



TRANSWARRANTY FINANCE LIMITED

FINANCIAL ENGINEERS

19th Annual Report 2012-13

Board of Directors



Mr. Suresh Talwar
Chairman

Mr. Suresh Talwar, is a distinguished and reputed Solicitor & Advocate. He is a Senior Partner of Talwar Thakore and Associates, one of the leading firms of Solicitors in India. He is the legal counsel to

many companies and banks. He is on the board of several leading companies such as Merck, Sandvik Asea, Esab India, Johnson & Johnson, Uhde India, Blue Star, Larson & Toubro Ltd. etc.



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. 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. K. Jay Chandran
Whole-time Director

Mr. K. Jay Chandran, is an MBA (XLRI). He is a principal consultant with Frost & Sullivan, Singapore, a reputed international firm of Management, Business & Technology Consultants.



Mr. R.L. Shenoy
Director

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

CORPORATE INFORMATION

Board of Directors

Mr. Suresh N. Talwar	<i>Chairman</i>
Mr. Kumar Nair	<i>Managing Director</i>
Mr. Raghu R. Palat	
Mr. K. K. Dastur	
Mr. Pravin Khatau	
Mr. K. Jay Chandran	<i>Whole-time Director</i>

Company Secretary

Mr. Sreedhar H.

Auditors

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

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

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

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-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

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NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of Transwarranty Finance Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, on Wednesday, 25th of September, 2013 at 11.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended as on that date and the report of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Pravin Khatau who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. Rahul Gautam Divan & Associates, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration.

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, Mr. Ranjal Laxmana Shenoy whose term of office as an Additional Director expires at this Annual General Meeting and in respect of whom the Company has received a notice U/S. 257 of the Companies Act, 1956 from a member proposing his candidature for office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation.”

Place : Mumbai

By order of the Board

Date : 20-05-2013

Company Secretary

Regd. Office:

403, Regent Chambers
Nariman Point, Mumbai - 400 021

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be lodged with the Company not less than forty eight hours before the commencement of the meeting. Proxy Form is enclosed.
3. Members/proxies should bring duly filled attendance slips sent herewith to attend the meeting.

4. The Company's equity shares are under compulsory dematerialisation. Accordingly, trading of these shares through the Stock Exchanges would be facilitated if the share certificates are dematerialised. Members who are holding shares in physical form are advised to consider opening of a Demat Account with an authorised Depository Participant and arrange for dematerializing their shareholdings in the Company.
5. All documents referred to in the Notice will be available for inspection of the members at the Registered Office of the Company between 10.30 a. m to 12.00 noon on all the working days up to the date of Annual General Meeting.
6. The Register of Members and Share Transfer Registers will remain closed from 20th September, 2013 to 25th September, 2013. (both days inclusive).
7. Members requiring information on audited accounts at the meeting are requested to send their queries in writing so as to reach the Registered Office of the Company at least 10 days before the meeting.
8. Members holding shares in physical form are requested to notify change in address, if any to Registrars and Transfer Agents, M/s. Link Intime India P. Ltd. Members holding shares in electronic form may intimate the changes, if any, to their respective Depository Participants (DPs).
9. Members may please note that pursuant to the provisions of Section 205(A) (5) of the Companies Act, 1956, 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 pursuant to Section 205C of the Companies Act, 1956, as and when the same falls due for such transfer. Members who have not encashed their dividend warrants for the financial year 2007 are requested to write to the Company Secretary or Company's Registrars and Share Transfer Agents.

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
* 01-08-2007	2006 - 07	42,709/-	01-08-2014
07-08-2008	2007 - 08	51,830/-	07-08-2015
05-08-2009	2008 - 09	23,128/-	05-08-2016
12-09-2012	2011 - 12	27,839/-	12-09-2019

All Unclaimed Dividend remaining unpaid/unclaimed the financial year ended 31st March, 2007, dividend for which was declared at the Annual General Meeting of the members held on 1st August, 2007, will be transferred by August, 2014, to the IEPF. Members are requested to note that no claim shall lie against the Company or the said Fund in respect of any amounts which are unclaimed and unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.

10. Members are requested to address all correspondences, including dividend matters to the Registrars and Transfer Agents of the Company.
11. Members attending the Annual General Meeting are requested to bring with them the following:
 - a. Members holding shares in dematerialised form, their DP & Client ID Numbers.
 - b. Members holding shares in physical form, their Folio Numbers.
 - c. Copy of the Annual Report and Notice, as no copies thereof would be distributed at the Meeting.
 - d. The Attendance Slip duly completed and signed in terms of specimen signature lodged with the Company.

The instrument appointing the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

12. The Company has designated an exclusive email Id viz., companysecretary@transwarranty.com to enable the investors to post their grievances and monitor its redressal.
13. Corporate members are required to send to the Company a certified copy of the Board Resolution pursuant to Section 187 of the Companies Act 1956, authorizing their representative to attend and vote at the Annual General Meeting.
14. The details required to be given in pursuance of Clause 49 of the Listing Agreement in case of directors being appointed/re-appointed are given in the Corporate Governance Section of the Annual Report.

Explanatory Statement pursuant to Sec. 173 (2) of the Companies Act, 1956.

Item No. 4

The Board of Directors had appointed Mr. Ranjal Laxmana Shenoy as an Additional Director of the Company with effect from 28.01.2013.

Pursuant to Sec.260 of the Companies Act, 1956 Mr. Ranjal Laxmana Shenoy continues to be a Director of the Company till this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a shareholder proposing the name of Mr. Ranjal Laxmana Shenoy for the office of Director.

Mr. Ranjal Laxmana Shenoy is B. Com., LL.M., A. C. A. A.C.S. Diploma from Indian Institute of Bankers (C.A.IIB). He is Gold Medalist in Law and placed in the merit list both in Inter and Final examinations conducted by the Institute of Chartered Accountants of India (ICAI).

Mr. Ranjal Laxmana Shenoy joined Merck Limited (formerly known as E. Merck (India) Limited) – in 1980 as a Company Secretary (served as Executive Director (Finance) since 1988) and retired in September 2012. The areas of responsibilities included: Legal and Secretarial Matters; Finance; Accounts and Auditing; Taxation; Corporate Restructuring; Distribution and, for a brief period, Marketing and Production.

Prior experience includes Tata Electric Company Limited, Garware Wall Ropes Limited, Colgate Palmolive India Limited and Central Bank of India.

None of the Directors other than Mr. Ranjal Laxmana Shenoy is interested or concerned in the resolution as set out in item No. 4 of the Notice

Additional information pursuant to clause 49 of the listing agreement with regard to directors seeking appointment/re-appointment at the 19th Annual General Meeting;

Name of Director	: Mr. Pravin Khatau	Mr. Ranjal Laxmana Shenoy
Date of appointment	: 13.04.2006	28.01.2013
Qualification	: MBA	B.Com., L.L.M., A. C.A., A.C.S; C A I I B.
Experience	: Goldman Sachs & Co. and Barings in London	Retired as Executive Director (Finance) from Merck Ltd.
	Finance, Marketing and Administration.	Legal, Finance, Taxation, Marketing and Administration.
No. of shares held	: 2500	NIL
Other Directorships	: LRM Holdings, Monaco.	NIL
Committee membership	: NIL	NIL



Dear Shareholder,

Green Initiative in Corporate Governance: Save Paper

The Ministry of Corporate Affairs (MCA) has initiated a “Green Initiative in Corporate Governance” and vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011, Companies have now been allowed to service various notices/documents which, inter-alia, include General Meeting Notices (including AGM & Postal Ballot Notices), Audited Financial Statements, Directors’ Report, Auditors’ Report, quarterly financial results, all shareholder communication, etc. to its shareholders through electronic mode..

Your Company welcomes this move of the MCA which has enabled us to further contribute to the “Green Initiative” by reducing paper consumption. Also, this will ensure timely receipt of the documents and avoid loss of the documents in postal transit.

As per the records you have not yet registered/updated your e-mail ID . You are requested to notify the same to the following:

- i. if shares are held in electronic mode, to their Depository Participant (DP).
- ii. if shares are held in physical mode, to the R&TA at transwarrantyfinancegogreen@linkintime.co.in

Accordingly, henceforth your Company proposes to send the aforesaid notices/documents onwards to you in electronic mode/form (in lieu of physical form) at e-mail ID provided by you and made available to us by the Depository/ R&TA (Link in time India). These documents shall also be available on the website of the Company www.transwarranty.com for download by shareholders.

If you desire to receive the above documents in physical form, you are requested to inform us on or before September 30, 2013 by a mail to transwarrantyfinancegogreen@linkintime.co.in or to the company at companysecretary@tranwarranty.com whereupon, the documents will be dispatched in physical form at your address as noted in the records of your Depository Participant (DP). You may subsequently also update your email id by a similar mail to us, giving requisite details.

In case, no reply is received, it will be assumed that you are willing to receive the above mentioned documents through e-mail ID as registered with your Depository/ R&TA.

Further, please note that as a shareholder, you are entitled to receive all these documents free of cost upon receipt of a requisition from you, even after you opt for receiving such documents in electronic form.

We trust you will support this initiative of ‘Greener Environment’ and co-operate with the Company to make it a success.

Thanking you,

Yours faithfully,

For **Transwarranty Finance Limited**

Company Secretary

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 19th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

(₹ in lacs)

Financial Results	2012-13	2011-12
Total Income	1431.34	2325.92
Profit/(Loss) before interest, depreciation and tax	(13.52)	881.78
Add : Interest and Finance Charges	57.96	97.33
Profit/(Loss) before Tax & Depreciation	71.47	784.45
Add: Depreciation	15.68	15.66
Profit/(Loss) before tax	(87.15)	768.79
Add: Loss on sale of fixed assets	4.23	–
Less : Provision for tax:		
Current Tax	–	96.00
Less: Deferred Tax Liability/(Assets)	1.84	0.36
Profit/(Loss) after Tax	(89.54)	672.43
Add/Less Excess/(short) provision for Income Tax	19.50	0.07
Net Profit/(Loss) for the year	(109.04)	672.50
Balance brought forward from amalgamated companies	–	–
Profit available for appropriation	–	672.50
Appropriation		
Reserves u/s 45 1C of RBI Act	–	134.50
Proposed Dividend	–	122.30
Corporate Dividend Tax	–	19.84
Profit/(Loss) carried to Balance Sheet	(109.04)	395.86

During the year under report, the total revenue of the Company was ₹ 1,431.34 lakhs as against ₹ 2,325.92 lakhs in the previous year. After meeting various expenses, such as finance cost, employees benefit expenses, providing for depreciation etc. the net loss was ₹ 109.04 lakhs as against net profit of ₹ 672.50 lakhs in the previous year. Income from operations during the financial year under report was as under:

(₹ in lakhs)

	2012-13	2011-12
Trade Finance	430.69	413.46
Corporate Finance	6.75	147.98
Investment Banking	23.43	537.93
Interest on Loans	127.80	133.00
Other Income	136.91	520.55
Sale of shares held in stock in Trade	705.76	572.99

Dividend:

In view of loss for the year under review, your Directors have not recommended dividend for the financial year 2012-13.

Future Outlook:

In spite of well diversified business model, the Company could not achieve the target during the financial year 2012-13. Directors are optimistic of achieving the set goal during the current financial year.

Employees' Stock Option Plan 2008 (ESOP):

Particulars	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Options outstanding at the beginning of the year	8,50,362	4,82,266	4,86,766	6,84,000	10,00,000
Options granted during the year		5,96,500	Nil	92,500	6,84,000
Options vested during the year	1,04,607	50,446	Nil	22,666	Nil
Options forfeited during the year	66,375	2,13,750	4,500	2,57,000	Nil
Options lapsed/surrendered during the year	18,218	14,654	Nil	32,734	Nil
Options outstanding at the end of the year	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 ₹ 9.10 lakhs (previous year. ₹ 13.19 lakhs). Loss after tax would have been higher by ₹ 9.10 lakhs (Previous year profit after tax would have been lower by ₹ 13.19 lakhs) and EPS both basic and diluted would have been ₹ (0.49) per share (previous year ₹ 2.82 per share)

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) 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 ₹ 1,088.56 lakhs as against ₹ 1,111.84 lakhs in the previous year. The net loss after tax was ₹ 163.25 lakhs as against net loss of ₹ 168.03 lakhs in the previous year.

Auditors' Report:

The Auditors report to the shareholders does not contain any qualification.

Auditors:

Messrs Rahul Gautam Divan & Associates retire as Auditors of the Company at the conclusion of the forthcoming Annual

General Meeting and have confirmed their eligibility and willingness to accept the office of the auditors for the financial year 2013-14, if appointed. The Board and Audit Committee of the Company has recommended the re-appointment of Messrs. Rahul Gautam Divan & Associates, Chartered Accountants, as statutory auditor of the Company to hold office as such until the conclusion of the next Annual General Meeting.

Consolidated Financial Statement:

Directors present herewith the consolidated financial statements of Holding Company and subsidiaries duly audited by statutory auditors pursuant to Clause 32 read with Clause 41 of the Listing Agreement with the Stock Exchanges and prepared in accordance with Accounting Standard 21 of Institute of Chartered Accountants of India.

In terms of circular No.5/12/2007-CL-III (General Circular No.2/2011) dated 8th February, 2011 from Ministry of Corporate Affairs, the Board of Directors of the Company by resolution dated 20th May, 2013 has decided not to attach the balance sheet of the Subsidiary Companies.

The annual accounts of the Subsidiary Companies and the related detailed information shall be available to the shareholders of Holding and Subsidiary Companies seeking any information at any time. The annual accounts of the Subsidiary Companies are available for inspection by any shareholder at the Registered Office of the Holding Company and of the Subsidiary Companies concerned.

Directors:

Mr. Pravin Khatau retires by rotation and being eligible, offers himself for re-appointment.

Mr. Ranjal Laxmana Shenoy, whom the Board had appointed as an Additional Director, pursuant to Sec. 260 of the Companies Act, 1956, also ceases to be a director at the ensuing annual General Meeting. The Company has received a notice from a shareholder pursuant to Sec.257 of the Companies Act, 1956 proposing the candidature of Mr. Ranjal Laxmana Shenoy.

Pursuant to Clause 49(g)(1) of the Listing Agreement with the Stock Exchanges brief resume of Mr. Pravin Khatau and Mr. Ranjal Laxmana Shenoy has been provided in the Notice convening the Annual General Meeting.

Directors' Responsibility statement:

As required under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- (a) In the preparation of the Annual Accounts for the year 2012-13, the applicable Accounting Standards have been followed and there are no material departures;
- (b) The accounting policies selected and applied are consistent and the judgment and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/(loss) of the Company for the financial year;

- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis.

Particulars of employees' U/S 217 (2A) of the Companies Act, 1956:

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is available at the registered office of the Company. However, as per the provisions of Section 219(1)(b) (iv) of the said Act, the Report and Accounts are being sent to all the shareholders of the Company and others entitled thereto excluding the aforesaid information. Any shareholder interested in obtaining a copy of this statement may write to the Company Secretary/Compliance Officer at the Registered Office of the Company.

Corporate Governance Report:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance with Auditors Certificate on Compliance with the conditions of Corporate Governance and a Management Discussion & Analysis Report has been attached and form part of the Annual Report.

Annexure to Directors' Report showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo:

Because of the nature of activities being carried on by the Company, the particulars prescribed under Section 217(1)(e)

of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, relating to conservation of energy, technology absorption are not applicable to the Company.

Foreign Exchange earnings and outgo during the year:

Earnings	: ₹ 71.81 lakhs
Outgo	: ₹ 14.33 lakhs

The Company has not carried out any specific research and development activities. The information relating to Technology Absorption, Adaptation and Innovation is not applicable because of the nature of the business of the Company.

Appreciation:

Directors wish to place on record their appreciation for the support and co-operation received from the Regulatory Authorities, customers, banks and active dedication of the employees which enabled the management to contribute to the growth of the Company.

For and on behalf of the Board of Directors

Suresh N Talwar
Chairman

Place : Mumbai
Date : 20/05/2013

Registered Office:

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



CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2013

(as requires 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.

3. Board of Directors:

(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 with the Stock Exchanges.

The present strength of the Board of Directors is six members including one Alternate Director with rich professional experience in various fields. The Managing Director and Whole-time Director are the Executive Directors and the other three are Non-Executive Directors. More than half of the Board consists of Independent Directors.

(ii) Meeting of the Board :

During the financial year 2012-13, the Board met 6 times on 18th May 2012, 20th July, 2012, 12th September, 2012, 20th October, 2012, 31st December, 2012 and 28th January, 2013 respectively. The gap between any two meetings was lesser than 4 months.

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Chairman & 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 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 & Managing Director. The minutes are approved by the Members of the Board at the next 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 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, 2013. The composition of Board of Directors, attendance at the Board Meetings during the

financial year and attendance at the last Annual General Meeting and number of outside Directorships, Chairman/Membership of Committees held by them are 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	00001456	Chairman – Non-Executive Director –Alternate Director to Mr. Pravin Khatau	6	Yes	44	4/5**
Mr. Kumar Nair	00320541	Managing Director Promoter Director	6	Yes	7	0/1
Mr. Raghu R. Palat	00311994	Director- Independent	6	Yes	4	Nil
Mr. Pravin Khatau	02425468	Director - Independent	Nil	No	Nil	Nil
Mr. K.K.Dastur (upto 28/01/2013)	00050199	Director - Independent	5	Yes	6	3/1
Mr. K. Jay Chandran	00508434	Whole-time Director Promoter Director	2	No	Nil	Nil
Mr. R. L. Shenoy (w.e.f. 28/01/2013)	00074761	Director- Independent	1	No	Nil	Nil

* Includes only Audit & Shareholder's Grievance Committee

** Includes 1 company where he is an Alternate Director

(iii) 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. Appointment/Reappointment of Directors:

Mr. Pravin Khatau retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

Mr. Pravin Khatau is an MBA from the Wharton School of Management, Pennsylvania University, USA, one of the prestigious management institutions in the world. In the past, Mr. Pravin Khatau has worked in senior position with Goldman Sachs & Co., one of the prestigious investment banks in the world and also with ING Barings. Presently, Mr. Pravin Khatau is a private equity investor based at Monaco through his company Londinium Asset Management Ltd. (earlier name was LRM Holdings Inc., a company registered in British Virgin Island).

Mr. Pravin Khatau holds 2,500 equity shares in the Company.

The board had appointed Mr. Ranjal Laxmana Shenoy as an Additional Director of the Company. Pursuant to Sec. 260 of the Companies Act, 1956 the term of office of Mr. Ranjal Laxmana Shenoy expires at the ensuing Annual General Meeting. Since Mr. Ranjal Laxmana Shenoy is eligible for appoint as a Director, the Company has received a notice U/S. 257 of the Companies Act, 1956 from a shareholder proposing his candidature for office of Director.

5. Board Committee

The Board constitutes the following Committees of Directors:

- Audit Committee
- Shareholders' Grievance Committee
- Remuneration/Compensation Committee

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

**(a) Audit Committee:****(i) Composition**

The Audit Committee comprises 3 members out of which 2 are Independent Directors. Mr. Raghu R. Palat is the Chairman of Audit Committee. All the members of the Committee are financially literate. Mr. Raghu R. Palat, Mr. K. K. Dastur), Mr. Kumar Nair and Mr. R. L. Shenoy are Chartered Accountants and Mr. Pravin Khatau is MBA.

(ii) Attendance at the Audit Committee Meeting:

During the financial year 2012-13, the Committee met 4 times on 16th May, 2012, 20th July, 2012, 20th October, 2012 and 28th January, 2013 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. K. K. Dastur (up to 28/01/2013)	Member	Independent	4
Mr. Pravin Khatau (up to 12//09/2012)	Member	Independent	NIL
Mr. Kumar Nair	Member	Executive	4

Since Mr. K. K. Dastur resigned as a member of Audit Committee the Board appointed Mr. R. L. Shenoy, an Independent Director in his place as a member of Audit Committee w.e.f. 28/01/2013.

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

(iii) Power of Audit Committee:

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

(iv) Role of Audit Committee:

- 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.
- Recommending the Board, the appointment, re-appointment and if required replacement or removal of Statutory Auditors and fixation of Audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors.
- Reviewing with management the annual financial statements 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 in terms of Clause 2(AA) of section 217 of the Companies Act, 1956.
 - 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.
- Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.
- 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) To review the functioning of Whistle Blower Mechanism, in case, if the same exists.
- (m) Carrying out any other function as is mentioned in the terms of reference of Audit Committee.

(b) Shareholders' Grievance Committee:

(i) Terms of reference:

The Terms of reference to the Shareholders' Grievance 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 :

During the financial year the Committee met 2 times on 16th May, 2012 and 20th July, 2012.

The committee comprises of and the meetings held during the year are as under:-

Name	Designation	Category	Attendance out of 4 meetings held
Mr. Raghu R. Palat	Chairman	Independent	2
Mr. Pravin Khatau (up to 12/09/2012)	Member	Independent	Nil
Mr. K. K. Dastur (up to 28/01/2013)	Member	Independent	2
Mr. Kumar Nair	Member	Executive	2

Since Mr. K. K. Dastur resigned from the Board of Directors with effect from 28/01/2013 he ceased to be a member of Grievance Committee. The Board appointed Mr. R. L. Shenoy, an Independent Director, in his place as a member of Grievance Committee w.e.f. the said date.

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 received the following complaints from SEBI/Stock Exchanges and queries from shareholders, which were resolved within the time frames laid down by SEBI.



Particulars	Opening Balance	Received	Resolved	Pending
Complaints:				
SEBI/Stock Exchange	Nil	1	1	0
Shareholders Queries				
Dividend	Nil	5	5	0

(c) Remuneration/Compensation Committee:**(i) Composition**

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

1. Mr. Raghu R. Palat – Chairman
2. Mr. Kumar Nair – Member
3. Mr. K. K. Dastur – Member
(up to 28/01/2013)
4. Mr. Pravin khatau – Member
(up to 12/09/2012)
5. Mr. R. L. Shenoy – Member
(w.e.f. 28/01/2013)

Since Mr. K. K. Dastur resigned as a member of Remuneration Committee the Board appointed Mr. R. L. Shenoy, an Independent Director in his place as a member of Remuneration Committee w.e.f. 28/01/2013.

(ii) Meetings

During the year two meetings were held on 20th July, 2012 and on 28th January, 2013 and the Directors present at the meeting were

Name	Designation	Category	Attendance out of 2 meetings held
Mr. Raghu R. Palat	Chairman	Independent	2
Mr. Pravin Khatau (up to 12/09/2012)	Member	Independent	Nil
Mr. K. K. Dastur (up to 28/01/2013)	Member	Independent	2
Mr. Kumar Nair	Member	Executive	2

(iii) 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	34,20,408	2,30,522	1,29,600	–	–	37,80,530
Mr. Suresh N Talwar	–	–	–	1,20,000	1,26,000	2,46,000
Mr. Raghu R. Palat	–	–	–	2,08,000	1,26,000	3,34,000
Mr. Pravin Khatau	–	–	–	–	–	–
Mr. K. K. Dastur	–	–	–	1,88,000	1,26,000	3,14,000
Mr. Jay Chandran	–	–	–	–	–	–
Mr. R. L. Shenoy	–	–	–	20,000	–	20,000

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
2009-10	Thursday, 16 th September, 2010 At 11.00 a. m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai - 400 001	Yes, Approval of the Trust Deed, namely, TFL-TCCPL and TFCPL Merger Scheme Trust
2010-11	Friday, 16 th September, 2011 at 11.00 a. m.	M. C. Ghia Hall. Kala Ghoda, Fort, Mumbai - 400 001	Yes, Revision in the remuneration of Managing Director
2011-12	Wednesday, 12 th September, 2012 At 11.00 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai - 400 001	<p>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.</p> <p>(i) Pursuant to Sec. 309 of the Companies Act, 1956, payment of commission to Director not exceeding in the aggregate 1% per annum of the net profits of the Company which shall be calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act 1956, such payment to be in such amounts, or proportions and in such manner, as may be decided by the Board of Directors, based on the attendance, participation and the contribution of the concerned Directors or on the basis of such other criteria as may be laid down by the Board of Directors from time to time, and that such commission shall be paid by the Company to such Directors for a period of five years commencing from the period ending 31st March, 2012 to 31st March, 2016.</p> <p>(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, 1999 and any other applicable regulatory requirement, approval of the Company be and is hereby accorded for extending the exercise period of options granted under the TRANSWARRANTY EMPLOYEES STOCK OPTION PLAN 2008 {"ESOP 2008"} constituted pursuant to the said resolution from the earlier approved 5 years to 10 years.</p>

**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. 31 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.
- 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, 2013.
- 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		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
1	English Newspapers in Which quarterly results were published/to be published	Business Standard (Mumbai edition)	21 st July 2012	21 st Oct. 2012	29 th Jan. 2013	21 st May 2013
2	Vernacular Newspapers in which quarterly results were published/to be published	Apla Mahanagar	21 st July 2012	21 st Oct. 2012	29 th Jan. 2013	21 st May 2013
3	Website Address of the	www.transwarranty.com				
4	Name of the Stock Exchange(s) on which	Website Address				
	BSE Limited (BSE)	www.bseindia.com	20 th July 2012	20 th Oct. 2012	29 th Jan. 2013	20 th May 2013
	India Limited (NSE)	www.nseindia.com	20 th July 2012	20 th Oct. 2012	29 th Jan. 2013	20 th May 2013

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.

9. General Shareholders Information:

Sl. No.	Particulars	Details		
1	Annual General Meeting	25/09/2013 11.00 a.m M C Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001		
2	Financial Calendar (Tentative)			
	Financial reporting for the quarter ending June 30, 2013	last week of July, 2013		
	Financial reporting for the quarter ending Sept.30, 2013	last week of October, 2013		
	Financial reporting for the quarter ending Dec. 31, 2013	last week of January, 2014		
	Financial reporting for the quarter ending March 31, 2014	last week of May 2014		
	Annual General Meeting for the year ended March. 31, 2014	August-September, 2014		
3	Date of Book Closure	20 th September, 2013 to 25 th September, 2013 (both days inclusive)		
4	Listing on Stock Exchanges	Name & Address of Stock Exchange Ltd.	Stock Code	Demat ISIN for NSDL & CDSL
		Bombay Stock Exchange Ltd. (BSE)	532812	INE 804H01012
		National Stock Exchange of India Ltd. (NSE)	TFL	INE 804H01012
6	Payment of Annual Listing fees	Listing fees for the financial year 2013-2014 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, L B S Marg, Bhandup (West), Mumbai - 400 078		
	Contact person	Ms. Sarita Mote		
	Contact No	25963838. Extn. 2297 Fax. : 25956969		
	Email	sarita.mote@linkintime.co.in		
8	Custodial Fees to Depositories	The Company has paid custodial fees for the year 2013-14 to NSDL and CDSL.		
9	Address for correspondence	Transwarranty Finance Limited, 403, Regent Chambers, Nariman Point, Mumbai - 400 021. Phone : 022 – 6630 6090/91		
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 Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) , C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : rnt.helpdesk@linkintime.co.in)		
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 www.ghclindia.com. Website of the Company provides the basic information about the Company e.g. details of its business, financial information, shareholding pattern etc. and the Company is regularly updating the Information provided on its website.		

**10. 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.

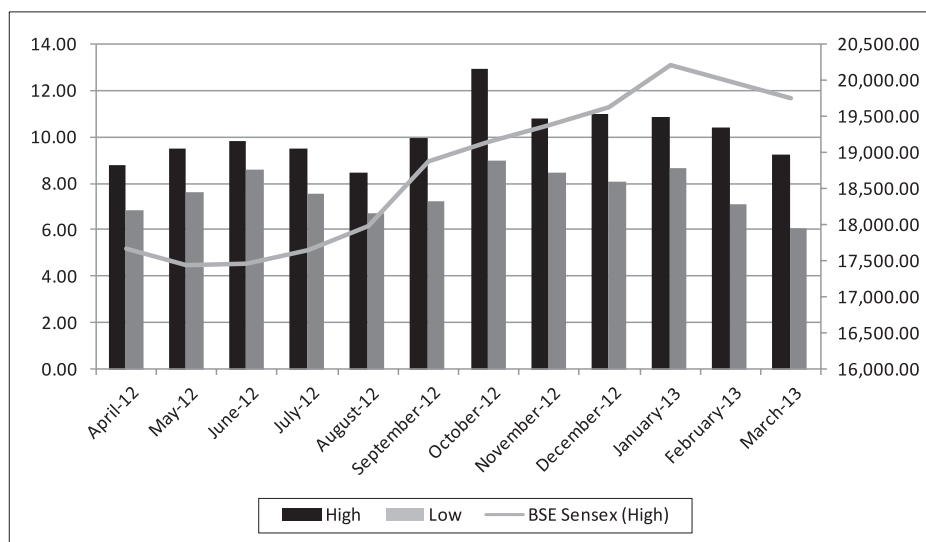
Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates 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 31.03.2013

BSE

Month	High	Low	BSE Sensex (High)
Apr-2012	8.80	6.90	17,664.10
May-2012	9.50	7.67	17,432.33
June-2012	9.87	8.65	17,448.48
July-2012	9.53	7.56	17,631.19
Aug-2012	8.49	6.73	17,972.54
Sept-2012	10.00	7.25	18,869.94
Oct-2012	12.95	9.00	19,137.29
Nov-2012	10.80	8.51	19,372.70
Dec-2012	11.00	8.10	19,612.18
Jan-2013	10.91	8.66	20,203.66
Feb-2013	10.45	7.14	19,966.69
Mar-2013	9.28	6.11	19,754.66



NSE

Month	High	Low
April-2012	9.45	7.00
May-2012	9.75	7.65
June-2012	10.00	8.60
July-2012	9.45	7.75
August-2012	8.40	6.70
September-2012	10.60	6.90
October-2012	12.55	9.25
November-2012	11.90	8.25
December-2012	11.35	8.50
January-2013	10.90	8.65
February-2013	10.85	7.65
March-2013	9.95	5.30

Shareholding Pattern as on 31-03-2013

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
	Sub Total (A) (1)	9	13090260	53.52
2	Foreign			
	(a) Directors & their relatives	2	22717	0.09
	Sub Total (A) (2)	2	22717	0.09
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		11	13112977	53.61
(B)	Public shareholding			
1	Institutions			
	(i) Any Other (specify)	0	0	0.00
	Sub-Total (B)(1)	0	0	0.00
B2	Non-institutions			
	(a) Bodies Corporate	106	1723172	7.04
	(b) Individuals			
I	Individual shareholders holding nominal share capital up to ₹ 1 lakh	5055	2120373	8.67
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	28	743260	3.04
(d)	Any Other (specify)			
(d-i)	Directors & their relatives	3	2 6500	0.11
(d-ii)	Trusts	1	5225000	21.36
(d-iii)	Escrow Account	1	942	0.00
(d-iv)	Non Resident Indians (Repat)	45	1355758	5.54



Category code	Category of Shareholder	Number of Shareholders	Total number of shares	As a percentage of (A+B+C)
(d-v)	Non Resident Indians (Non-Repat)	17	5412	0.02
(d-vi)	Clearing Members	23	53158	0.22
(d-vii)	Hindu Undivided Family	1	5800	0.02
(c-viii)	ESOP/ESOS/ESPS/Office Bearers	17	88216	0.36
	Sub-Total (B)(2)	5297	11347591	46.39
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	5297	11347591	46.39
	TOTAL (A)+(B)	5308	24460568	100.00
(C)	Shares held by Custodians and Depository Receipts have been issued against which	–	–	–
	GRAND TOTAL (A)+(B)+(C)	5308	24460568	100.00

Distribution of Shareholding as on 31-03-2013:

No. of equity shares held	No. of share holders	% of share holder	Total no. of shares held	% of shares held
1 – 500	4359	82.12	7,58,810	3.10
501 – 1000	486	9.16	3,90,745	1.60
1001 – 2000	203	3.82	3,11,319	1.27
2001 – 3000	86	1.62	2,21,338	0.90
3001 – 4000	43	0.81	1,50,265	0.62
4001 – 5000	30	0.57	1,38,408	0.57
5001 – 10000	49	0.92	3,48,360	1.42
10001 and above	52	0.98	2,21,41,323	90.52
Total	5,308	100.00	2,44,60,568	100

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

Financial Year	Dividend	Dividend (₹ per Share)
2006-2007	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 205C(2) of the Companies Act, 1956, dividend amount which was due and payable and remained unclaimed and unpaid for a period of seven years has to be transferred to Investor Education & Protection Fund (IEPF) established by the Central Government.

The dividend for the following years remaining unclaimed for seven years will be transferred by the Company to IEPF according to the schedule given below. Shareholders who have not so far encashed their dividend warrant (s) or have not received the same are requested to seek issue of duplicate warrant (s) by writing to Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) confirming non – encashment/non – receipt of dividend warrant (s). Once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

Financial Year	Date of Declaration	Amount unclaimed	Due for Transfer to IEPF
2006-2007	01/08/2007	42,709.00	August 2014
2007-08	07/08/2008	51,830.00	August 2015
2008-09	05/08/2009	23,128.20	August 2016
2011-12	12/09/2012	27,839.00	September 2019

Dematerialization of shares :

The Company's Shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form. The Company had sent letters to shareholders holding shares in physical form emphasizing the benefits of dematerialization and 99.56% of the shares have been dematerialized so far.

The number of shares held in dematerialized and physical mode is as under :

	No. of shares	% of total capital
Held in dematerialized form in NSDL	20758071	84.86
Held in dematerialized form in CDSL	3594102	14.70
Physical	108395	0.44
Total	24460568	100.00

Reconciliation of Share Capital Audit (earlier known as Secretarial 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 dematerialised shares held with NSDL and CDSL.

Non-mandatory requirements:

- Chairman of the Board** – No separate office is maintained for the Non-Executive Chairman.
Mr. Suresh N. Talwar, Mr. Raghu R. Palat and Mr. R. L. Shenoy are independent Directors on the Board of the Company. No specific period has been specified for these Directors. 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.
- Training of Board Members** – The Board consists of eminent, qualified and well experienced Directors in various fields. Therefore, the training of Board members is not required.

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, 2013.

Place : Mumbai
Date : 20 May, 2013

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, 2013 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:
 - i) There have been no significant changes in internal control 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 : 20 May, 2013

Kumar Nair
Chief Executive Officer (CEO)

Ramachandran U.
Chief Finance Officer (CFO)

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
TRANSWARRANTY FINANCE LIMITED

We have reviewed the relevant records of Transwarranty Finance Limited for the year ended 31 March 2013 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 and on behalf of

Rahul Gautam Divan & Associates
Chartered Accountants
(ICAI Reg. No. 120294W)

Sd/-
RAHUL DIVAN
Partner

Membership Number: 100733

Place : Mumbai
Date : 20 May, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is a Reserve Bank of India (RBI) registered Non-Banking Finance Company (NBFC) engaged in a wide spectrum of financial services, both advisory and fund based lending.

The Company along with its subsidiary company achieved consolidated revenue of ₹ 2490.98 lakhs compared to ₹ 3437.75 lakhs in the previous year decrease of 28%.

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, had an excellent year with business transactions of ₹ 7841.78 crores (Previous year ₹ 5643.24 crores) and Income of ₹ 430.69 lakhs (Previous year ₹ 413.46 lakhs) for the year, which showed a marginal increase of 4%.

Corporate Finance, which largely caters to Micro, Small & Medium Enterprises (MSME) segment, remained subdued and generated Income of ₹ 6.75 lakhs (Previous year ₹ 147.98 lakhs).

Investment Banking continues to have robust deal flow. However, due to unforeseen circumstances, the company could not close deals and Income from Investment banking was a meager ₹ 23.42 lakhs (Previous Year ₹ 537.93 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 has made a loss of ₹ 116.28 lakh on account of bad gold loans and eventually decided to lower its exposure to gold lending business.

During the year, the total Income from operations was ₹ 1431.34 lakhs (Previous Year ₹ 2325.92 lakhs) a decline of 38.46 %. There was a loss before interest, depreciation, taxes and amortization (EBITDA) of ₹ 13.52 lakhs as against profit of ₹ 100.03 lakhs in the previous year. The net loss for the year was ₹ 109.05 against profit after tax (PAT) of ₹ 672.42 lakhs in the previous year.

Subsidiaries:

Vertex Securities Limited

Vertex Securities Ltd. (Vertex) is engaged in the following businesses:

1. Vertex and its subsidiary Company are engaged in the business of broking. 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 has membership of:

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

VCFPL 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, 2013 Vertex earned consolidated revenue of ₹ 1088.56 lakhs as against ₹ 1111.84 lakhs in the previous year. Revenue from equity broking was ₹ 474.52 lakhs compared to ₹ 578.99 lakhs in the previous year. And revenue from merchant banking business was ₹ 17.87 lakhs compared to ₹ 16.06 lakhs in the previous year. The operations have recorded a net loss of ₹ 163.25 lakhs as against net loss of ₹ 168.04 lakhs in the previous year.

VERTEX COMMODITIES AND FINPRO PVT. LTD.

During the year ended 31st March, 2013 the commodity broking subsidiary company earned total revenue of ₹ 409.01 lakhs as against ₹ 361.22 lakhs in the previous year. The operations have recorded marginal net Loss after tax of ₹ 1.38 lakhs as against net loss of ₹ 71.08 lakhs.

Economic Outlook:

The Global scenario:

Reforms since 1991 have created strong linkages and integration of Indian economy with global economy. Hence, uncertainties and weak global economy during the last fiscal have had



major impact on the emerging market economies; India being no exception. The International monetary Fund's recent World Economic Outlook predicts 3.3% growth in world GDP for 2013 and 4 % for 2014. The high crude and commodity prices, sovereign risk concerns over the other countries in euro-zone have further impacted other economies.

Other big economies of the world like USA and China are also struggling. In spite of negative economic outlook, the positive un confirmed news is that Indian economy has surpassed Japanese economy to become the third largest economy of the world in the year ended 2012.

The Indian scenario:

There were some positive developments on the monetary front. The Reserve Bank of India (RBI) began FY2013 with a higher than expected 50 bps policy rate cut in April 2012 and a total of 100 bps repo rate cut through the year. The RBI's policy stance remains focused on containing inflation, It has also eased liquidity in FY2013 by cutting the CRR by 75 bps across the year and giving a fillip to open market operations.

During the second half of the fiscal year, the Government of India announced several reform measures such as increasing fuel and gas prices and giving oil marketing companies greater freedom to adjust prices according to the global price of crude and increase in Gas price to make it attractive for new exploration; opening of foreign direct investment (FDI) in different sectors, especially retail; setting up a high level committee to address much needed infrastructure investment; simplification of debt limits for foreign institutional investors (FII); clubbing of FII and QFI into new Definition of Foreign Portfolio Investors(FPI) with less registrations, and a fiscal consolidation plan under the aegis of the new Finance Minister. Simultaneously, oil, gold and other commodity prices have begun to ease. Hopefully, all these factors may aid growth in FY2014.

Even so, the challenges remain. Despite economic difficulties, the demand for retail finance remained fairly robust with the sector witnessing all-round growth. Retail finance continues to grow, given the large untapped demand and a clear demographic shift in favour of a younger and more consumption and lifestyle conscious working population which should increase demand for homes and consumer durables.

Non-Banking Finance Companies (NBFCs) continue to play a critical role in making financial services accessible to a wider set of India's population and are emerging as strong intermediaries in the retail finance space. Going forward, one should expect NBFCs to further strengthen their presence in retail finance and grow at a reasonably healthy pace.

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 20 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.

During the year, Transwarranty has undertaken various measures for achieving the aspirations and goals of the organization. These are long term measures. These measures are ticking in the DNA of Transwarranty culture and these aspirations and goals as set up, will be definitely achieved.

Internal control systems and their adequacy

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

Corporate Social Responsibility

As part of **Corporate Social Responsibility** initiative, employees visited Navjeevan Center, Murbad, an organization engaged in rehabilitating children of women working in the red-light areas of Mumbai. There are 180 children and 20 guardians who are resident at the center.

Employees spent a day, cooked food for all the inmates and had community lunch. Used desk-tops, stationary such as note books, text books etc was sponsored by the Company.

Human Resource Development

The most important asset of the company is its Human Resources. The Company provides, ambitious professionals a platform to achieve their dreams of creating and building institutions and simultaneously create wealth for themselves. There has been significant addition to the talent pool of the company. The Company has a progressive and HR culture including attractive ESOP scheme for sharing of wealth with employees.

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 Financial Statements

We have audited the accompanying financial statements of Transwarranty Finance Limited ("the Company") which comprise the Balance Sheet as at 31 March 2013, 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 Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



3. As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
- e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

Chartered Accountants

(Firm's Registration Number: 120294W)

Sd/-

RAHUL DIVAN

Partner

Membership Number: 100733

Place : Mumbai

Date : 20 May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 2 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management at the end of the year and, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- ii) The Company had no inventory during the year. Since the Company has no inventory, clauses 4 (ii) (a), (b) & (c) of the Order are not applicable.
- iii) a) The Company has granted unsecured loans and deposits to companies covered under section 301 of the Companies Act, 1956 during the year. The maximum amount during the year was ₹ 121,824,142 and the year end balance of the loans granted is ₹ 121,824,142.
- (b) In our opinion the rate of interest and other terms and conditions of said unsecured loans were not, prima facie, prejudicial to the interest of the Company.
- (c) As informed to us, the Company was regular in receiving the principal amount as per the terms and conditions of the agreement.
- (d) As informed to us, there is no overdue amount of loans granted by the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, no major weakness has been noticed in the internal control systems in these areas.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us the Company has not accepted deposits from the public.
- (vii) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The maintenance of cost records have not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for the year under report.
- (ix) (a) According to the records of the Company and information and explanations given to us, the Company has been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employee State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31 March 2013 outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no disputed amounts of taxes which have not been deposited with the authorities as at 31 March 2013.
- (x) *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 loss during the financial year. No cash loss was incurred in the immediately preceding financial year.*
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- (xii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that since the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, it is not required to maintain records in respect thereof.
- (xiii) The Company is not a chit fund/nidhi/mutual benefit fund/society to which the provisions of special statue relating to chit fund are applicable. Accordingly paragraph 4(xiii) of the Order is not applicable.
- (xiv) In respect of shares, securities etc. held as investments by the Company, proper records have been maintained of the transactions and contracts and timely entries have been made by the Company therein and the said investments have been held by the Company in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company had given guarantees for loans taken by its subsidiary company and others from banks were not prejudicial to the interest of the Company. The outstanding guarantees at the end of the year were ₹ 84.5 million which are shown as a contingent liability.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and an overall examination of the Balance Sheet and Cash Flows of the Company as at 31 March 2013, we report that funds raised on short term basis have not been used for long term investment.
- (xviii) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(xviii) of the Order is not applicable.
- (xix) The Company has not issued any debentures during the year ended 31 March 2013. Accordingly, paragraph 4(xix) of the Order is not applicable.
- (xx) During the year ended 31 March 2013, the Company has not raised money by way of public issue. Accordingly, paragraph 4(xx) of the Order is not applicable.
- (xxi) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31 March 2013.

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

Sd/-
RAHUL DIVAN
Partner

Place : Mumbai
Date : 20 May, 2013

Membership Number: 100733

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	As at 31 March, 2013		As at 31 March, 2012	
		₹	₹	₹	₹
I EQUITY AND LIABILITIES					
(1) Shareholders Funds					
(a) Share Capital	2	244,605,680		244,605,680	
(b) Reserves and Surplus	3	321,740,709		332,646,147	
			566,346,389		577,251,827
(2) Non - Current Liabilities					
(a) Long Term Borrowings	4	22,440,976		21,499,422	
(b) Other Long Term Liabilities	5	1,315,888		1,146,486	
(c) Long Term Provisions	6	9,751,300		29,906,512	
			33,508,164		52,552,420
(3) Current Liabilities					
(a) Short Term Borrowings	7	17,644,159		49,687,578	
(b) Trade Payables	8	–		2,921,211	
(c) Other Current Liabilities	9	8,864,498		10,752,654	
(d) Short Term Provisions	10	1,323,637	27,832,294	25,208,585	88,570,028
Total Equity And Liabilities			627,686,847		718,374,275
II ASSETS					
(1) Non Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	11	4,393,237		4,267,667	
(ii) Intangible Assets	12	963,580		1,278,311	
(b) Non Current Investments	13 A	141,408,485		141,121,969	
(c) Deferred Tax Assets (Net)	14	314,675		130,597	
(d) Long Term Loans and Advances	15	349,823,617		333,891,517	
(e) Other Non Current Assets	16	23,490	496,927,085	30,575	480,720,636
(2) Current Assets					
(a) Current Investments	13 B	–		561,911	
(b) Trade Receivables	17	4,873,753		16,822,399	
(c) Cash and Cash Equivalents	18	6,362,189		6,695,631	
(d) Short Term Loans and Advances	19	104,606,653		202,444,881	
(e) Other Current Assets	20	14,917,167		11,128,818	
			130,759,762		237,653,640
Total Assets			627,686,847		718,374,275
The Note No.1 to 33 are integral part of these Financial Statements					

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants**Rahul Divan**
PartnerMumbai
May 20, 2013

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman**R. L. Shenoy**
Director**Kumar Nair**
Managing Director**U.Ramachandran**
Chief Financial Officer**Raghu R. Palat**
Director**Sridhar H.**
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	For the Year ended 31 March, 2013 ₹	For the Year ended 31 March 2012 ₹
REVENUE			
Revenue From Operations	21	129,442,876	180,537,826
Other Income	22	13,691,676	52,054,616
Total Revenue		143,134,553	232,592,442
EXPENSES			
Purchase of Shares Stock in Trade	23	70,762,217	57,413,242
Employee Benefits Expense	24	41,759,791	38,716,353
Finance Costs	25	5,796,210	9,733,016
Depreciation and Amortisation Expense	11 & 12	1,568,277	1,566,478
Other Expenses	26	31,964,478	48,285,121
Total Expenses		151,850,973	155,714,210
Profit / (Loss) Before Exceptional and Extra ordinary items and Tax		(8,716,420)	76,878,232
Exceptional Items			
Profit / (Loss) on Sale of Fixed Assets		(423,047)	–
Profit / (Loss) Before Extra ordinary items and Tax		(9,139,467)	76,878,232
Extraordinary Items		–	–
Profit / (Loss) Before Tax		(9,139,467)	76,878,232
Tax Expense			
Current Tax		–	9,600,000
Short / (Excess) Provision for Tax in Prior Years (Net)		1,950,049	(7,578)
Deferred Tax		(184,078)	36,397
Profit / (Loss) After Tax from Continuing Operations		(10,905,438)	67,249,413
Profit / (Loss) from Discontinuing Operations		–	–
Tax Expense of Discontinuing Operations		–	–
Profit / (Loss) from Discontinuing Operations After Tax		–	–
Profit / (Loss) For the Year		(10,905,438)	67,249,413
Basic Earning Per Share of ₹ 10/- each (In Rupees)	28	(0.45)	2.88
Diluted Earning Per Share of ₹ 10/- each (In Rupees)	28	(0.45)	2.88
The Note No.1 to 33 are integral part of these Financial Statements			

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants**Rahul Divan**
PartnerMumbai
May 20, 2013

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman**R. L. Shenoy**
Director**Kumar Nair**
Managing Director**U.Ramachandran**
Chief Financial Officer**Raghu R. Palat**
Director**Sridhar H.**
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	2012-13 Amount (₹)	2011-12 Amount (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	(9,139,467)	76,878,232
Add: Non Operating Expenses/ Non Cash Expenses		
Depreciation & Amortisation	1,568,277	1,566,478
Provision for diminution in value of quoted investments (net)	–	215,698
Loss on Sale of Fixed Assets	423,047	–
Interest Paid	5,796,210	9,733,016
Deferred Revenue Expenditure Written off	–	402,338
Preliminary Expenses Written off	–	127,558
Bad debts Written off	113,795	6,415,864
Short / (Excess) Provision For Tax in Prior Years	(1,950,049)	7,578
	<u>5,951,280</u>	<u>18,468,530</u>
Less : Interest / Dividend/ Other Non Operating Income Adjustments		
Interest Received	12,121,751	3,430,711
Dividend Received	39,350	57,079
Profit on sales of shares	1,439,381	48,561,725
Provision For Quoted Investments Written Back	59,151	–
	<u>13,659,633</u>	<u>52,049,514</u>
Operating Profit before Working Capital Changes	<u>(16,847,819)</u>	<u>43,297,248</u>
Adjusted for:		
(Increase)/Decrease in Sundry Debtors	11,841,936	(5,762,688)
(Increase)/Decrease in Loans & Advances	4,163,869	(6,707,493)
Increase /(Decrease) in Current Liabilities	(4,565,469)	3,557,014
Increase /(Decrease) in Non-Current Liabilities	169,402	1,089,446
Increase /(Decrease) in Provisions	(372,855)	618,650
Cash Generated from Operation	<u>(5,610,935)</u>	<u>36,092,177</u>
Income Tax Paid	(1,123,601)	(11,136,831)
Net Cash From Operating Activities	<u>(6,734,536)</u>	<u>24,955,346</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

Particulars	2012-13 Amount (₹)	2011-12 Amount (₹)
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets	(3,342,642)	(2,608,304)
Proceed on sale of Fixed Assets	1,540,479	1,500
(Purchase)/ Sale of Investments (Net)	1,773,928	52,816,390
Inter Corporate Deposits received / (Given)	(29,184,707)	(50,893,469)
Micro Finance Gold Loan (Given) / Received Back	74,809,257	(76,423,245)
Interest Received	12,121,751	3,430,711
Dividend Received	39,350	57,079
Net Cash used in Investing Activities	57,757,417	(73,619,339)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	–	28,609,050
Increase/ (Decrease) in Secured Loans	(36,624,913)	853,026
Increase/ (Decrease) in Unsecured Loans	5,279,149	30,609,524
Interest Paid	(5,796,210)	(9,733,016)
Dividend Paid (including tax thereon)	(14,214,342)	–
Net Cash from / (used in) Financing Activities	(51,356,316)	50,338,583
Net Increase / (Decrease) in Cash & Cash Equivalent	(333,441)	1,674,590
Opening Balance of Cash and Cash Equivalent	6,695,631	5,028,619
Closing Balance of Cash and Cash Equivalent	6,362,189	6,695,631

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants**Rahul Divan**
PartnerMumbai
May 20, 2013

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman**R. L. Shenoy**
Director**Kumar Nair**
Managing Director**U.Ramachandran**
Chief Financial Officer**Raghu R. Palat**
Director**Sridhar H.**
Company Secretary



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

1. SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation of Financial Statements

The Financial Statements are prepared and presented under the historical cost convention, on an accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and relevant provisions of Companies Act, 1956 to the extent applicable.

(B) Fixed Assets

- (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 adequately depreciated on written down value basis in accordance with the provisions of Section 205(2)(a) and at the rates specified in Schedule XIV to the Companies Act, 1956

(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

Disclosures as required by Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India, are given below :

- (i) The company has taken various offices and a godown premises under leave and license agreements. These are generally not non- Cancelable and range between 11 months and 3 years and are renewable by mutual consent on mutually agreeable terms.
- (ii) Lease payments are recognized in the Statement of Profit and Loss under 'Rent'.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

(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.
- (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 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
2. SHARE CAPITAL		
Authorised		
31,000,000 Equity Shares of ₹ 10/- each	310,000,000	310,000,000
	<u>310,000,000</u>	<u>310,000,000</u>
Issued, Subscribed and Fully Paid Up		
24,460,568 Equity Shares of ₹ 10/- each fully paid up	244,605,680	244,605,680
Total	<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	2012-13		2011-12	
	No of Shares	(₹)	No of Shares	(₹)
EQUITY SHARES				
A) Fully Paid Up Shares				
No of shares outstanding at the beginning of the year	24,460,568	244,605,680	20,646,028	206,460,280
Add: Partly paid up shares converted to Fully paid up.	–	–	3,814,540	38,145,400
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>
B) Partly Paid Up Shares				
No of shares outstanding at the beginning of the year	–	–	3,814,540	9,536,350
Less: Shares Converted to Fully Paid Up	–	–	3,814,540	9,536,350
No of shares outstanding at the end of the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</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	2012-13		2011-12	
	No of Shares	%	No of Shares	%
EQUITY SHARES				
a) Fully Paid Up Shares				
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 31ST MARCH, 2013. (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
EQUITY SHARES		
A) Fully Paid Up Shares		
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

As per records of the company, including its register of share holders/ members and other declarations received from the shareholders regarding beneficial interest, the above represents both legal and beneficial ownership of 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 10th 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 st March, 2013 Nos.	As at 31 st March, 2012 Nos.
Options outstanding at the beginning of the year	852,237	482,266
Prior Period Adjustments	(1,875)	–
Options granted during the year	–	596,500
Options vested during the year	104,607	50,446
Options exercised during the year	Nil	Nil
Options forfeited during the year	66,375	131,875
Options lapsed /surrendered during the year	18,218	94,654
Options outstanding at the end of the year	<u>765,769</u>	<u>852,237</u>

- Had fair value method been used , the compensation cost would have been higher by ₹ 11.85 Lakhs (Previous Year ₹ 13.19 Lakhs) Loss after tax would have been higher by ₹ 11.85 Lakhs (Previous year Profit after tax would have been lower by ₹ 13.19 Lakhs) and EPS both basic and diluted - would have been ₹ (0.49) Per share (Previous Year ₹ 2.82 Per share)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 1 st April, 2012 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 st Mar, 2013 (₹)
3. RESERVES AND SURPLUS				
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	–	–	31,277,515
– General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1)	44,773,485	(10,905,438)	–	33,868,047
	<u>332,646,147</u>	<u>(10,905,438)</u>	<u>–</u>	<u>321,740,709</u>

Particulars	As at 1 st April, 2011 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 st Mar, 2012 (₹)
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	17,827,632	13,449,883	–	31,277,515
– General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1)	5,188,296	39,585,189	–	44,773,485
	<u>279,611,075</u>	<u>53,035,072</u>	<u>–</u>	<u>332,646,147</u>

	2013	2012
Notes:		
1) Profit / (Loss) for the year	(10,905,438)	67,249,413
Less: Dividend on Equity Shares	–	12,230,284
Tax on Distributed Profits on Equity Shares	–	1,984,058
Transfer to Reserve U/S 45 IC of RBI Act	–	13,449,883
	<u>–</u>	<u>27,664,224</u>
	<u>(10,905,438)</u>	<u>39,585,189</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
NON- CURRENT LIABILITIES		
4. LONG TERM BORROWINGS		
I. Secured Loans		
Overdraft Account- ICICI Bank Ltd (Secured against hypothecation of Office Premises owned by Transwarranty Pvt. Ltd. and Guarantee given by the Managing Director)	5,478,094	5,422,447
Car Loan Account - Federal Bank (Secured against hypothecation of Motor Car)	–	576,975
Car Loan Account - HDFC Bank (Secured against hypothecation of Motor Car)	1,462,883	–
Total (A)	6,940,976	5,999,422

Note:

Terms of Repayment

- Overdraft Facility from ICICI Bank :- The loan was sanctioned on 19th August, 2006. The bank may at its sole discretion on expiry of 12 months, renew the facility for an additional 12 months on each renewal, such that original term and subsequent renewal terms does not exceed 10 years. The bank on each renewal would reduce the Overdraft limit by ₹ 14.20 Lakhs. Type of Interest is Floating Rate of Interest presently at 15.50 %p.a.
- Vehicle loan from HDFC Bank was sanctioned on 17.09.2012 for a period of 5 years. Current EMI is ₹ 42,620/-.

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
II. Unsecured Loans		
From Others, Inter Corporate Deposits	15,500,000	15,500,000
Total (B)	15,500,000	15,500,000
Total (A) + (B)	22,440,976	21,499,422
5. OTHER LONG TERM LIABILITIES		
a) Trade Payables		
Gold Loan	1,315,888	1,146,486
	1,315,888	1,146,486
6. LONG TERM PROVISIONS		
Employee Gratuity	–	302,249
Provision For Taxation	9,751,300	29,604,263
	9,751,300	29,906,512



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
CURRENT LIABILITIES		
7. SHORT TERM BORROWINGS		
A) Secured Loans		
1) Loans Repayable on Demand		
a) From Banks		
Catholic Syrian Bank - Gold Loan Over Draft Account (Secured against Gold Loan Receivables and Guarantee given by the Managing Director)	2,701,111	39,107,578
Note:		
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 Guarantee given by the Managing Director)	1,420,000	1,420,000
b) From Others (Secured against Pledge of shares)	–	1,160,000
Total - (A)	4,121,111	41,687,578
B) Unsecured Loans		
1) From Bank		
Book Overdraft	523,048	–
2) From Others		
Inter Corporate Deposits	13,000,000	8,000,000
Total - (B)	13,523,048	8,000,000
Total - (A) + (B)	17,644,159	49,687,578
8. TRADE PAYABLES		
Amount Due to Micro, Small & Medium Enterprises	–	–
Other Creditors		
Due to Related Parties	–	586,080
Trade Creditors	–	2,335,131
	–	2,921,211

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
9. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt	338,206	577,709
Interest Accrued & Due on borrowings	3,085,010	3,089,406
Unpaid Dividends	149,642	122,081
Other Payables (Creditors for Expenses)	5,291,639	6,963,458
	<u>8,864,498</u>	<u>10,752,654</u>
10. SHORT - TERM PROVISIONS		
a) Provision for Employees		
Provision for Gratuity	332,668	549,993
Provision for Leave Encashment	694,735	488,865
b) Others		
Provision for Diminution in value of Quoted Investments	296,234	355,385
Provision For Taxation	–	9,600,000
Dividend on Equity Shares	–	12,230,284
Dividend Distribution Tax	–	1,984,058
	<u>1,323,637</u>	<u>25,208,585</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

11. FIXED ASSETS -TANGIBLE

Sr. No.	Description	GROSS BLOCK/ COST/BOOK VALUE			DEPRECIATION /AMORTISATION			NET BLOCK	
		Total As at 1-Apr-12 (₹)	Additions/ Adjustments During the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-13 (₹)	Provided during the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-13 (₹)	As at 31-Mar-13 (₹) As at 31-Mar-12 (₹)
1.	Furniture	2,267,451	28,020	880,184	1,415,287	272,602	238,671	672,909	742,378 1,628,473
2.	Computers	1,414,881	23,910	311,271	1,127,521	251,654	166,556	812,435	315,086 687,544
3.	Office Equipments	717,551	325,365	95,792	947,125	79,828	22,266	362,110	585,014 413,003
4.	Vehicles	4,729,165	2,910,346	3,200,000	4,439,511	594,463	2,096,229	1,688,752	2,750,759 1,538,647
	Total	9,129,048	3,287,642	4,487,247	7,929,443	1,198,546	2,523,721	3,536,206	4,393,237 4,267,667
	Previous Year	7,491,892	1,655,905	18,750	9,129,048	1,108,190	17,250	4,861,380	4,267,667 -

12. FIXED ASSETS - INTANGIBLE

Sr. No.	Description	GROSS BLOCK/ COST/BOOK VALUE			DEPRECIATION /AMORTISATION			NET BLOCK	
		Total As at 1-Apr-12 (₹)	Additions/ Adjustments During the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-13 (₹)	Provided during the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-13 (₹)	As at 31-Mar-13 (₹) As at 31-Mar-12 (₹)
1.	Goodwill	400,000	-	-	400,000	-	-	-	400,000 400,000
2.	Computer Software	2,704,787	55,000	-	2,759,787	369,731	-	2,196,207	563,580 878,311
	Total	3,104,787	55,000	-	3,159,787	369,731	-	2,196,207	963,580 1,278,311
	Previous Year	2,152,388	952,399	-	3,104,787	458,288	-	1,826,476	1,278,311 -

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Face Value ₹	31.03.2013		31.03.2012	
		Quantity (Nos)	Value ₹	Quantity (Nos)	Value ₹
13 A NON-CURRENT INVESTMENTS (AT COST)					
a) Investments in Equity Instruments					
i) In Subsidiary Companies					
a) Quoted					
Vertex Securities Limited (Market Value ₹ 68,577,070/-)	2	24,318,110	106,984,994	24,318,110	106,984,994
ii) Others					
a) Quoted					
South Indian Bank (Right Share) (Market Value ₹ 246/-)	1	10	40	1	40
NEPC India Ltd. (Market Value ₹ 3,720/-)	10	2,000	85,156	2,000	85,156
Rama Newsprints (Market Value ₹ 9,363/-)	10	1,250	86,838	1,250	86,838
Anil Limited (Market Value ₹ 718,117/-)	10	4,639	92,780	11,252	225,040
Biocon	10	100	52,326	100	52,326
Biocon-Bonus Shares (Market Value ₹ 54,920/-)	10	100	—	100	—
Jenburkt Pharmaceuticals Ltd. (Market Value ₹ 24,028/-)	10	350	33,438	—	—
Intellvisions Software Ltd. (Market Value ₹ 242,442/-)	10	16,954	370,338	—	—
b) Unquoted					
Catholic Syrian Bank Ltd.	10	700	31,000	500	16,000
b) Investments in Preference Shares					
<u>In Subsidiary Companies (Un Quoted)</u>					
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	3,228,003	32,280,030	3,228,003	32,280,030
c) Investments in Government or trust securities					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
UTI Master Share	—	1,000	13,945	1,000	13,945
Total			141,408,485		141,121,970

1) Aggregate amount of Quoted investments is ₹ 107,719,855/- (P.Y. ₹ 107,448,340/-) and market value is ₹ 69,629,905/- (P.Y. ₹ 189,859,591/-)

2) Aggregate amount of Un Quoted investments is ₹ 33,688,630 /- (P.Y. 33,673,630/-)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

13 (B) CURRENT INVESTMENTS

Particulars	Face Value ₹	31.03.2013		31.03.2012	
		Quantity (Nos)	Value ₹	Quantity (Nos)	Value ₹
(a) Investments in Equity Instruments (at cost)					
Jenburkt Pharmaceuticals Ltd.			–	350	33,438
Intellvisions Software Ltd.			–	25,000	528,473
Total			<u>–</u>		<u>561,911</u>

(a) Aggregate amount of quoted investments is ₹ Nil/- (P.Y. ₹ 561,911/-). And market Value ₹ Nil (P.Y. ₹ 362,778/-).

(b) Aggregate provision made for diminution in value of investments is ₹ Nil/- (P.Y. ₹ 355,385/-).

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
NON CURRENT ASSETS		
14. DEFERRED TAX ASSET		
Deferred Tax Assets on Depreciation	314,675	130,597
Deferred Tax Asset	<u>314,675</u>	<u>130,597</u>
15. LONG TERM LOANS AND ADVANCES		
A) Unsecured, Considered Good		
a) Capital Advances	43,300,000	43,300,000
b) Security Deposits	52,206,229	52,663,720
c) Loans and Advances to Related Parties		
Inter Corporate Deposits to Subsidiary	37,927,082	16,395,345
Inter Corporate Deposits to Associates	83,417,061	85,477,616
d) Other Loans and Advances		
Inter Corporate Deposits	57,107,800	57,576,891
TFL-TCCPL and TFCPL Merger Scheme Trust	75,762,500	78,375,000
Preference Share Dividend Receivable	102,945	102,945
	<u>349,823,617</u>	<u>333,891,517</u>
16. OTHER NON CURRENT ASSETS		
i) Long term Trade Receivables	137,285	6,411,270
Less:- Bad Debts Written Off	113,795	6,380,695
	23,490	30,575
	<u>23,490</u>	<u>30,575</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
CURRENT ASSETS		
17. TRADE RECEIVABLES		
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	248,958	10,040,565
Other Debts	4,624,795	7,312,272
	<u>4,873,753</u>	<u>17,352,837</u>
	4,873,753	17,352,837
Less:- Bad Debts Written Off	–	530,438
	<u>4,873,753</u>	<u>16,822,399</u>
18. CASH AND CASH EQUIVALENTS		
a) Balance with Banks		
In Current Account	1,612,477	3,467,173
In Dividend Account	145,506	122,081
In Deposit Accounts:-		
Less than 12 months Maturity	134,852	124,473
More than 12 Months Maturity	1,500,250	1,409,079
b) Cash on Hand	2,969,106	1,572,825
	<u>6,362,191</u>	<u>6,695,631</u>
19. SHORT TERM LOANS AND ADVANCES		
A) Secured, Considered Good		
a) Others		
Gold Loans	9,133,066	77,563,056
Advance for Fixed Assets	658,638	227,213
Loan Against Shares	–	967,654
Loan Against Property	88,396	–
B) Unsecured, Considered Good		
a) Loans and advances to Related Parties	4,881,705	5,139,996
b) Others		
Inter Corporate Deposits	58,877,700	58,862,700
Loans and advances to Employees	–	917,083
Deposits	27,362	27,362
Advance Payment of Income Tax (Including TDS)	29,889,787	58,219,149
Other Short Term Advances	1,049,998	520,667
	<u>104,606,651</u>	<u>202,444,881</u>
20. OTHER CURRENT ASSETS		
Interest Accrued on ICD's	13,674,597	3,506,981
Interest Accrued on Gold Loan , etc.	1,242,570	7,621,837
	<u>14,917,167</u>	<u>11,128,818</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	For the year Ended on 31 st March, 2013 (₹)	For the year Ended on 31 st March, 2012 (₹)
21. REVENUE FROM OPERATIONS		
a) Sale of Products		
Sale of Shares held in Stock -in -Trade	70,576,188	57,299,106
b) Interest		
Interest on Gold Loan	12,624,985	13,169,793
Interest on Property Loan	3,159	
Interest on Loan Against Shares	151,851	131,480
c) Other Financial Services		
Trade Finance	43,068,886	41,346,350
Corporate Finance	675,000	14,798,097
Investment Banking	2,342,808	53,793,000
	<u>129,442,876</u>	<u>180,537,826</u>
22. OTHER INCOME		
a) Dividend Income	39,350	57,079
b) Net gain/loss on Sale of Shares	1,439,381	48,561,725
c) Other Non Operating Income		
– Interest Income	12,121,751	3,430,711
– Miscellaneous Income	32,043	5,101
– Provision For Quoted Investments Written Back	59,151	–
	<u>13,691,676</u>	<u>52,054,616</u>

Particulars	For the year Ended on 31 st March, 2013 (₹)	For the year Ended on 31 st March, 2012 (₹)
23. Raw Material and Work -in-Progress		
Purchase of Shares held in Stock-in-Trade	70,762,217	57,413,242
	<u>70,762,217</u>	<u>57,413,242</u>
24. EMPLOYEE BENEFITS EXPENSES		
a) Salaries, Wages, Bonus, Gratuity & Allowances	40,170,783	37,359,180
b) Contribution to Provident Fund	1,413,331	1,173,489
c) Staff Welfare Expenses	175,677	183,684
	<u>41,759,791</u>	<u>38,716,353</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	For the year Ended on 31 st March, 2013 (₹)	For the year Ended on 31 st March, 2012 (₹)
25. FINANCE COST		
a) Interest Expense		
On Term Loans	209,176	247,009
On Overdrafts & Other Borrowings	4,005,374	5,650,737
b) Other Borrowing Costs		
Interest on ICD	1,080,630	3,467,135
Financial and Bank Charges	501,031	368,135
	<u>5,796,210</u>	<u>9,733,016</u>
26. OTHER EXPENSES		
Rent	7,726,923	4,880,983
Rates & Taxes	327,376	218,306
Insurance	35,149	303,495
Advertisement , Publicity & Sales Promotion	1,278,853	1,765,266
Travelling & Other Incidental Expenses	3,246,049	1,866,146
Office Maintenance	2,860,274	3,086,360
Vehicle Running & Maintenance	153,466	447,596
Printing & Stationery	440,728	565,392
Communication Expenses	753,818	635,635
Electricity	848,991	698,286
Donation	531,844	754,100
Auditor's Remuneration		
– As Statutory Auditors	125,000	100,000
– For Tax Audit	25,000	25,000
– For Certification / Limited Review	78,000	62,500
– Internal Audit Fees	134,000	–
– Out of Pocket Expenses	31,448	5,967
Legal, Professional & Consultancy Charges	2,559,034	17,420,304
Directors Sitting Fees	536,000	560,000
Directors Commission	–	378,000
Other Operational Expenses	2,302,155	7,145,166
Loss on Commodity Trading (Net)	–	42,727
Loss on Futures & Options (Net)	60,619	162,434
Loss on Sale of Gold	7,795,956	–
Bad Debts written off	113,795	6,415,864
Provision for Quoted Investment (Net)	–	215,698
Deferred Revenue Expenses Written off	–	402,338
Preliminary Expenses Written off	–	127,558
	<u>31,964,478</u>	<u>48,285,121</u>
Note:-		
1) EARNING / EXPENDITURE IN FOREIGN CURRENCY		
Earnings in Foreign Exchange as fees for Professional Services rendered	7,180,889	2,569,574
Expenditure incurred in Foreign Currency	1,433,280	989,131



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	For the year Ended on 31 st March, 2013 (₹)	For the year Ended on 31 st March, 2012 (₹)
27. Contingent Liabilities		
1) Guarantees issued by the company on behalf of its associates for acquiring office premises	67,500,000	67,500,000
2) Counter Guarantees given to bankers on behalf of subsidiary companies for Exchange Margin Requirements	17,000,000	60,000,000
3) Guarantees issued by the company on behalf of its Subsidiary Company for Inter Corporate Deposits taken.	–	12,500,000
4) Claims against the company not acknowledged as debt		
a) Tax Demand in respect of which company's Appeal is pending before the first appellate authority (Income Tax) for the Assessment Year 2008-09.	–	1,164,113
a) Tax Demand in respect of which company's Appeal is pending before the first appellate authority (Income Tax) for the Assessment Year 2009-10.	–	3,429,838
	<u>84,500,000</u>	<u>144,593,951</u>
28. Earnings Per Share		
I. Net Profit as per Statement of Profit and Loss available for Equity Share Holders	(10,905,438)	67,249,413
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	23,381,866
B) For Diluted Earnings per share of ₹ 10/- each (No's)	24,460,568	23,381,866
III. Earnings Per Share (Face Value of ₹ 10/- each)		
Basic (₹)	(0.45)	2.88
Diluted (₹)	(0.45)	2.88

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

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Change in the benefit Obligations:				
Present value of obligations as on 01. 04. 2012	2,184,295	2,041,271	488,865	136,681
Current Service Cost	202,085	256,654	749,010	902,134
Past Service Cost	–	–	–	–
Interest Cost	147,584	163,302	20,699	423
Actuarial (Gain)/Loss on obligation	168,492	(276,932)	(103,595)	
Benefits Paid	(678,979)	–	(460,244)	(262,792)
Present value of obligations as on 31.03.2013	<u>2,023,477</u>	<u>2,184,295</u>	<u>694,735</u>	<u>776,446</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Change in Plan Assets:				
Fair Value of Plan Assets as on 01.04.2012	2,486,544	1,848,258	–	262,792
Adjustment to the opening balance	(418,343)	88,293	–	–
Expected Return on Plan Assets	159,462	176,924	–	–
Employer's Contributions	529,134	549,993	460,244	262,792
Benefits Paid	(678,979)	–	(460,244)	(262,792)
Actuarial Gain/(Loss) on Plan Assets	(30,542)	(176,924)	–	–
Fair Value of plan assets as on 31.03.2013	2,047,276	2,486,544	–	–
Net (Asset) Liability (i) - (ii) :	(23,799)	(302,249)	694,735	776,446
Net Cost for the year ended 31.03.2013				
Current Service Cost	202,085	256,654	749,010	902,134
Past Service Cost	–	–	–	–
Interest Cost	147,584	163,302	20,699	423
Expected Return on plan Assets	(159,462)	(176,924)	–	–
Actuarial (Gain)/ Loss recognised during the year	199,034	(100,008)	(103,595)	–
Adjustment (Gain) to opening value of planned assets				
Net Cost	389,241	143,024	666,114	902,557
Amount recognised in the Balance sheet (Asset) / Liability	23,799	302,249	694,735	488,865
Amount recognised in the Statement of Profit and Loss (Gain)/Loss	389,241	143,024	666,114	614,976
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	4.00%	4.00%	4.00%	4.00%
Attrition Rate	15 to 42%	45.75%	15 to 42%	45.75%
Demographic Assumptions:				
Retirement age				60 Year
Mortality rate				8%

30. RELATED PARTY DISCLOSURES

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

(I) List of Related parties

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

(II) Summary of Transactions

(₹ in million) (Previous Years Figures are in brackets)

Particulars	Subsidiary Company	Associated Company	Key Management Personnel
Salary and other Allowances to Key Management Personnel	Nil	Nil	3.60 (3.60)
Inter Corporate Deposits Given	41.49 (44.82)	6.22 (3.39)	Nil Nil
Inter Corporate Deposits Repaid	19.96 (57.06)	8.28 (0.80)	Nil Nil
Interest Received on ICD	2.86 Nil	8.44 Nil	Nil Nil
Interest Paid on ICD	0.03 Nil	Nil Nil	Nil Nil
Brokerage Paid on Share Trading	0.22 (0.48)	Nil Nil	Nil Nil
Share Trading Account Debits	33.87 (86.11)	Nil Nil	Nil Nil
Share Trading Account Credits	34.15 (81.41)	Nil Nil	Nil Nil
Commodity Trading Account Debits	Nil (0.22)	Nil Nil	Nil Nil
Commodity Trading Account Credits	Nil (0.47)	Nil Nil	Nil Nil
Current Account Debits	0.44 (0.59)	0.35 Nil	Nil Nil
Current Account Credits	0.41 (0.85)	0.03 (0.08)	Nil Nil
Rent Paid	Nil Nil	7.20 (4.54)	Nil Nil
Balance As on 31-03-2013			
Vertex Securities Limited - ICD A/C	37.93 Dr		
Transwarranty Advisors Pvt. Ltd.- ICD A/C	38.36 Dr		
Transwarranty Private Limited- ICD A/C	45.06 Dr		
Transwarranty Advisors Pvt Ltd Current A/C	0.02 Cr		
Vertex Securities Limited Current A/C	0.45 Cr		
Vertex Securities Limited - Share Trading Account	4.43 Dr		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Details of Related Party Transactions

Name of the Company/ Transactions	2013 (₹ In Millions)	2012 (₹ In Millions)
1) Inter Corporate Deposits Given - Associated Companies		
TPL	6.22	2.19
TAPL	–	1.20
2) Inter Corporate Deposits Repaid - Associated Companies		
TAPL	0.48	0.60
TPL	7.80	0.20
3) Inter Corporate Deposits Given - Subsidiary Companies		
VSL	41.49	44.82
4) Inter Corporate Deposits Repaid - Subsidiary Companies		
VSL	19.96	57.06
5) Share Trading Debit - Subsidiary Companies		
VSL	33.87	86.11
6) Share Trading Credit - Subsidiary Companies		
VSL	34.15	81.41
7) Current Account Debit - Associated Companies		
TAPL	0.35	–
8) Current Account Credit - Associated Companies		
TAPL	0.03	0.08
9) Current Account Debit - Subsidiary Companies		
VSL	0.44	0.59
10) Current Account Credit - Subsidiary Companies		
VSL	0.41	0.85
11) Rent Paid - Associated Company		
TAPL	7.20	4.54
12) Interest Received on ICD- Associated Companies		
TAPL	3.87	–
TPL	4.56	–
13) Interest Received on ICD- Subsidiary Companies		
VSL	2.86	–



Name of the Company/ Transactions	2013 (₹ In Millions)	2012 (₹ In Millions)
14) Interest Paid on ICD- Subsidiary Companies		
VSL	0.03	–
15) Brokerage Paid on Share Trading- Subsidiary Companies		
VSL	0.22	0.48
16) Commodities Trading Debit - Subsidiary Companies		
VCFPL	–	0.22
16) Commodities Trading Credit - Subsidiary Companies		
VCFPL	–	0.47

31. 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.
32. (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.
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

For and on behalf of Board of Directors

Rahul Divan
Partner

Suresh N. Talwar
Chairman

Kumar Nair
Managing Director

Raghu R. Palat
Director

Mumbai
May 20, 2013

R. L. Shenoy
Director

U.Ramachandran
Chief Financial Officer

Sridhar H.
Company Secretary

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
TRANSWARRANTY FINANCE LIMITED

We have audited the accompanying consolidated financial statements of Transwarranty Finance Limited ("the Company") and its subsidiaries, which comprise the Consolidated Balance Sheet as at 31 March, 2013, 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 controls relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- (a) *As stated in Notes on Accounts No. 35, sundry debtors in the subsidiary companies under the head current assets include old outstanding dues. The sundry debtors of the subsidiary companies outstanding for more than six months amounts to ₹ 23.65 million. Further out of the total sundry debtors of the subsidiary companies, for a sum of ₹ 16.48 million, the subsidiary companies have 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.

Subject to our comments in paragraph (a) above, we report that, on the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual financial statements of the Company and its subsidiary, we are of the opinion that the said the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) *in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;*
- (ii) *in the case of the Consolidated Statement of Profit and Loss Account, of the loss for the year ended on that date; and*
- (iii) *in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.*

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

Sd/-
RAHUL DIVAN

Place : Mumbai
Date : 20 May 2013

Partner
Membership Number : 100733

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	As At 31 st March, 2013		As At 31 st March, 2012	
		₹	₹	₹	₹
I EQUITY AND LIABILITIES					
(1) Shareholders Funds					
(a) Share Capital	2	244,605,680		244,605,680	
(b) Reserves and Surplus	3	315,291,647		323,365,788	
			559,897,327		567,971,468
(2) Minority Interest	4		61,212,026		68,634,734
(3) Non-Current Liabilities					
(a) Long Term Borrowings	5	30,448,219		33,677,892	
(b) Other Long Term Liabilities	6	5,158,670		4,261,330	
(c) Long Term Provisions	7	9,751,300		29,906,512	
			45,358,189		67,845,734
(4) Current Liabilities					
(a) Short Term Borrowings	8	23,573,169		68,322,472	
(b) Trade Payables	9	74,519,247		211,424,505	
(c) Other Current Liabilities	10	25,193,990		22,390,224	
(d) Short Term Provisions	11	2,598,774	125,885,180	26,504,258	328,641,459
Total Equity And Liabilities			<u>792,352,722</u>		<u>1,033,093,395</u>
II. ASSETS					
(1) Non Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	12	23,010,932		26,287,377	
(ii) Intangible Assets	13	7,122,673		8,962,141	
(b) Goodwill on Consolidation		56,391,266		44,657,610	
(c) Non Current Investments	14 A	20,778,561		20,492,046	
(d) Deferred Tax Assets (Net)	15	314,675		3,024,864	
(e) Long Term Loans and Advances	16	311,896,534		317,496,172	
(f) Other Non Current Assets	17	23,490	419,538,131	30,575	420,950,785
(2) Current Assets					
(a) Current Investments	14 B	–		561,911	
(b) Trade Receivables	18	43,240,732		158,725,336	
(c) Cash and Cash Equivalents	19	51,473,363		80,727,896	
(d) Short Term Loans and Advances	20	258,645,144		360,998,649	
(e) Other Current Assets	21	19,455,352		11,128,818	
			372,814,591		612,142,610
Total Assets			<u>792,352,722</u>		<u>1,033,093,395</u>
The Note No. 1 to 38 are integral part of these Financial Statements					

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants**Rahul Divan**
PartnerMumbai
May 20, 2013

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman**R.L. Shenoy**
Director**Kumar Nair**
Managing Director**U. Ramachandran**
Chief Financial Officer**Raghu R. Palat**
Director**Sridhar H.**
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	For the Year ended 31 st March, 2013 ₹	For the Year ended 31 st March, 2012 ₹
REVENUE			
Revenue From Operations	22	212,647,489	272,908,560
Other Income	23	36,451,307	70,867,423
TOTAL REVENUE		249,098,796	343,775,983
EXPENSES			
Purchase of Stock in Trade	24	70,762,217	57,413,242
Employee Benefits Expense	25	80,748,852	88,965,747
Finance Costs	26	8,826,425	17,590,696
Depreciation and Amortisation Expense	12 & 13	6,437,312	6,754,963
Other Expenses	27	103,484,246	116,259,386
TOTAL EXPENSES		270,259,052	286,984,034
Profit/(Loss) Before Exceptional and Extra ordinary items and Tax		(21,160,256)	56,791,949
Exceptional Items:-			
Loss on Sale of Fixed Assets		1,452,385	419,081
Profit/(Loss) Before Extra ordinary items and Tax		(22,612,641)	56,372,868
Extraordinary Items		—	—
Profit/(Loss) Before Tax		(22,612,641)	56,372,868
Tax Expense			
Current Tax		—	9,600,000
Short/(Excess) Provision for Tax in Prior Years (Net)		1,907,671	(7,578)
Deferred Tax		2,710,189	(3,665,047)
Profit/(Loss) for the year from Continuing Operations		(27,230,501)	50,445,493
Profit/(Loss) from Discontinuing Operations		—	—
Tax Expense of Discontinuing Operations		—	—
Profit/(Loss) from Discontinuing Operations After Tax		—	—
Profit/(Loss) For the Year		(27,230,501)	50,445,493
Basic Earning Per Share of ₹ 10/- each (In Rupees)	29	(1.11)	2.16
Diluted Earning Per Share of ₹ 10/- each (In Rupees)	29	(1.11)	2.16
The Note No. 1 to 38 are integral part of these Financial Statements			

As per our attached report of even date

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

Rahul Divan
Partner

Mumbai
May 20, 2013

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman

R.L. Shenoy
Director

Kumar Nair
Managing Director

U. Ramachandran
Chief Financial Officer

Raghu R. Palat
Director

Sridhar H.
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	2012-13 (₹)	2011-12 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	(22,612,641)	56,372,868
Add : Non Operating Expenses/Non Cash Expenses		
Depreciation & Amortisation	6,437,312	6,754,963
Provision for diminution in value of quoted investments	–	215,698
Loss on Sale of Fixed Assets (Net)	1,452,385	419,081
Interest Paid	8,826,425	17,590,696
Preliminary Expenses/Deferred Revenue Expenses Written off	–	529,896
Bad Debts Written Off	2,815,261	6,415,864
Short/(Excess) Provision For Tax in Prior Years	(1,907,671)	7,578
	<u>17,623,712</u>	<u>31,933,776</u>
Less : Interest/Dividend/Other Non Operating Income Adjustments		
Interest Received	(21,065,271)	(11,990,137)
Dividend Received	(39,350)	(57,079)
Profit on share trading	(1,439,381)	(48,561,725)
Provision for diminution in value of quoted investments written back	(59,151)	–
	<u>(22,603,153)</u>	<u>(60,608,941)</u>
Operating Profit before Working Capital Changes	<u>(27,592,082)</u>	<u>27,697,703</u>
Adjusted for:		
(Increase)/Decrease in Sundry Debtors	112,676,428	28,845,637
(Increase)/Decrease in Loans & Advances	(65,469,923)	55,759,308
Increase/(Decrease) in Current Liabilities	(133,696,688)	(112,303,816)
Increase/(Decrease) in Non-Current Liabilities	897,340	2,606,885
Increase/(Decrease) in Provisions	(393,391)	448,042
Cash Generated from Operation	<u>(113,578,316)</u>	<u>3,053,759</u>
Income Tax Paid	(3,345,912)	(11,718,241)
Net Cash From Operating Activities	<u>(116,924,227)</u>	<u>(8,664,482)</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-13 (₹)	2011-12 (₹)
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets	(4,584,033)	(5,925,214)
Sale of Fixed Assets	1,810,250	194,362
Sale of Investments (Net)	1,773,926	52,816,391
Inter Corporate Deposits Received/(Given)	64,180,224	(79,467,387)
Gold Loan Received/(Given)	74,809,257	(76,423,245)
Interest Received	21,065,271	11,990,137
Dividend Received	39,350	57,079
Net Cash used in Investing Activities	159,094,245	(96,757,878)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	–	28,609,050
Share Application Money – ESOP Allotment	–	1,776,113
Increase/(Decrease) in Secured Loans	(37,110,315)	6,734,266
Increase/(Decrease) in Unsecured Loans	(11,273,470)	39,077,494
Dividend Paid (including tax thereon)	(14,214,342)	–
Interest Paid	(8,826,425)	(17,590,696)
Net Cash from/(used in) Financing Activities	(71,424,552)	58,606,227
Net Increase/(Decrease) in Cash & Cash Equivalent	(29,254,535)	(46,816,132)
Opening Balance of Cash and Cash Equivalent	80,727,897	127,551,605
Closing Balance of Cash and Cash Equivalent	51,473,363	80,727,897

As per our attached report of even date

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

Rahul Divan
Partner

Mumbai
May 20, 2013

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman

R.L. Shenoy
Director

Kumar Nair
Managing Director

U. Ramachandran
Chief Financial Officer

Raghu R. Palat
Director

Sridhar H.
Company Secretary



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

SIGNIFICANT ACCOUNTING POLICIES

1) Investments other than in Subsidiaries have been accounted as per Accounting Standard-13 – “Accounting for Investments”.

2) 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, except in the subsidiary companies M/s. Vertex Securities Limited and M/s. Vertex Commodities & Finpro Private Limited where Fixed Assets are depreciated on Straight Line Method (SLM) at the rates specified in Schedule XIV of the Companies Act, 1956.

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
2. SHARE CAPITAL		
Authorised		
31,000,000 Equity Shares of ₹ 10/- each	310,000,000	310,000,000
	<u>310,000,000</u>	<u>310,000,000</u>
Issued, Subscribed and Fully Paid Up		
24,460,568 Equity Shares of ₹ 10/- each fully paid up	244,605,680	244,605,680
Total	<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	2012-13		2011-12	
	No. of Shares	(₹)	No. of Shares	(₹)
EQUITY SHARES				
A) Fully Paid Up Shares				
No of shares outstanding at the beginning of the year	24,460,568	244,605,680	20,646,028	206,460,280
Add : Partly paid up shares converted to Fully paid up.	–	–	3,814,540	38,145,400
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>
B) Partly Paid Up Shares				
No of shares outstanding at the beginning of the year	–	–	3,814,540	9,536,350
Less : Shares Converted to Fully Paid Up	–	–	3,814,540	9,536,350
No of shares outstanding at the end of the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</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 31ST MARCH, 2013 (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	2012-13		2011-12	
	No. of Shares	%	No. of Shares	%
EQUITY SHARES				
a) Fully Paid Up Shares				
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.

Particulars	No. of Shares	Class of Shares
EQUITY SHARES		
A) Fully Paid Up Shares		
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.	3,446,553	Equity Shares

As per records of the company, including its register of share holders/members and other declarations received from the shareholders regarding beneficial interest, the above represents both legal and beneficial ownership of 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 10th 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".



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

h) Details of movement of Options

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
Options outstanding at the beginning of the year	852,237	482,266
Prior Period Adjustments	(1,875)	–
Options granted during the year	–	596,500
Options vested during the year	104,607	50,446
Options exercised during the year	Nil	Nil
Options forfeited during the year	66,375	131,875
Options lapsed/surrendered during the year	18,218	94,654
Options outstanding at the end of the year	<u>765,769</u>	<u>852,237</u>

- i) Had fair value method been used, the compensation cost would have been higher by ₹ 11.85 Lakhs (Previous Year ₹ 13.19 Lakhs) Loss after tax would have been higher by ₹ 11.85 Lakhs (Previous year Profit after tax would have been lower by ₹ 13.19 Lakhs) and EPS both basic and diluted – would have been ₹ (0.49) Per share (Previous Year ₹ 2.82 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 10th March, 2008.
- The vesting year is over five years from the date of grant, commencing after one year from the date of grant.
- Exercise year would commence one year from date of grant and will expire on completion of five years from the date of vesting.
- The options will be settled in equity shares of the company.
- The company used the intrinsic value method to account for ESOPs.
- The exercise price has been determined as follows

Grant	Options (Face Value of ₹ 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 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

h) Details of movement of Options.

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
Options outstanding at the beginning of the year (Face Value of ₹ 2/- P.Y ₹ 10/-)	2,680,315	623,500
Options outstanding at the beginning of the year split to face Value of ₹ 2/- share	–	3,117,500
Options granted during the year	2,075,000	1,013,750
Options vested during the year	248,627	131,565
Options exercised during the year	–	128,690
Options forfeited during the year	1,751,310	1,013,250
Options lapsed/surrendered during the year	467,003	437,685
Options outstanding at the end of the year	2,537,002	2,680,315

- i) Had fair value method been used, the compensation cost would have been higher by ₹ 21.44 Lakhs (Previous Year ₹ 75.77 Lakhs) Loss after tax would have been higher by ₹ 21.44 Lakhs (Previous year ₹ 75.77 Lakhs) and Basic EPS would have been ₹ (0.42) Per share (Previous Year ₹ (0.43) Per share) and Diluted EPS would have been ₹ (0.25) (Previous Year ₹ (0.25)).

Particulars	As at 1 st April, 2012 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 st March, 2013 (₹)
3. RESERVES AND SURPLUS				
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	31,277,515	–	–	31,277,515
– General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1)	35,493,126	(8,074,141)	–	27,418,985
	<u>323,365,788</u>	<u>(8,074,141)</u>	<u>–</u>	<u>315,291,647</u>

Particulars	As at 1 st April, 2011 2011 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 st March, 2012 (₹)
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	17,827,632	13,449,883	–	31,277,515
– General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1)	(2,979,131)	38,472,257	–	35,493,126
	<u>271,443,648</u>	<u>51,922,140</u>	<u>–</u>	<u>323,365,788</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Notes:

Particulars	2013	2012
1) Profit for the year	(27,230,501)	50,445,493
Less: Dividend on Equity Shares	–	12,230,284
Tax on Distributed Profits on Equity Shares	–	1,984,058
Transfer to Reserve U/S 45 IC of RBI Act	–	13,449,883
Share of Loss transferred to Minority Interest – VSL	(7,271,183)	(7,484,466)
Share of Loss transferred to Minority Interest – VCFPL	(69)	(39,096)
Consolidation adjustment due to change in shareholding – in Subsidiary	(11,885,108)	(8,167,427)
Balance brought forward from Amalgamated Companies	–	–
	(19,156,360)	11,973,236
	(8,074,141)	38,472,257

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
4. MINORITY INTEREST		
Vertex Commodities & Finpro (P) Limited	15,162	166,686
Vertex Securities Limited	61,196,864	68,468,048
	61,212,026	68,634,734

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
NON-CURRENT LIABILITIES		
5. LONG TERM BORROWINGS		
I. Secured Loans		
A. Loan From Banks		
Overdraft Account – ICICI Bank Ltd. (Secured against hypothecation of Office Premises owned by Transwarranty Pvt. Ltd. And Guarantee given by the Managing Director)	5,478,094	5,422,447
Car Loan Account – HDFC Bank (Secured against hypothecation of Motor Car – Skoda)	74,228	353,748
Car Loan Account – HDFC Bank (Secured against hypothecation of Motor Car – Fortuner)	1,462,883	–
Car Loan Account – Federal Bank (Secured against hypothecation of Motor Car)	–	576,975
Total (A)	7,015,205	6,353,170
II. Unsecured Loans		
Loans and Advances from Related parties		
Intercompany Loan Associate Companies	–	322,743
From Others,		
Inter Corporate Deposits	15,500,000	18,491,671
Security Deposit From Franchises	7,933,014	8,510,309
Total (B)	23,433,014	27,324,723
Total (A) + (B)	30,448,219	33,677,893

Note:

Terms of Repayment

- 1) Overdraft Facility from ICICI Bank :- The loan was sanctioned on 19th August, 2006. The bank may at its sole discretion on expiry of 12 months, renew the facility for an additional 12 months on each renewal, such that original term and subsequent renewal terms does not exceed 10 years. The bank on each renewal would reduce the Overdraft limit by ₹ 14.20 Lakhs. Type of Interest is Floting Rate of Interest presently at 15.50 %.
- 2) The loan from HDFC was taken for purchase of Skoda Car, during the year 2010-11. The loan carried an interest rate @9.75% and is repayable in 60 installment.
- 3) Vehicle loan from HDFC Bank was sanctioned on 17.09.2012 for a period of 5 years. Current EMI per month is ₹ 42,620/-.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
6. OTHER LONG TERM LIABILITIES		
a) Trade Payables		
Amount Payable to Clients	2,769,679	2,525,302
Gold Loan	1,315,888	1,146,486
b) Others		
Other Creditors	1,073,103	589,542
	5,158,670	4,261,330
7. LONG TERM PROVISIONS		
Employee Gratuity	–	302,249
Provision For Taxation	9,751,300	29,604,263
	9,751,300	29,906,512
CURRENT LIABILITIES		
8. SHORT TERM BORROWINGS		
A) Secured Loans		
1) Loan from Bank		
Overdraft Account – The Catholic Syrian Bank Ltd. (Secured against Gold Loan Receivables and Guarantee given by the Managing Director)	2,701,111	39,107,578
Note: 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 – Catholic Syrian Bank (Secured Against Pledge/Lien of Fixed Deposit ₹ 7.97 (P.Y ₹ 7.30) Million including interest	5,929,010	4,134,893
Short Term Loan – Catholic Syrian Bank (Secured against pledge/lien of Fixed Deposit of ₹ Nil (P.Y ₹ 2.5 Million)	–	2,000,000
ICICI Bank OD Account	1,420,000	1,420,000
2) From Others		
Secured Against Pledge of Shares	–	1,160,000
Total - (A)	10,050,121	47,822,471
B) Unsecured Loans		
1) From Bank		
Book Overdraft	523,048	–
2) From Others		
Inter Corporate Deposits	13,000,000	20,500,000
Total - (B)	13,523,048	20,500,000
Total - (A) + (B)	23,573,169	68,322,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
9. TRADE PAYABLES		
a) Amount Due to Micro, Small & Medium Enterprises	–	–
b) Other Creditors		
Due to Related Parties	–	586,080
Amount due to Clients	74,519,247	208,503,294
Trade Creditors	–	2,335,131
	<u>74,519,247</u>	<u>211,424,505</u>
10. OTHER CURRENT LIABILITIES		
a) Current Maturities of Long Term Debt	617,727	831,362
b) Interest Accrued & Due on borrowings	3,085,010	3,276,184
c) Unpaid Dividends	158,808	131,247
d) Other Payables		
– Book Overdraft	5,889,581	1,380,389
– Statutory Payables (Net)	1,916,128	2,159,295
– Creditors for Expenses	13,526,736	14,611,745
	<u>25,193,990</u>	<u>22,390,222</u>
11. SHORT-TERM PROVISIONS		
a) Provision for Employees		
Provision for Gratuity	373,425	586,969
Provision for Leave Encashment	1,222,191	1,040,638
b) Others		
Provision for Diminution in value of Quoted Investments	296,234	355,385
Provision For Taxation	–	9,600,000
Provision For Preference Share Dividend	156,911	156,911
Provision Others	550,013	550,013
Dividend on Equity Shares	–	12,230,284
Dividend Distribution Tax	–	1,984,058
	<u>2,598,774</u>	<u>26,504,258</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

12. FIXED ASSETS – TANGIBLE

Sr. No.	Description	GROSS BLOCK/COST/BOOK VALUE				DEPRECIATION/AMORTISATION				NET BLOCK	
		Total As at 1-Apr-12 (₹)	Additions/ Adjustments During the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-13 (₹)	Total As at 1-Apr-12 (₹)	Provided during the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-13 (₹)	As at 31-Mar-13 (₹)	As at 31-Mar-12 (₹)
1.	Building	661,170	-	-	661,170	132,839	10,777	-	143,616	517,554	528,331
2.	Furniture & Fixture	14,116,383	236,341	1,746,854	12,605,870	6,333,075	837,489	430,387	6,740,176	5,865,694	7,783,308
3.	Office Equipments	15,285,101	718,577	775,120	15,228,559	4,651,611	876,244	174,267	5,353,587	9,874,971	10,633,491
4.	Vehicles	7,382,402	2,910,346	3,200,000	7,092,748	4,324,685	843,137	2,096,229	3,071,592	4,021,155	3,057,717
5.	Computers	25,912,250	318,768	1,432,099	24,798,920	21,627,720	1,630,197	1,190,554	22,067,362	2,731,557	4,284,530
	Total	63,357,306	4,184,033	7,154,073	60,387,266	37,069,929	4,197,843	3,891,438	37,376,334	23,010,932	26,287,377
	Previous Year	60,302,869	4,389,458	1,335,021	63,357,306	33,416,917	4,374,590	721,578	37,069,929	26,287,377	-

13. FIXED ASSETS – INTANGIBLE

Sr. No.	Description	GROSS BLOCK/COST/BOOK VALUE				DEPRECIATION/AMORTISATION				NET BLOCK	
		Total As at 1-Apr-12 (₹)	Additions/ Adjustments During the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-13 (₹)	Total As at 1-Apr-12 (₹)	Provided during the Year (₹)	Deductions/ Adjustments During the Year (₹)	Total As at 31-Mar-13 (₹)	As at 31-Mar-13 (₹)	As at 31-Mar-12 (₹)
1.	Goodwill	400,000	-	-	400,000	-	-	-	-	400,000	400,000
2.	Computer Software	8,173,537	400,000	-	8,573,537	6,502,733	868,006	-	7,370,739	1,202,798	1,670,804
3.	Lisence	11,620,358	-	-	11,620,358	5,663,316	1,161,364	-	6,824,680	4,795,678	5,957,042
4.	Memberships Rights										
	Bombay Stock Exchange	1,000,000	-	-	1,000,000	594,110	100,000	-	694,110	305,890	405,890
	NMCE	100,000	-	-	100,000	74,877	10,000	-	84,877	15,123	25,123
	MCX	251,000	-	-	251,000	200,800	25,100	-	225,900	25,100	50,200
	NCDEX	500,000	-	-	500,000	269,041	50,000	-	319,041	180,959	230,959
	NSEL	250,000	-	-	250,000	27,877	25,000	-	52,877	197,123	222,123
	Total	22,294,895	400,000	-	22,694,895	13,332,754	2,239,469	-	15,572,223	7,122,672	8,962,141
	Previous Year	20,759,139	1,535,756	-	22,294,895	10,952,382	2,380,372	-	13,332,754	8,962,141	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	Face Value ₹	31.03.2013		31.03.2012	
		Quantity (Nos)	Value ₹	Quantity (Nos)	Value ₹
14 (A) NON-CURRENT INVESTMENTS (AT COST)					
a) Investments in Equity Instruments					
i) Quoted Investments					
South Indian Bank (Right Share) (Market Value ₹ 246/-)	1	10	40	1	40
NEPC India Ltd. (Market Value ₹ 3,720/-)	10	2,000	85,156	2,000	85,156
Rama Newsprint Papers Ltd. (Market Value ₹ 9,363/-)	10	1,250	86,838	1,250	86,838
Anil Limited (Market Value ₹ 7,18,117/-)	10	4,639	92,780	11,252	225,040
Biocon	10	100	52,326	100	52,326
Biocon-Bonus Shares (Market Value ₹ 54,920/-)	10	100	—	100	—
Jenburkt Pharmaceuticals Ltd. (Market Value ₹ 24,028/-)	10	350	33,438	—	—
Intellvisions Software Ltd. (Market Value ₹ 242,442/-)	10	16954	370,338	—	—
ii) Unquoted Investments					
Catholic Syrian Bank Ltd.	10	700	31,000	500	16,000
Cochin Stock Exchange	10	905	2,507,700	250	2,501,150
Cochin Stock Exchange – Right Shares		—	—	655	6,550
Navani Corp (India) Ltd	10	350000	17,500,000	350000	17,500,000
b) Investments in Government or trust securities					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
UTI Master Share	—	1,000	13,945	1,000	13,945
Total			20,778,562		20,492,046

- 1) Aggregate amount of Quoted investments is ₹ 7,34,861/- (P.Y. ₹ 449,401/-) and market value is ₹ 1,052,836/- (P.Y. ₹ 2,853,326/-)
- 2) Aggregate amount of Unquoted investments is ₹ 20,043,700/- (P.Y. ₹ 20,042,645/-)

14 (B) CURRENT INVESTMENTS

Particulars	Face Value ₹	31.03.2013		31.03.2012	
		Quantity (Nos)	Value ₹	Quantity (Nos)	Value ₹
(a) Investments in Equity Instruments (At Cost)					
Jenburkt Pharmaceuticals Ltd.	10	—	—	350	33,438
Intellvisions Software Ltd.	10	—	—	25,000	528,473
Total			—		561,911

- (a) Aggregate amount of quoted investments is ₹ Nil/- (P.Y. ₹ 561,911/-) and market value ₹ Nil (P.Y. ₹ 362,778/-)
- (b) Aggregate provision made for diminution in value of investments is ₹ Nil/- (P.Y. ₹ 355,385/-)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
NON CURRENT ASSETS		
15. DEFERRED TAX ASSETS		
1) The Deferred Tax Assets(Net) at the year end comprises of timing differences arising on account of :-		
Deferred Tax Asset:-		
Unabsorbed Business loss	–	5,938,651
Other Provision allowable u/s 43B of the income tax only on payment	–	404,512
Depreciation	314,675	–
Total (A)	314,675	6,343,163
Deferred Tax Liability:-	–	–
Depreciation	–	3,318,299
Total (B)	–	3,318,299
Deferred Tax Assets (Net) Total (A) – (B)	314,675	3,024,864
16. LONG TERM LOANS AND ADVANCES		
A) Unsecured, Considered Good		
a) Capital Advances	43,300,000	43,300,000
b) Security Deposits	52,206,229	52,663,720
c) Loans and Advances to Related Parties		
Inter Corporate Deposits – Associates	83,417,060	85,477,616
d) Other Loans and Advances		
Inter Corporate Deposits to Others	57,107,800	57,576,891
TFL-TCCPL and TFCPL Merger Scheme Trust	75,762,500	78,375,000
Preference Share Dividend Receivable	102,945	102,945
	311,896,534	317,496,172
17. OTHER NON CURRENT ASSETS		
i) Long term Trade Receivables	137,285	5,787,526
Less:- Bad Debts Written Off	113,795	5,756,951
	23,490	30,575
	23,490	30,575

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
CURRENT ASSETS		
18. TRADE RECEIVABLES		
Un Secured considered Good		
Debts outstanding for a period exceeding six Months	26,596,136	36,256,201
Less:- Bad Debts Written off	2,700,785	530,438
Total – (A)	23,895,351	35,725,763
Other Debts	19,346,062	122,999,573
Less:- Bad Debts Written off	681	–
Total – (B)	19,345,381	122,999,573
Total – (A) +(B)	43,240,732	158,725,336
19. CASH AND CASH EQUIVALENTS		
a) Balance with Banks		
In Current Account	14,799,257	22,554,578
In Dividend Account	145,506	122,081
In Deposit Accounts :-		
Less than 12 months Maturity	31,585,391	53,347,992
More than 12 Months Maturity	1,925,250	3,074,506
(Fixed Deposit of ₹ 13.50 Million (P.Y. ₹ 38.25 Million) pledged against Bank Guarantees)		
c) Cash on Hand	3,017,959	1,628,739
	51,473,363	80,727,896
20. SHORT TERM LOANS AND ADVANCES		
A) Secured Considered Good		
a) Others		
Gold Loans	9,133,066	77,563,056
Advance for Fixed Assets	658,638	227,213
Loan Against Shares	–	967,654
Loan Against Property	88,396	–
B) Unsecured, Considered Good		
a) Loans and advances to Related Parties	15,000	5,139,996
b) Inter Corporate Deposits – Related Parties	84,620,378	–
c) Others		
Inter Corporate Deposits	58,862,700	135,219,078
Loans and advances to Employees	–	917,083
Deposits	63,460,825	72,704,578
Advance Payment of Income Tax (Including TDS)	34,656,489	60,763,540
Other Short Term Advances	1,049,998	520,667
Advance Gratuity	153,071	552,164
Advance Receivable	5,946,583	6,423,620
	258,645,144	360,998,649



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 st March, 2013 (₹)	As at 31 st March, 2012 (₹)
21. OTHER CURRENT ASSETS		
Interest Accrued on ICD's	18,212,782	3,506,981
Interest Accrued on Gold Loan, etc.	1,242,570	7,621,837
	<u>19,455,352</u>	<u>11,128,818</u>
Particulars	For the year Ended on 31 st March, 2013 (₹)	For the year Ended on 31 st March, 2012 (₹)
22. REVENUE FROM OPERATIONS		
a) Sale of Products		
Sale of Shares held in Stock-in-Trade	70,576,188	57,299,106
b) Interest		
Interest on Gold Loan	12,624,985	13,169,792
Interest on Loan Against Shares	151,851	131,480
Interest on Property Loan	3,159	–
c) Other Financial Services		
Trade Finance	43,068,886	41,346,350
Corporate Finance	675,000	14,798,097
Investment Banking	2,342,808	53,793,000
Brokerage Income	78,140,641	87,743,018
Merchant Banking Fees	1,787,632	1,667,316
Income From DP Operations	3,276,339	2,960,401
	<u>212,647,489</u>	<u>272,908,560</u>
23. OTHER INCOME		
a) Dividend Income	39,350	57,079
b) Net gain/loss on sale of Investments	1,439,381	48,561,725
c) Other Non Operating Income		
– Interest Income	21,065,271	11,990,137
– Miscellaneous Income	9,193,671	6,090,693
– Provision For Quoted Investments Written Back	59,151	–
– Vsat Recurring Charges Recovered	385,446	380,538
– Late Payment Charges	2,147,822	1,897,810
– Software & AMC Charges Recovered	2,121,216	1,889,441
	<u>36,451,308</u>	<u>70,867,423</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	For the year Ended on 31 st March, 2013 (₹)	For the year Ended on 31 st March, 2012 (₹)
24. PURCHASE OF STOCK IN TRADE		
Purchase of Shares held in Stock-in-Trade	70,762,217	57,413,242
	<u>70,762,217</u>	<u>57,413,242</u>
25. EMPLOYEE BENEFITS EXPENSES		
a) Salaries, Wages, Bonus, Gratuity & Allowances	75,692,408	84,114,982
b) Contribution to Provident Fund	4,048,370	3,743,739
c) Staff Welfare Expenses	1,008,074	1,107,026
	<u>80,748,852</u>	<u>88,965,747</u>
26. FINANCE COST		
a) Interest Expense		
On Term Loans	209,176	2,687,755
On Overdrafts & Other Borrowings	4,005,374	5,664,334
b) Other Borrowing Costs		
Interest on ICD	2,505,212	6,470,331
Bank Charges	607,743	676,245
Bank Guarantee Expenses	1,498,920	2,092,031
	<u>8,826,425</u>	<u>17,590,696</u>
27. OTHER EXPENSES		
Rent	13,930,803	13,782,682
Rates & Taxes	383,775	311,353
Insurance	83,899	366,584
Advertisement, Publicity & Sales Promotion	1,912,173	2,385,777
Travelling & Other Incidental Expenses	4,595,899	3,577,007
Office Maintenance	9,192,146	9,628,397
Vehicle Running & Maintenance	217,363	561,697
Printing & Stationery	1,178,595	1,193,787
Communication Expenses	2,615,290	2,398,660
Electricity	3,508,641	3,395,746
Donation	531,844	754,100
Auditor's Remuneration		
– As Auditors	235,000	210,000
– For Tax Audit	55,000	55,000
– For Certification/Limited Review	134,000	110,800
– Internal Audit Fees	134,000	–
– Out of Pocket Expenses	31,448	5,967



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	For the year Ended on 31 st March, 2013 (₹)	For the year Ended on 31 st March, 2012 (₹)
Legal, Professional & Consultancy Charges	5,785,638	19,532,526
Directors Sitting Fees	628,000	672,000
Directors Commission	–	378,000
Other Operational Expenses	47,658,902	49,572,684
Loss on Commodity Trading (Net)	–	42,727
Loss on Futures & Options (Net)	60,619	162,434
Loss on Sale of Gold	7,795,956	–
Bad Debts written off	2,815,261	6,415,864
Provision for Quoted Investment Written Back (Net)	–	215,698
Deferred Revenue Expenses Written off	–	402,338
Preliminary Expenses Written off	–	127,558
	103,484,252	116,259,386
Note:-		
EARNING/EXPENDITURE IN FOREIGN CURRENCY		
Earnings in Foreign Exchange as fees for Professional Services rendered	7,180,889	2,653,817
Expenditure incurred in Foreign Currency	1,433,280	989,131
28. Contingent Liabilities		
1) Guarantees issued by the company on behalf of its associates for acquiring office premises	67,500,000	67,500,000
2) Counter Guarantees given to bankers on behalf of subsidiary companies for Exchange Margin Requirements	27,000,000	106,500,000
3) Guarantees issued by the company on behalf of its Subsidiary Company for Inter Corporate Deposits taken.	27,000,000	62,500,000
a. Tax demand in respect of which:-	1,111,000	2,275,113
– Company's Appeal is pending before the first appellate Authority (Income Tax) for the Assessment Year 2007-08		
a) Tax Demand in respect of which company's Appeal is pending before the first appellate authority (Income Tax) for the Assessment Year 2009-10.	–	3,429,838
– Service Tax orders for FY 2006-07 to 2009-10	622,000	622,000
	123,233,000	242,826,951
29. Earnings Per Share		
I. Net Profit as per Statement of Profit and Loss available for Equity Share Holders	(27,230,501)	50,445,493
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	23,381,866
B) For Diluted Earnings per share of ₹ 10/- each (No's)	24,460,568	23,381,866
III. Earnings Per Share (Face Value of ₹ 10/- each)		
Basic (₹)	(1.11)	2.16
Diluted (₹)	(1.11)	2.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

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

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Change in the benefit Obligations:				
Present value of obligations as on 01. 04. 2012	3,616,950	3,603,531	1,040,638	797,892
Current Service Cost	578,745	603,790	1,189,573	1,365,892
Past Service Cost	–	–	–	–
Interest Cost	247,221	286,130	41,930	32,341
Actuarial (Gain)/Loss on obligation	289,760	(822,698)	(16,944)	(80,634)
Benefits Paid	(1,053,366)	(53,803)	(1,033,006)	(787,272)
Present value of obligations as on 31.03.2013	3,679,310	3,616,950	1,222,191	1,328,219
Change in Plan Assets:				
Fair Value of Plan Assets as on 01.04.2012	4,434,387	3,749,904	–	262,792
Adjustment to the opening balance	(418,343)	88,293	–	–
Expected Return on Plan Assets	318,769	350,151	–	–
Employer's Contributions	547,995	649,993	1,033,006	746,129
Benefits Paid	(1,053,366)	(53,803)	(1,033,006)	(787,272)
Actuarial Gain/(Loss) on Plan Assets	(14,019)	(350,151)	–	–
Fair Value of plan assets as on 31.03.2013	3,815,423	4,434,387	–	–
Net (Asset) Liability (i) – (ii) :	(136,113)	(817,437)	1,222,191	1,328,219
Net Cost for the year ended 31.03.2013				
Current Service Cost	578,745	603,790	1,189,573	1,365,892
Past Service Cost	–	–	–	–
Interest Cost	247,221	286,130	41,930	32,341
Expected Return on plan Assets	(318,769)	(350,151)	–	–
Actuarial (Gain)/Loss recognised during the year	303,779	(472,547)	(16,944)	(80,634)
Adjustment (Gain) to opening value of planned assets	–	–	–	–
Net Cost	810,976	67,222	1,214,559	1,317,599
Amount recognised in the Balance sheet (Asset)/Liability	(88,515)	(212,939)	1,222,191	1,040,638
Amount recognised in the Statement of Profit and Loss Account(Gain)/Loss	810,976	67,222	1,214,559	1,030,018
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	4.00%	4.00%	4.00%	4.00%
Attrition Rate	15 to 42%	45.75%	15 to 42%	45.75%
Demographic Assumptions:				
Retirement age				60 Year
Mortality rate				8%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

31) 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) |
| (b) Key Management Personnel | : | Mr. Kumar Nair (Managing Director) |

(II) Summary of Transactions

(₹ in million)

Particulars	Associated Company	Key Management Personnel
Salary and other Allowances to Key Management Personnel	Nil	0.00 (3.60)
Inter Corporate Deposits Given	6.22 (3.39)	Nil Nil
Inter Corporate Deposits Repaid	8.28 (0.80)	Nil Nil
Inter Corporate Deposits Taken	15.26 (17.47)	Nil Nil
Inter Corporate Deposits Paid	7.00 (1.13)	Nil Nil
Interest Received on ICD	13.34 Nil	Nil Nil
Current Account Debits	0.35 Nil	Nil Nil
Current Account Credits	0.03 (0.08)	Nil Nil
Rent Paid	7.20 (4.54)	Nil Nil

Balance As on 31-03-2013

In the Books of Transwarranty Finance Limited

Transwarranty Advisors Pvt. Ltd. – ICD A/C	38.36 Dr
Transwarranty Private Limited-ICD A/C	45.06 Dr
Transwarranty Advisors Pvt. Ltd. Current A/C	0.02 Cr

In the Books of Vertex Securities Limited

Transwarranty Advisors Pvt. Ltd. – ICD A/C	12.07Dr
Transwarranty Private Limited-ICD A/C	42.55Dr

In the Books of Vertex Commodities and Finpro Private Limited

Transwarranty Private Limited-ICD A/C	30.00Dr
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Details of Related Party Transactions

Name of the Company/Transactions	2013 (₹ In Millions)	2012 (₹ In Millions)
1) Inter Corporate Deposits Given – Associated Companies		
TPL	19.27	2.19
TAPL	22.09	1.20
2) Inter Corporate Deposits Repaid – Associated Companies		
TAPL	0.90	0.60
TPL	14.38	0.20
7) Current Account Debit – Associated Companies		
TAPL	0.67	–
8) Current Account Credit – Associated Companies		
TAPL	0.03	0.08
11) Rent Paid – Associated Company		
TAPL	7.20	4.54
12) Interest Received on ICD – Associated Companies		
TAPL	5.02	–
TPL	11.46	–

32. 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, 2013.

33. INFORMATION ON SUBSIDIARIES :

The Subsidiary companies considered in the consolidated financial statement are :

Name of the Company	Country of Incorporation	Percentage of Holding at 31.3.2013
Vertex Securities Limited (VSL)	India	55.46%
Vertex Commodities & Finpro Pvt. Ltd. (Subsidiary of VSL)	India	99.95%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

34. (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.
35. Sundry debtors include old outstanding debts amounting to ₹ 16,476,641/- (₹ 16,451,028) 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.
36. Lien has been marked in favour of Axis Bank Ltd. in respect of Bank Deposits worth ₹ 13.5 million (P.Y ₹ 10 million) and in favour of HDFC Bank ₹ Nil (P.Y. ₹ 28.25 Million) together with accumulated interest thereon, against bank guarantees issued by them on account of the Company.
37. The company is primarily engaged in a single segment viz. Financial Services and related activities, therefore the separate disclosures required under Accounting Standard (AS-17) on Segment Reporting issued by ICAI are not applicable.
38. 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

Rahul Divan
Partner

Mumbai
May 20, 2013

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman

R.L. Shenoy
Director

Kumar Nair
Managing Director

U. Ramachandran
Chief Financial Officer

Raghu R. Palat
Director

Sridhar H.
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR 2012-13

S.No	Name of the subsidiary Company	Vertex Securities Limited	Vertex Commodities & Finpro Pvt. Ltd.
1	Financial Year of the subsidiary ended on	31/3/2013	31/3/2013
2	Date on which they become subsidiary	18/7/2008	18/7/2008
3	Holding Company's Interest		
a)	Number of Shares Fully paid	24,318,110	38,59,493
b)	% of Shares held by Transwarranty Finance Limited and its subsidiaries	55.46%	99.95%
4	Net aggregate Profit /(Loss) of the Subsidiary Companies so far as they concern members of Transwarranty Finance Ltd.		
i)	For the Financial Year of the subsidiary (Rs. In Lakhs)		
a)	Dealt with in the accounts of the Holding Company	(89.77)	(1.38)
b)	Not Dealt with in the accounts of the Holding Company	(72.09)	(0.01)
ii)	for the previous Financial Years of the Subsidiary Company since it become the Holding Company's Subsidiary (Rs. In lakhs)		
a)	Dealt with in the accounts of the Holding Company	(53.77)	(70.69)
b)	Not Dealt with in the accounts of the Holding Company	(43.18)	(0.39)

In accordance with the General Circular issued by The Ministry of Corporate Affairs , Government of India.

(₹ In Lakhs)

S.No	Name of the subsidiary Company	Vertex Securities Limited	Vertex Commodities & Finpro Pvt. Ltd.
A	Capital	1,502.83	386.15
B	Reserves & Surplus	(31.96)	(82.90)
C	Total Assets	2,683.05	643.92
D	Total Liabilities	2,683.05	643.92
E	Details of Investment (Except in case of investment in subsidiaries)	200.08	Nil
F	Turnover	768.36	409.02
G	Profit / (Loss) Before Taxation	(147.40)	12.67
H	Provision for taxation (Deferred Tax)	14.46	14.06
I	Profit / (Loss) after Taxation	(161.86)	(1.39)
J	Proposed Dividend	Nil	Nil

For and on behalf of Board of Directors

Mumbai
May 20, 2013

Suresh N. Talwar
Chairman

R.L. Shenoy
Director

Kumar Nair
Managing Director

U. Ramachandran
Chief Financial Officer

Raghu R. Palat
Director

Sridhar H.
Company Secretary



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TRANSWARRANTY FINANCE LIMITED

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

ATTENDANCE SLIP

Regd. Folio No./Client ID

I hereby record my presence at the 19th ANNUAL GENERAL MEETING of the Company at M C Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, at 11.00 a.m., on 25th of September, 2013.

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

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

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEET ING HALL.

PLEASE BRING YOUR COPY OF THE ANNUAL REPORT TO THE MEETING.



TRANSWARRANTY FINANCE LIMITED

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

PROXY FORM

I/We _____ of _____
_____ being a member/members of the above-named Company hereby appoint
_____ of _____
_____ or failing him/her _____
of _____ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at M C Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, at 11.00 a.m., on 25th of September, 2013 and at any adjournment thereof.

Signed this _____ day of _____ 2013

Affix
Re.1
Revenue
Stamp

Shareholder

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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)

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

Fund Based Businesses:

Gold Loans

- Retail loans against security of Gold

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 250 branch / franchise offices across India having membership in National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE), and depository services.

The Company is also a SEBI registered full service Merchant Banker and Institutional Broker.

- 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 250 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 Over The Counter Exchange of India (OTCEI) 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:

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

Tel. : 022-6630 6090 / 4001 0800 / 4001 0900

Fax : 022-6630 6655

Website : www.transwarranty.com / www.vertexbroking.com

E-mail : mail@transwarranty.com



TRANSWARRANTY FINANCE LIMITED
FINANCIAL ENGINEERS



TRANSWARRANTY FINANCE LIMITED

TFL\SEC\2013-2014

30 September, 2013

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

Company Scrip No. : 532812

Dear Sir,


Pursuant to Clause 31 of the Listing Agreement with Stock Exchange, we enclosed herewith **Annual Report 2012-13**. Given below is the information as per Form A of the said clause:

1. Name of the company	Transwarranty Finance Limited
2. Annual financial statements for the year Ended	31st March 2013
3. Type of Audit observation	Un-qualified
4. Frequency of observation :	N.A
5. To be signed by- CEO/Managing Director CFO Auditor of the company Audit Committee Chairman	Managing Director

Kindly take the same on record.

Thanking you

Yours faithfully,
For Transwarranty Finance Limited


Kumar Nair
Managing Director

Encl. as above

