



**TRANSWARRANTY FINANCE LIMITED**

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**FINANCIAL ENGINEERS**

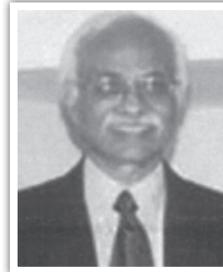
**21<sup>st</sup> Annual Report 2014-15**

# Board of Directors



**Mr. Kumar Nair**  
*Managing Director*

**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 management team at Kotak Mahindra Finance Limited.



**Mr. Raghu Palat**  
*Director*

**Mr. Raghu Palat** is an eminent Banker, Professional Trainer, Investment Advisor and Author. He is a qualified F.C.A. from England and Wales. He was holding senior management positions with the American Express Bank and Bank International Indonesia. He has authored several books in finance and investments. He is the faculty at Bankers Training College and I.C.F.A.I.



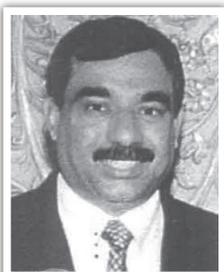
**Mr. R. L. Shenoy**  
*Director*

**Mr. R. L. Shenoy**, B.COM, LL.M, ACA, ACS, ACMA, Diploma from Indian Institute of Bankers (C.A.IIB). He is associated with companies like Tata Electric Company Limited, Garware Wall Ropes Limited, Colgate Palmolive India Limited and Central Bank of India.



**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.



**Mr. Ramachandran U.**  
*Director & CFO*

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



**Mrs. Nirmala Sachin Parab**  
*Director*

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

## CORPORATE INFORMATION

### Board of Directors

Mr. Suresh N. Talwar	<i>Chairman (upto 19/09/2014)</i>
Mr. Kumar Nair	<i>Managing Director</i>
Mr. Raghu R. Palat	<i>Director</i>
Mr. R. L. Shenoy	<i>Director</i>
Mr. Pravin D. Khatau	<i>Director</i>
Mr. K. Jay Chandran	<i>Wholetime Director (upto 27/01/2015)</i>
Mr. U. Ramachandran	<i>Director &amp; CFO (From 25/02/2015)</i>
Mrs. Nirmala Sachin Parab	<i>Director (From 30/03/2015)</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.

### Solicitors & Advocates

Talwar Thakore & Associates  
Kalpataru Heritage,  
127, M. G. Road, Fort, Mumbai 400 001

### 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](http://www.transwarranty.com)  
e-mail id : [mail@transwarranty.com](mailto:mail@transwarranty.com)

### Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L B S Marg, Bhandup (West),  
Mumbai – 400 078.  
Tel. No. 91-022-25963838  
Fax No. 91-022-25946969  
e-mail : [isrl@intimespectrum.com](mailto:isrl@intimespectrum.com)

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## NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of Transwarranty Finance Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 3rd floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, on 11th September, 2015 at 11.00 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, 2015 and the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. Kumar Nair (DIN 00320541) 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 M/s. Rahul Gautam Divan & Associates, Chartered Accounts (firm Registration No. 120294W) be and are hereby re- appointed as Auditors of the Company, to hold office for a consecutive period of 4 (four) years from the conclusion of this Annual General Meeting till the conclusion of the 25th Annual General Meeting subject to confirmation/ratification at every annual general meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company.”

### 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 pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. U. Ramachandran (DIN 00493707 ) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who 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 Director and Chief Finance Officer of the

Company to hold office for a term of 5 (five ) consecutive years up to 24th February, 2020.

5. 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 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pravin D. Khatau (DIN 02425468 ) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who 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 24th February, 2020.”

6. 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 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Nirmala Sachin Parab (DIN 07149007) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who 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 her candidature for the office of director be and is hereby appointed as Director of the Company to hold office for a term of 5 (five ) consecutive years up to 29th March, 2020.”

7. To consider and if, thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Section 188

(1) (f) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, and amended from time to time and such other permissions as may be necessary the appointment of Mr. K. Jay Chandran as Director-International Business, with effect from 27th January, 2015, on a remuneration of Rs.85,000/- (Rupees Eighty Five Thousand) with other benefits as recommended by the Remuneration and Compensation Committee be and is hereby approved.”

8. To consider and if, thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the Ordinary Resolution adopted through postal ballot on 12th September, 2011 and pursuant to Section 180 (1)(c) and any other applicable provisions of the Companies Act, 2013 and other rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount so borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 100 Crores (Rupees One Hundred Crores Only) over and above the aggregate of the paid up capital and free reserves of the Company.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 146 of Companies Act, 2013 and other applicable provisions, if any, consent of the Company through its members be and is hereby given to the Board of Directors to consider giving exemptions to the Auditors of the Company, to attend the General Meetings (including this Annual General Meeting) to be held time to time as and when required by the Company including Annual General Meetings subject to the willingness of Auditors, if they wish they may attend the same with prior information to the Company.

RESOLVED FURTHER THAT any of the directors of the Company be and is hereby authorized to provide copy of such resolution wherever required.”

For **Transwarranty Finance Limited**

Place : Mumbai  
Date : May 27, 2015

*Company Secretary*

#### NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
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 02nd September, 2015 to 10th September, 2015 (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](mailto:companysecretary@transwarranty.com). 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. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 01st September 2015 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 9.30 am 08th September, 2015 and will end at 5.30 pm on 10th September, 2015. 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 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)] :
- 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.
  - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - Click on Shareholder - Login
  - Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - 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.
  - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

- Select "EVEN" of "Name of the company".
- Now you are ready for remote e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- Once you have voted on the resolution, you will not be allowed to modify your vote.
- 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](mailto:mpsharma1952@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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 Participants(s) or requesting physical copy] :
- Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

<b>EVEN (Remote e-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
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  - 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](http://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 01st September, 2015
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 01st September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://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 (C. P. No. 4536) has been appointed for 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 "remote e-voting" or "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.  
**NOTE:** The Facility for Voting shall be decided by the company i.e. "remote e-voting" or "Ballot Paper" or "Poling Paper".
- XI. The Scrutinizer shall after the conclusion of voting at the AGM, will 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 three days 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](http://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, and NSE Limited, Mumbai.
7. 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
07-08-2008	2007 - 08	51,830/-	07-08-2015
05-08-2009	2008 - 09	22,528/-	05-08-2016
12-09-2012	2011 - 12	25,723/-	12-09-2019

8. Members are requested to address all correspondences, including dividend matters to the Registrars and Transfer Agents of the Company.
9. The Company has designated an exclusive email Id viz. [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com) to enable the investors to post their grievances and monitor its redressal.

### Explanatory Statement pursuant to Sec. 102 (1) of the Companies Act, 2013.

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice.

#### Item No. 4

**Mr. Ramachandran U (DIN 00493707)** is a Chartered Accountant by profession. He is associated with the Company from the inception. Mr. U Ramachandran has contributed significantly in the execution of important projects in the past. As a matter of motivation and also to increase the number of working Directors the Nomination and Remuneration Committee at its meeting held on 25th February, 2015 recommended the Board the appointment of Mr. U. Ramachandran as Additional Director to hold office upto the ensuing Annual General Meeting of the Company. The Board also appointed Mr. U. Ramachandran as Additional Director Finance and Chief Finance Officer on monthly remuneration of Rs. 40,000/- (Rupees Forty Thousand Only ) subject to the approval of the Members at the next Annual General Meeting

Directorships held by Mr. U. Ramachandran in other companies:

Sr. No.	Name of the Companies/bodies corporate/firms/ Association of individuals
1	Suncem Surface Coatings Pvt. Ltd.
2	UR One Stop Exports Private Limited
3	Welworth Sales and Services Pvt. Ltd.
4	Vertex Securities Limited
5	Vertex Commodities and Finpro Private Limited
6	Quality Dialysis (Akola) LLP
7	Renal Dialysis Consulting Services Private Limited
8	Quality Dialysis (Nagpur) Private Limited
9	Vivo Kidney Care Foundation (Section 8 Company)
10	Brainwave (India) Private Limited

Mr. U. Ramachandran holds 571 equity shares in the Company.



The Company has received a notice in writing under Section 160 of the Companies Act, 2013 along with requisite deposit from a member proposing the candidature of Mr. U. Ramachandran for the office of director for a period of 5 years.

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

#### Item No.5

**Mr. Pravin D. Khatau (DIN 02425468)** was a Director of the Company and resigned with effect from 27th January, 2015 due to preoccupation. Considering his contribution to the Company, the Board of Directors requested him to reconsider his decision and be part of the Company as a director which he consented. Accordingly, at the Nomination and Remuneration Committee meeting held on 25th February 2015 recommended the Board the appointment of Mr. Pravin D. Khatau as an Additional Director – Independent of the Company with effect from 25th February, 2015.

Mr. Pravin D. Khatau is MBA and has worked in senior capacity in Goldman Sachs & Co. and Barings in London. He has experience in Finance, Marketing and Administration.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 along with requisite deposit from a member proposing the candidature of Mr. Pravin D. Khatau for the office of Director for a period of 5 years.

Directorships held by Mr. Pravin D. Khatau - NIL

Mr. Pravin D. Khatau holds 2500 equity shares in the Company.

Except Mr. Pravin D. Khatau none of the Directors or Key Managerial Personnel and their relatives is interested or concerned in the resolution as set out in item No. 5 of the Notice.

#### Item No.6

##### **Mrs. Nirmala Sachin Parab (DIN 07149007)**

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 revised clause 49 of the Listing Agreement the Company was required to appoint one Woman Director on its Board. Accordingly, the Board of Directors appointed Mrs. Nirmala Sachin Parab as an Additional Director-Independent with effect from 30th March, 2015.

Mrs. Nirmala Sachin Parab is B.Com., MBA. Her career started in IFCI (Industrial Finance Corporation of India). In IFCI she handled project finance for Textile Industry, Steel Industry, Energy Sector etc. She had the distinction of representing IFCI at various Ministerial level meetings and handling various difficult and challenging cases.

Mrs. Nirmala Sachin Parab holds Nil shares in the Company.

Directorships held by Mrs. Nirmala Sachin Parab - NIL

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 along with requisite deposit from a member proposing the candidature of Mrs. Nirmala Sachin Parab for the office of director for a period of 5 years.

Except Mrs. Nirmala Sachin Parab none of the directors or Key Managerial Personnel and their relatives is interested or concerned in the resolution as set out in item No. 6 of the Notice.

#### Item No. 7

The Board has appointed Mr. K. Jay Chandran as Director

– International Business with effect from 27th January, 2015. Previously Mr. Jaychandran was a whole Time Director of the Company and due to personal reasons resigned with effect from 27th January, 2015. Considering his active involvement in the business of the Company and on the recommendation of Nomination and Remuneration Committee, the Board has appointed him as Director-International Business with effect from 27th January, 2015 on a remuneration of Rs.85,000/- per month.

Since Mr. K. Jay Chandran is brother of Mr. Kumar Nair Managing Director of the Company provisions of Sec. 188 (1) (f) is applicable and therefore, the above resolution in item No. 7 of the Notice was proposed as a Special Resolution for the approval of the members.

Excepting Mr Kumar Nair, none of the Directors or Key Managerial Personnel or their relatives is interested or concerned in the resolution as set out in Item No.7 of the Notice.

#### Item No. 8

Members of the Company through postal ballot on 12th September, 2011 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 200 Crores (Rupees Two Hundred Crores Only).

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

It is, therefore, necessary that the members pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at item no. 8 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹ 100 Crores (Rupees One Hundred Crores Only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at item No. 8 of the Notice.

#### Item No. 9

As per Section 146 of the Companies Act, 2013, consent of the Members is required for exempting the Auditors of the Company to attend the General Meetings. The Board of Directors recommend the above resolution for approval of the Members.

None of the Directors and/or Key Managerial Personnel or any of the relative of the said persons of the Company are directly or indirectly concerned or interested in this resolution set out at item No. 9 of the Notice.

By order of the Board

Place : Mumbai  
Date : May 27, 2015

*Company Secretary*

#### Regd. Office:

403, Regent Chambers  
Nariman Point, Mumbai 400 021

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report on the business and operations of the Company along with the financial statements for the Financial Year ended 31st March, 2015.

### Financial Highlights

The table given below gives the financial highlights of the Company for the year ended 31st March, 2015, as compared to the previous financial year.

Financial Results	(₹ In lakhs)	
	2014-15	2013-14
	<b>Standalone</b>	
Total Income	802.98	894.47
Interest and finance charges	15.03	37.38
Depreciation	8.16	12.81
Provision for taxation	3.20	1.02
MAT Credit Entitlement	(-)1.02	-
Deferred tax	(-)0.10	(-)1.09
(Excess)/Short provision for Income Tax :	3.84	-
Profit / Loss after tax	11.09	22.71
Prior Period Expenses	0.13	-
Net profit for the year	10.96	22.71
Profit available for appropriation	10.96	22.71
<b>Appropriations:</b>		
Reserves u/s. 45 1C of RBI Act	2.19	4.54
Depreciation transferred to Retained Earnings, as per Schedule II of Companies Act, 2013	1.35	-

### 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, 2015.

### Subsidiary Companies:

**Vertex Securities Limited (VSL)** and **Vertex Commodities And Finpro Private Limited (VCFPL)** are the subsidiaries of the Company engaged in the following businesses:-

1. Stock broking focusing business mainly on southern and western India. The company caters to retail, HNI and institutional clients.
2. Currency derivatives segment.
3. Commodity broking through Vertex Commodities And Finpro Pvt. Ltd. (VCFPL) and services retail, HNI and corporate clients.

4. 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. Cochin Stock Exchange Limited, (CSE)
4. OTC Exchange of India ,(OTCEI)
5. National Securities Depository Ltd., (NSDL) (for depository services)
6. SEBI registration as a Merchant Banker
7. MCX Stock Exchange Limited. (MCX Sx)

**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)
4. National Spot Exchange of India Limited (NSEIL)

During the year under report, the consolidated revenue of these two subsidiaries was ₹ 596.49 lakhs as against ₹ 583.51 lakhs in the previous year. The net loss after tax was ₹ 33.34 lakhs as against net loss of ₹ 152.92 lakhs in the previous year.

The Company has two subsidiaries namely Vertex Securities Limited and Vertex Commodities and Finpro Pvt. Ltd. as on March 31, 2015 and there are no associate companies within the meaning of Section 2 (6) of the Companies Act, 2013. There have been no material changes in the business of the 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.

### 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.

### Corporate Governance Report:

A detailed report on Corporate Governance forms part of this Report. Auditors Certificate on compliance with Corporate Governance requirements by the Company is attached also forms part of this report.

### 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.



### **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, 2015, 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, 2015 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:**

Mr. Kumar Nair retires by rotation at the ensuing Annual General Meeting in terms of Section 152 of the Companies Act, 2013.

During the under review Mr. Pravin D. Khatau (DIN 02425468) and Mr. K. Jay Chandran (DIN 00508434) resigned as Directors of the Company with effect from 27th January, 2015 due to personal reasons. The Board places on record its deep appreciation of the services rendered by these Directors`

The Board of Directors on the recommendation of the Nomination and Remuneration Committee appointed Mr. Pravin D. Khatau (DIN 02425468) as Additional Director (Independent) and Mr. U. Ramachandran (DIN 00493707) as Additional Director - Finance and Chief Finance Officer with effect from 25th February, 2015 and Mrs. Nirmala Sachin Parab (DIN 07149007) as Additional Director (Independent) with

effect from 30th March, 2015. Pursuant to Section 161 of the Companies Act, 2013 the additional directors hold office upto the date of the ensuing Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 along with the requisite deposit proposing the appointment of Mr. Pravin D Khatau, Mr. U. Ramachandran, and Mrs. Nirmala Sachin Parab, at the ensuing Annual General Meeting.

### **Familiarization Programme for Directors:**

At the time of appointment of a Director, a formal letter of appointment is given to him/her. 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 Listing Agreement with stock exchanges. 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**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its committees.

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.

### **Risk Management:**

The Company has adopted a Risk Management Policy for the Company including identification therein the 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.

### **Sexual Harassment Policy**

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

### **Whistle Blower Policy:**

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

**Employees' Stock Option Plan 2008 (ESOP):**

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Options outstanding at the beginning of the year	5,20,319	7,65,769	8,52,237	4,82,266	4,86,766	6,84,000	10,00,000
Prior Period Adjustments	(2,05,419)						
Options granted during the year	Nil	Nil	Nil	5,96,500	Nil	92,500	6,84,000
Options vested during the year	88,939	Nil	1,04,607	50,446	Nil	22,666	Nil
Options exercised during the year	Nil	Nil	Nil	Nil	Nil	Nil	
Options forfeited during the year	30,375	Nil	66,375	2,13,750	4,500	2,57,000	Nil
Options lapsed/surrendered during the year	42,811	2,45,450	18,218	14,654	Nil	32,734	Nil
Options outstanding at the end of the year	1,52,775	5,20,319	7,65,769	8,50,362	4,82,266	4,86,766	6,84,000

Had fair value method been used, the compensation cost would have been higher by ₹ 6.87 lakhs (previous year. ₹ 8.05 lakhs). Profit after tax would have been lower by ₹ 6.87 lakhs (Previous year ₹ 8.05 lakhs) and EPS both basic and diluted would have been ₹ 0.02 per share (previous year ₹ 0.06 per share)

**Independent Directors Meeting:**

During the year under review a meeting of Independent Directors was held on 25.02.2015.

**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 business. The Audit Committee has approved the related party transactions and subsequently the same were approved by the Board of Directors. The details of the transactions with related parties are given in the financial statements.

**Auditors:**

M/s. Rahul Gautam Divan and Associates retire as Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting. The Company has received eligibility certificate in terms of Section 139 of the Companies Act, 2013 and consent from the retiring auditors and accordingly the Audit Committee has recommended the re-appointment of the retiring auditors for a further period of consecutive four years upto the conclusion the Annual General Meeting in the year 2019 subject to ratification by Members at every Annual General Meeting.

**Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under the Company has

appointed Mr. M. P. Sharma, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as part of this Report.

**Energy Conservation, Technology Absorption :**

Because of the nature of activities being carried on by the Company, the particulars are not applicable.

**Foreign Exchange Earnings and outgo:**

Earnings	- ₹ 25.71 lakhs
Outgo	- ₹ 6.46 lakhs

**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.

**Acknowledgement:**

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

For and on behalf of Board of Directors

Mumbai  
May 27, 2015

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

**ANNEXURE TO DIRECTORS' REPORT****PARTICULARS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2014-2015:

Name of the Director	Ratio
Mr. Kumar Nair (Managing Director)	4.15:1
Mr. U. Ramachandran (Additional Director – Finance & CFO, w.e.f. 25.02.2015)	Nil

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

- (ii) The percentage increase / decrease in the remuneration of each Director, Chief Financial Officer and Company Secretary or manager in the Financial Year 2014-2015:

Name	% increase / (decrease)
Mr. Kumar Nair (Managing Director)	Nil
Mr. U. Ramachandran (Additional Director – Finance & CFO, w.e.f. 25.02.2015)	Nil
Mr. Sreedhar H. (Company Secretary)	Nil

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

- (iii) The percentage increase in the median remuneration of employees in the Financial Year 2014-15: 5%
- (iv) The number of permanent employees on the rolls of the Company: 21 employees as on March 31, 2015
- (v) The explanation on the relationship between average increase in remuneration and Company performance: Considering the Industrial Standard and market conditions and the working results of the Company
- (vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:

The revenue growth in Financial Year 2014-2015 against Financial Year 2013-2014 was 10%. There is no increase in remuneration during the Financial Year 2014 -2015.

- (vii) Variations in the market capitalization of the Company, price earnings ratios as at the closing date of the current Financial Year and previous Financial Year:

Our market capitalization was ₹ 1553.24 Lacs as at March 31, 2015 as against ₹ 1110.50 lacs as at March 31, 2014 (based on share prices quoted on the NSE). The Price Earnings Ratio was 158.75% as at March 31, 2015 as compared to 50.44% as at March 31, 2014 (without exceptional items).

- (viii) 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 is nil and for employees other than Managerial Personnel is 5%.

- (ix) Comparison of remuneration of each Key Managerial Personnel against the performance of the Company:

Particulars	Remuneration as a % of standalone turnover for Financial Year ended March 31, 2015
Mr. Kumar Nair Managing Director	0.43

- (x) The ratio of the remuneration of the highest paid Director to that of employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: No employee received remuneration in excess of the Managing Director/Director.

- (xi) 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.

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2015

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L65920MH1994PLC080220
2.	Registration Date	09/08/1994
3.	Name of the Company	Transwarranty Finance Limited
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	403, Regent Chambers, Nariman Point, Mumbai – 400 021, Maharashtra Tel.:- 022 – 4001 0900 / 6630 6090 Fax:- 022 – 6630 6655
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078 Tel.:- 022 – 25963838 Fax:- 25946969

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)**

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name & Address of the Company	CIN / GIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Vertex Securities Ltd.	L67120KL1993PLC007349	Subsidiary Company	50.74%	–

**VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% change in share-holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	13035067	48540	13083607	53.48	13035067	48540	13083607	53.48	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	6653	–	6653	0.03	6653	–	6653	0.03	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
<b>Sub Total (A)(1)</b>	<b>13041720</b>	<b>48540</b>	<b>13090260</b>	<b>53.51</b>	<b>13041720</b>	<b>48540</b>	<b>13090260</b>	<b>53.51</b>	<b>–</b>



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% change in shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	22717		22717	0.0929	22717	–	22717	0.0929	–
b) Bodies Corporate	–	–	–	–	–	–	–	–	–
c) <b>Institution</b>	–	–	–	–	–	–	–	–	–
d) <b>Qualified Foreign Investors</b>	–	–	–	–	–	–	–	–	–
e) <b>any Other</b>	–	–	–	–	–	–	–	–	–
<b>Sub Total (A) (2)</b>	<b>22717</b>		<b>22717</b>	<b>0.0929</b>	<b>22717</b>		<b>22717</b>	<b>0.0929</b>	<b>–</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>13064437</b>	<b>48540</b>	<b>13112977</b>	<b>53.6086</b>	<b>13064437</b>	<b>48540</b>	<b>13112977</b>	<b>53.6086</b>	<b>–</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	–	–	–	–	–	–	–	–	–
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1):-</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	1644301		1644301	6.7223	1663899		1663899	6.8024	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2034638	6643	2041281	7.90	1996576	6643	2003219	8.1896	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	870018		870018	3.5568	926622		926622	3.7882	–
c) Others	76618	51500	128118	0.5238	74426	51500	125926	0.5148	–
Office Bearers									
Non Resident Indians (Repat)	1355758		1355758	5.5426	1353663		1353663	5.5341	–
Non Resident Indians (Non-Repat)	6232		6232	0.0255	6174		6174	0.0252	–
- Overseas Corporate Bodies	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% change in shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	44583	-	44583	0.1823	10788	-	10788	0.0441	-
Trusts	5225000	-	5225000	21.3609	5225000	-	5225000	21.3609	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
HUF	5800	-	5800	0.0237	5800	-	5800	0.0237	-
Directors & Relatives	26500	-	26500	0.1083	26500	-	26500	0.1083	-
<b>Sub-total (B)(2):-</b>	<b>11289448</b>	<b>58143</b>	<b>11347591</b>	<b>45.4143</b>	<b>11289448</b>	<b>58143</b>	<b>11347591</b>	<b>-</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>11289448</b>	<b>58143</b>	<b>11347591</b>	<b>45.9025</b>	<b>11289448</b>	<b>58143</b>	<b>11347591</b>	<b>-</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>24353885</b>	<b>106683</b>	<b>24460568</b>	<b>100.00</b>	<b>24353885</b>	<b>106683</b>	<b>24460568</b>	<b>-</b>	<b>-</b>

#### B) Shareholding of Promoters -

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2014]			Shareholding at the end of the year [As on 31-March-2015]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kumar Nair	12708694	51.9558	0	12708694	51.9558	-	-
2	Leena Kumar Nair	267473	1.0935	0	267473	1.0935	-	-
3	Anitha Plakkot	50000	0.2044	0	50000	0.2044	-	-
4	C. Chandran	28950	0.1184	0	28950	0.1184	-	-
5	Jayachandran K	22717	0.0929	0	22717	0.0929	-	-
6	Sheila Satish	9990	0.0408	0	9990	0.0408	-	-
7	C. D. Padmini Devi	8900	0.0364	0	8900	0.0364	-	-
8	K. Karthikeyan	7650	0.0313	0	7650	0.0313	-	-
9	Transwarranty Advisors Pvt Ltd	6653	0.0272	0	6653	0.0272	-	-
10	K. Indira Devi	1950	0.0080	0	1950	0.0080	-	-
	<b>Total</b>	<b>13112977</b>	<b>53.6086</b>	<b>0</b>	<b>13112977</b>	<b>53.6086</b>	<b>-</b>	<b>-</b>

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	13112977	53.6086	13112977	53.6086
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	There is no change			
	At the end of the year	13112977	53.6086	13112977	53.6086

**D) Shareholding Pattern of top ten Shareholders:**

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Satpal Khattar</b>				
	At the beginning of the year	680000	2.78		
	No change during the year	0	0	680000	2.78
2.	<b>Vinco Sales and Services Pvt. Ltd.</b>				
	At the beginning of the year	661986	2.71		
	No change during the year	0	0	661986	2.71
3.	<b>Vinod Mohan Nair</b>				
	At the beginning of the year	659670	2.70		
	No change during the year	0	0	659670	2.70
4.	<b>Sterling Biotech Ltd.</b>				
	At the beginning of the year	538124	2.20		
	No change during the year	0	0	538124	2.20
5.	<b>Verdia Marble Pvt. Ltd.</b>				
	At the beginning of the year	266338	1.09		
	No change during the year	0	0	266338	1.09
6.	<b>Vinayak Tripathi</b>				
	At the beginning of the year	70524	0.29		
	Additions during the year	1480	0.29	72004	0.29
7.	<b>Satish Agarwal</b>				
	At the beginning of the year	52525	0.21		
	Additions during the year	2485	0	55010	0.22

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	<b>Kareena a. Rohera</b>				
	At the beginning of the year	51233	0.22		
	No change during the year	0	0	51233	0.22
	At the end of the year	51233	0.22		
9.	<b>Reecha Tripathi</b>				
	At the beginning of the year	0	0		
	Purchase during the year	48795	0.20	48795	0.20
	At the end of the year	48795	0.20		
10.	<b>Kokilaben P. Shah</b>				
	At the beginning of the year	41935	0.17		
	Sale during the year	(1550)	0.17	40385	0.17
	At the end of the year	40385	0.17		

#### E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Kumar Nair</b>				
	At the beginning of the year	12708694	51.96		
	Change during the year	0	0	12708694	51.96
	At the end of the year	12708694	51.96		
2.	<b>Mr. Suresh N. Talwar (*)</b>				
	At the beginning of the year	15000	0.06		
	Change during the year	0	0	15000	0.06
	At the end of the year	15000	0.06		
3.	<b>Mr. Raghu Palat</b>				
	At the beginning of the year	9000	0.04		
	Change during the year	0	0	9000	0.04
	At the end of the year	9000	0.04		
4.	<b>Mr. Pravin D. Khatau</b>				
	At the beginning of the year	2500	0.01		
	Change during the year	0	0	2500	0.01
	At the end of the year	2500	0.01		
5.	<b>Mr. Jay Chandran K (*)</b>				
	At the beginning of the year	22717	0.09		
	Change during the year	0	0	22717	0.09
	At the end of the year	22717	0.09		

Note: (\*) during the year under report Mr. Suresh N. Talwar and Mr. Jay Chandran K resigned as Directors of the Company.



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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	120.08	199.90	–	319.98
ii) Interest due but not paid	–	30.85	–	30.85
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>120.08</b>	<b>230.75</b>	<b>–</b>	<b>350.83</b>
<b>Change in Indebtedness during the financial year</b>			–	
* Addition		0.18	–	0.18
* Reduction	( 73.18)		–	(73.18 )
<b>Net Change</b>	<b>(73.18)</b>	<b>0.18</b>	<b>–</b>	<b>(73.00)</b>
<b>Indebtedness at the end of the financial year</b>			–	
i) Principal Amount	46.90	200.08	–	246.98
ii) Interest due but not paid	–	30.85	–	30.85
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>46.90</b>	<b>230.93</b>	<b>–</b>	<b>277.83</b>

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MD	WTD	
		Mr. Kumar Nair	Mr. Jay Chandran	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.55	4.13	26.68
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.30	–	1.30
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission - as % of profit - others, specify...	–	–	–
5	Others, please specify	–	–	–
	<b>Total (A)</b>	<b>23.85</b>	<b>4.13</b>	<b>27.98</b>

**B. Remuneration to other Directors**

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Raghu Palat	Mr. R. L. Shenoy	Mr. Suresh N. Talwar	Mr. Pravin D. Khatau	M` Nirmala Parab	
	<b>Independent Directors</b>						
1	Fee for attending board committee meetings	1.86	1.86	0.40	0.22	-	4.34
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-	-
	<b>Other Non-Executive Directors</b>	-	-	-	-	-	-
2	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>1.86</b>	<b>1.86</b>	<b>0.40</b>	<b>0.22</b>	<b>-</b>	<b>4.34</b>
	<b>Total Managerial Remuneration</b>	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>1.86</b>	<b>1.86</b>	<b>0.40</b>	<b>0.22</b>	<b>-</b>	<b>4.34</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CS	CFO		
		Mr. Sridhar H.	Mr. U Ramachandran		
	Gross salary	-	-	-	-
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.50	-	-	1.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>1.50</b>	-	<b>1.50</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
<b>B. DIRECTORS</b>					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

**Form No. MR-3**  
**Secretarial Audit**  
**Report for the Financial Year ended 31st March, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015**

To,  
The Members,  
**TRANSWARRANTY FINANCE LIMITED,**  
403, Regent Chambers, Nariman Point,  
Mumbai 400 021

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 ('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:

I 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, 2015 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit period)**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the Audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit period)**
- (vi) On examination of the relevant documents and records on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
  - ❖ Reserve Bank of India Act, 1934 (RBI Act, 1934)



I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.  
**(Applicable from 1st July, 2015 therefore not applicable to the Company during the audit period)**
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges (BSE & NSE);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

I 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.

I further report that during the audit period there has been no specific event / action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **M. P. Sharma & Co.**

Place : Mumbai  
Date : 27/05/2015

**M. P. Sharma**  
FCS: 2673, C. P: 4536

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

## APPENDIX A

To,  
The Members  
**TRANSWARRANTY FINANCE LIMITED**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents 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 **M. P. Sharma & Co.**

**M. P. Sharma**  
FCS: 2673, C. P: 4536

## CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

### Mandatory Requirements:

#### 1. Corporate Governance :

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

#### Company's Philosophy on Code of Corporate Governance:

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

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

#### 2. Code of Conduct:

The Company has well defined policy framework which lays down procedures to be adhered to by all Board Members and Senior Management for ethical professional conduct. The Code outlines fundamental ethical considerations as well as specified considerations that need to be maintained for professional conduct. Senior Management includes personnel of the core management team excluding Board of Directors but including all functional heads. The Code of Conduct is also posted on the website of the company [www.transwarranty.com](http://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 & Non-Executive Directors. The size and composition of the Board, conforms to the requirements of Corporate Governance Report under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

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) Independent Directors:

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 (6) of the Companies Act, 2013 and the Rules made there under and meet with the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

##### (iii) Meetings of the Board :

During the financial year 2014-15, the Board met 5 times on 26th May 2014, 30th July, 2014, 22nd October, 2014, 27th January, 2015 and 25th February, 2015 respectively. The gap between any two meetings was not more than 120 days..

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 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.

As per Clause 49 of the Listing Agreement none of the Directors on the Board of the Company is a member in more than 10 committees or Chairman of more than 5 specified committees of the Board across all the companies in which he is a Director. The necessary disclosure regarding Directorship and Committee positions have been made by the Directors who are on the Board of the Company as on March 31, 2015. 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 as under:

Name of Director	Director Identification No.	Category	No. of Board meetings attended	Last AGM attendance	No of Directorships	Chairmanship/ membership of Board Committees*
Mr. Suresh N Talwar (Upto 19.09.2014)	00001456	Chairman –Non-Executive Director -Alternate Director to Mr. Pravin D. Khatau	2	Yes	7	3/4
Mr. Kumar Nair	00320541	Managing Director Promoter Director	4	Yes	1	0/1
Mr. Raghu R. Palat	00311994	Director- Independent	5	Yes	Nil	Nil
Mr. Pravin D. Khatau (Upto 27.01.2015 & reappointed on 25.02.2015)	02425468	Additional Director – Independent	1	No	Nil	Nil
Mr. R. L. Shenoy	00074761	Director- Independent	5	Yes	3	Nil
Mr. K. Jay Chandran (Upto 27.01.2015)	00508434	Promoter Director	Nil	No	Nil	Nil
Mr. U. Ramachandran (From 25.02.2015)	00493707	Additional Director – Finance & CFO	1	N. A.	1	Nil
Mrs. Nirmala Sachin Parab (From 30.03.2015)	07149007	Additional Director	Nil	N. A.	Nil	Nil

Alternate Directorships, Directorships in private companies, foreign companies, companies under section 8 of the Companies Act, 2013 and Memberships in governing councils, chambers and other bodies are excluded. Memberships in public companies, listed and unlisted alone have been considered.

**(iv) 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, Remuneration and Compensation Committee and Shareholders' / Investors' Grievance Committee;
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non- payment of dividend, delay in share transfer, etc., if any.

**4. Cessation/Appointment/Re-appointment of Directors:**

**Cessation of Directors:**

Mr. Suresh N. Talwar (DIN. 00001456) resigned as Chairman and Director of the Company with effect from 19th September, 2014. Mr. K. Jay Chandran (DIN 00508434) and Mr. Pravin D. Khatau (DIN 02425468) also resigned as Directors of the

Company with effect from 27th January, 2015.

#### Appointment /Reappointment of Directors:

Mr. Raghu R Palat (DIN 00311994) and Mr. Ranjal Laxmana Shenoy (DIN 00074761) were reappointed as Directors of the Company for a period of 5 years at the last Annual General Meeting held on 19th September, 2014.

Mr. Pravin D Khatau (DIN 02425468) resigned as Director of the Company with effect from 27th January, 2015. Considering active participation and strategic initiatives taken by Mr. Pravin D. Khatau in the business of the Company the Board requested him to be part of the Company and with his consent reappointed him as an Additional Director (Independent) with effect from 25th February, 2015.

The Board appointed Mr. U. Ramachandran (DIN 00493707) as an Additional Director – Finance & CFO with effect from 25th February, 2015. Mr. U. Ramachandran was associated with the Company from the inception of the Company. Mr. U. Ramachandran will continue as an additional director till the conclusion of the ensuing Annual General Meeting. Resolution for the appointment of Mr. U. Ramachandran as Director – Finance & CFO is included in the Notice for the consideration of Members at the Annual General meeting.

In order to comply with the provisions of Listing Agreement and Section 149 of the Companies Act, 2013 the Board appointed Mrs. Nirmala Sachin Parab (DIN 07149007) as an Additional Director ( Independent) with effect from 30th March, 2015.

#### 5. Meeting of Independent Directors:

During the year under review the Independent Directors met on 25th February, 2015 to discuss inter alia:

- (i) Evaluation of performance of Non-Independent Directors and Board of Directors as a whole.
- (ii) Evaluation of the performance of the Chairman of the Company.
- (iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### 6. Board Committee

The Board constitutes the following Committees of Directors:

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

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

##### (a) Audit Committee:

##### (i) Composition

The Audit Committee comprised of 3 members, out of which Mr. Raghu Palat and Mr. R. L Shenoy were Independent Directors and Mr. Kumar Nair was an Executive Director. Mr. Kumar Nair resigned as a member of the Committee with effect from 25th February 2015 and in his place Mr. Pravin D. Khatau an Independent Director was inducted. Mr. Raghu R. Palat is the Chairman of Audit Committee. All the members of the Committee are financially literate. Mr. Raghu R. Palat, Mr. R. L. Shenoy are Chartered Accountants and Mr. Pravin D. Khatau is MBA.

##### (ii) Attendance at the Audit Committee Meeting:

During the financial year 2014-15, the Committee met 4 times on 26th May, 2014, 30th July, 2014, 22nd October, 2014 and 27th January, 2015 respectively and the gap between any 2 meetings was lesser than 4 months. The attendance of Members at the Meetings was as follows:

Name	Designation	Category	Attendance out of 4 meetings held
Mr. Raghu R. Palat	Chairman	Independent	4
Mr. R. L. Shenoy	Member	Independent	4
Mr. Kumar Nair Resigned w.e.f. 25th February, 2015	Member	Executive	4
Mr. Pravin D. Khatau w.e.f. 25th February, 2015	Member	Executive	nil

The Board has designated Company Secretary to act as 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) Role of Audit Committee:**

- (a) Overview 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.
- (b) Recommending the Board, the appointment, re-appointment and if required replacement or removal of Auditors and fixation of Audit Fees.
- (c) Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors.
- (d) Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to :
  - Matters required being included in Directors' Responsibility statement to be included in the Board's Report.
  - Changes if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statement arising out of audit findings.
  - Compliance with Listing Agreement and other legal requirements relating to financial statements.
  - Disclosures of related party transactions.
  - Qualifications in draft Audit Report.
- (e) Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.
- (f) Reviewing, with the management the performance of Statutory and Internal Auditors, adequacy of internal control systems.
- (g) 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.
- (h) Discussion with Internal Auditors any significant findings and follow up there on.
- (i) 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.
- (j) 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.
- (k) 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.
- (l) Scrutiny of inter corporate loans and investments;
- (m) To review the functioning of Whistle Blower Mechanism.
- (n) Carrying out any other function as is mentioned in the terms of reference of Audit Committee.

**(b) Stakeholders' Relationship Committee:**

**(i) Terms of reference:**

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

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

**(ii) Meeting :**

No meeting was held during the financial year 2014-15 since no complaint was received.

The committee comprises of following Directors:-

Name	Designation	Category
Mr. Raghu R. Palat	Chairman	Independent
Mr. R. L. Shenoy	Member	Independent
Mr. Kumar Nair	Member	Executive

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

**(iii) Number of Complaints:**

During the year, the Company / its Registrar's have not received any complaints from SEBI / Stock Exchanges and queries from shareholders.

Particulars	Opening Balance	Received	Resolved	Pending
Complaints:				
SEBI/Stock Exchange	Nil	Nil	Nil	Nil
Shareholders Queries	Nil	Nil	Nil	Nil
Dividend	Nil	Nil	Nil	Nil

**(c) Nomination and Remuneration Committee:****(i) Composition**

The Board has constituted a Remuneration/Compensation Committee comprising the following Directors:

1. Mr. Raghu R. Palat – Chairman
2. Mr. R. L. Shenoy – Member
3. Mr. Pravin D. Khatau – Member  
(From 25th February, 2015)

**(ii) Meetings**

Two meetings were held on 27th January, 2015 and 25th February, 2015 respectively.

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

**(e) Whistle Blower Policy**

Pursuant to Section 177 (9) and (10) of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Company has formulated Whistle Blower Policy for visual mechanism for Directors and Employees to report to the Management about the unethical behavior, fraud or violation of code of conduct. The mechanism provides for adequate safeguards against victimization of Employees and Directors who use such mechanism and makes provisions for direct access to the Chairperson of Audit Committee. None of the Personnel has been denied access to the Audit Committee.

**(f) Risk Management**

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



**Details of remuneration paid to the Directors.**

Directors	Salary (including Performance Incentive, if any and other allowance) (₹)	Perquisites (₹)	Contribution to P. F. superannuation and Gratuity (₹)	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Kumar Nair	22,55,408	-	1,29,600	-	-	23,85,008
Mr. Suresh N Talwar (upto 19/9/2014)	-	-	-	40,000	-	40,000
Mr. Raghu R. Palat	-	-	-	1,86,000	-	1,86,000
Mr. Pravin D. Khatau	-	-	-	22,000	-	22,000
Mr. R. L. Shenoy	-	-	-	1,86,000	-	1,86,000
Mr. Jay Chandran (upto 27/01/2015)	-	-	-	-	-	-
Mr. U. Ramachandran (From 25/02/2015)	22,000	-	-	-	-	22,000
Mrs. Nirmala Sachin Parab (from 30.03.2015)	-	-	-	-	-	-

**6. General Body Meetings:**

Venue and Time of Annual General Meetings during the last three years.

Financial Year	Day, Date & Time	Venue	Special Resolution passed
2011-12	Wednesday, 12th September, 2012 At 11.00 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai - 400 001	(i) Pursuant to Sec.198, 269& 309 read with Schedule XIII of the Companies Act, 1956 appointment, Mr. K. Jay Chandran as Whole-time Director of the Company. (ii) Pursuant to section 81(1A) of the Companies Act, 1956 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, approval of the Company be and is hereby accorded for extending the exercise period of options granted under the <b>TRANSWARRANTY EMPLOYEES STOCK OPTION PLAN 2008</b> {"ESOP 2008"} from the earlier approved 5 years to 10 years.
2012-13	Wednesday 25th September, 2013 11.00 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai - 400 001	Nil
2013-14	Friday 19th September, 2014 11.00 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai - 400 001	(i) Pursuant to Sec. 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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V appointment of Mr. Kumar Nair (DIN 00320541) as Managing Director of the Company for a period of 3 (three) years with effect from 1st September, 2014. (ii) Pursuant to the provisions of Foreign Exchange Management 1999 and the Foreign Exchange Management approval was accorded for holding shares by Foreign Institutional Investors (FIIs) upto an aggregate of 100% of the paid up capital of the company provided however, that equity shareholding of a single FII or sub-account of an FII should not exceed 10% of the paid up equity capital of the company.

No Special Resolution was passed through Postal Ballot last year.

**7. Disclosures:**

- There were no transactions of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives during the period that may have potential conflict with the interest of the company at large.
- Transactions with related parties are disclosed in Note No. 27 in the notes to the accounts in the Annual Report as required by Accounting Standards under AS 18 issued by Institute of Chartered Accountants of India.
- None of the transactions with related parties was in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the company at a large and are carried out on an arm's length basis or fair value.
- There were no non-compliances by the Company during the year. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities on any matters related to the capital markets, during the previous three financial years.
- The Board has adopted a Code of Conduct including Business Ethics Policy for its Directors and Senior Management. This is available on the Company's web-site.
- 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, 2015.
- 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 compliance Clause 49(V) of the Listing Agreement with the Stock Exchanges. This has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company.
- The Company has complied with all mandatory requirements under Clause 49 of the Listing Agreement with the Stock Exchanges. The adoption of non-mandatory requirements has been dealt with in this Report.

**8. Means of Communication:**

Sl. No	Particulars		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1	English Newspapers in which quarterly results were published / to be published	Financial Express (Mumbai edition)	31st July 2014	23rd Oct. 2014	29th Jan. 2015	28th May 2015
2	Vernacular Newspapers in which quarterly results were published / to be published	Mumbai Mitra	31st July 2014	23rd Oct. 2014	29th Jan. 2015	28th May 2015
3	Website Address of the Company on which financial results are posted	www.transwarranty.com				
4	Name of the Stock Exchange(s) on which financial results are posted:-					
	BSE Limited (BSE)	www.bseindia.com	30th July 2014	22nd Oct. 2014	27th Jan. 2015	27th May 2015
	National Stock Exchange of India Limited (NSE)	www.nseindia.com	30th July 2014	22nd Oct. 2014	27th Jan. 2015	27th May 2015

Un-audited financial results are published in leading English/Vernacular newspapers. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to the shareholders at their registered address with the Company and also put up on Company's web site [www.transwarranty.com](http://www.transwarranty.com).



9. General Shareholders Information:

Sl. No.	Particulars	Details		
1	Annual General Meeting	11th September 2015 11.00 a.m M. C. Ghia Hall, Bhogilal Hargovindas Building, 3rd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001		
2	<b>Financial Calendar (Tentative)</b>			
	Financial reporting for the quarter ending June 30, 2015	Second Week of August, 2015		
	Financial reporting for the quarter ending Sept.30, 2015	Second Week of November, 2015		
	Financial reporting for the quarter ending Dec. 31, 2015	Second Week of February, 2016		
	Financial reporting for the quarter ending March 31, 2016	last week of May 2016		
	Annual General Meeting for the year ended March. 31, 2016	August-September, 2016		
3	Date of Book Closure	02nd September, 2015 to 10th September, 2015 inclusive of both days)		
4	Listing on Stock Exchanges	<b>Name &amp; Address of Stock Exchange Ltd</b>	<b>Stock Code</b>	<b>Demat ISIN for NSDL &amp; CDSL</b>
		Bombay Stock Exchange Ltd (BSE)	532812	INE 804H01012
		National Stock Exchange of India Ltd (NSE)	TFL	INE 804H01012
6	Payment of Annual Listing fees	Listing fees for the financial year 2015 - 2016 has been paid to both the Stock Exchanges BSE & NSE		
7	Registrars & Transfer Agents	Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078		
	Contact person	Ms. Suman Shetty		
	Contact No	25963838 Fax: 25956969		
	Email	suman.shetty@linkintime.co.in		
8	Custodial Fees to Depositories	The Company has paid custodial fees for the year 2015-16 to NSDL and CDSL.		
9	Address for correspondence	Transwarranty Finance Limited, 403, Regent Chambers, Nariman Point, Mumbai - 400 021. Phone : 022 – 6630 6090/4001 0900		
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. The Company strives to reply to the complaints within a period of 3 working days.		
	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 <b>Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.</b> <b>Phone: 022 25963838, Fax: 022 25946969</b> <b>(Email : rnt.helpdesk@linkintime.co.in)</b>		

Sl. No.	Particulars	Details
11	Functional website of the Company as per Clause 54 of the Listing Agreement	Pursuant to the requirement of Clause 54 of the Listing Agreement, the Company maintains a functional website of the Company and website address of the Company is <a href="http://www.transwarranty.com">www.transwarranty.com</a> 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. Share Transfer System:

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

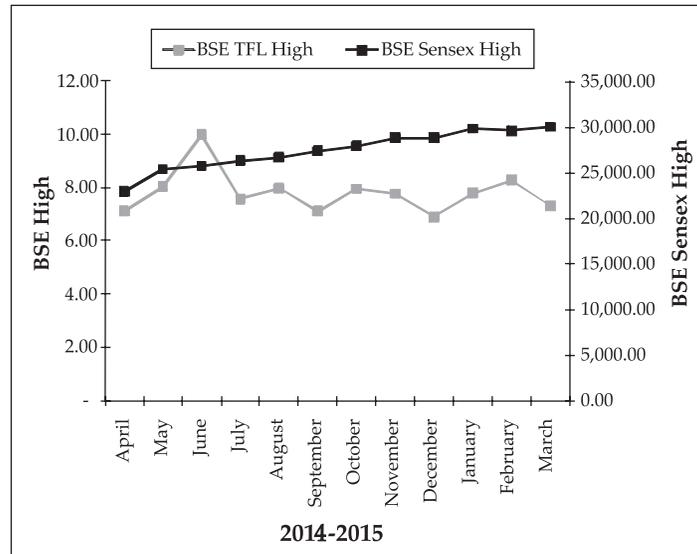
Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the shares of the Company and for conducting a Secretarial Audit on a quarterly basis for reconciliation of the Share Capital of the Company. Members holding shares in Demat mode should address all their correspondence to their respective Depository Participant.

#### 11. Stock performance vs BSE Sensex and NSE

##### Market Price Data during the year ended 31.03.2015

Month	BSE		
	High (₹)	Low (₹)	BSE Sensex (High)
April 2014	7.12	4.76	22,939.31
May 2014	8.04	5.21	25,375.63
June 2014	9.99	5.94	25,725.12
July 2014	7.57	6.17	26,300.17
August 2014	7.99	6.01	26,674.38
September 2014	7.13	5.86	27,354.99
October 2014	7.97	5.82	27,894.32
November 2014	7.78	6.04	28,822.37
December 2014	6.90	6.03	28809.64
January 2015	7.84	6.00	29844.16
February 2015	8.29	6.00	29560.32
March 2015	7.32	5.05	30024.74



NSE		
Month	High (₹)	Low (₹)
April-2014	6.25	5.50
May-2014	8.10	5.90
June-2014	10.50	6.45
July-2014	7.25	6.35
August-2014	7.50	5.70
September-2014	7.10	5.90
October-2014	7.85	5.85
November-2014	7.75	5.70
December-2014	6.95	5.70
January-2015	7.95	5.50
February-2015	7.80	5.60
March-2015	7.25	5.50

Shareholding Pattern as on 31-03-2015

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
1	Indian			
(a)	Individuals/ Hindu Undivided Family	8	13083607	53.49
(b)	Bodies Corporate	1	6653	0.03
	<b>Sub Total(A)(1)</b>	<b>9</b>	<b>13090260</b>	<b>53.52</b>
2	Foreign			
(a)	Directors & their relatives	1	22717	0.09
	<b>Sub Total(A)(2)</b>	<b>1</b>	<b>22717</b>	<b>0.09</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>10</b>	<b>13112977</b>	<b>53.61</b>

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	As a percentage of (A+B+C)
(B)	Public shareholding			
1	Institutions			
(i)	Any Other (specify)	0	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
B2	Non-institutions			
(a)	Bodies Corporate	89	1663899	6.80
(b)	Individuals			
I	Individual shareholders holding nominal share capital up to ₹ 1 lakh	4677	2003219	8.18
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	38	926622	3.79
(d)	Any Other (specify)			
(d-i)	Directors & their relatives	3	26500	0.11
(d-ii)	Trusts	1	5225000	21.36
(d-iv)	Non Resident Indians (Repat)	38	1353663	5.53
(d-v)	Non Resident Indians (Non-Repat)	20	6174	0.05
(d-vi)	Clearing Members	22	10788	0.04
(d-vii)	Hindu Undivided Family	1	5800	0.02
(c-viii)	ESOP/ESOS/ESPS/Office Bearers	21	125926	0.51
	<b>Sub-Total (B)(2)</b>	<b>4910</b>	<b>11347591</b>	<b>46.39</b>
(B)	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>4910</b>	<b>11347591</b>	<b>46.39</b>
	<b>TOTAL (A)+(B)</b>	<b>4920</b>	<b>24460568</b>	<b>100.00</b>
(C)	Shares held by Custodians and Depository Receipts have been issued against which	–	–	–
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>4920</b>	<b>24460568</b>	<b>100.00</b>

#### Distribution of Shareholding as on 31-03-2015:

No. of equity shares held	No. of shareholders	Total no. of shares held	% of shares held
1 - 500	4009	6,87,606	2.81
501 - 1000	453	3,64,200	1.49
1001 - 2000	185	2,79,251	1.14
2001 - 3000	89	2,31,978	0.95
3001 - 4000	41	1,44,464	0.59
4001 - 5000	26	1,18,879	0.49
5001 - 10000	55	3,89,936	1.59
10001 - and above	62	2,22,44,254	90.94
<b>Total</b>	<b>4920</b>	<b>2,44,60,568</b>	<b>100</b>

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

Financial Year	Dividend	Dividend (₹ per Share)
2006-07	10.00%	1.00/-
2007-08	10.00%	1.00/-
2008-09	3.00%	0.30/-
2009-10	Nil	Nil
2010-11	Nil	Nil
2011-12	5.00%	0.50/-

**(ii) Transfer of unclaimed Dividend in to the Investors Education and Protection Fund**

As provided in Section 124(5) of the Companies Act, 1956, dividend amount which was due and payable and remained unclaimed and unpaid for a period of seven years has already been transferred to **Investor Education & Protection Fund (IEPF)** established by the Central Government.

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 99.56% of the shares have been dematerialized so far.

The number of shares held in dematerialized and physical mode as on 31st March, 2015 is as under :

	No. of shares	% of total capital
Held in dematerialized form in NSDL	20660251	84.45
Held in dematerialized form in CDSL	3693634	15.10
Physical	106683	0.44
<b>Total</b>	<b>24460568</b>	<b>100.00</b>

**Reconciliation of Share Capital Audit:**

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.

**Non-mandatory requirements:**

- Chairman of the Board** – The Company does not maintain separate office for chairman at the Company's expenses. Mr. Raghu R. Palat, Mr. R. L. Shenoy, Mr. Pravin D. Khatau and Mrs. Nirmala Sachin Parab are independent Directors on the Board of the Company. All of them have requisite qualification and experience and in the opinion of the Company this would enable them to contribute effectively to the Company in their capacity as Independent Directors.
- 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.
- Audit Qualifications** – During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- Reporting of Internal Auditor** – The Internal Auditor attends Audit Committee meeting every quarter and reports to Audit Committee.

**DECLARATION**

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, 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, 2015.

Place : Mumbai  
Date : May 27, 2015

**Kumar Nair**  
Managing Director

## 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, 2015 and to the best of our knowledge and belief.
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that, we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps we have taken or propose to take steps to rectify these deficiencies.
- d) We further certify that we have indicated to the Auditors and the Audit committee that:
  - i) There have been no significant changes in internal control over financial reporting during the year;
  - ii) There have been no significant changes in accounting policies during the year,
  - iii) To the best of our knowledge, there have been no instances of fraud, involving management or an employee having a significant role in the Company's internal control systems.

For Transwarranty Finance Limited

For Transwarranty Finance Limited

Place : Mumbai  
Date : May 27, 2015

**Kumar Nair**  
*Managing Director & Chief Executive Officer*

**U. Ramachandran**  
*Director & Chief Finance Officer*

## AUDITORS' CERTIFICATE

TO THE MEMBERS OF  
TRANSWARRANTY FINANCE LIMITED

We have reviewed the relevant records of Transwarranty Finance Limited for the financial year ended 31 March 2015 relating to compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and according to the information and explanations given to us, we have to state that, to the best of our knowledge, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Rahul Gautam Divan & Associates**  
*Chartered Accountants*  
(Firm's Registration No. 120294W)

Place : Mumbai  
Date : May 27, 2015

**GAUTAM DIVAN**  
*Partner*  
Membership No.006457



## 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 broking.

### Economic Scenario:

India experienced strong inclusive growth between 2003 and 2011, with average growth above 8% and the incidence of poverty cut in half. This reflected gains from past structural reforms, strong capital inflows up to 2007 and expansionary fiscal and monetary policies since 2009. These growth engines faltered in 2012. Stubbornly high Inflation as well as large current and fiscal deficits left little room for monetary and fiscal stimulus to revive growth. The prospect of “tapering” monetary stimulus in OECD countries and the reversal in capital inflows, as well as the difficulty to pass reforms to remove growth bottlenecks in the run-up to the 2014 general elections further weighed on India’s economic performance. In 2014, the economy has shown signs of a turnaround and imbalances have lessened. Fiscal consolidation at the central government level has been accompanied by a decline in both inflation and the current account deficit. Confidence has been boosted by on-going reforms to the monetary policy framework, with more weight given to inflation. The large depreciation in the rupee has also helped revive exports. Industrial production has rebounded and business sentiment has surged, triggered by a decline in political uncertainty. Reducing macroeconomic imbalances further is key to sustaining consumer and investor confidence and to containing external vulnerabilities – this will require adhering to the fiscal roadmap and implementing the proposed changes to the monetary policy framework.

Structural reforms would raise India’s economic growth. In their absence, however, growth will remain below the 8% growth rate achieved during the previous decade. Infrastructure bottlenecks, a cumbersome business environment, complex and distorting taxes, inadequate education and training, and outdated labour laws are increasingly impeding growth and job creation. Female economic participation remains exceptionally low, holding down incomes and resulting in severe gender inequalities. Although absolute poverty has declined, it remains high, and income inequality has in fact risen since the early 1990s. Inefficient subsidy programmes for food, energy and fertilisers have increased steadily while public spending on health care and education has remained low.

### Recent economic developments and projections

The economic slowdown since mid-2011 has been more pronounced in India than in the OECD area and many other emerging economies. In 2013, GDP growth measured at market prices was at its weakest since 2003 – 4.7% compared to an average of 8% over the period 2003-11 – and the manufacturing sector contracted in volume terms for the first time since 1991. By contrast, financial and business services continued to grow at 10% or more. On the demand side, investment and private consumption have been weak, while exports rebounded in the second half of 2013 following the rupee depreciation. Weaker exports of goods during the first months of 2014, however, suggest that competitiveness remains an issue.

Structural bottlenecks have taken a toll on economic growth and on the manufacturing sector in particular. Lengthy authorisation processes and uncertainty surrounding land acquisition have held back infrastructure investment, while corporate investment has suffered from rising input prices which have squeezed corporate margins. Job creation has been sluggish and most jobs remain informal despite some pick-up in formal employment, mostly in services.

Consumer price inflation has remained much higher than in the OECD area and in other BRICS. A series of one-off factors have contributed to inflation, including: adverse weather conditions, adjustment in administrative prices for core food items, oil products, electricity and railways; the extension of the National Rural Employment Guarantee Scheme (NREGS), which established a wage floor in rural areas; the rupee depreciation in the summer 2013. Supply-side constraints in the food sector – including the lack of cold storage and refrigerated transport facilities – have also contributed to food price volatility. The decline in inflation in the first half of 2014 is encouraging but inflation expectations have remained stubbornly high.

### Prospects and risks

Activity is projected to pick up gradually. Private consumption should grow steadily, in particular in rural areas, reflecting past rises in agricultural minimum support prices (MSPs) and rural wages. Investment should recover as the decline in political uncertainty has boosted business sentiment. If successful, efforts to put large stalled infrastructure projects back on track would also raise investment. The projected rebound in external demand should boost exports. Tight monetary and fiscal stances and high corporate leverage will restrain domestic demand. Inflation and inflation expectations are projected to decline gradually, reflecting some moderation in wages and food prices as well as the implementation of the new monetary policy framework. Current risks are broadly balanced, although for the medium term risks are on the downside, contingent on the implementation of reforms. Exports, which have been showing signs of recovery after the rupee depreciation in the summer

2013, may be restrained by supply-side bottlenecks. High corporate leverage and deteriorating asset quality in the banking sector may put the investment recovery at risk. Poor weather conditions (a deficient monsoon) could weigh on agriculture and add to inflation pressures.

A slower than projected recovery, coupled with the impact of the depreciation of the rupee on oil and fertiliser subsidies, could make the planned fiscal consolidation more challenging, potentially undermining macroeconomic stability. On the other hand, a firm commitment to contain both inflation and the fiscal deficit would boost confidence and thus investment and consumption. Implementation of badly needed structural reforms would boost growth and, if properly designed, could also hasten the short-term recovery.

*(Source for above: OECD Economic Surveys – India, November 2014)*

### Review of operations of the Company:

The Company along with its subsidiary company achieved consolidated revenue of ₹ 1399.47 lakhs compared to ₹ 1477.97 lakhs in the previous year.

The Company has three major business operations in advisory services consisting of Trade Finance, Corporate Finance and Investment Banking.

Trade finance, which caters to the working capital needs of companies, continues to be impacted by the weak industrial activity and executed business transactions of ₹ 5,183 crores (previous year ₹ 4,035 crores) with income of ₹ 173 lakhs (previous year ₹ 262.16 lakhs) for the year.

Corporate Finance & Investment Banking too were impacted due to the lack of credit growth in banking and most of the companies deferring investments. Business transactions worth of ₹ 112 crores (previous year ₹ 215 crores) was executed with an income of ₹ 123 lakhs (previous year ₹ 92.27 lakhs)

The lending business, which is providing loans to the economically challenged sections of the society against security of gold jewelry, is losing its shine due to falling gold price due to various government measures to discourage import of Gold and stringent directives by RBI to banks and NBFC for taking exposures to gold lending business. The company had decided to lower its exposure to gold lending business till full clarity emerges.

### Subsidiaries:

#### Vertex Securities Limited

Vertex Securities Limited (Vertex) is engaged in the following businesses:

1. Vertex and its subsidiary Company are engaged in the business of broking with close to 200 offices pan India with strong footprint in southern and western India. The business caters to retail, HNI and institutional clients.

The Company provides brokerage services in Equity, Equity derivatives, Commodity futures and Currency derivatives. The Company also has third-party financial products distribution of Mutual Funds and IPO's. The Company is also a Depository for Equity segment

2. Commodity broking service is provided through its subsidiary company, Vertex Commodities And Finpro Pvt Ltd (VCFPL).
3. The Company is also a Merchant Bank.

Vertex Securities Limited has membership of:

- a. National Stock Exchange of India Ltd (NSE)
- b. Bombay Stock Exchange Ltd (BSE)
- c. OTC Exchange of India (OTCEI)
- d. NSDL (for depository services)
- e. SEBI registration as a Merchant Banker.
- f. MCX Stock Exchange Ltd. (MCX SX)

Vertex Commodities & Finpro Pvt Ltd has membership of following commodity exchanges:

- a. Multi Commodity Exchange of India (MCX)
- b. National Commodity and Derivative Exchange (NCDEX)
- c. National Multi Commodity Exchange (NMCE)
- d. National Spot Exchange of India Ltd (NSEIL)

### Vertex Securities Limited:

During the year ended 31st March, 2015, Vertex Securities Limited earned consolidated revenue of ₹ 596.49 Lacs as compared to ₹ 583.50 Lacs in the previous year. The consolidated operations have recorded a net loss of ₹ 33.34 Lacs as compared to a net loss of ₹ 152.92 Lacs in the previous year.

### Vertex Commodities and Finpro Pvt Ltd:

During the year ended 31st March, 2015, the subsidiary company Vertex Commodities And Finpro Private Limited earned total revenue of ₹ 91.91 lacs and loss of ₹ 5.52 lacs against ₹ 133.89 lacs and loss of ₹ 53.86 Lacs respectively in the previous year.

### Business Outlook:

TRANSWARRANTY, an RBI registered NBFC is the flagship company of the Transwarranty Group, which is active in a wide gamut of Financial Services like Corporate Finance, Project Finance, Real Estate & Infrastructure Finance, Trade Finance, Gold Loans, Margin Finance, Stock / Commodities / Currencies / Interest Rates / Other Derivatives Broking, Inter-Bank Forex Broking, Merchant Banking, Investment Banking etc. Excellent domain expertise combined with a strong client and institutional relationship network nurtured over 21 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 Finpro and Commodities Pvt Ltd for the commodities broking business.

Both the companies are well placed to exploit the opportunities when the economy begins to grow and industrial activity picks up. To give impetus to the overall revenue, the fund based lending business is being given renewed focus. The company is also exploring equity capital from strategic / financial investors for the fund based lending business.

### **Risk Management**

Risk Management is an integral part of the Company's business strategy. The Company is exposed to specific risks that are particular 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 minimize 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.

The CEO/CFO certification provided in the report discusses the adequacy of our internal control systems and procedures.

### **Human Resource Development**

The Company believes that the human resources are vital in giving the company a competitive edge in the current business environment. 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.

### **Cautionary statements**

Statements in the Management Discussion and Analysis 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.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
TRANSWARRANTY FINANCE LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Transwarranty Finance Limited ("the Company") which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

### Opinion

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 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 2015, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Non-Banking Financial Companies Auditors (Reserve Bank) Directions, 1998 we further state that:
  - a. The Company, incorporated prior to 9 January 1997 has applied for registration as provided in Section 56 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the Company has been granted certificate of registration dated 6 August, 1998 from the Reserve Bank as a NBFC;
  - b. The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits;



- c. The company has not accepted any public deposits during the year under reference; and
  - d. The company has complied with prudential norms relating to the income recognition, accounting standards, asset classification and provision of bad and doubtful debts as applicable to it.
2. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) The company has adequate internal financial controls and in our opinion the same are operating effectively.
  - (g) 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 RAHUL GAUTAM DIVAN & ASSOCIATES  
*Chartered Accountants*  
(Firm's Registration Number: 120294W)

Place : Mumbai  
Date : 27 May 2015

GAUTAM DIVAN  
*Partner*  
Membership Number: 006457

## ANNEXURE 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.
- (ii) The Company had no inventory during the year. Since the Company has no inventory, clauses 3 (ii) of the Order is not applicable.

- (iii) In our opinion and according to the information and explanations given to us, the Company has granted unsecured any loans, to a company covered in the register maintained under Section 189 of the Companies Act, 2013.
- (a) The company is recovering principal and interest on a regular basis.
- (b) The balance at 31 March 2015 is ₹ 341,701. There is no overdue amount.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder.
- (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, Wealth 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, 2015 outstanding for a period of more than six months from the date they become payable.
- (b) The disputed statutory dues aggregating to ₹ 2,358,110 that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹)
1	Income Tax Act	Tax/Penalty	Assistant Commissioner of Income Tax	Assessment Year 2012-2013	2,358,110

- (c) The amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) According to the records of the Company, the Company has no accumulated losses at the end of the financial year. The Company has incurred a cash profit during the financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions.
- (x) Based on our examination of the records, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has not taken any term loans during the year.
- (xii) 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.

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

Place : Mumbai  
 Date : 27 May 2015

**GAUTAM DIVAN**  
*Partner*  
 Membership Number: 006457

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**

Particulars	Note No.	As at 31 <sup>st</sup> March 2015		As at 31 <sup>st</sup> March 2014	
		₹	₹	₹	₹
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	2	244,605,680		244,605,680	
(b) Reserves and Surplus	3	<u>324,972,508</u>		<u>324,011,603</u>	
			569,578,188		568,617,283
<b>(2) Non – Current Liabilities</b>					
(a) Long Term Borrowings	4	16,170,484		20,819,210	
(b) Other Long Term Liabilities	5	<u>1,312,879</u>		<u>1,312,879</u>	
			17,483,363		22,132,089
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	6	8,110,636		10,805,041	
(b) Other Current Liabilities	7	5,980,679		8,135,794	
(c) Short Term Provisions	8	<u>568,426</u>	<u>14,659,741</u>	<u>1,371,948</u>	<u>20,312,783</u>
<b>Total Equity and Liabilities</b>			<u><u>601,721,292</u></u>		<u><u>611,062,155</u></u>
<b>II ASSETS</b>					
<b>(1) Non Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	9	1,864,340		2,601,627	
(ii) Intangible Assets	10	1,053,868		1,264,697	
(b) Non Current Investments	11 (A)	331,757,384		284,509,147	
(c) Deferred Tax Assets (Net)	12	433,736		423,472	
(d) Long Term Loans and Advances	13	<u>236,498,093</u>		<u>282,775,239</u>	
			571,607,421		571,574,182
<b>(2) Current Assets</b>					
(a) Current Investments	11 (B)	27,106		–	
(b) Trade Receivables	14	2,102,316		4,274,875	
(c) Cash and Cash Equivalents	15	4,316,952		4,520,023	
(d) Short Term Loans and Advances	16	19,423,399		25,783,689	
(e) Other Current Assets	17	<u>4,244,098</u>	<u>30,113,871</u>	<u>4,909,386</u>	<u>39,487,973</u>
<b>Total Assets</b>			<u><u>601,721,292</u></u>		<u><u>611,062,155</u></u>

Notes 1 to 33 form an integral part of the Financial Statements.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants**Gautam Divan**  
PartnerMumbai  
May 27, 2015

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director**R. L. Shenoy**  
Director**Raghu R. Palat**  
Director**Nirmala Parab**  
Director**U. Ramachandran**  
Director & CFO**Sridhar H.**  
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2015 (₹)	For the year ended 31 <sup>st</sup> March, 2014 (₹)
<b>REVENUE</b>			
Revenue From Operations	18	75,993,609	86,291,525
Other Income	19	4,303,915	3,155,270
<b>Total Revenue</b>		<b>80,297,524</b>	<b>89,446,795</b>
<b>EXPENSES</b>			
Purchase of Shares held in Stock in Trade	20	45,271,211	49,534,375
Employee Benefits Expenses	21	18,196,196	18,503,910
Finance Costs	22	1,503,416	3,738,100
Depreciation and Amortisation Expenses	9 & 10	815,946	1,281,313
Other Expenses	23	13,413,746	13,670,505
<b>Total Expenses</b>		<b>79,200,515</b>	<b>86,728,203</b>
<b>Profit Before Exceptional and Extra ordinary items and Tax</b>		<b>1,097,009</b>	<b>2,718,592</b>
Exceptional Items			
Reversal of Excess Provision		605,769	–
Loss on Sale of Fixed Assets		(1,945)	(454,495)
<b>Profit Before Extra ordinary items and Tax</b>		<b>1,700,833</b>	<b>2,264,097</b>
Extraordinary Items		–	–
<b>Profit Before Tax</b>		<b>1,700,833</b>	<b>2,264,097</b>
<b>Tax Expense</b>			
Current Tax		320,000	102,000
Less: MAT Credit Entitlement		(101,634)	–
Deferred Tax		(10,266)	(108,797)
Short Provision of tax relating to earlier years		383,938	–
<b>Profit After Tax</b>		<b>1,108,796</b>	<b>2,270,894</b>
Prior Period Expenses		13,165	–
<b>Profit After Tax from Continuing Operations</b>		<b>1,095,630</b>	<b>2,270,894</b>
<b>Profit from Discontinuing Operations</b>		–	–
Tax Expense of Discontinuing Operations		–	–
<b>Profit from Discontinuing Operations After Tax</b>		–	–
<b>Profit For the Year</b>		<b>1,095,630</b>	<b>2,270,894</b>
Basic Earning Per Share of ₹ 10/- each (In Rupees)	25	0.04	0.09
Diluted Earning Per Share of ₹ 10/- each (In Rupees)	25	0.04	0.09
Notes 1 to 33 form an integral part of the Financial Statements.			

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants**Gautam Divan**  
PartnerMumbai  
May 27, 2015

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director**R. L. Shenoy**  
Director**Raghu R. Palat**  
Director**Nirmala Parab**  
Director**U. Ramachandran**  
Director & CFO**Sridhar H.**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

Particulars	2014-15 Amount (₹)	2013-14 Amount (₹)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	1,700,833	2,264,097
<b>Add: Non Operating Expenses/ Non Cash Expenses</b>		
Depreciation & Amortisation	815,946	1,281,313
Provision for diminution in value of quoted investments (net)	448	–
Loss on Sale of Fixed Assets	1,945	454,495
Interest Paid	1,503,416	3,738,100
Bad debts Written off	1,565,696	128,036
	<u>3,887,452</u>	<u>5,601,944</u>
<b>Less : Interest / Dividend/ Other Non Operating Income Adjustments</b>		
Interest Received	489,982	493,433
Dividend Received	18,557	29,449
Profit on sales of shares	1,407,920	159,580
Provision For Quoted Investments Written Back	–	136,862
Sundry Creditors written back	1,010,461	–
Reversal of Excess Provision	605,769	
Prior Period Expenses	13,165	–
	<u>3,545,854</u>	<u>819,324</u>
<b>Operating Profit before Working Capital Changes</b>	<b>2,042,431</b>	<b>7,046,717</b>
<b>Adjusted for:</b>		
(Increase)/Decrease in Trade Receivables & Other Assets	718,436	494,332
(Increase)/Decrease in Loans & Advances	1,661,256	3,606,286
Increase /(Decrease) in Current Liabilities	(1,142,643)	(1,289,043)
Increase /(Decrease) in Non-Current Liabilities	–	(3,009)
Increase /(Decrease) in Provisions	(198,201)	185,173

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

Particulars	2014-15 Amount (₹)	2013-14 Amount (₹)
<b>Cash Generated from Operation</b>	<b>3,081,279</b>	<b>10,040,456</b>
Income Tax Refund / (Paid)	2,669,089	7,686,608
<b>Net Cash From Operating Activities</b>	<b>5,750,368</b>	<b>17,727,064</b>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Purchase of Fixed Assets	(8,500)	(658,638)
Proceed on sale of Fixed Assets	4,000	413,324
(Purchase)/ Sale of Investments (Net)	6,633,578	1,529,919
Inter Corporate Deposits received / (Given)	(6,286,879)	(11,646,507)
Micro Finance Gold Loan (Given) / Received Back	1,958,825	1,908,435
Interest Received	489,982	493,433
Dividend Received	121,502	29,449
<b>Net Cash used in Investing Activities</b>	<b>2,912,508</b>	<b>(7,930,585)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (Decrease) in Secured Loans	(7,319,118)	609,210
Increase/ (Decrease) in Unsecured Loans	-	(8,509,754)
Interest Paid	(1,503,416)	(3,738,100)
Dividend Paid ( including tax thereon)	(43,415)	-
<b>Net Cash from / (used in) Financing Activities</b>	<b>(8,865,947)</b>	<b>(11,638,644)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalent</b>	<b>(203,071)</b>	<b>(1,842,165)</b>
<b>Opening Balance of Cash and Cash Equivalent</b>	<b>4,520,023</b>	<b>6,362,189</b>
<b>Closing Balance of Cash and Cash Equivalent</b>	<b>4,316,952</b>	<b>4,520,023</b>

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants**Gautam Divan**  
PartnerMumbai  
May 27, 2015

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director**R. L. Shenoy**  
Director**Raghu R. Palat**  
Director**Nirmala Parab**  
Director**U. Ramachandran**  
Director & CFO**Sridhar H.**  
Company Secretary



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### (A) Basis of Preparation of Financial Statements

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

#### (B) Fixed Assets & Depreciation

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

#### (C) Current Assets

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

#### (D) Leases

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

#### (E) Revenue Recognition

- (i) The company's income from operations is accounted for on accrual basis.
- (ii) Service Income is recognized as per the term of the contract/ agreements entered into with the customer when the related services are performed.
- (iii) Dividend income is recognized when the right to receive the dividend is established.
- (iv) Interest income is recognized on the time proportion basis.
- (v) Profit or loss arising on account of sale of trade investments in forward contract in respect of firm commitment were booked as income or expenditure as on the date of such contract entered.

#### (F) Retirement Benefits

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

#### (G) Taxation

- (i) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income tax Act, 1961.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

- (ii) The deferred tax charge or credit reflects the tax effect of timing differences between the book and the tax profits accounted for using the tax rates and laws that have been substantially enacted as on the Balance Sheet date.
- (iii) Deferred Tax Assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future.

### (H) Investments

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

### (I) Earning per Share

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

### (J) Foreign Currency Transactions

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

### (K) Provisions

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

### (L) Impairment of Assets

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

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

### (M) Employee Stock Option

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



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2015 ( ₹ )	As at 31 <sup>st</sup> March, 2014 ( ₹ )
<b>2. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
31,000,000 Equity Shares of ₹ 10/- each	310,000,000	310,000,000
	<u>310,000,000</u>	<u>310,000,000</u>
<b>Issued, Subscribed and Fully Paid Up</b>		
24,460,568 Equity Shares of ₹ 10/- each fully paid up	244,605,680	244,605,680
<b>Total</b>	<u>244,605,680</u>	<u>244,605,680</u>

**Note:-**

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

Particulars	2014-15		2013-14	
	No of Shares	( ₹ )	No of Shares	( ₹ )
<b>EQUITY SHARES</b>				
<b>A) Fully Paid Up Shares</b>				
No of shares outstanding at the beginning of the year	24,460,568	244,605,680	24,460,568	244,605,680
Add / (Less) : Issued / (Buy back) during the Year	-	-	-	-
No of shares outstanding at the end of the year	<u>24,460,568</u>	<u>244,605,680</u>	<u>24,460,568</u>	<u>244,605,680</u>

**2) Terms and rights attached to Equity Share.**

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.

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

**Equity Shares**

Name of the Person / Firm / Company	2014-15		2013-14	
	No of Shares	%	No of Shares	%
<b>EQUITY SHARES</b>				
<b>a) Fully Paid Up Shares</b>				
1) Kumar Nair	12,708,694	51.96	12,708,694	51.96
2) TFL-TCCPL and TFCPL Merger Trust	5,225,000	21.36	5,225,000	21.36

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

- 4) Aggregate Number of Shares allotted as fully paid up without payment being received in cash during a period of 5 years preceding the date at which the balance sheet is prepared.

	No of Shares	Class of Shares
<b>EQUITY SHARES</b>		
<b>A) Fully Paid Up Shares</b>		
i) Shares issued to the shareholders of Transwarranty Credit Care Pvt. Ltd as per the scheme of amalgamation in F.Y. 2010-11.	6,993,000	Equity Shares
ii) Shares issued to the shareholders of Transwarranty Forex & Commodities Pvt. Ltd. as per the scheme of amalgamation in F.Y. 2010-11.	3,446,553	Equity Shares

### 5) Employees Stock Option Scheme

- The Transwarranty Finance Limited (TFL) Employee Stock Option Scheme has been approved by the Board Of Directors of the company on 10<sup>th</sup> March, 2008.
- 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 the date of vesting.
- The options will be settled in equity shares of the company.
- The company used the intrinsic value method to account for ESOPs.
- The exercise price has been determined to be ₹ 10/-
- Consequently, no compensation cost has been recognized by the company in accordance with the "Guidance Note on Accounting for Employee Share-Based payments" issued by the Institute of Chartered Accountants of India".
- Details of movement of Options

Particulars	As at 31 <sup>st</sup> March, 2015 Nos.	As at 31 <sup>st</sup> March, 2014 Nos.
Options outstanding at the beginning of the year	520,319	765,769
Prior Period Adjustments	(205,419)	–
Options granted during the year	–	–
Options vested during the year	88,939	–
Options exercised during the year	Nil	–
Options forfeited during the year	30,375	–
Options lapsed /surrendered during the year	42,811	245,450
<b>Options outstanding at the end of the year</b>	<b>152,775</b>	<b>520,319</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

- i) Had fair value method been used, the compensation cost would have been higher by ₹ 6.87 Lakhs (Previous Year ₹ 8.05 Lakhs). Profit after tax would have been lower by ₹ 6.87 Lakhs (Previous year ₹ 8.05 Lakhs) and EPS both basic and diluted – would have been ₹ 0.02 Per share (Previous Year ₹ 0.06 Per share)

Particulars	As at 1 <sup>st</sup> April, 2014 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 <sup>st</sup> March, 2015 (₹)
<b>3. RESERVES AND SURPLUS</b>				
a) Capital Reserve	37,893,245	–	–	37,893,245
b) Securities Premium Reserve	208,291,145	–	–	208,291,145
c) Other Reserves				
– Reserve U/S 45IC of RBI Act	31,731,694	219,126	–	31,950,820
– General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1 & 2)	35,684,762	876,504	134,725	36,426,541
	<u>324,011,603</u>	<u>1,095,630</u>	<u>134,725</u>	<u>324,972,508</u>

**Note – 1:** Deductions during the year are on account of depreciation debited to Reserves, as per Schedule II of the Companies Act, 2013.

Particulars	As at 1 <sup>st</sup> April, 2013 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 <sup>st</sup> March, 2014 (₹)
a) Capital Reserve	37,893,245	–	–	37,893,245
b) Securities Premium Reserve	208,291,145	–	–	208,291,145
c) Other Reserves				
– Reserve U/S 45IC of RBI Act	31,277,515	454,179	–	31,731,694
– General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1 & 2)	33,868,047	1,816,715	–	35,684,762
	<u>321,740,709</u>	<u>2,270,894</u>	<u>-</u>	<u>324,011,603</u>

	2015	2014
<b>Note:- 2</b>		
1) Profit for the year		2,270,894
Less:-		
Transfer to Reserve U/S 45 IC of RBI Act	<u>219,126</u>	<u>454,179</u>
	<u>219,126</u>	<u>454,179</u>
	<u>876,504</u>	<u>1,816,715</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>NON- CURRENT LIABILITIES</b>		
<b>4. LONG TERM BORROWINGS</b>		
<b>I. Secured Loans</b>		
Overdraft Account- ICICI Bank Ltd (Secured against hypothecation of Office Premises owned by Transwarranty Pvt. Ltd and personal Guarantee given by the Managing Director)	–	4,231,826
Car Loan Account – HDFC Bank (Secured against hypothecation of Motor Car)	670,484	1,087,384
<b>Total (A)</b>	<u>670,484</u>	<u>5,319,210</u>
<b>II. Unsecured Loans</b>		
<b>From Others:</b>		
Inter Corporate Deposits	15,500,000	15,500,000
<b>Total (B)</b>	<u>15,500,000</u>	<u>15,500,000</u>
<b>Total (A) + (B)</b>	<u>16,170,484</u>	<u>20,819,210</u>

**Note:-**

**Terms of Repayment**

- 1) Vehicle loan from HDFC Bank was sanctioned on 17.09.2012 for a period of 5 years. Current EMI per month is ₹ 42,620/-.

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>5. OTHER LONG TERM LIABILITIES</b>		
a) Trade Payables		
Gold Loan	1,312,879	1,312,879
	<u>1,312,879</u>	<u>1,312,879</u>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>CURRENT LIABILITIES</b>		
<b>6. SHORT TERM BORROWINGS</b>		
<b>A) Secured Loans</b>		
<b>1) Loans Repayable on Demand</b>		
a) From Banks		
Catholic Syrian Bank – Gold Loan Over Draft Account (Secured against Gold Loan Receivables and Personal Guarantee given by the Managing Director)	3,603,001	4,894,795
<b>Note:-</b>		
1) Overdraft from CSB is Working Capital Facility for Gold Loan against the securities not older than six months and personal guarantee of the Managing Director. Tenure of the loan is for 12 months and repayable on demand. Limit shall be renewed before the expiry of the sanctioned period of one year. Current Interest rate is 15.50% p.a.		
Overdraft Account – ICICI Bank (Secured against hypothecation of Office Premises owned by Transwarranty Pvt. Ltd. and Personal Guarantee given by the Managing Director)	–	1,420,000
<b>Total – (A)</b>	<u>3,603,001</u>	<u>6,314,795</u>
<b>B) Unsecured Loans</b>		
i) Inter Corporate Deposits		
– From Subsidiary Company	1,507,635	–
– From Associate Company	–	1,490,246
– From Others	3,000,000	3,000,000
<b>Total – (B)</b>	<u>4,507,635</u>	<u>4,490,246</u>
<b>Total – (A) + (B)</b>	<u>8,110,636</u>	<u>10,805,041</u>
<b>7. OTHER CURRENT LIABILITIES</b>		
Book Overdraft	–	857,761
Current Maturities of Long Term Debt	416,901	375,498
Interest Accrued & Due on borrowings	3,085,010	3,085,010
Unpaid Dividends	104,232	147,647
Other Payables (Creditors for Expenses)	2,374,536	3,669,878
	<u>5,980,679</u>	<u>8,135,794</u>
<b>8. SHORT – TERM PROVISIONS</b>		
a) <b>Provision for Employees</b>		
Provision for Gratuity	–	714,452
Provision for Leave Encashment	408,606	498,124
b) <b>Others</b>		
Provision for Diminution in value of Quoted Investments	159,820	159,372
	<u>568,426</u>	<u>1,371,948</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE				DEPRECIATION / AMORTISATION					NET BLOCK	
		Total As at 1-Apr-14 (₹)	Additions/ Adjustments During the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-15 (₹)	Total As at 1-Apr-14 (₹)	Transferred to Retained Earning (₹)	Provided during the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-15 (₹)	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
1	Furniture	734,376	-	45,711	688,665	523,814	2,561	60,700	41,419	545,656	143,008	210,562
2	Computers	928,891	-	6,900	921,991	754,601	42,199	108,908	5,247	900,461	21,530	174,291
3	Office Equipments	619,218	8,500	-	627,718	368,167	77,936	85,404	-	531,508	96,211	251,051
4	Vehicles	3,872,140	-	-	3,872,140	1,906,416	8,323	353,810	-	2,268,549	1,603,591	1,965,724
	<b>Total</b>	<b>6,154,625</b>	<b>8,500</b>	<b>52,611</b>	<b>6,110,514</b>	<b>3,552,998</b>	<b>131,019</b>	<b>608,822</b>	<b>46,666</b>	<b>4,246,174</b>	<b>1,864,340</b>	<b>2,601,628</b>
	<b>Previous Year</b>	<b>7,929,444</b>	<b>-</b>	<b>1,774,819</b>	<b>6,154,625</b>	<b>3,536,203</b>	<b>-</b>	<b>923,792</b>	<b>906,998</b>	<b>3,552,998</b>	<b>2,601,628</b>	

**10. FIXED ASSETS – INTANGIBLE**

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE				DEPRECIATION / AMORTISATION					NET BLOCK	
		Total As at 1-Apr-14 (₹)	Additions/ Adjustments During the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-15 (₹)	Total As at 1-Apr-14 (₹)	Transferred to Retained Earning (₹)	Provided during the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-15 (₹)	As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
1	Goodwill	400,000	-	-	400,000	-	-	-	-	-	400,000	400,000
2	Computer Software	3,418,425	-	-	3,418,425	2,553,727	3,706	207,124	-	2,764,557	653,868	864,697
	<b>Total</b>	<b>3,818,425</b>	<b>-</b>	<b>-</b>	<b>3,818,425</b>	<b>2,553,727</b>	<b>3,706</b>	<b>207,124</b>	<b>-</b>	<b>2,764,557</b>	<b>1,053,868</b>	<b>1,264,697</b>
	<b>Previous Year</b>	<b>3,159,787</b>	<b>658,638</b>	<b>-</b>	<b>3,818,425</b>	<b>2,196,207</b>	<b>-</b>	<b>357,521</b>	<b>-</b>	<b>2,553,728</b>	<b>1,264,697</b>	



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	Face Value (₹)	31.03.2015		31.03.2014	
		Quantity (Nos)	Value (₹)	Quantity (Nos)	Value (₹)
<b>11(A) NON-CURRENT INVESTMENTS (AT COST)</b>					
<b>a) Investments in Equity Instruments</b>					
<b>i) In Subsidiary Companies</b>					
<b>a) Quoted</b>					
Vertex Securities Limited (Market Value ₹ 43,705,098/-)	2	37,420,625	133,190,024	24,318,110	106,984,994
<b>ii) Others</b>					
<b>a) Quoted</b>					
South Indian Bank (Right Shares) (Market Value ₹ 252/-)	1	10	40	10	40
NEPC India Ltd. (Market Value ₹ 4,800/-)	10	2,000	85,156	2,000	85,156
Rama Newsprint Papers Ltd. (Market Value ₹ 7,375/-)	10	1,250	86,838	1,250	86,838
Anil Limited (Market Value ₹ 5,93,792/-)	10	39	780	4,639	92,780
Biocon	10	-	-	100	52,326
Biocon-Bonus Shares	10	-	-	100	-
Jenburkt Pharmaceuticals Ltd.	10	-	-	350	33,438
<b>b) Unquoted</b>					
Catholic Syrian Bank Ltd.	10	700	31,000	700	31,000
<b>b) Investments in Preference Shares</b>					
<b>a) In Subsidiary Companies (Un Quoted)</b>					
15% Non Cumulative Redeemable Preference Shares of Vertex Securities Limited	100	6,863	1,372,600	6,863	1,372,600
0.50% Fully Convertible Preference Shares of ₹ 10/- each fully paid up of Vertex Securities Limited	10	-	-	3,128,003	31,280,030
<b>b) Others (Un Quoted)</b>					
8% Non Cumulative Redeemable Preference Shares of Transwarranty Advisors Pvt. Ltd	100	837,340	83,734,000	837,340	83,734,000
8% Non Cumulative Redeemable Preference Shares of Transwarranty Pvt. Ltd	100	1,132,380	113,238,000	607,370	60,737,000
<b>c) Investments in Government or Trust Securities</b>					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
UTI Master Share (Market Value ₹ 35,932/-)	-	1,000	13,945	1,000	13,945
<b>Total</b>			<b>331,757,384</b>		<b>284,509,148</b>

- 1) Aggregate amount of Quoted investments is ₹ 133,376,784/- (P.Y. ₹ 107,335,572/-) and market value is ₹ 67,413,838/- (P.Y. ₹ 32,627,575/-)
- 2) Aggregate amount of Un Quoted investments is ₹ 198,380,600/- (P.Y. 177,098,575/-)
- 3) Aggregate provision made for diminution in value of investments is ₹ 159,820/- (P.Y. ₹ 159,372/-)

**11(B) CURRENT INVESTMENTS**

Particulars	NAV (₹)	31.03.2015		31.03.2014	
		Unit Balance	Value (₹)	Quantity (Nos)	Value (₹)
<b>(a) Mutual Fund</b>					
SBI Ultra Short Term Debt Fund-Regular Plan Growth	1,776.74	15.256	27,106	-	-
<b>Total</b>	-	-	<b>27,106</b>	-	-

- (a) Aggregate amount of quoted investments is ₹ 27,106/- and market value is ₹ 27,384/-.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>NON CURRENT ASSETS</b>		
<b>12. DEFERRED TAX ASSET</b>		
Deferred Tax Assets on Depreciation	433,735	423,472
Deferred Tax Asset	<u>433,735</u>	<u>423,472</u>
<b>13. LONG TERM LOANS AND ADVANCES</b>		
<b>A) Unsecured, Considered Good</b>		
a) Capital Advances	43,300,000	43,300,000
b) Security Deposits	270,259	262,729
c) Loans and Advances to Related Parties		
Inter Corporate Deposits to Subsidiary	–	50,388,865
Inter Corporate Deposits to Associates	341,701	1
d) Other Loans and Advances		
Inter Corporate Deposits	116,823,633	112,958,199
TFL-TCCPL and TFCPL Merger Scheme Trust	75,762,500	75,762,500
e) Preference Share Dividend Receivable	–	102,945
	<u>236,498,093</u>	<u>282,775,239</u>
<b>CURRENT ASSETS</b>		
<b>14. TRADE RECEIVABLES</b>		
<b>Unsecured, Considered Good</b>		
Debts outstanding for a period exceeding six months	58,859	695,528
Other Debts	<u>2,043,457</u>	<u>3,579,347</u>
	<u>2,102,316</u>	<u>4,274,875</u>
Less:- Provision for Doubtful Debts	–	–
	<u>2,102,316</u>	<u>4,274,875</u>
<b>15. CASH AND CASH EQUIVALENTS</b>		
a) Cash on Hand	22,953	103,768
b) Balance with Banks		
In Current Account	2,432,366	2,647,091
In Dividend Account	100,097	143,511
In Deposit Accounts :-		
– Less than 12 months Maturity	1,761,536	–
– More than 12 Months Maturity (Lien marked to Foreign Exchange Dealers Association of India (FEDAI) for membership requirement)	–	1,625,653
	<u>4,316,952</u>	<u>4,520,023</u>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>16. SHORT TERM LOANS AND ADVANCES</b>		
<b>A) Secured, Considered Good</b>		
a) Others		
Gold Loans	5,659,686	7,064,796
Loan Against Property	81,837	81,837
<b>B) Unsecured, Considered Good</b>		
a) Loans and advances to Related Parties	947,478	2,728,961
b) Others		
Inter Corporate Deposits	3,012,700	3,027,701
Loans and advances to Employees	88,000	47,000
Deposits	27,362	27,362
MAT Credit Entitlement	101,634	-
Advance Payment of Income Tax (Including TDS, Net of Provisions) { Provision For Tax ₹ 10,175,800/- (P.Y. ₹ 9,853,300/-) }	8,976,852	12,349,878
Other Short Term Advances	527,851	456,153
	<u>19,423,399</u>	<u>25,783,689</u>
<b>17. OTHER CURRENT ASSETS</b>		
Interest Accrued on ICD's	34,19,601	3,506,981
Interest Accrued on Gold Loan , etc.	8,24,497	1,402,405
	<u>4,244,098</u>	<u>4,909,386</u>
Particulars	For the Year Ended 31 <sup>st</sup> March, 2015 (₹)	For the Year Ended 31 <sup>st</sup> March, 2014 (₹)
<b>18. REVENUE FROM OPERATIONS</b>		
a) Sale of Shares held in Stock -in -Trade	45,063,032	49,523,279
b) Interest		
Interest on Gold Loan	1,330,868	1,318,377
Interest on Property Loan	-	7,511
c) Other Financial Services		
Trade Finance	17,299,709	26,215,683
Corporate Finance	10,800,000	1,375,000
Investment Banking	1,500,000	7,851,675
	<u>75,993,609</u>	<u>86,291,525</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	For the Year Ended 31 <sup>st</sup> March, 2015 (₹)	For the Year Ended 31 <sup>st</sup> March, 2014 (₹)
<b>19. OTHER INCOME</b>		
a) Dividend Income	18,557	29,449
b) Net Gain on Sale of Investments	1,407,920	159,580
c) Bad Debts Written Off Recovered	–	1,300,000
d) Other Non Operating Income		
– Interest Income	5,14,175	493,433
– Miscellaneous Income	10,74,658	23,671
– Provision For Quoted Investments Written Back	–	136,862
– Interest on Income Tax Refund	1,288,606	1,012,275
	<u>4,303,915</u>	<u>3,155,270</u>
<b>20. PURCHASE OF SHARES HELD IN STOCK-IN-TRADE</b>	<u>45,271,211</u>	<u>49,534,375</u>
	<u>45,271,211</u>	<u>49,534,375</u>
<b>21. EMPLOYEE BENEFITS EXPENSES</b>		
<b>Salaries, Wages, Bonus, Gratuity &amp; Allowances</b>		
a) Salaries, Wages, Bonus, Gratuity & Allowances	17,239,691	17,654,992
b) Contribution to Provident Fund	748,332	655,641
c) Staff Welfare Expenses	208,174	193,278
	<u>18,196,196</u>	<u>18,503,910</u>
<b>22. FINANCE COST</b>		
a) Interest Expense		
On Term Loans	135,942	173,234
On Overdrafts & Other Borrowings	936,521	1,372,964
b) Other Borrowing Costs		
Interest on ICD	3,00,743	1,896,820
Financial and Bank Charges	1,30,210	295,083
	<u>1,503,416</u>	<u>3,738,100</u>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	For the Year Ended 31 <sup>st</sup> March, 2015 (₹)	For the Year Ended 31 <sup>st</sup> March, 2014 (₹)
<b>23. OTHER EXPENSES</b>		
Rent	1,389,276	234,816
Rates & Taxes	262,823	266,164
Insurance	546,653	725,873
Advertisement, Publicity & Sales Promotion	624,973	406,991
Travelling & Other Incidental Expenses	1,402,019	1,351,609
Office Maintenance	1,493,097	1,796,214
Vehicle Running & Maintenance	122,455	148,563
Printing & Stationery	138,578	158,660
Communication Expenses	388,110	489,483
Electricity	459,700	449,930
Donation	25,000	–
Auditor's Remuneration		
– As Statutory Auditors	170,000	125,000
– For Tax Audit	30,000	25,000
– For Other Services	44,845	46,404
Legal, Professional & Consultancy Charges	1,824,210	2,075,730
Directors Sitting Fees	436,000	420,000
Other Operational Expenses	2,489,863	3,841,201
Loss on Futures & Options (Net)	–	149,657
Bad Debts written off	1,565,696	959,210
Provision for Quoted Investment (Net)	448	–
	<u>13,413,746</u>	<u>13,670,505</u>
<b>Note:-</b>		
<b>1) EARNING / EXPENDITURE IN FOREIGN CURRENCY</b>		
Earnings in Foreign Exchange as fees for Professional Services rendered	2,570,504	12,970,183
Expenditure incurred in Foreign Currency	646,488	401,832
<b>24. CONTINGENT LIABILITIES</b>		
1) Guarantees issued by the company on behalf of its associates for acquiring office premises	40,600,000	40,600,000
2) Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for Exchange Margin requirements	30,000,000	30,000,000
3) Corporate Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for OD Facility	20,000,000	–
4) Claims against the Company not acknowledged as debt		
a) Tax Demand in respect of :-		
– Income tax for Assessment Year 2012-13	2,358,110	–
	<u>92,958,110</u>	<u>70,600,000</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	For the Year Ended 31 <sup>st</sup> March, 2015 (₹)	For the Year Ended 31 <sup>st</sup> March, 2014 (₹)
<b>25. EARNINGS PER SHARE</b>		
I. Net Profit as per Statement of Profit and Loss available for Equity Share Holders	1,095,630	2,270,894
II. Weighted Average number of equity shares for Earnings per share computation		
A) For Basic Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
B) For Diluted Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
III. Earnings Per Share ( Face Value of ₹ 10/- each)		
Basic ( ₹ )	0.04	0.09
Diluted ( ₹ )	0.04	0.09

**26. DISCLOSURE AS REQUIRED UNDER ACCOUNTS STANDARD 15 ON EMPLOYEE BENEFITS FOR GRATUITY AND LEAVE ENCASHMENT IS AS UNDER**

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
<b>Change in the benefit Obligations:</b>				
Present value of obligations as on 01. 04. 2014	2,208,996	2,023,477	574,952	694,735
Current Service Cost	213,221	199,673	598,101	640,861
Past Service Cost	-	-	-	-
Interest Cost	175,653	154,028	45,116	30,863
Actuarial (Gain)/Loss on obligation	(104,762)	28,083	(787,565)	(173,600)
Benefits Paid	(26,656)	(196,265)	(21,998)	(617,907)
<b>Present value of obligations as on 31.03.2015</b>	<b>2,466,452</b>	<b>2,208,996</b>	<b>408,606</b>	<b>574,952</b>
<b>Change in Plan Assets:</b>				
Fair Value of Plan Assets as on 01.04.2014	1,851,011	2,047,276	-	-
Adjustment to the opening balance	129,459	-	-	-
Expected Return on Plan Assets	175,787	155,931	-	-
Employer's Contributions	460,393	-	21,998	617,907
Benefits Paid	(26,656)	(196,265)	(21,998)	(617,907)
Actuarial Gain/(Loss) on Plan Assets	(36,961)	(155,931)	-	-
<b>Fair Value of plan assets as on 31.03.2015</b>	<b>2,553,033</b>	<b>1,851,011</b>	<b>-</b>	<b>-</b>
<b>Net (Asset) Liability (i) – (ii) :</b>	<b>(86,581)</b>	<b>357,985</b>	<b>408,606</b>	<b>574,952</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
<b>Net Cost for the year ended 31.03.2015</b>				
Current Service Cost	213,221	199,673	598,101	640,861
Past Service Cost	–	–	–	–
Interest Cost	175,653	154,028	45,116	30,863
Expected Return on plan Assets	(175,787)	(155,931)	–	–
Actuarial (Gain)/ Loss recognised during the year	(67,801)	184,014	(787,565)	(173,600)
Adjustment (Gain) to opening value of planned assets	–	–	–	–
<b>Net Cost</b>	<b>145,286</b>	<b>381,784</b>	<b>(144,348)</b>	<b>498,124</b>
Amount recognised in the Balance sheet (Asset) / Liability	(86,581)	357,985	408,606	574,952
Amount recognised in the Statement of Profit and Loss (Gain)/Loss	145,286	381,784	(144,348)	498,124
Principal actuarial Assumptions:-				
Discount rate	8.00%	8.00%	8.00%	8.00%
Expected Return on plan assets	8.00%	8.00%	–	–
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%
Attrition Rate	5 to 42%	15 to 42%	5 to 42%	15 to 42%
<b>Demographic Assumptions:</b>				
Retirement age				60 Year
Mortality rate				8%

**27 RELATED PARTY DISCLOSURES**

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

**(I) List of Related parties**

- |                               |   |   |
|-------------------------------|---|---|
| (a) Subsidiary of the company | : | Vertex Securities Limited (VSL)<br>Vertex Commodities and Finpro (P) Ltd. (VCFPL)                       |
| (b) Associated Company        | : | Transwarranty Advisors Private Limited (TAPL)<br>Transwarranty Private Limited (TPL) (Until 16/12/2013) |
| (c) Key Management Personnel  | : | Mr. Kumar Nair (Managing Director)  |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

**Details of Related Party Transactions**

Name of the Company / Transactions	2015 (₹ in Millions)	2014 (₹ in Millions)
<b>1) Inter Corporate Deposits Given – Associated Companies</b>		
TAPL	5.36	–
TPL	–	6.22
<b>2) Inter Corporate Deposits Received Back – Associated Companies</b>		
TAPL	3.53	0.48
TPL	–	7.80
<b>3) Inter Corporate Deposits Given – Subsidiary Companies</b>		
VSL	5.23	41.49
<b>4) Inter Corporate Deposits Received Back – Subsidiary Companies</b>		
VSL	57.13	19.96
<b>5) Purchase of Investments – Subsidiary Companies</b>		
VSL	52.50	–
<b>6) Investment in Preference Shares converted into Equity Shares</b>		
VSL	26.28	–
<b>7) Share Trading Debit – Subsidiary Companies</b>		
VSL	25.27	33.87
<b>8) Share Trading Credit – Subsidiary Companies</b>		
VSL	27.03	34.15
<b>9) Dividend Received – Subsidiary Companies</b>		
VSL	0.10	–
<b>10) Current Account Debit – Associated Companies</b>		
TAPL	–	0.35
<b>11) Current Account Credit – Associated Companies</b>		
TAPL	0.02	0.03
<b>12) Current Account Debit – Subsidiary Companies</b>		
VSL	0.06	0.44
<b>13) Current Account Credit – Subsidiary Companies</b>		
VSL	0.10	0.41
<b>14) Rent Paid – Associated Company</b>		
TAPL	–	7.20
<b>15) Interest Received on ICD- Associated Companies</b>		
TAPL	–	3.87
TPL	–	4.56



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.  
(ALL AMOUNTS ARE MENTIONED IN RUPEES)**

Name of the Company / Transactions	2015 (₹ in Millions)	2014 (₹ in Millions)
<b>16) Interest Received on ICD- Subsidiary Companies</b>		
VSL	–	2.86
<b>17) Interest Paid on ICD- Subsidiary Companies</b>		
VSL	–	0.03
<b>18) Brokerage Paid on Share Trading- Subsidiary Companies</b>		
VSL	0.14	0.16
<b>19) Salary and Other Allowances to Key Management Person</b>		
Kumar Nair	2.40	3.60
<b>Balance as on 16-12-2013</b>		
<b>Intercorporate Deposit Debit – Associate Company</b>		
TPL	–	45.06
<b>Balance as on 31-03-2015</b>		
<b>Intercorporate Deposit Debit- Subsidiary Company</b>		
VSL	1.51	50.39
<b>Current Account Debit- Subsidiary Company</b>		
VSL	–	0.04
<b>Share Account Debit / (Credit) – Subsidiary Company</b>		
Vertex Securities Limited – Share Trading Account	(0.93)	2.69
<b>Intercorporate Deposit Debit – Associate Company</b>		
TAPL	0.34	1.49
<b>Current Account Debit – Associate Company</b>		
TAPL	0.08	0.09

28) The company is primarily engaged in a single segment viz. Financial Services and related activities, therefore the separate disclosures required under Accounting Standard (AS-17) on Segment Reporting issued by ICAI are not applicable.

29) Operating Leases: The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 36 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognised in the Statement of Profit and Loss as 'Rent' under Note No. 23 is ₹ 1,389,276/- (P.Y.234,816 /- ).Future minimum lease rent payable are as follows:

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Not later than one year	3,202,000	184,500
Later than one year but not later than five years	3,215,000	183,086
Later than five years	–	–

- 30) (a) Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.  
 (b) Debit and Credit balances are subject to confirmation of parties.
- 31) Provision for taxation has been made during the year under "Minimum Alternate Tax" (MAT) as per the provisions of the Indian Income Tax Act, 1961, which can be setoff in the subsequent year based on the provisions of Section 115 JB.
- 32) The Company has revised depreciation rates on Fixed Assets effective 1st April, 2014 in accordance with requirements of Schedule II of Companies Act, 2013 ("the Act"). The remaining useful life of the Fixed Assets has been revised by adopting standard useful life as per new Companies Act 2013. The carrying amount of the Fixed Assets as on 1st April, 2014 is depreciated over the remaining useful life. As a result of this changes :-
- (a) The depreciation charge for the year ended 31st March, 2015 is lower by ₹ 180,545/-  
 (b) There is a debit to retained earnings of ₹ 135,725/- for the Fixed Assets whose remaining life as on 1st April, 2014 is expired in accordance with revised life as per Companies Act 2013.
- 33) Previous Year figures are regrouped or rearranged wherever necessary to correspond with the current year figures

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
*Chartered Accountants*

**Gautam Divan**  
*Partner*

Mumbai  
 May 27, 2015

For and on behalf of Board of Directors

**Kumar Nair**  
*Managing Director*

**R. L. Shenoy**  
*Director*

**Raghu R. Palat**  
*Director*

**Nirmala Parab**  
*Director*

**U. Ramachandran**  
*Director & CFO*

**Sridhar H.**  
*Company Secretary*



## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors of  
**TRANSWARRANTY FINANCE LIMITED**

### Report on the Consolidated Financial Statements

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 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Basis for Qualified Opinion

- a) *Attention is invited to Note 35 forming part of the Consolidated Financial Statements, regarding evaluation of long term investment by the management. We have relied upon the confirmation by the management in the absence of independent external evaluation.*
- b) *As stated in Note 33 forming part of the Consolidated Financial Statements, sundry debtors under the head current assets include old outstanding dues. The sundry debtors outstanding for more than six months amount to ₹ 25,840,037. Further out of the total sundry debtors, for a sum of ₹ 15,259,655, the Company has initiated legal and recovery actions, the proceedings of which are in different stages.*

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by 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, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company incorporated in India, we give in the Annexure 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, 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 and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) 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 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 Holding Company.

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

Place : Mumbai  
Date : 27 May 2015

**GAUTAM DIVAN**  
Partner  
Membership Number: 006457

**ANNEXURE 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 Holding Company and its subsidiary companies have 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 Holding Company and its subsidiaries and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (ii) The Holding Company and its subsidiaries had no inventory during the year. Since the Holding Company and its subsidiaries have no inventory, clauses 3 (ii) of the Order is not applicable.

**(iii) Holding Company**

In our opinion and according to the information and explanations given to us, the Company has granted unsecured any loans, to a company covered in the register maintained under Section 189 of the Companies Act, 2013.

- (a) The company is recovering principal and interest on a regular basis.
- (b) The balance at 31 March 2015 is ₹ 341,701. There is no overdue amount.

**Subsidiary Company**

In our opinion and according to the information and explanations given to us, a Subsidiary Company has granted unsecured loans, to a company covered in the register maintained under Section 189 of the Companies Act, 2013.

- (a) The company is recovering principal and interest on a regular basis.
- (b) The balance at 31 March 2015 is ₹ 1,507,635. There is no overdue amount.

- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Holding Company and its subsidiaries and the nature of its business with regard to purchases of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiaries have not accepted any deposit within the meaning of Section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder.
- (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 Holding Company and its subsidiaries for the year under report.
- (vii) (a) According to the records of the Holding Company and its subsidiaries and the information and explanations given to us, the Holding Company and its subsidiaries have been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth 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, 2015 outstanding for a period of more than six months from the date they become payable.

**(b) Holding Company**

The disputed statutory dues aggregating to ₹ 2,358,110 that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹)
1	Income Tax Act	Tax/Penalty	Assistant Commissioner of Income Tax	Assessment Year 2012-2013	2,358,110

## Subsidiary Companies

The disputed statutory dues aggregating to ₹ 1,503,042 that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹)
1	Finance Act	Tax/Penalty	The Customs, Excise and Service tax Appellate Tribunal.	2006-07 to 2009-10	622,000
2	Finance Act, 1994	Tax/Penalty	The Customs, Excise and Service tax Appellate Tribunal.	F.Y. 2008-09 to 2012-13	881,042

- (c) The amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) According to the records of the Holding Company, the Holding Company has no accumulated losses at the end of the financial year. The Holding Company has incurred a cash profit during the financial year and in the immediately preceding financial year.
- According to the records of one Subsidiary Company, the Subsidiary Company has accumulated losses at the end of the financial year. The Subsidiary Company has incurred a cash loss during the financial year and in the immediately preceding financial year.*
- According to the records of one Subsidiary Company, the Subsidiary Company has accumulated losses at the end of the financial year. The Subsidiary Company has incurred a cash profit during the financial year and a cash loss in the immediately preceding financial year.*
- (ix) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Holding Company and its subsidiaries have not defaulted in repayment of dues to banks or financial institutions.
- (x) Based on our examination of the records, the Holding Company and its subsidiaries have not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Holding Company and its subsidiaries have not taken any term loans during the year.
- (xii) To the best of our knowledge, and according to the information and explanations to us, no material fraud on or by the Holding Company or its subsidiaries have been noticed or reported during the year.

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

Place : Mumbai  
Date : 27 May 2015

GAUTAM DIVAN  
Partner  
Membership Number: 006457

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

Particulars	Note No.	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
		₹	₹	₹	₹
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	2	244,605,680		244,605,680	
(b) Reserves and Surplus	3	<u>306,494,431</u>		<u>309,678,799</u>	
			551,100,111		554,284,479
<b>(2) Minority Interest</b>	4		57,286,136		54,803,776
<b>(3) Non – Current Liabilities</b>					
(a) Long Term Borrowings	5	22,024,962		32,669,715	
(b) Other Long Term Liabilities	6	<u>13,501,615</u>		<u>7,035,703</u>	
			35,526,577		39,705,418
<b>(4) Current Liabilities</b>					
(a) Short Term Borrowings	7	15,477,008		16,447,561	
(b) Trade Payables	8	74,345,843		65,137,827	
(c) Other Current Liabilities	9	10,899,492		16,200,116	
(d) Short Term Provisions	10	<u>1,650,573</u>		<u>4,743,659</u>	
<b>Total Equity And Liabilities</b>			<u>746,285,740</u>		<u>751,322,835</u>
<b>II. ASSETS</b>					
<b>(1) Non Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	11	12,081,580		17,348,947	
(ii) Intangible Assets	12	4,211,359		6,021,152	
(b) Goodwill on Consolidation		56,584,196		56,584,196	
(c) Non Current Investments	13 (A)	232,402,460		290,877,224	
(d) Deferred Tax Assets (Net)	14	433,738		423,472	
(e) Long Term Loans and Advances	15	<u>297,809,135</u>		<u>233,260,971</u>	
			603,522,468		604,515,962
<b>(2) Current Assets</b>					
(a) Current Investments	13 (B)	27,106		–	
(b) Trade Receivables	16	46,835,966		44,821,253	
(c) Cash and Cash Equivalents	17	31,704,983		27,078,427	
(d) Short Term Loans and Advances	18	57,192,487		68,170,251	
(e) Other Current Assets	19	<u>7,002,730</u>		<u>6,736,942</u>	
<b>Total Assets</b>			<u>746,285,740</u>		<u>751,322,835</u>

Notes 1 to 41 form an integral part of the Financial Statements.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants**Gautam Divan**  
PartnerMumbai  
May 27, 2015

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director**R. L. Shenoy**  
Director**Raghu R. Palat**  
Director**Nirmala Parab**  
Director**U. Ramachandran**  
Director & CFO**Sridhar H.**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2015 (₹)	For the year ended 31 <sup>st</sup> March, 2014 (₹)
<b>REVENUE</b>			
Revenue From Operations	20	125,180,298	136,851,530
Other Income	21	14,766,345	10,945,790
<b>Total Revenue</b>		<u>139,946,643</u>	<u>147,797,320</u>
<b>EXPENSES</b>			
Purchase of Shares held in Stock in Trade	22	45,271,211	49,534,375
Employee Benefits Expense	23	39,318,337	43,506,555
Finance Costs	24	3,728,888	5,174,374
Depreciation and Amortisation Expenses	11 & 12	5,195,879	5,136,091
Other Expenses	25	50,259,841	58,239,364
<b>Total Expenses</b>		<u>143,774,156</u>	<u>161,590,759</u>
<b>Loss Before Exceptional and Extra ordinary items and Tax</b>		<u>(3,827,513)</u>	<u>(13,793,439)</u>
Exceptional Items:-			
Reversal of Excess Provisions		2,598,954	-
Profit/ (Loss) on Sale of Fixed Assets		(395,554)	765,543
<b>Loss Before Extra ordinary items and Tax</b>		<u>(1,624,113)</u>	<u>(13,027,896)</u>
Extraordinary Items		-	-
<b>Loss Before Tax</b>		<u>(1,624,113)</u>	<u>(13,027,896)</u>
<b>Tax Expense</b>			
Current Tax		320,000	102,000
Less: MAT Credit Entitlement		(101,634)	-
Deferred Tax		(10,266)	(108,797)
Short Provision of tax relating to earlier years		392,751	-
<b>Loss After Tax</b>		<u>(2,224,964)</u>	<u>(13,021,099)</u>
Prior Period Expenses		13,165	-
<b>Loss for the year from Continuing Operations</b>		<u>(2,238,129)</u>	<u>(13,021,099)</u>
<b>Profit / (Loss) from Discontinuing Operations</b>		-	-
Tax Expense of Discontinuing Operations		-	-
<b>Profit / (Loss) from Discontinuing Operations After Tax</b>		-	-
<b>Loss For the Year</b>		<u>(2,238,129)</u>	<u>(13,021,099)</u>
Basic Earning Per Share of ₹ 10/- each (In Rupees)	27	(0.09)	(0.53)
Diluted Earning Per Share of ₹ 10/- each (In Rupees)	27	(0.09)	(0.53)

Notes 1 to 41 form an integral part of the Financial Statements.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants

**Gautam Divan**  
Partner

Mumbai  
May 27, 2015

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director

**R. L. Shenoy**  
Director

**Raghu R. Palat**  
Director

**Nirmala Parab**  
Director

**U. Ramachandran**  
Director & CFO

**Sridhar H.**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

Particulars	2014-15 (₹)	2013-14 (₹)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	(1,624,113)	(13,027,896)
<b>Add: Non Operating Expenses/ Non Cash Expenses</b>		
Depreciation & Amortisation	5,195,879	5,136,091
Loss on Sale of Fixed Assets (Net)	395,554	–
Interest Paid	3,728,888	5,174,374
Bad Debts Written Off	2,109,281	130,801
Provision for diminution in value of quoted investments (net)	448	–
	<u>11,430,050</u>	<u>10,441,266</u>
<b>Less : Interest / Dividend/ Other Non Operating Income Adjustments</b>		
Interest Received	(2,324,381)	(2,079,391)
Profit on Sale of Fixed Assets (Net)	–	(765,543)
Dividend Received	(18,557)	(29,449)
Profit on share trading	(1,407,920)	(159,580)
Provision for diminution in value of quoted investments written back	–	(136,862)
Sundry Creditors balances written back	(3,081,271)	–
Reversal of Excess Provision	(2,598,954)	
Prior Period Expenses	(13,165)	–
	<u>(9,444,247)</u>	<u>(3,170,825)</u>
<b>Operating Profit before Working Capital Changes</b>	<u>361,690</u>	<u>(5,757,455)</u>
<b>Adjusted for:</b>		
(Increase)/Decrease in Trade Receivables & Other Assets	(5,938,753)	1,061,747
(Increase)/Decrease in Loans & Advances	5,047,369	9,195,539
Increase /(Decrease) in Current Liabilities	7,099,114	(18,948,416)
Increase /(Decrease) in Non-Current Liabilities	6,465,912	1,877,033
Increase /(Decrease) in Provisions	(440,614)	2,384,692
<b>Cash Generated from Operation</b>	<u>12,594,718</u>	<u>(10,186,860)</u>
Income Tax Paid/ (Refund)	3,891,648	7,893,906
<b>Net Cash From Operating Activities</b>	<u>16,486,366</u>	<u>(2,292,954)</u>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

Particulars	2014-15 (₹)	2013-14 (₹)
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Purchase of Fixed Assets	(312,695)	(890,766)
Sale of Fixed Assets	74,301	3,283,724
Sale of Investments (Net)	6,633,577	1,529,919
Inter Corporate Deposits Received / (Given)	(13,249,826)	(10,571,508)
Gold Loan Received / (Given)	1,958,825	1,908,435
Interest Received	1,393,305	2,079,391
Dividend Received	18,557	29,449
<b>Net Cash used in Investing Activities</b>	<b>(3,483,956)</b>	<b>(2,631,356)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (Decrease) in Secured Loans	1,455,517	(5,574,177)
Increase/ (Decrease) in Unsecured Loans	(5,996,027)	(4,144,939)
Dividend Paid ( including tax thereon)	(106,447)	-
Interest Paid	(3,728,888)	(5,174,374)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(8,375,845)</b>	<b>(14,893,490)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalent</b>	<b>4,626,556</b>	<b>(19,817,800)</b>
<b>Opening Balance of Cash and Cash Equivalent</b>	<b>27,078,427</b>	<b>46,896,228</b>
<b>Closing Balance of Cash and Cash Equivalent</b>	<b>31,704,983</b>	<b>27,078,427</b>

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants**Gautam Divan**  
PartnerMumbai  
May 27, 2015

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director**R. L. Shenoy**  
Director**Raghu R. Palat**  
Director**Nirmala Parab**  
Director**U. Ramachandran**  
Director & CFO**Sridhar H.**  
Company Secretary



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

### B) Other Significant Accounting Policies

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

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>2. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
31,000,000 Equity Shares of ₹ 10/- each	<u>310,000,000</u>	<u>310,000,000</u>
	<u>310,000,000</u>	<u>310,000,000</u>
<b>Issued, Subscribed and Fully Paid Up</b>		
24,460,568 Equity Shares of ₹ 10/- each fully paid up	<u>244,605,680</u>	<u>244,605,680</u>
<b>Total</b>	<u>244,605,680</u>	<u>244,605,680</u>

### Note:-

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

Particulars	2014-15		2013-14	
	No of Shares	(₹)	No of Shares	(₹)
<b>EQUITY SHARES</b>				
<b>A) Fully Paid Up Shares</b>				
No of shares outstanding at the beginning of the year	24,460,568	244,605,680	24,460,568	244,605,680
Add / Less :- Issued / Buy back .	-	-	-	-
<b>Number of shares outstanding at the end of the year</b>	<u>24,460,568</u>	<u>244,605,680</u>	<u>24,460,568</u>	<u>244,605,680</u>

### 2) Terms and rights attached to Equity Share.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

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

Name of the Person / Firm / Company	2013-14		2012-13	
	No of Shares	%	No of Shares	%
<b>EQUITY SHARES</b>				
<b>a) Fully Paid Up Shares</b>				
1) Kumar Nair	12,708,694	51.96	12,708,694	51.96
2) TFL-TCCPL and TFCPL Merger Trust	5,225,000	21.36	5,225,000	21.36

### 4) Aggregate Number of Shares allotted as fully paid up without payment being received in cash during a period of 5 years preceding the date at which the balance sheet is prepared.

	No of Shares	Class of Shares
<b>EQUITY SHARES</b>		
<b>A) Fully Paid Up Shares</b>		
i) Shares issued to the shareholders of Transwarranty Credit Care Pvt. Ltd. as per the scheme of amalgamation in F.Y. 2010-11.	6,993,000	Equity Shares
ii) Shares issued to the shareholders of Transwarranty Forex & Commodities Pvt. Ltd. as per the scheme of amalgamation in F.Y. 2010-11	3,446,553	Equity Shares

### 5) Employees Stock Option Scheme

#### A) Transwarranty Finance Limited

- The Transwarranty Finance Limited (TFL) Employee Stock Option Scheme has been approved by the Board Of Directors of the company on 10<sup>th</sup> March, 2008.
- 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 the date of vesting.
- The options will be settled in equity shares of the company.
- The company used the intrinsic value method to account for ESOPs.
- The exercise price has been determined to be ₹ 10/-
- 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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 <sup>st</sup> March, 2015 (Nos)	As at 31 <sup>st</sup> March, 2014 (Nos)
Options outstanding at the beginning of the year	520,319	765,769
Prior Period Adjustments	(205,419)	–
Options granted during the year	–	–
Options vested during the year	88,939	–
Options exercised during the year	–	–
Options forfeited during the year	30,375	–
Options lapsed /surrendered during the year	42,811	245,450
<b>Options outstanding at the end of the year</b>	<b>152,775</b>	<b>520,319</b>

- i) Had fair value method been used , the compensation cost would have been higher by ₹ 6.87 Lakhs (Previous Year ₹ 8.05 Lakhs) Profit after tax would have been lower by ₹ 6.87 Lakhs (Previous year ₹ 8.05 Lakhs) and EPS both basic and diluted would have been ₹ 0.02 Per share (Previous Year ₹ 0.06 Per share)

### B) Vertex Securities Limited

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

Grant	Options (Face Value of ₹ 10/- per share)	Price Per Option	Options (Split to Face value of ₹ 2/- per share)	Price Per Option (After Share Split)
Grant -I	462,500	69.00	2,312,500	13.80
Grant -II	50,000	145.50	250,000	29.10
Grant -III	17,500	145.50	87,500	29.10
Grant-IV	25,000	145.50	125,000	29.10
Grant-V	100,000	145.50	500,000	29.10
Grant-VI	–	–	1,013,750	29.10
Grant-VII	–	–	200,000	5.46
Grant-VIII	–	–	1,875,000	5.46

- g) 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”.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

### h) Details of movement of Options

Particulars	As at 31 <sup>st</sup> March, 2014 (Nos)	As at 31 <sup>st</sup> March, 2013 (Nos)
Options outstanding at the beginning of the year split to face Value of ₹ 2/- share	1,722,007	2,537,002
Prior Period Adjustments	(129,631)	
Options granted during the year	–	–
Options vested during the year	301,866	–
Options exercised during the year	–	–
Options forfeited during the year	432,250	814,995
Options lapsed /surrendered during the year	157,196	–
Options outstanding at the end of the year	<u>701,064</u>	<u>1,722,007</u>

- i) Had fair value method been used, the compensation cost would have been higher by ₹ 10.94 Lakhs (Previous Year ₹ 14.55 Lakhs). Loss after tax would have been higher by ₹ 10.94 Lakhs (Previous year ₹ 14.55 Lakhs) and Basic EPS would have been ₹ (0.08) per share (Previous Year ₹ (0.36) Per share) and Diluted EPS would have been ₹ (0.05) (Previous Year ₹ (0.23)).

Particulars	As at 1 <sup>st</sup> April, 2014 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 <sup>st</sup> March, 2015 (₹)
<b>3. RESERVES AND SURPLUS</b>				
a) Capital Reserve	37,893,245	–	–	37,893,245
b) Securities Premium Reserve	208,291,145	–	–	208,291,145
c) Other Reserves				
– Reserve U/S 45 IC of RBI Act	31,722,394	219,126	(9,300)	31,950,820
– General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1 & 2)	21,361,258	(1,688,673)	1,724,120	17,948,464
	<u>309,678,799</u>	<u>(1,469,547)</u>	<u>1,714,820</u>	<u>306,494,431</u>

**Note-1 :** Deductions during the year are on account of depreciation debited to Reserves, as per Schedule II of the Companies Act, 2013.

Particulars	As at 1 <sup>st</sup> April, 2013 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 <sup>st</sup> March, 2014 (₹)
a) Capital Reserve	37,893,245	–	–	37,893,245
b) Securities Premium Reserve	208,291,145	–	–	208,291,145
c) Other Reserves				
– Reserve U/S 45IC of RBI Act	31,277,515	444,879	–	31,722,394
– General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1 & 2)	27,418,985	(6,057,727)	–	21,361,258
	<u>315,291,647</u>	<u>(5,612,848)</u>	<u>–</u>	<u>309,678,799</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

### Note -2 :-

Particulars	2015	2014
1) Loss for the year	(2,238,129)	(13,021,099)
Less:-		
Transfer to Reserve U/S 45 IC of RBI Act	219,126	444,879
Share of Loss transferred to Minority Interest -VSL	(1,698,404)	(7,405,558)
Share of Loss transferred to Minority Interest -VCFPL	(287)	(2,693)
Adjustment for old debtors written off-VSL	920,809	-
Prior Period Adjustment for Reserve U/S 45 IC of RBI Act	9,300	-
	<u>(549,456)</u>	<u>(6,963,372)</u>
	<u><u>(1,688,673)</u></u>	<u><u>(6,057,727)</u></u>

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
4. MINORITY INTEREST		
Vertex Commodities & Finpro (P) Limited	12,183	12,470
Vertex Securities Limited	57,273,953	54,791,306
	<u>57,286,136</u>	<u>54,803,776</u>

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>NON- CURRENT LIABILITIES</b>		
5. LONG TERM BORROWINGS		
I. Secured Loans		
A. Loan From Banks		
Overdraft Account- ICICI Bank Ltd (Secured against mortgage of Office Premises owned by Transwarranty Pvt. Ltd. and personal guarantee given by the Managing Director)	-	4,231,826
Car Loan Account- HDFC Bank (Secured against hypothecation of Motor Car)	670,484	1,087,384
<b>Total (A)</b>	<u>670,484</u>	<u>5,319,210</u>
II. Unsecured Loans		
Intercorporate Loan Associate Companies	-	5,195,196
From Others,		
Inter Corporate Deposits	15,500,000	15,500,000
Security Deposit From Franchises	5,854,478	6,655,309
<b>Total (B)</b>	<u>21,354,478</u>	<u>27,350,505</u>
<b>Total (A) + (B)</b>	<u><u>22,024,962</u></u>	<u><u>32,669,715</u></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

### Note:-

#### Terms of Repayment

1) Vehicle loan from HDFC Bank was sanctioned on 17.09.2012 for a period of 5 years. Current EMI per month is ₹ 42,620/-.

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>6. OTHER LONG TERM LIABILITIES</b>		
a) Trade Payables		
Amount Payable to Clients	11,240,027	5,002,170
Gold Loan	1,312,879	1,312,879
b) Others		
Other Creditors	948,709	720,654
	<u>13,501,615</u>	<u>7,035,703</u>
<b>CURRENT LIABILITIES</b>		
<b>7. SHORT TERM BORROWINGS</b>		
<b>A) Secured Loans</b>		
<b>1) Loan from Bank</b>		
Overdraft Account – The Catholic Syrian Bank Ltd (Secured against Gold Loan Receivables and personal guarantee given by the Managing Director)	3,603,001	4,894,795
<b>Note:-</b> Overdraft from CSB is the Working Capital Facility for Gold Loan against the securities not older than six months and personal guarantee of the Managing Director. Tenure of the loan is for 12 months and repayable on demand. Limit shall be renewed before the expiry of the sanctioned period of one year. Current Interest rate is 15.50% p.a.		
Overdraft Account- Axis Bank (Secured against mortgage of property owned by Transwarranty Pvt. Ltd., Corporate Guarantee of the Holding Company and Personal Guarantee of the Managing Director)	8,874,007	–
Overdraft Account- ICICI bank (Secured against hypothecation of Office Premises owned by Transwarranty Pvt. Ltd. and personal guarantee given by the Managing Director)	–	1,420,000
<b>Total – (A)</b>	<u>12,477,008</u>	<u>6,314,795</u>
<b>B) Unsecured Loans</b>		
<b>i) Inter Corporate Deposits</b>		
– From Associate Company	–	1,490,246
– From Others	3,000,000	8,642,520
<b>Total – (B)</b>	<u>3,000,000</u>	<u>10,132,766</u>
<b>Total – (A) + (B)</b>	<u>15,477,008</u>	<u>16,447,561</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>8. TRADE PAYABLES</b>		
a) Amount Due to Micro , Small & Medium Enterprises	-	-
b) Other Creditors		
Amount due to Clients	74,345,843	65,137,827
	<u>74,345,843</u>	<u>65,137,827</u>
<b>9. OTHER CURRENT LIABILITIES</b>		
a) Current Maturities of Long Term Debt	416,901	474,871
b) Interest Accrued & Due on borrowings	3,085,010	3,085,010
c) Unpaid Dividends	104,232	156,713
d) Other Payables		
- Book Overdraft	-	2,393,031
- Creditors for Expenses	7,293,349	10,090,491
	<u>10,899,492</u>	<u>16,200,116</u>
<b>10. SHORT – TERM PROVISIONS</b>		
a) <b>Provision for Employees</b>		
Provision for Gratuity	-	2,107,927
Provision for Leave Encashment	891,041	1,381,362
b) <b>Others</b>		
Provision for Diminution in value of Quoted Investments	159,820	159,372
Provision For Preference Share Dividend	-	53,966
Provision Others	599,712	1,041,032
	<u>1,650,573</u>	<u>4,743,659</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)**

**11. FIXED ASSETS -TANGIBLE**

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE			DEPRECIATION / AMORTISATION			NET BLOCK			
		Total As at 1-Apr-14 (₹)	Additions / Adjustments During the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-15 (₹)	Total As at 1-Apr-14 (₹)	Transferred to Retained Earning (₹)	Provided during the year (₹)	Deductions / Adjustments During the Year (₹)	Total As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
1	Furniture & Fixture	11,222,441	53,779	556,782	10,719,438	400,921	882,995	266,008	7,735,284	2,984,154	4,505,065
2	Computers	21,560,464	22,140	279,999	21,302,605	852,587	702,579	278,346	21,214,342	88,263	1,622,942
3	Office Equipments	13,710,136	231,526	293,873	13,647,789	310,026	1,134,841	116,445	6,805,063	6,842,726	8,233,494
4	Vehicles	6,525,377	-	7,090	6,518,287	67,469	753,540	7,090	4,351,850	2,166,436	2,987,446
	<b>Total</b>	53,018,418	307,445	1,137,744	52,188,119	1,631,003	3,473,954	667,889	40,106,539	12,081,580	17,348,947
	<b>Previous Year</b>	60,387,266	6,400	7,375,249	53,018,417	-	3,150,205	4,857,065	35,669,471	17,348,947	

**12. FIXED ASSETS – INTANGIBLE**

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE			DEPRECIATION / AMORTISATION			NET BLOCK			
		Total As at 1-Apr-14 (₹)	Additions / Adjustments During the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-15 (₹)	Total As at 1-Apr-14 (₹)	Transferred to Retained Earning (₹)	Provided during the year (₹)	Deductions / Adjustments During the Year (₹)	Total As at 31-Mar-15 (₹)	As at 31-Mar-14 (₹)
1	Goodwill	400,000	-	-	400,000	-	-	-	-	400,000	400,000
2	Computer Software	9,257,175	-	-	9,257,175	93,117	444,301	-	8,504,256	752,918	1,290,337
3	License	11,821,085	5,250	-	11,826,335	-	1,097,501	-	9,101,867	2,724,469	3,816,719
4	Bombay Stock Exchange	1,000,000	-	-	1,000,000	-	100,000	-	894,110	105,890	205,890
5	NMCE	100,000	-	-	100,000	-	5,123	-	100,000	-	5,123
6	MCX	251,000	-	-	251,000	-	-	-	251,000	-	-
7	NCDEX	500,000	-	-	500,000	-	50,000	-	419,041	80,959	130,959
8	NSEL	250,000	-	-	250,000	-	25,000	-	102,877	147,123	172,123
	<b>Total</b>	23,579,260	5,250	-	23,584,510	93,117	1,721,925	-	19,373,151	4,211,359	6,021,152
	<b>Previous Year</b>	22,694,895	884,366	-	23,579,261	-	1,985,886	-	17,558,109	6,021,152	-



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	Face Value (₹)	31.03.2015		31.03.2014	
		Quantity (Nos)	Value (₹)	Quantity (Nos)	Value (₹)
<b>13(A) NON- CURRENT INVESTMENTS (AT COST)</b>					
<b>a) Investments in Equity Instruments</b>					
<b>i) Quoted Investments</b>					
South Indian Bank (Right Share) (Market Value ₹ 252/-)	1	10	40	10	40
NEPC India Ltd. (Market Value ₹ 4,800/-)	10	2,000	85,156	2,000	85,156
Rama Newsprint Papers Ltd. (Market Value ₹ 7,375/-)	10	1,250	86,838	1,250	86,838
Anil Limited (Market Value ₹ 5,93,792/-)	10	39	780	4,639	92,780
Biocon	10	-	-	100	52,326
Biocon-Bonus Shares (Market Value ₹ 84,810/-)	10	-	-	100	
Jenburkt Pharmaceuticals Ltd. (Market Value ₹ 31,920/-)	10	-	-	350	33,438
<b>ii) Unquoted Investments</b>					
<b>1) Associate Companies</b>					
<b>a) Transwarranty Private Limited</b>					
1,459,380 (P.Y. 1,459,380) 8% Non-Cumulative Redeemable Preference Shares	1,459,380	100	145,938,000	1,459,380	145,938,000
<b>b) Transwarranty Advisors Private Limited</b>					
837,340 (P.Y. 1,245,310) 8% Non-Cumulative Redeemable Preference Shares	837,340	100	83,734,000	1,245,310	124,531,000
<b>2) Others</b>					
Catholic Syrian Bank Ltd.	10	700	31,000	700	31,000
Cochin Stock Exchange	10	905	2,507,700	905	2,507,700
Navani Corp (India) Ltd	10	-	-	350000	17,500,000
<b>b) Investments in Government or trust securities</b>					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
UTI Master Share (Market Value ₹ 35,932/- )	-	1,000	13,945	1,000	13,945
<b>Total</b>			<b>232,402,460</b>		<b>290,877,223</b>

- 1) Aggregate amount of Quoted investments is ₹ 186,760/- (P.Y. ₹ 734,861/- ) and market value is ₹ 56,713/- (P.Y. ₹ 1,052,836/-)
- 2) Aggregate amount of Unquoted investments is ₹ 232,215,700/- (P.Y. ₹ 20,043,700/-)
- 3) Aggregate provision made for diminution in value of investments is ₹ 159,820/- ( P.Y. ₹ 159,372/-)

**13(B) CURRENT INVESTMENTS**

Particulars	NAV (₹)	31.03.2015		31.03.2014	
		Unit Balance (Nos)	Value (₹)	Quantity (Nos)	Value (₹)
<b>(a) Mutual Fund</b>					
SBI Ultra Short Term Debt Fund – Regular Plan Growth	1,776.74	15.256	27,106		-
<b>Total</b>			<b>27,106</b>		<b>-</b>

- (a) Aggregate amount of quoted investments is ₹ 27,106/- and market value is ₹ 27,384/-.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>NON CURRENT ASSETS</b>		
<b>14. DEFERRED TAX ASSETS</b>		
1) The Deferred Tax Assets( Net) at the year end comprises of timing differences arising on account of :-		
Deferred Tax Asset:-		
Depreciation	433,738	423,472
	<u>433,738</u>	<u>423,472</u>
<b>15. LONG TERM LOANS AND ADVANCES</b>		
<b>A) Unsecured, Considered Good</b>		
a) Capital Advances	43,300,000	43,300,000
b) Security Deposits	270,259	262,729
c) Loans and Advances to Related Parties		
Inter Corporate Deposits – Associates	341,701	1
d) Other Loans and Advances		
Inter Corporate Deposits to Others	178,134,675	113,935,741
TFL-TCCPL and TFCPL Merger Scheme Trust	75,762,500	75,762,500
	<u>297,809,135</u>	<u>233,260,971</u>
<b>CURRENT ASSETS</b>		
<b>16. TRADE RECEIVABLES</b>		
<b>Un Secured considered Good</b>		
Debts outstanding for a period exceeding six Months	25,840,037	28,247,755
Less:- Bad Debts Written off	-	-
<b>Total – (A)</b>	<u>25,840,037</u>	<u>28,247,755</u>
Other Debts	20,995,929	16,573,498
Less:- Bad Debts Written off	-	-
<b>Total – (B)</b>	<u>20,995,929</u>	<u>16,573,498</u>
<b>Total – (A) +(B)</b>	<u>46,835,966</u>	<u>44,821,253</u>
<b>17. CASH AND CASH EQUIVALENTS</b>		
a) Cash on Hand	48,779	150,998
b) Balance with Banks		
In Current Account	11,294,571	9,557,963
In Dividend Account	100,097	143,511
In Deposit Accounts :-		
Less than 12 months Maturity	20,261,536	15,600,302
More than 12 Months Maturity	-	1,625,653
<b>Note:-</b>		
1. Fixed Deposit of ₹ 17,500,000/- (P.Y. ₹ 14,400,000/-) are pledged against Bank Guarantees and ₹ 1,000,000/- (P.Y. ₹ 1,000,000/-) are pledged against Trading Guarantee for Exchange.		
2. Fixed Deposit of ₹ 1,761,536/- ( P.Y. ₹ 1,625,653/- ) are Lien marked to Foreign Exchange Dealers Association of India (FEDAI) for membership requirement.		
	<u>31,704,983</u>	<u>27,078,427</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>18. SHORT TERM LOANS AND ADVANCES</b>		
<b>A) Secured Considered Good</b>		
a) Others		
Gold Loans	5,659,686	7,064,796
Loan Against Property	81,837	81,837
<b>B) Unsecured, Considered Good</b>		
a) Loans and advances to Related Parties	947,478	–
b) Others		
Inter Corporate Deposits	3,012,700	3,027,700
Loans and advances to Employees	88,000	47,000
Deposits	30,788,606	35,617,719
MAT Credit Entitlement	101,634	–
Advance Payment of Income Tax (Including TDS, Net of Provision) { Provision For Tax ₹ 10,175,800/- (P.Y. ₹ 9,853,300/-) }	12,304,885	16,909,283
Other Short Term Advances	527,851	456,153
Advance Receivable	3,679,810	4,965,763
	<u>57,192,487</u>	<u>68,170,251</u>
<b>19. OTHER CURRENT ASSETS</b>		
Interest Accrued on ICD's	34,20,344	3,506,981
Interest Accrued on Fixed Deposits	27,57,889	1,827,556
Interest Accrued on Gold Loan , etc.	848,690	1,402,405
	<u>7,002,730</u>	<u>6,736,942</u>
Particulars	For the year Ended on 31 <sup>st</sup> March, 2015 (₹)	For the year Ended on 31 <sup>st</sup> March, 2014 (₹)
<b>20. REVENUE FROM OPERATIONS</b>		
a) Sale of Shares held in Stock-in-Trade	45,063,032	49,523,279
b) Interest		
Interest on Gold Loan	1,330,868	1,318,377
Interest on Property Loan	–	7,511
c) Other Financial Services		
Trade Finance	17,299,709	26,215,683
Corporate Finance	10,800,000	1,375,000
Investment Banking	1,500,000	7,851,675
Brokerage Income	47,026,582	47,662,507
Merchant Banking Fees	–	573,889
Income From DP Operations	2,160,107	2,323,609
	<u>125,180,298</u>	<u>136,851,530</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	For the year Ended on 31 <sup>st</sup> March, 2015 (₹)	For the year Ended on 31 <sup>st</sup> March, 2014 (₹)
<b>21. OTHER INCOME</b>		
a) Dividend Income	18,557	29,449
b) Net gain / loss on sale of Investments	1,407,920	159,580
c) Bad Debts Written Off Recovered	–	1,300,000
d) Other Non Operating Income		
– Interest Income	2,324,381	2,079,391
– Miscellaneous Income	7,651,577	3,840,507
– Provision For Quoted Investments Written Back	–	136,862
– Vsat Recurring Charges Recovered	92,300	148,600
– Late Payment Charges	1,408,804	929,252
– Software & AMC Charges Recovered	574,200	1,309,874
– Interest on Income Tax Refund	1,288,606	1,012,275
	<u>14,766,345</u>	<u>10,945,790</u>
<b>22. PURCHASE OF SHARES HELD IN STOCK-IN-TRADE</b>	<u>45,271,211</u>	<u>49,534,375</u>
	<u>45,271,211</u>	<u>49,534,375</u>
<b>23. EMPLOYEE BENEFITS EXPENSES</b>		
a) Salaries, Wages, Bonus, Gratuity & Allowances	36,443,568	38,772,033
b) Contribution to Provident	2,039,979	3,923,359
c) Staff Welfare Expenses	834,790	811,163
	<u>39,318,337</u>	<u>43,506,555</u>
<b>24. FINANCE COST</b>		
a) Interest Expense		
On Term Loans	140,351	173,234
On Overdrafts & Other Borrowings	2,642,496	1,372,964
b) Other Borrowing Costs		
Interest on ICD	3,00,743	2,695,722
Bank Charges	2,70,037	402,672
Bank Guarantee Expenses	375,261	529,782
	<u>3,728,888</u>	<u>5,174,374</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	For the year Ended on 31 <sup>st</sup> March, 2015 (₹)	For the year Ended on 31 <sup>st</sup> March, 2014 (₹)
<b>25. OTHER EXPENSES</b>		
Rent	3,695,645	3,143,152
Rates & Taxes	277,260	891,090
Insurance	589,068	768,718
Advertisement, Publicity & Sales Promotion	1,199,839	1,035,963
Travelling & Other Incidental Expenses	2,074,067	2,173,548
Office Maintenance	5,027,545	6,689,183
Vehicle Running & Maintenance	212,165	220,714
Printing & Stationery	475,094	600,216
Communication Expenses	1,472,061	1,745,833
Electricity	1,822,638	2,215,415
Donation	25,000	–
Auditor's Remuneration		
– As Auditors	385,000	235,000
– For Tax Audit	75,000	55,000
– For Other Services	90,395	89,504
Legal, Professional & Consultancy Charges	4,071,758	3,810,315
Directors Sitting Fees	550,445	526,668
Other Operational Expenses	26,107,132	32,927,413
Loss on Futures & Options (Net)	–	149,657
Bad Debts written off	2,109,281	961,975
Provision for Quoted Investments (Net)	448	–
	<u>50,259,841</u>	<u>58,239,364</u>
<b>Note:-</b>		
<b>EARNING / EXPENDITURE IN FOREIGN CURRENCY</b>		
Earnings in Foreign Exchange as fees for Professional Services rendered	2,570,504	12,970,183
Expenditure incurred in Foreign Currency	646,488	401,832

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	For the year Ended on 31 <sup>st</sup> March, 2015 (₹)	For the year Ended on 31 <sup>st</sup> March, 2014 (₹)
<b>26. CONTINGENT LIABILITIES</b>		
1) Guarantees issued by the company on behalf of its associates for acquiring office premises	40,600,000	40,600,000
2) Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for Exchange Margin requirements	30,000,000	30,000,000
3) Corporate Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for OD Facility	20,000,000	–
4) Counter Guarantee issued by Vertex Securities Limited in favour of the banker for guarantee given by them for Exchange Margin requirements.	17,500,000	16,900,000
5) Guarantees issued by Vertex Securities Limited on behalf of its Subsidiary Company Vertex Commodities & Finpro Pvt. Ltd. for Exchange Margin requirements	5,000,000	30,000,000
6) Claims against the company not acknowledged as debt		
– Income tax for Assessment Year 2012-13	2,358,110	–
– Service Tax orders for FY 2006-07 to 2009-10	622,000	622,000
– Service Tax orders for FY 2008-09 to 2012-13	881,042	–
	<u>116,961,152</u>	<u>118,122,000</u>
<b>27. EARNINGS PER SHARE</b>		
I. Net Profit as per Statement of Profit and Loss available for Equity Share Holders	(2,238,129)	(13,021,099)
II. Weighted Average number of equity shares for Earnings per share computation		
A) For Basic Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
B) For Diluted Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
III. Earnings Per Share ( Face Value of ₹ 10/- each)		
Basic ( ₹ )	(0.09)	(0.53)
Diluted ( ₹ )	(0.09)	(0.53)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

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

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
<b>Change in the benefit Obligations:</b>				
Present value of obligations as on 01. 04. 2014	5,463,141	3,679,310	1,458,190	1,222,191
Current Service Cost	517,315	887,746	880,025	1,250,453
Past Service Cost	-	-	-	-
Interest Cost	418,407	274,689	107,364	57,878
Actuarial (Gain)/Loss on obligation	(1,601,845)	1,112,824	(1,322,257)	(74,889)
Benefits Paid	(466,091)	(491,428)	(232,281)	(997,443)
<b>Present value of obligations as on 31.03.2015</b>	<b>4,330,927</b>	<b>5,463,141</b>	<b>891,041</b>	<b>1,458,190</b>
<b>Change in Plan Assets:</b>				
Fair Value of Plan Assets as on 01.04.2014	3,711,681	3,815,423	-	-
Adjustment to the opening balance	481,929	(112,314)	-	-
Expected Return on Plan Assets	376,494	314,174	-	-
Employer's Contributions	933,712	500,000	232,281	986,898
Benefits Paid	(466,091)	(491,428)	(232,281)	(986,898)
Actuarial Gain/(Loss) on Plan Assets	(71,682)	(314,174)	-	-
<b>Fair Value of plan assets as on 31.03.2015</b>	<b>4,966,043</b>	<b>3,711,681</b>	<b>-</b>	<b>-</b>
<b>Net (Asset) Liability (i) – (ii) :</b>	<b>(635,116)</b>	<b>1,751,460</b>	<b>891,041</b>	<b>1,458,190</b>
<b>Net Cost for the year ended 31.03.2015</b>				
Current Service Cost	517,315	887,746	880,025	1,250,453
Past Service Cost	-	-	-	-
Interest Cost	418,407	274,689	107,364	57,878
Expected Return on plan Assets	(376,494)	(314,174)	-	-
Actuarial (Gain)/ Loss recognised during the year	(1,530,163)	1,426,998	(1,322,257)	(74,889)
Adjustment (Gain) to opening value of planned assets	-	-	-	-
<b>Net Cost</b>	<b>(970,935)</b>	<b>2,275,259</b>	<b>(334,868)</b>	<b>1,233,442</b>
Amount recognised in the Balance sheet (Asset) / Liability	(635,116)	1,751,460	891,041	1,458,190
Amount recognised in the Statement of Profit and Loss (Gain) / Loss	(970,935)	2,275,259	(334,868)	1,233,442
<b>Principal actuarial Assumptions:-</b>				
Discount rate	8.00%	8.00%	8.00%	8.00%
Expected Return on plan assets	8.00%	8.00%	-	-
Salary Escalation Rate	7.50%	7.50%	5.00%	5.00%
Attrition Rate	15 to 42%	15 to 42%	15 to 42%	15 to 42%
<b>Demographic Assumptions:</b>				
Retirement age				60 Year
Mortality rate				8%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

### 29) RELATED PARTY DISCLOSURES

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

#### (I) List of Related parties

- (a) Associated Company : Transwarranty Advisors Private Limited (TAPL)  
Transwarranty Private Limited (TPL) (Until 16/12/2013)
- (b) Key Management Personnel : Mr. Kumar Nair (Managing Director)

#### Details of Related Party Transactions

Name of the Company / Transactions	2015 (₹ In Millions)	2014 (₹ In Millions)
<b>1) Inter Corporate Deposits Given – Associated Companies</b>		
TAPL	10.71	5.05
TPL	–	11.73
<b>2) Inter Corporate Deposits Received Back – Associated Companies</b>		
TAPL	3.69	3.01
<b>3) Issue of Equity Shares on Conversion of 0.5% Fully Convertible Preference Shares – Associate Company</b>		
TAPL	2.28	–
<b>4) Current Account Debit – Associated Companies</b>		
TAPL	–	0.13
<b>5) Current Account Credit – Associated Companies</b>		
TAPL	0.02	–
<b>6) Dividend Paid (by Vertex Securities Ltd.) – Associated Companies</b>		
TAPL	0.05	–
<b>7) Issue of Equity Shares on Conversion of 0.5% Fully Convertible Preference Shares – Key Management Personnel</b>		
Kumar Nair	16.59	–
<b>8) Salary and Other allowances to Key Management Personnel</b>		
Kumar Nair	2.40	3.60
<b>9) Margin Received (in Vertex Securities Ltd.) – Key Management Personnel</b>		
Kumar Nair	22.00	–
<b>10) Interest paid on Margin Received (in Vertex Securities Ltd.) – Key Management Personnel</b>		
Kumar Nair	0.12	–
<b>Balance As on 31-03-2015</b>		
<b>(In the Books of Transwarranty Finance Limited)</b>		
<b>Intercorporate Deposit Debit- Associate Company</b>		
TAPL	0.34	38.07
TPL	–	48.75
<b>Current Account Debit – Associate Company</b>		
TAPL	0.08	0.02



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Name of the Company / Transactions	2015 (₹ In Millions)	2014 (₹ In Millions)
<b>(In the Books of Vertex Securities Limited)</b>		
<b>Intercorporate Deposit Debit- Associate Company</b>		
TAPL	–	17.04
TPL	–	47.94
<b>Balance As on 31-03-2015 (In the Books of Vertex Securities Limited)</b>		
<b>Trading Account Credit – Key Management Person</b>		
Kumar Nair – Margin Account	22.00	–
Kumar Nair – Trading Account	0.00	0.46

### 30. PRINCIPLES OF CONSOLIDATION:

- The consolidated financial statements relate to Transwarranty Finance Limited, the holding company and its majority owned subsidiaries. The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements'. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.
- In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investment in the subsidiaries and/or joint ventures over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment as stated above.
- Investments in Associates are dealt with in accordance with Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India. As on the reporting date the company does not have any associate company.
- The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as of the Company i.e., for ended March 31, 2015.

### 31. INFORMATION ON SUBSIDIARIES :

The Subsidiary companies considered in the consolidated financial statement are :

Name of the Company	Country of Incorporation	Percentage of Holding at 3/31/2015
Vertex Securities Limited (VSL)	India	50.74%
Vertex Commodities & Finpro Pvt. Ltd. (Subsidiary of VSL)	India	99.95%

- Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.
  - Debit and Credit balances are subject to confirmation of parties.
- Sundry debtors include old outstanding debts amounting to ₹ 15,259,655/- (₹ 15,259,655/-) in respect of which Company has initiated legal and other recovery actions, the proceedings of which are in different stages of progress. No provision for doubtful debts has been made in the accounts during the year since the management is confident that the debts are good and recoverable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

34. a) Lien has been marked in favour of Axis bank in respect of Bank Deposits worth ₹ 17,500,000/- (P.Y ₹ 14,400,000/-) together with accumulated interest thereon, against bank guarantees issued by them on account of the Company. Lien has been marked in favour of BSE against trading guarantee in respect of Bank Deposit worth ₹ 1,000,000 /- (P.Y. ₹ 1,000,000 /- ) together with accumulated interest thereon.
- b) Fixed Deposit of ₹ 1,761,536/- ( P.Y. ₹ 1,625,653/- ) are Lien marked to Foreign Exchange Dealers Association of India (FEDAI) for membership requirement.
35. The management has evaluated the long term investments and confirms that there exist no circumstances which warrant provision on account of permanent diminution in the value of investments.

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

Investments in Equity Instruments	Number of shares	Market Price per share as at 31.03.2015	Market Value as at 31.03.2015
Atlos Ltd.	100	Not Available	Not Available
Apple Credit Corp. Ltd.	100	1.60	160
Arihant Cotsyn Ltd.	50	Not Available	Not Available
Cauvery Software Engg. Systems Ltd.	100	0.65	65
Classic Diamond India Ltd.	100	1.68	168
Computer Power	500,000	Not Available	Not Available
Dunlop Ltd.	100	11.05	1,105
Femnor Mineral	100	Not Available	Not Available
Goldstone Infrastructure	100	16.00	1,600
Indo French Biotech Enterprise Ltd.	1,000	0.60	600
Kerala Ayurveda Ltd.	100	38.65	3,865
Kitex Garments Ltd.	2,000	537.00	1,074,000
Koluthara Exports	4,900	Not Available	Not Available
MOH Ltd.	20,000	0.10	2,000
Nagarjuna Finance Ltd.	200	3.05	610
Superstar Distillaries & Foods Ltd.	2,600	2.60	6,760
Synthetics & Chemicals Ltd.	100	1.25	125
TISCO SPN	15	Not Available	Not Available
Trend Design	800	Not Available	Not Available
TTK Health Care	100	930.00	93,000
UTI Master share	50	Not Available	Not Available
Vanady Chemicals	200	Not Available	Not Available
Vatsa Corporation Ltd.	4,200	Not Available	Not Available
Vysali Pharmaceuticals Ltd.	11,600	4.28	49,648
<b>TOTAL</b>	<b>548,615</b>		<b>1,233,706</b>

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

36. Operating Leases: The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 60 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognised in the Statement of Profit and Loss as 'Rent' under Note No. 25 is ₹ 3,695,645 (P.Y. 3,143,152/-). Future minimum lease rent payable are as follows:-

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Not later than one year	4,672,550	1,632,237
Later than one year but not later than five year	4,199,940	1,263,928
Later than five year	-	-

37. No provision for dividend on Preference Shares and dividend tax there on has been made in the financial statements in the absence of distributable profits during the year.
38. The company is primarily engaged in a single segment viz. Financial Services and related activities , therefore the separate disclosures required under Accounting Standard (AS-17) on Segment Reporting issued by ICAI are not applicable.
39. Provision for taxation has been made during the year under "Minimum Alternate Tax" (MAT) as per the provisions of the Indian Income Tax Act, 1961, which can be setoff in the subsequent year based on the provisions of Section 115 JB.
40. The Company has revised depreciation rates on Fixed Assets effective 1st April, 2014 in accordance with requirements of Schedule II of Companies Act, 2013 ("the Act"). The remaining useful life of the Fixed Assets has been revised by adopting standard useful life as per new Companies Act 2013. The carrying amount of the Fixed Assets as on 1st April, 2014 is depreciated over the remaining useful life. As a result of this changes :-
- (a) The depreciation charge for the year ended 31st March, 2015 is higher by ₹ 1,275,786/-
- (b) There is a debit to retained earnings of ₹ 1,724,120/- for the Fixed Assets whose remaining life as on 1st April, 2014 is expired in accordance with revised life as per Companies Act 2013.
41. Previous Year figures are regrouped or rearranged wherever necessary to correspond with the current year figures.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**  
Chartered Accountants

**Gautam Divan**  
Partner

Mumbai  
May 27, 2015

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director

**R. L. Shenoy**  
Director

**Raghu R. Palat**  
Director

**Nirmala Parab**  
Director

**U. Ramachandran**  
Director & CFO

**Sridhar H.**  
Company Secretary

**Annexure-A****Form 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 Financial Statements of Subsidiaries / Joint Ventures / Associates

**Part-A (Subsidiaries)**

(Rs. In Lakhs)

Particulars	Vertex Securities Limited		Vertex Commodities & Finpro Pvt. Ltd.	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Share Capital	1,502.83	1,502.83	586.15	586.15
Reserves & Surplus	(189.03)	(131.02)	(146.14)	(136.77)
Total Assets*	1,630.94	1,016.68	585.09	615.61
Total Liabilities	2,241.97	2,735.69	585.09	615.61
Investment	611.03	1,719.01	-	-

Particulars	For the year ended		For the year ended	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Turnover**	504.58	498.61	91.91	133.89
Profit / (Loss) Before Tax	(27.72)	(99.06)	(2.53)	(53.86)
Provision For Taxation	-	-	-	-
Deferred Tax	-	-	-	-
Excess / (Short Provision for Prior Years	(0.09)	-	-	-
Net Profit / (Loss)	(27.81)	(99.06)	(5.30)	(53.86)
% of Share Holding	50.74	50.96	99.95%	99.95%

\* Total Assets does not include Investment.

\*\* Represents Revenue from Operation and Other Income.

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company has Nil Associate Companies and Joint Ventures

For and on behalf of Board of Directors

**Kumar Nair**  
Managing Director

**Raghu R. Palat**  
Director

**U. Ramachandran**  
Director & CFO

Mumbai  
May 27, 2015

**R. L. Shenoy**  
Director

**Nirmala Parab**  
Director

**Sridhar H.**  
Company Secretary





Form No. MGT-11

# PROXY FORM

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



## TRANSWARRANTY FINANCE LIMITED

CIN: L65920MH1994PLC080220

**Registered Office:**

403, Regent Chambers, Nariman Point, Mumbai - 400 021

Tel.: +91-022-40010900 Fax.: +91-022-66306655

Website: [www.transwarranty.com](http://www.transwarranty.com)

Email: [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com)

Name of the member(s): .....
Registered address: .....
E-mail Id: .....
Folio No / Client Id: ..... DP ID: .....

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

1. Name: .....

Address: .....

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

Address: .....

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

Address: .....

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



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 3rd floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, on 11<sup>th</sup> September, 2015 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

RslnNo	Ordinary Business	Optional	
		*For	*Against
1.	Adoption of financial statement for the year ended March 31, 2015		
2.	Re-appointment of Mr. Kumar Nair (DIN 00320541) Director in place of Director who retires by rotation		
3.	Appointment of M/s. Rahul Gautam & Associates., Chartered Accountants as Auditors and fixation of remuneration thereof		
	<b>Special Business</b>		
4.	Appointment of Mr. U. Ramachandran (DIN 00493707) as Additional Director – Finance and Chief Finance Officer of the Company for a term of upto five years		
5.	Appointment of Mr. Pravin D. Khatau (DIN 02425468) as an Independent Director of the Company for a term of upto five years		
6.	Appointment of Mrs. Nirmala Sachin Parab (DIN 07149007) as an Independent Director of the Company for a term of upto five years		
7.	To appoint Mr. K. Jay Chandran as Director – International Business		
8.	To approve the borrowing power in excess of the paid up capital and free reserves of the Company.		
9.	To approve the exemption to Auditors to attend the Annual General Meeting of the Company		

Signed this ..... day of ..... 2015.

.....  
Signature of shareholder

.....  
Signature of Proxy holder(s)

Affix Revenue Stamp of ₹ 1/-
---------------------------------------

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- \* It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



## TRANSWARRANTY FINANCE LIMITED

CIN: L65920MH1994PLC080220

### Registered Office:

403, Regent Chambers, Nariman Point, Mumbai - 400 021

Tel.: +91-022-40010900 Fax.: +91-022-66306655 • Website: [www.transwarranty.com](http://www.transwarranty.com)

Email.: [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com)

## ATTENDANCE SLIP

Regd. Folio No./Client ID.....

I hereby record my presence at the **21<sup>ST</sup> ANNUAL GENERAL MEETING** of the Company at M C Ghia Hall, Bhogilal Hargovindas Building, 3<sup>rd</sup> Floor, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001, at 11.00 a.m. on Friday, 11<sup>th</sup> September, 2015.

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

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

### Notes:

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

ELECTRONIC VOTING PARTICULARS		
Remote E-Voting Event Number (REVEN)	USER ID	PASSWORD/PIN

**Notes:** Please read Note No: B in "Procedures for E-voting" in the Notice for the 21<sup>st</sup> Annual General Meeting of the Company.





# Transwarranty Finance Limited

CIN: L65920MH1994PLC080220

*Registered Office:*

403, Regent Chambers, Nariman Point, Mumbai - 400 021

TTel.: +91-022-40010900 Fax.: +91-022-66306655 • Website: [www.transwarranty.com](http://www.transwarranty.com)

Email.: [companysecretary@transwarranty.com](mailto:companysecretary@transwarranty.com)

## BALLOT FORM (In lieu of E-voting)

Registered Folio No. / DP ID No. / Client ID No. : IN300931

Name & Address : .....

Name(s) of the Joint Member(s), if any : .....

No. of Shares held : .....

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 21<sup>st</sup> Annual General Meeting of the Company dated Friday, 11<sup>th</sup> September, 2015, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick() mark at the appropriate box below:-

RslnNo	Ordinary Business	Optional	
		*For	*Against
1.	Adoption of financial statement for the year ended March 31, 2015		
2.	Re-appointment of Mr. Kumar Nair (DIN 00320541) Director in place of Director who retires by rotation		
3.	Appointment of M/s. Rahul Gautam & Associates., Chartered Accountants as Auditors and fixation of remuneration thereof		
	<b>Special Business</b>		
4.	Appointment of Mr. U. Ramachandran (DIN 00493707) as Additional Director – Finance and Chief Finance Officer of the Company for a term of upto five years		
5.	Appointment of Mr. Pravin D. Khatau (DIN 02425468) as an Independent Director of the Company for a term of upto five years		
6.	Appointment of Mrs. Nirmala Sachin Parab (DIN 07149007) as an Independent Director of the Company for a term of upto five years		
7.	To appoint Mr. K Jay Chandran as Director – International Business		
8.	To approve the borrowing power in excess of the paid up capital and free reserves of the Company.		
9.	To approve the exemption to Auditors to attend the Annual General Meeting of the Company		

Place : .....

Date : .....

Signature of Shareholder

**NOTE:** Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by **5.30 p.m. on 10 September 2015** shall only be considered.

# INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Mr. M.P. Sharma, Neha Apartment, Ground floor, opp. Badwaik Hospital, LBS Road, Bhandup (W), Mumbai- 400078 so as to reach by 5.30 p.m. of 10 September, 2015. **Ballot Form received thereafter will strictly be treated as if not received.**
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e., E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e., Link Intime Pvt. Ltd. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio / DP ID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society etc., a certified copy of the relevant authorization / Board Resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of annual general meeting and are also placed on the website of the Company.

## **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 Businesses:**

#### **Investment Banking**

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

#### **Trade Finance**

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

### **Fund Based Businesses:**

#### **Gold Loans**

- Retail loans against security of Gold

#### **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 Rupee and Foreign Currency Loans for Projects

#### **Secured Loans**

- Secured Loans to Corporates and Individuals against security of listed shares, property etc.

## **Our Subsidiary Company**

### **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 Pvt. Ltd.

Vertex Commodities And Finpro Pvt. Ltd., 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), National Multi Commodity Exchange of India Limited (NMCE) and National SPOT Exchange of India Limited.

## 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
- Foreign Exchange Dealers Association of India (FEDAI) accreditation for Inter-Bank Foreign Exchange 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 Cochin Stock Exchange (CSE) 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)
- Membership in National Spot Exchange Ltd. (NSEL).

### Registered Office Address:

CIN: L65920MH1994PLC080220

403, Regent Chambers, Nariman Point, Mumbai - 400 021.

Tel. : 022-6630 6090 / 4001 0900

Fax : 022-6630 6655

Website : [www.transwarranty.com](http://www.transwarranty.com) / [www.vertexbroking.com](http://www.vertexbroking.com)

E-mail : [mail@transwarranty.com](mailto:mail@transwarranty.com)



**TRANSWARRANTY FINANCE LIMITED**  
FINANCIAL ENGINEERS



# TRANSWARRANTY FINANCE LIMITED

17<sup>th</sup> August, 2015

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

**Company Scrip Code : 532812**

Dear Sir/Madam,

Pursuant to Clause 31 of the Listing Agreement with the Stock Exchange, we enclose herewith the Annual Report 2014-15 of the Company.

1.	Name of the company	Transwarranty Finance Limited
2.	Annual financial statements for the year ended	31st March 2015
3.	Type of Audit qualification	Un-Qualified
4.	Frequency of qualification Whether appeared	N. A.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	N.A.
	Additional comments from the board/audit committee chair	NA.
6.	To be signed by	Managing Director

Kindly take the same on record.

For Transwarranty Finance Limited,

  
Kumar Nair  
Managing Director

**CIN : L65920MH1994PLC080220**

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