FINERGY
TRANSPORT FINANCE LIMITED

DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting the Annual Report of Finergy Transport Finance Limited along with the audited Financial Statements for the Year ended 31st March 2024.

1. **Financial Highlights**

The Company's financial performance, for the year ended 31st March 2024:

Amount in INR

Particulars	**Year Ended 31st March 2024**	**Year Ended 31st March 2023**
Total Income	**2,06,55,804**	**6,56,52,180**
Profit Before Depreciation	84,18,662	6,30,48,279
Depreciation and Other Expenses	74,18,156	23,910
Profit/ Loss After Depreciation	**10,00,503**	**6,30,24,370**
Less: Exception Item	NIL	Nil
Less: Tax Expenses	4,70,405	Nil
Less: Deferred Tax	(1,22,197)	36,66,213
Profit / (Loss) for the period	**6,52,295**	**5,93,58,157**

The operational highlights of the company are summarized below:

Particulars	**March 31, 2024**
Branches	10
District	4
Employees	60
Active Customers	3000
Loan Disbursement	12.7 crores
AUM	10.5 crores

FINERGY TRANSPORT FINANCE LIMITED CHENNAI 600 092

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2. **Financial Review:**

During the year under review, the Company has earned income of Rs. 206 lakhs as compared to Rs. 656 lakhs in last year. On the other side, Company has incurred expenditure of Rs. 196 lakhs (previous year Rs. 26 lakhs) thereby giving Profit before Tax of Rs. 10 lakhs (previous year Rs. 630 lakhs). After deducting Rs. 4.7 lakhs towards current tax, Net Profit after Tax was standing at Rs. 6 .5 lakhs (previous year Rs. 593.5 lakhs).

Your Directors are hopeful for the coming year to be better than the year under review.

3. **State of Affairs**

The Company is engaged in the business of Financial and Credit leasing activities. During the financial year under review, the company has changed its name from "Trancity Finance Limited" to "Finergy Transport Finance Limited". However, There has been no change in the business of the Company during the financial year ended 31st March, 2024.Company have taken various steps for recovery bad debts during the year.

4. **TRANSFER TO RESERVE FUND**

In accordance with Section 45-IC of Reserve Bank of India, 1934 the company has transferred a sum of Rs.1.3 Lakhs to the statutory reserve fund being 20% of its net profit for the financial year 2023-24.

5. **Dividend**

In order to conserve the resources, your directors do not recommend any dividend for the year under review.

6. **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

There is no dividend which remained unpaid or unclaimed pertaining to previous years and year under review and hence, there is no requirement of transferring the same to the investor education and protection fund as per provisions of Section 125 of the Companies Act, 2013.

7. **Internal Financial Control**

The Company has put in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

8. **Capital Structure**

The capital structure of your company is given as under:-

Particulars	Amount (in Rs.)
Authorized share capital 2,50,00,000 Equity shares of Rs.10/- each	25,00,00,000
TOTAL	**25,00,00,000**
Issued, subscribed and paid up capital	

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1,00,00,000 equity shares of Rs.10/- each	10,00,00,000
TOTAL	**10,00,00,000**

During the financial year under review, the company increased its authorized share capital from Rs.10,00,00,000 to Rs.25,00,00,000.

Further, the paid up share capital of the company was increased from Rs.5, 00, 00,000 to Rs.10, 00, 00,000.

Apart from the allotment of fresh Equity Shares through Primary issue,the new management have also acquired the equity of the company through secondary sale transactions from the existing investors of the company.

Details of transfer of equity shares during the year 2023-24:

Name of the Transferor	Name of the Transferee	No.of shares transferred	Date of transfer
M Latha	C Thangammal	61,000	26.04.2023
P. Murugesan	C Thangammal	1,93,000	26.04.2023
K.U.Radhakrishnan	C Thangammal	45,000	27.09.2023
P.Ramachandran	C.Thangammal	22,500	07.10.2023
Shanmugapriya	C.Thangammal	90,000	07.10.2023
V.Naarthanashree	C.Thangammal	1,57,500	07.10.2023
C.Thangaraju	T.Sheela	22,500	13.10.2023 (Gift)
Thangammal	Gowthaman	1,64,000	27.01.2024
Parimala	Gowthaman	80,000	28.02.2024
N V Rajan	Gowthaman	26,000	
Chidambaram S	Chinnathambi Sridhar	22,500	28.02.2024
Jothi	Chinnathambi Sridhar	22,500	
Vanitha	Chinnathambi Sridhar	22,500	
N V Rajan	Chinnathambi Sridhar	1,500	
Siddharth	Chinnathambi Sridhar	22,500	
Alamelu	Chinnathambi Sridhar	16,000	
Murugesan	Chinnathambi Sridhar	22,500	

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Kamalam	Balaji	1,00,000	19.01.2024
Kamalam	Settu	12,500	19.01.2024
Neelamegam	Settu	45,000	19.01.2024
Thangammal	Settu	42,500	22.01.2024
Chidambaram S	Finergy Capital Private Limited	3,25,000	09.03.2024
N V Rajan	Finergy Capital Private Limited	1,75,000	
Parimala	G.Sumathi	1,00,000	27.02.2024
		12,00,000	

The company had issued shares on rights basis as follows during 2023-24:

Sl. No.	**Name of the Allotee**	**No. of equity shares**	**Face Value of equity shares (in Rs.)**
1	Gowthaman	2,70,000	10
2	Sridhar	1,30,000	10
3	Balaji P	1,00,000	10
4	Settu	1,00,000	10
5	T.Lakshmi	24,10,000	10
6	C Thangammal	6,40,000	10
7	Chidambaram S	7,50,000	10
8	Finergy Capital Private Limited	5,00,000	10
9	G.Sumathi	1,00,000	10
	TOTAL	**50,00,000**	

a. Buy back of Securities

The company has not bought back any of its securities during the year under review.

b. Sweat Equity:

The company has not issued any sweat equity shares during the period under review.

c. Bonus Shares:

No issue of bonus shares was made during the year under review.

d. Employee Stock Option Plans:

No ESOPs were granted during the financial year under review

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9. **Directors and Key Managerial Personnel (KMP) as on 31.03.2024**

Affairs of your company are being managed by professional Board comprising members having experience and expertise suited to guide the company in the right direction. The composition of the Board is as per the provisions of the Companies Act 2013. At present the Board includes 5 directors which includes one Independent director and a managing director.

During the year under review:

- Mr. P Murugesan resigned from directorship with effect from 27th April, 2023,
- Mr R Murugesan resigned from directorship with effect from 03th October, 2023
- Change in designation of Mr. Gowthaman from Whole Time Director to Managing Director with effect from 03rd October, 2023.
- Appointment of Mr Chinnathambi Sridhar as Additional director on 22nd September, 2023 and subsequent change in designation from Additional Director to Director with effect from 09th December, 2023.
- Appointment of Mr Subbaiya Rajanbabu as Additional Independent director with effect from 25th March, 2024.
- Appointment of Ms. K Jayalakshmi as the Company secretary with effect from 09th December, 2023.
- Appointment of Mr Kannan Narayanaswamy as CFO with effect from 27th March, 2024 and resignation with effect from 13th May, 2024.

10. **Independent Director Declaration**:

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Director and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013:

a) Mr. Subbaiya Rajanbabu (DIN: 09364869)

In compliance with the provisions of Section 149(7) of the Companies Act, 2013, the Company has received declaration from the Independent Director of the Company confirming that he meets the criteria of independence as prescribed under the Companies Act, 2013. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

Further, the independent director has registered himself with the Independent Director's databank in accordance with the provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

During the financial year under review, the independent director did not have any pecuniary relationship or transactions with the company other than sitting fees and reimbursement of expenses incurred for the purpose of attending the meetings of the Board of the company.

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11. **Board's Comment on the Auditors' Report**

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

12. **Statutory Auditors**

J. Venkatasubramanian, Chartered Accountants (Firm Registration Number: 013005S) Namakkal was appointed as the Statutory auditor of the company in accordance with section 139 of the Companies Act, 2013 upto the financial year 2027-28.

The auditor report given by J. Venkatasubramanian, Chartered Accountants, on the standalone financial statements of the company for the financial year 2023-24 is a part of this Annual report. The Auditor's report along with the notes on financial statements are self explanatory and do not call for any further comments.

There has been no adverse remark, qualification or reservation or disclaimer in their report.

13. **Meetings of Board of Directors and Extra Ordinary General Meetings**

Eight Board Meetings were held during the Financial Year ended 31st March 2024

S.No	Date of Board Meetings
1	27/04/2023
2	24/07/2023
3	22/09/2023
4	03/10/2023
5	09/12/2023
6	12/01/2024
7	30/01/2024
8	02/02/2024
9	09/03/2024
10	13/03/2024
11	25/03/2024

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Extra-Ordinary General Meeting held on 09/12/2023, 17/01/2024 and 30/03/2024. Annual General Meeting for the financial year under review was held on 07th June, 2023.

In compliance with the provisions of Companies Act, 2013 read with circulars and notifications issued by the Ministry from time the Board met atleast once in every calendar quarter. The requisite quorum was present for all the meetings.

14. Board committees:

Formation of Nomination and Remuneration Committee and Audit Committee

In compliance with the requirements set forth under the Companies Act, 2013 , we are pleased to inform the shareholders that the company has achieved a paid-up share capital of Rs. 10,00,00,000 (Rupees Ten Crores) as on 31.03.2024.

As a result of meeting this threshold, the company is now required to constitute a Nomination and Remuneration Committee and an Audit Committee. We are committed to ensuring good governance and compliance with all regulatory requirements. Therefore, the Board of Directors has resolved to implement these committees during the start of the next financial year.

Nomination and Remuneration Committee: The Nomination and Remuneration Committee will be responsible for:

- Formulating the criteria for determining qualifications, positive attributes, and independence of a director.
- Recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel, and other employees.
- Formulating criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.

Audit Committee: The Audit Committee will be responsible for:

- Overseeing the financial reporting process.
- Monitoring the integrity of financial statements.
- Reviewing internal control systems and risk management systems.
- Ensuring compliance with legal and regulatory requirements.
- Reviewing and monitoring the auditor's independence and performance, and the effectiveness of the audit process.

The Board believes that the establishment of these committees will enhance the company's governance framework and ensure greater accountability and transparency in its operations.

We look forward to the successful implementation of these committees and are confident that they will contribute significantly to the company's continued growth and adherence to high standards of corporate governance.

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CSR Committee:

In accordance with the requirements of the Companies Act, 2013, and the applicable provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the company has met the criteria for Corporate Social Responsibility (CSR) applicability.

However, during the financial year 2023-24, the requirement of CSR expenditure does not exceed Rs. 50 Lakhs, the requirement to constitute a CSR Committee has been dispensed with as per the amended provisions under the Companies (Amendment) Act, 2020.

Despite this dispensation, the company remains committed to its CSR initiatives and will continue to undertake activities in accordance with its CSR policy. To further enhance our commitment to social responsibility, the company will formulate a CSR Committee during the Financial Year 2024-25. The CSR Committee will be responsible for:

- Formulating and recommending to the Board, a CSR policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.
- Recommending the amount of expenditure to be incurred on the activities referred to in the CSR policy.
- Monitoring the CSR policy of the company from time to time.

We are dedicated to ensuring that our CSR activities create a positive impact on society and contribute to the sustainable development goals. The formation of the CSR Committee will provide a structured approach to planning, implementing, and monitoring our CSR initiatives.

We look forward to enhancing our CSR efforts and continuing to make meaningful contributions to the communities in which we operate.

15. **Particulars of Loans and Investments**

The Company has not made any Investment, given guarantee and securities during the year under review. Therefore the provisions contained in section 186 of Companies Act, 2013 are not applicable to the company.

16. **Extract of Annual Return:**

In terms of requirement made under Section 92 and Section 134(3)(a) of the Companies Act, 2013 read with applicable Rules of the Companies (Accounts) Rules, 2014, extract of annual return forms part of this Director's Report and annexed as **Annexure-I.**

17. **Consolidated Financial Statements**

Company does not have any subsidiaries so the requirement to present consolidated financial statements does not arise.

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18. **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo:**

A. **Conservation of Energy, Technology Absorption**

The company being a Non-Banking Financial Company and our operations are not energy intensive. However, the company has used information technology extensively in its operations to serve its customers. Significant measures are taken to reduce energy consumption by using energy efficient computers. Further, the company believes in the optimum utilization of alternative resources available to reduce usage and conserve energy.

Further there was no foreign exchange inflow or outflow during the year under review.

B. **Foreign Exchange earnings and Outgo**

Earnings	-
Outgo	-

19. **Deposits**

The company, being a Non-deposit taking non-Banking financial company continues to be a non-deposit taking NBFC in conformity with the RBI guidelines.

20. **Material Changes and Commitments**

The registered office of the company was shifted from 8, Mullai Mahal Fort, Narasimmha sannathi street, Namakkal to 74, Sundaram Street, Chinmaya nagar, Koyambedu, Chennai- 600092 for which the requisite RD approval was obtained.

Apart from the above, No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

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21. **Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

Your company believes in providing a safe and harassment free workplace for every individual and endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. During the year under review, your company has not received any complaints pertaining to sexual harassment.

22. **Related Party Transactions**

There were no material related party transactions entered by the company during the Financial year 2023-24 which may have potential conflict with the interest of the company. The related party transactions constitute contracts or arrangements, made by the company from time to time, with companies in which directors are interested.

All contracts, arrangements and transactions executed by the company during the financial year with related parties were on arm's length basis and in the ordinary course of business.

In compliance with Section 188(1) of the Companies Act, 2013, the disclosure on Related party transactions in Form AOC-2 is enclosed as **Annexure-II**.

23. **Risk Management Policy**

The Management of the Company has duly adopted the Risk Management Policy as per the requirement of the Companies Act, 2013. Further, we had taken adequate care in its implementation by identifying various element of risk which may cause serious threat to the existence of the Company.

24. **Cost Auditors**

The Company is not falling under the order of Central Government to appoint Cost Auditor.

25. **Corporate Social responsibility**

During the period under review, the company was obligated to spend Rs.3,47,702 on CSR activities mainly focusing on providing education to specially abled children. The annual report on CSR acitivites has been presented in **Annexure III** to this report. However, the requirement of CSR committee has been dispensed with, pursuant to Section 135 of the Companies Act, 2013 ,since, the CSR expenses is less than 50lakhs.

26. **Compliance with Secretarial standards**:

The company has in place proper systems to ensure compliance with provisions of Secretarial standards issued by the Insitute of Company secetaries of India and such systems are adequate and operating effectively.

27. **Director's Responsibility Statement**

Pursuant to Section 134(3)(c) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

a) In the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.

b) The Directors 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 March 31,2024 and of the loss of the Company for the year ended on that date.

c) The Directors 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.

d) The Directors have prepared the annual accounts on a 'going concern' basis.

e) The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system is adequate and operating effectively.

28. **Other disclosures**:

a) During the year under review no prosecutions have been initiated against the company neither any fines have been imposed for alleged offences under the Act.

b) During the year, no expenditure has been debited in the books of accounts, which is not for the purposes of business of the company.

c) During the year, no expenses, which is of personal nature, have been incurred for the Board of Directors and top management

d) During the year, no application involving the company was made nor is any proceeding pending against the company, under the Insolvency and Bankruptcy Code, 2016.

29. **PARTICULARS OF EMPLOYEES**:

There are no such employees whose statement of particulars is required to be given pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

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30. **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**:

During the financial year under review, no application has been made and no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016.

31. **DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS**:

During the year under review, there has been no one time settlement of Loan taken from banks and Financial Institutions.

32. **ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board

A. Gowthaman	T. Lakshmi
Gowthaman	**T.Lakshmi**
Managing Director	**Director**
(DIN : 05130410)	**(DIN : 07069938)**

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Place: Chennai
Date: 03.06.2024