

403, Regent Chambers,
Nariman Point, Mumbai 400021

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No. 2 of the Notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 4th August, 2017 to Thursday, 10th August, 2017 (both days inclusive).
Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by notifying the Company at companysecretary@transwarranty.com or Registrar & Share Transfer Agents of the Company, Link Intime India Pvt. Ltd. at rnt.helpdesk@linkintime.co.in. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
5. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

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

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA.

7. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The facility of casting the votes by the members using electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
8. The facility for voting through polling paper/ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
9. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on the cut-off date i.e. 3rd August, 2017 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 AM on 7th August, 2017 and will end at 5.00 PM on 9th August, 2017. The Company has appointed Mr. M.P. Sharma, Practicing Company Secretary (C. P. No. 4536) to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E-VOTING:

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

**The instructions for members for voting electronically are as under:-****I. The process and manner for remote e-voting are as under:****A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :**

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

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/ PIN
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- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 3rd August, 2017.
- VI. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 3rd August, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. Mr. M. P. Sharma, Practicing Company Secretary (CP No. 4536) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty-eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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

10. Members may please note that pursuant to the provisions of Section 124 of the Companies Act, 2013, unclaimed dividend for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government and no claim shall lie against the said fund or the Company for the amounts of dividend so transferred to the said fund when the same falls due for such transfer.

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

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

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

12. The Company has designated an exclusive email Id viz. companysecretary@transwarranty.com to enable the investors to post their grievances and monitor its redressal.

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

Item No.2

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

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

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

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

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

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

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

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

Item No. 4

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

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

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

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

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

I. General Information:

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

Financial performance based on given indicators:

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

Foreign investments or collaborations: No foreign investments or collaborations

II. Information about appointee:

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

2. **Past remuneration:** Remuneration drawn by Mr. Kumar Nair in his capacity as Managing Director during the last three years is as follows:



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

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

III. Other information:

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

shine and the company is exploring other innovative lending products.

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

Mr. Kumar Nair is a director of following Companies:

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

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

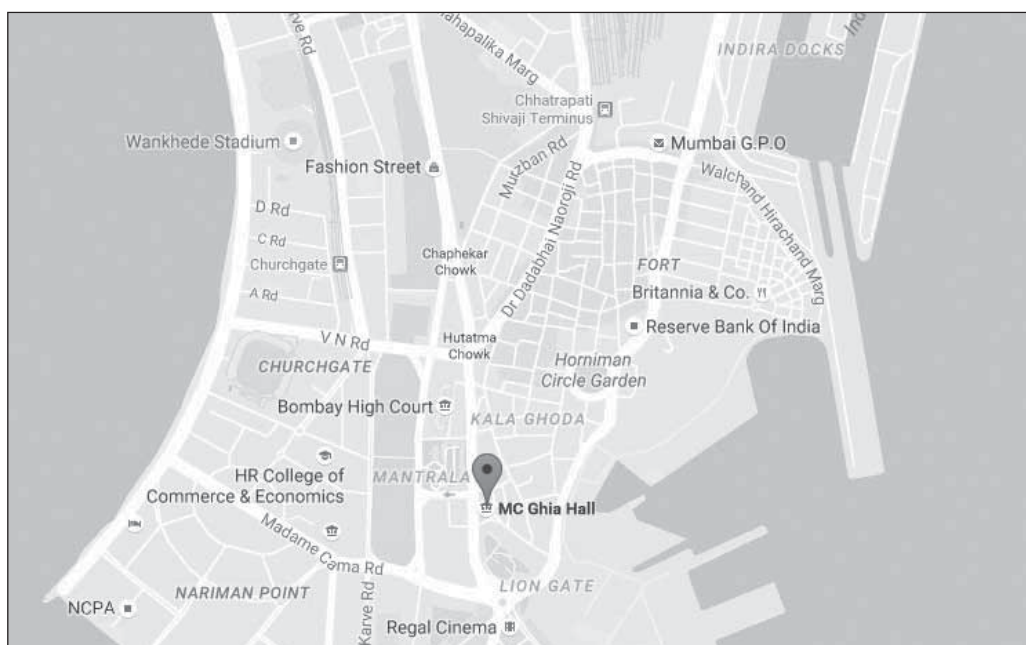
The draft letter of appointment of Mr. Kumar Nair as the Managing Director will be made available for inspection on any working day between 11 A.M to 02.00 PM up to the date of Annual General Meeting of the Company.

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

Place : Mumbai
Date : April 27, 2017

By order of the Board
Company Secretary

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



DIRECTORS' REPORT

Dear Members,

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

Financial Highlights

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

(₹ in Lacs)

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

Dividend:

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

Subsidiary Companies:

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

VSL and VCFPL are engaged in the following businesses:

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

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

1. National Stock Exchange of India Limited (NSE)

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

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

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

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

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

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

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

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

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

Management Discussion and Analysis:

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

**Corporate Governance Report:**

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

Consolidated Financial Statements:

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

Auditors' Report

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

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

Directors' Responsibility Statement:

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

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

Deposits:

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

Particulars of Loans, Guarantees and Investments:

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

Directors:

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

Familiarization Programme for Directors:

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

Performance of Board Evaluation

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

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

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

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

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