



TRANSWARRANTY FINANCE LIMITED

TFL/SEC/2016-17
27/09/2016

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

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

BSE Scrip Code: 532812

NSE Scrip Code: TFL

Dear Sir,

Sub: Annual Report pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Please find the Annual Report of our Company duly adopted in the 22nd Annual General Meeting of our Company held on 19.09.2016.

We request you to kindly take the same on record.

Thanking You,

Yours Faithfully,

For Transwarranty Finance Limited


Company Secretary



CIN : L65920MH1994PLC080220

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



TRANSWARRANTY FINANCE LIMITED

FINANCIAL ENGINEERS

22nd Annual Report 2015-16

Board of Directors



Mr. Kumar Nair
Managing Director

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

management team at Kotak Mahindra Finance Limited.



Mr. Ramachandran U.
Director & CFO

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



Mr. Sudharsanan Nair
Director

Mr. Sudharsanan Nair, is B.Com. (Hons.) from Mumbai University. He started as a Banker with Syndicate Bank foreign exchange department. He was associated in promoting Verdia Marble Pvt. Ltd., a

marble mining Company. He was Managing Director of Intellvisions Software Ltd., a listed Company, till 2014.



Mr. Pravin Khatau
Director

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



Mrs. Nirmala Sachin Parab
Director

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

CORPORATE INFORMATION

Board of Directors

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

Company Secretary

Mr. Sreedhar H.

Auditors

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

Bankers

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

Registered and Corporate Office

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

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-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
rnt.helpdesk@linkintime.co.in

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NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of Transwarranty Finance Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 3rd floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, on 19th September, 2016 at 10.30 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31st March, 2016 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kumar Nair (DIN 00320541) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. Rahul Gautam Divan & Associates, Chartered Accountants (Firm Registration No. 120294W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 23rd Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company or any Committee thereof.”

Special Business:

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sudharsanan S. Nair (DIN 01510505) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company on 9th November, 2015 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director be and is hereby

appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up to 8th November, 2020.”

For Transwarranty Finance Limited

Place : Mumbai

Company Secretary

Date : July 21, 2016

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), of the person seeking re-appointment as Director under Item No. 2 of the Notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2016 to 19th September, 2016 (both days inclusive).

Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by notifying the Company at companysecretary@transwarranty.com. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have

registered their e-mail address, are entitled to receive such communication in physical form upon request.

5. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

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

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

7. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The facility of casting the votes by the members using electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
8. The facility for voting through polling paper/ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
9. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on the cut-off date i.e. 12th September, 2016 i.e. the date prior to the commencement of book closure date are entitled to vote on

the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 AM on 16th September, 2016 and will end at 5.00 PM on 18th September, 2016. The Company has appointed Mr. M.P. Sharma, Practicing Company Secretary (C. P. No. 4536) to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E-VOTING:

The remote e-voting period commences at 9.00 AM on 16th September, 2016 and will end at 5.00 PM on 18th September, 2016. During this period, the members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th September, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for members for voting electronically are as under:-

- I. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Transwarranty Finance Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.



- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mpsharma1952@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants (s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :
- | EVEN (Remote e-voting Event Number) | USER ID PASSWORD/PIN |
|--|-----------------------------|
| | |
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 12th September, 2016.
- VI. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 12th September, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. Mr. M. P. Sharma, Practicing Company Secretary (CP No. 4536) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.transwarranty.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited & NSE Limited, Mumbai.
10. Members may please note that pursuant to the provisions of Section 124 of the Companies Act, 2013, unclaimed dividend for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government and no claim shall lie against the said fund or the Company for the amounts of dividend so transferred to the said fund when the same falls due for such transfer.
- The details of dividend paid by the Company and respective due dates of transfer to the said Fund which remain unclaimed are as under:
- | Date of Declaration | Dividend for the year | Amount unclaimed (₹) | Due date for transfer |
|---------------------|-----------------------|----------------------|-----------------------|
| 05-08-2009 | 2008 - 09 | 22,528/- | 05-08-2016 |
| 12-09-2012 | 2011 - 12 | 25,723/- | 12-09-2019 |
11. Members are requested to address all correspondences, including dividend matters to the Registrars and Transfer Agents of the Company.
12. The Company has designated an exclusive email Id viz. companysecretary@transwarranty.com to enable the investors to post their grievances and monitor its redressal.

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

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

Mr. Sudharsanan S. Nair (DIN 01510505)

Mr. Sudharsanan Nair was appointed as an Additional Director of the company with effect from 9th November, 2015.

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

He was Managing Director of Intellvisions Software Ltd., a listed Company, till 2014.

Mr. Sudharsanan Nair holds 500 shares in the Company.

Mr. Sudharsanan Nair is a Director of following Companies:

- Verdia Marble Pvt. Ltd.
- UR One Stop Exports Pvt. Ltd.
- Accord Wecs India LLP
- Riddhi Siddhi Infrastructure LLP
- Sportinglions Foundation

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

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

Mr. Kumar Nair (DIN 00320541)

Mr. Kumar Nair is B.Sc, FCA and OPM (Harvard Business School) with over 27 years of experience in Financial Services, Capital Market and Investment Banking. He has been a Promoter Director of the Company since inception and prior to starting TFL, he was a key member of the core senior management team, in Kotak Mahindra Finance Ltd.

Mr. Kumar Nair is a director of following Companies:

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

Mr. Kumar Nair holds 1,27,08,694 equity shares in the Company. None of the directors are related to each other.

By order of the Board

Place : Mumbai
Date : July 21, 2016

Company Secretary

Regd. Office:

403, Regent Chambers
Nariman Point, Mumbai - 400 021





DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report on the business and operations of the Company along with the financial statements for the Financial Year ended 31st March, 2016.

Financial Highlights

The table given below gives the financial highlights of the Company for the year ended 31st March, 2016, as compared to the previous financial year.

(₹ In lakhs)

Financial Results	2015-16	2014-15
	Standalone	
Total Income	1001.47	802.98
Interest and finance charges	12.11	15.03
Depreciation	6.34	8.16
Provision for taxation	2.80	3.20
MAT Credit Entitlement	(-3.21)	(-1.02)
Deferred tax	0.11	(-0.10)
(Excess)/Short provision for Income Tax :	-	3.84
Profit / Loss after tax	14.30	11.09
Prior Period Expenses	-	0.13
Net profit for the year	14.30	10.96
Profit available for appropriation	14.30	10.96
Appropriations:		
Reserves u/s. 45 1C of RBI Act	2.86	2.19
Depreciation transferred to Retained Earnings, as per Schedule II of Companies Act, 2013	-	1.35

Dividend:

In order to consolidate the financial position of the Company the Board has decided to skip the dividend for the financial year ended 31st March, 2016.

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. National Securities Depository Ltd., (NSDL) (for depository services)
5. SEBI registration as a Merchant Banker
6. It is an (Association of Mutual Funds of India) AMFI registered Mutual Fund Advisor.

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

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

During the year under report, the consolidated revenue of these two subsidiaries was ₹ 620.52 lakhs as against ₹ 596.49 lakhs in the previous year. The net loss after tax was ₹ 60.72 lakhs as against net loss of ₹ 33.34 lakhs in the previous year.

The Company has two subsidiaries namely Vertex Securities Limited and Vertex Commodities and Finpro Pvt. Ltd. as on March 31, 2016. There have been no material changes in the business of the subsidiary companies.

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

Management Discussion and Analysis:

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

Corporate Governance Report:

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

Consolidated Financial Statements:

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

Auditors' Report

Referring to observations given under "Basis for Qualified Opinion" in the Independent Auditors Report for Consolidated Accounts, it is clarified that as the Company has initiated legal actions for the recovery of the dues, it will not be prudent to make any provisions as the cases are in various stages in different Courts.

Directors' Responsibility Statement:

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

1. In preparation of annual accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and profit of the Company for the year ended on that date;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis;
5. They have laid down proper internal financial controls to be followed by the Company and they were adequate and operating effectively and
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Deposits:

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

Particulars of Loans, Guarantees and Investments:

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

Directors:

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

During the year under review Mr. Raghu Palat (DIN 00311994) and Mr. R.L. Shenoy (DIN 00074761) resigned as Directors of the Company with effect from 9th November, 2015 and 18th January, 2016 respectively due to personal reasons. The Board places on record its deep appreciation of the services rendered by these Directors.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee appointed Mr. Sudharsanan Nair (DIN 01510505) as Additional Director (Independent) with effect from 9th November, 2015. Pursuant to Section 161 of the Companies Act, 2013 the additional director holds office upto the date of the ensuing Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 along with the requisite deposit proposing the appointment of Mr. Sudharsanan Nair, at the ensuing Annual General Meeting.

Familiarization Programme for Directors:

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

Performance of Board Evaluation

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

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

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

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

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees



and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Risk Management:

The Company has adopted a Risk Management Policy for the Company including identification therein the elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. After identifying the risk and assessing the level of impact, controls are put in place to mitigate the risk by the concerned executives/the Board to control the exposure of the risk and balance the impact of risk on a continuous basis.

Nomination & Remuneration Policy

The Board on the recommendation of Nomination, Remuneration & Compensation Committee has adopted a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. The details of this Policy are provided in the Corporate Governance Report.

Sexual Harassment Policy

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

Whistle Blower Policy:

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

Employees' Stock Option Plan 2008 (ESOP):

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Options outstanding at the beginning of the year	1,52,775	5,20,319	7,65,769	8,52,237	4,82,266	4,86,766	6,84,000	10,00,000
Prior Period Adjustments	–	(2,05,419)	–	–	–	–	–	–
Options granted during the year	–	Nil	Nil	Nil	5,96,500	Nil	92,500	6,84,000
Options vested during the year	66,375	88,939	Nil	1,04,607	50,446	Nil	22,666	Nil
Options exercised during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Options forfeited during the year	24,750	30,375	Nil	66,375	2,13,750	4,500	2,57,000	Nil
Options lapsed / surrendered during the year	Nil	42,811	2,45,450	18,218	14,654	Nil	32,734	Nil
Options outstanding at the end of the year	61,650	1,52,775	5,20,319	7,65,769	8,50,362	4,82,266	4,86,766	6,84,000

Had fair value method been used, the compensation cost would have been higher by ₹ 5.86 lakhs (previous year: ₹ 6.87 lakhs). Profit after tax would have been lower by ₹ 5.86 lakhs (Previous year ₹ 6.87 lakhs) and EPS both basic and diluted would have been ₹ 0.03 per share (previous year ₹ 0.02 per share)

Independent Directors Meeting:

During the year under review a meeting of Independent Directors was held on 14.03.2016.

Related Party Transactions:

All related party transactions that were entered into during the year were on arm's length basis and in the ordinary course of business. The Audit Committee has approved the related party transactions and subsequently the same were approved by the Board of Directors. The details of the transactions with related parties are given in the financial statements.

Auditors:

Pursuant to the provisions of Section 139 of the Act and the Rules framed thereafter, M/s. Rahul Gautam Divan and Associates, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the twenty first annual general meeting (AGM) of the Company held on September 11, 2015 till the conclusion of the twenty fifth AGM to be held in the year 2019, subject to ratification of their appointment at every AGM. The Company has received eligibility certificate in terms of Section 139 of the Companies Act, 2013 and consent from the auditors.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under the Company has appointed Mr. M. P. Sharma, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as part of this Report. The Report does not contain any qualifications, reservations, or adverse remarks.

Energy Conservation, Technology Absorption :

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

Foreign Exchange Earnings and outgo:

Earnings	- Nil
Outgo	- ₹ 23.89 lakhs

Particulars of Employees and related disclosure:

There are no employees drawing a monthly or yearly remuneration in excess of the limits specified under Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendments thereof.

Acknowledgement:

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

For and on behalf of Board of Directors

Mumbai
July 21, 2016

Kumar Nair
Managing Director
(DIN 00320541)

U. Ramachandran
Director & CFO
(DIN 00493707)

**ANNEXURE TO DIRECTORS' REPORT****PARTICULARS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL AMENDMENT) RULES, 2016.**

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-2016:

Name of the Director	Ratio
Mr. Kumar Nair (Managing Director)	4.36:1
Mr. U. Ramachandran (Director & CFO)	0.87:1

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

- (ii) The percentage increase / decrease in the remuneration of each Director, Chief Financial Officer and Company Secretary or Manager in the Financial Year 2015-2016:

Name	% increase / (decrease)
Mr. Kumar Nair (Managing Director)	Nil
Mr. U. Ramachandran (Director & CFO)	Nil
Mr. Sreedhar H. (Company Secretary)	Nil

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

- (iii) The percentage increase in the median remuneration of employees in the Financial Year 2015-16: Nil
- (iv) The number of permanent employees on the rolls of the Company: 25 employees as on March 31, 2016
- (v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration

and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase in managerial remuneration and for employees other than Managerial Personnel is Nil.

- (vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company: The Company affirms that the remuneration is as per the Remuneration Policy of the Company.
- (vii) The names of the top ten employees in terms of remuneration drawn and the name of every employee who :
- If employed throughout the financial year, was in receipt of remuneration for that year in which, in the aggregate, was not less than one crore and two lakhs rupees- Not applicable
 - If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month- Not applicable
 - If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or alongwith his spouse and dependent children, not less than two percent of the equity shares of the company – Not applicable

For and on behalf of Board of Directors

Mumbai
July 21, 2016

Kumar Nair
Managing Director
(DIN 00320541)

U. Ramachandran
Director & CFO
(DIN 00493707)

ANNEXURE TO DIRECTORS' REPORT
DISCLOSURE UNDER RULE 12(9) OF THE COMPANIES
(SHARE CAPITAL AND DEBENTURES) RULES, 2014

Sl. No.	Particulars	Details
a)	Options granted	Nil
b)	Options vested	66,375
c)	Options exercised	Nil
d)	The total number of shares arising as a result of exercise of Option	Nil
e)	Options lapsed	Nil
f)	Options forfeited	24,750
g)	Exercise price	₹ 10
h)	Variation of Terms of Options	NA
i)	Total No. of Options in force	61,650

j) Employee wise details of Options Granted to:-

Key Managerial Personnel			
Sl. No.	Name	Designation	No. of Options granted and in force
1	NA	NA	NA
Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year			
Sl. No.	Name	Designation	No. of Options granted and in force
	NA	NA	NA
Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant			
Sl. No.	Name	Designation	No. of Options granted and in force
	NA	NA	NA

For and on behalf of Board of Directors

Mumbai
July 21, 2016

Kumar Nair
Managing Director
(DIN 00320541)

U. Ramachandran
Director & CFO
(DIN 00493707)

**ANNEXURE TO DIRECTORS' REPORT****FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts/arrangements/transactions	Nil
c)	Duration of the contracts / arrangements/transactions	Nil
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date(s) of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Vertex Securities Limited, Subsidiary Company
b)	Nature of contracts / arrangements / transactions	Inter Corporate Transactions
c)	Duration of the contracts / arrangements / transactions	FY 2015-16
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Transactions for an amount of ₹ 0.99 Crore
e)	Date(s) of approval by the Board	27.05.2015 29.07.2015 09.11.2015 28.01.2016
f)	Amount paid as advances, if any	Transactions for an amount of ₹ 1.04 Crore

For and on behalf of Board of Directors

Mumbai
July 21, 2016

Kumar Nair
Managing Director
(DIN 00320541)

U. Ramachandran
Director & CFO
(DIN 00493707)

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN / GIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Vertex Securities Ltd.	L67120KL1993PLC007349	Subsidiary Company	50.74%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% change in share-holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	13035067	48540	13083607	53.48	13035067	48540	13083607	53.48	0
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	6653	–	6653	0.03	6653	–	6653	0.03	0
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub Total (A)(1)	13041720	48540	13090260	53.51	13041720	48540	13090260	53.51	0



Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March -2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% change in share-holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs-Individuals	22717	–	22717	0.09	22717	–	22717	0.09	0
b) Other-Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub Total (A) (2)	22717	–	22717	0.09	22717	–	22717	0.09	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	13064437	48540	13112977	53.61	13064437	48540	13112977	53.61	0
B. Public Shareholding									
1. Institutions	–	–	–	–	–	–	–	–	–
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	1663899	–	1663899	6.80	1438935	–	1438935	5.88	(0.92)
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1996576	6643	2003219	8.19	1898425	6643	1905068	7.79	(0.40)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	926622	–	926622	3.79	907246	–	907246	3.71	(0.08)
c) Others									
Office Bearers	74426	51500	125926	0.52	62472	33500	95972	0.39	(0.12)
Non Resident Indians (Repat)	1353663	–	1353663	5.52	1352814	–	1352814	5.53	(0.003)
Non Resident Indians (Non -Repat)	6174	–	6174	0.03	6991	–	6991	0.03	(0.004)

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March -2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% change in shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	10788	–	10788	0.04	20382	–	20382	0.08	0.04
Trusts	5225000	–	5225000	21.36	5225000	–	5225000	21.36	–
HUF	5800	–	5800	0.02	112201	–	112201	0.46	0.44
Sub-total (B)(2):-	11289448	58143	11347591	45.90	11307448	40143	11347591	45.90	–
Total Public Shareholding (B)=(B)(1)+ (B)(2)	11289448	58143	11347591	45.90	11307448	40143	11347591	45.90	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	24353885	106683	24460568	100.00	24371885	88683	24460568	100.00	–

B) Shareholding of Promoters -

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2015]			Shareholding at the end of the year [As on 31-March-2016]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	KUMAR NAIR	12708694	51.9558	0	12708694	51.9558	–	–
2	LEENA KUMAR NAIR	267473	1.0935	0	267473	1.0935	–	–
3	ANITHA PLAKKOT	50000	0.2044	0	50000	0.2044	–	–
4	C. CHANDRAN	28950	0.1184	0	28950	0.1184	–	–
5	JAYACHANDRAN K	22717	0.0929	0	22717	0.0929	–	–
6	SHEILA SATISH	9990	0.0408	0	9990	0.0408	–	–
7	C. D. PADMINI DEVI	8900	0.0364	0	8900	0.0364	–	–
8	K. KARTHIKEYAN	7650	0.0313	0	7650	0.0313	–	–
9	TRANSWARRANTY ADVISORS PVT LTD	6653	0.0272	0	6653	0.0272	–	–
10	K. INDIRA DEVI	1950	0.0080	0	1950	0.0080	–	–
Total		13112977	53.6086	0	13112977	53.6086	–	–



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

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

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Kumar Nair - Trustee of TFL,TCCPL & TFCPL Merger Trust At the beginning of the year No change during the year At the end of the year	5225000 0 5225000	21.36 0 21.36	5225000	21.36
2.	Satpal Khattar At the beginning of the year No change during the year At the end of the year	680000 0 680000	2.78 0 2.78	680000	2.78
3.	Vinco Sales and Services Pvt. Ltd. At the beginning of the year No change during the year At the end of the year	661986 0 661986	2.71 0 2.71	661986	2.71
4.	Vinod Mohan Nair At the beginning of the year No change during the year At the end of the year	659670 0 659670	2.70 0 2.70	659670	2.70
5.	Sterling Biotech Ltd. At the beginning of the year No change during the year At the end of the year	538124 0 538124	2.20 0 2.20	538124	2.20
6.	U. Ramachandran At the beginning of the year Additions during the year At the end of the year	571 266338 266909	0.002 1.09 1.09	266909	1.09
7.	Vinayak Tripathi At the beginning of the year Additions during the year At the end of the year	72004 3406 75410	0.29 0.01 0.30	75410	0.30

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Alankit Assignments Ltd.				
	At the beginning of the year	31899	0.13		
	Purchase during the year	41085	0.17	72984	0.30
	At the end of the year	72984	0.30		
9.	Kareena A. Rohera				
	At the beginning of the year	51233	0.21		
	No change during the year	0	0	51233	0.21
	At the end of the year	51233	0.21		
10.	Atul Madhukar Tidke				
	At the beginning of the year	35100	0.14		
	Purchase during the year	14985	0.06	50085	0.20
	At the end of the year	50085	0.20		

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Kumar Nair				
	At the beginning of the year	12708694	51.96		
	Change during the year	0	0	12708694	51.96
	At the end of the year	12708694	51.96		
2.	Mr. U. Ramachandran				
	At the beginning of the year	571	0.002		
	Change during the year	266338	1.09	266909	1.09
	At the end of the year	266909	1.09		
3.	Mr. Pravin Khatau				
	At the beginning of the year	2500	0.01		
	Change during the year	0	0	2500	0.01
	At the end of the year	2500	0.01		
4.	Mr. Sudharsanan Nair*				
	At the beginning of the year	NA	NA		
	Change during the year	0	0	500	0.002
	At the end of the year	500	0.002		

Note: (*) during the year under report Mr. Sudharsanan Nair was appointed as an Additional Independent Director on 9th November, 2015.



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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	46.90	200.08	–	246.98
ii) Interest due but not paid	–	30.85	–	30.85
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	46.90	230.93	–	277.83
Change in Indebtedness during the financial year			–	
* Addition	112.62	103.78	–	216.40
* Reduction	(109.97)	(261.62)	–	(371.59)
Net Change	2.65	(157.84)	–	(155.19)
Indebtedness at the end of the financial year			–	
i) Principal Amount	49.56	40.62	–	90.18
ii) Interest due but not paid	–	32.47	–	32.47
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	49.56	73.09	–	122.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	MD Mr. Kumar Nair
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.70
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.30
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–
2	Stock Option	–
3	Sweat Equity	–
4	Commission - as % of profit - others, specify...	–
5	Others, please specify	–
	Total (A)	24.00

B. Remuneration to other Directors

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Raghu Palat	Mr. R. L. Shenoy	Mr. Pravin Khatau	Mrs. Nirmla Parab	Mr. Sudharsanan Nair	
1	Independent Directors						
	Fee for attending board committee meetings	0.80	1.22	0.20	1.42	1.02	4.66
	Commission	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–
	Total (1)	0.80	1.22	0.20	1.42	1.02	4.66
2	Other Non-Executive Directors	–	–	–	–	–	–
	Fee for attending board committee meetings	–	–	–	–	–	–
	Commission	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	–
	Total Managerial Remuneration	–	–	–	–	–	–
	Total (B)=(1+2)	0.80	1.22	0.20	1.42	1.02	4.66

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
		Mr. Sreedhar H.	Mr. U Ramachandran	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.40	5.06	7.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	- as % of profit	–	–	–
	others, specify...	–	–	–
5	Others, please specify	–	–	–
	Total	2.40	5.06	7.46

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

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

Form No. MR-3
SECRETARIAL AUDIT
REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To,
The Members,
TRANSWARRANTY FINANCE LIMITED,
403, Regent Chambers, Nariman Point,
Mumbai - 400021

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (upto 14th May, 2015)
ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (wef 15th May, 2015)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable during the Audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable during the Audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable during the Audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable during the Audit period)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable during the Audit period)**
 - (i) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (w.e.f 1st December, 2015)
- (vi) On examination of the relevant documents and records on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - ❖ Reserve Bank of India Act, 1934 (RBI Act, 1934)



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (w.e.f 1st July, 2015)
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges (BSE & NSE);

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

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committee of the Board as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had the following events which had bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.:

The Company has passed Special Resolution for increase in Borrowing Limits upto ₹ 100 Crore.

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

Place : Mumbai

M. P. Sharma

Date : 15/07/2016

FCS: 2673, C. P: 4536

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

APPENDIX A

To,

The Members

TRANSWARRANTY FINANCE LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was one on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Whenever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules ,regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

M. P. Sharma

FCS: 2673, C. P: 4536

CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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 (the "Board"):

The Board reviews and approves the Company's strategic, operational and financial plans. It also guides corporate strategy, takes key strategic decisions, reviews major plans of action etc. Besides, the plans of action also include the risk policy, review and approval of annual budget and business plans and monitor performance against corporate strategy.

(i) Composition and size of the Board

The Company's policy is to have an appropriate mix of Executive & Non-Executive Directors. The size and composition of the Board, conforms to the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The present strength of the Board of Directors is five members including one woman director, all the members with good academic background and with rich professional experience in various fields. The Managing Director and Finance Director are the Executive Directors and the other three are Non-Executive Directors. More than half of the Board consists of Independent Directors.

(ii) Independent Directors:

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 (6) of the Companies Act, 2013 and the Rules made there under and meet with the requirements of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(iii) Meetings of the Board :

During the financial year 2015-16, the Board met 5 times on 27th May 2015, 29th July, 2015, 9th November, 2015, 28th January, 2016 and 14th March, 2016 respectively. The gap between any two meetings was not more than 120 days.

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Managing Director and circulates the same in advance to the Directors. Every Director is free to suggest inclusion of items on the agenda. The Board meets at least once every quarter inter alia to review the quarterly financial results. Additional Meetings are held as and when necessary. The Minutes of the proceedings of the Meetings of the Board of Directors are noted and the draft minutes are circulated amongst the Members of the Board for their perusal. Comments, if any, received from the Directors are also



incorporated in the minutes, in consultation with the Chairman of the meeting. Senior Management Personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when necessary.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. The necessary disclosure regarding Directorship and Committee positions have been made by the Directors who are on the Board of the Company as on March 31, 2016. 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 is 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. Kumar Nair	00320541	Managing Director Promoter Director	4	Yes	1	Nil
Mr. Raghu R. Palat (Up to 09/11/2015)	00311994	Director- Independent	2	Yes	Nil	Nil
Mr. Pravin D. Khatau	02425468	Director – Independent	2	No	Nil	Nil
Mr. R. L. Shenoy (Upto 18.01.2016)	00074761	Director- Independent	3	Yes	3	1/0
Mr. U. Ramachandran	00493707	Director- – Finance & CFO	5	Yes	1	0/2
Mrs. Nirmala Sachin Parab	07149007	Director – Independent	5	Yes	Nil	Nil
Mr. Sudharsanan Nair (From 09.11.2015)	01510505	Additional Director- Independent	3	N.A.	Nil	Nil

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

None of the directors are related to each other.

(iv) Details of equity shares held by the Directors as on 31st March, 2016 are given below:

Name	Category	Number of equity shares
Mr. Kumar Nair	Executive Director	1,27,08,694
Mr. U. Ramachandran	Executive Director	2,66,909
Mr. Pravin D. Khatau	Non-Executive – Independent Director	2,500
Mr. Sudharsanan Nair	Non-Executive – Additional Independent Director	500

(iv) Information to the Board:

- The Board of Directors has complete access to the information within the Company, which inter alia includes :-
- Annual revenue budgets and capital expenditure plans;
- Quarterly results and results of operations of Independent Company and business segments;
- Financing plans of the Company;
- Minutes of meeting of Board of Directors, Audit Committee, Remuneration and Compensation Committee and Shareholders' / Investors' Grievance Committee;
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non- payment of dividend, delay in share transfer, etc., if any.

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

Cessation of Directors:

Mr. Raghu Palat (DIN 00311994) and Mr. R. L. Shenoy (DIN 00074761) resigned as Director of the Company with effect from 9th November, 2015 and 18th January, 2016 respectively.

Appointment /Re-appointment of Directors:

Mr. U. Ramachandran (DIN 00493707, Mr. Pravin D. Khatau (DIN 02425468) and Mrs. Nirmala Parab (DIN 07149007) were reappointed as Directors of the Company for a period of 5 years at the last Annual General Meeting held on 11th September, 2015. The Board appointed Mr. Sudharsanan Nair (DIN 01510505) as an Additional Director – Independent with effect from 9th November, 2015. Resolution for the appointment of Mr. Sudharsanan Nair as an Independent Director for a period of 5 years is included in the Notice for the consideration of Members at the Annual General meeting.

5. Meeting of Independent Directors:

During the year under review the Independent Directors met on 14th March, 2016 to discuss inter alia:

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

6. Board Committee

The Board constitutes the following Committees of Directors:

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

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

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

The Audit Committee comprises of 4 members, out of which Mr. Sudharsanan Nair, Mr. Pravin Khatau and Mrs. Nirmala Parab are Independent Directors and Mr. Kumar Nair is an Executive Director. Mr. Sudharsanan Nair is the Chairman of Audit Committee. All the members of the Committee are financially literate.

(ii) Attendance at the Audit Committee Meeting:

During the financial year 2015-16, the Committee met 4 times on 27th May, 2015, 29th July, 2015, 9th November, 2015 and 28th January, 2016 respectively and the gap between any 2 meetings was not more than 120 days. The attendance of Members at the Meetings was as follows:

Name	Designation	Category	Attendance out of 4 meetings held
Mr. Raghu R. Palat (upto 9th November, 2015)	Chairman	Independent	2
Mr.R. L. Shenoy (upto 18th January, 2016)	Member	Independent	3
Mr. Sudharsanan Nair (w.e.f 9th November, 2015	Chairman	Additional Independent	2
Mr. Kumar Nair	Member	Executive	4
Mr. Pravin D. Khatau (w.e.f 9th November, 2015)	Member	Independent	Nil
Mrs. Nirmala Parab (w.e.f 9th November, 2015)	Member	Independent	2

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

(iii) Powers of Audit Committee:

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



(iv) Terms of Reference:

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

(b) Stakeholders' Relationship Committee:

(i) Terms of reference:

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

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

6) Other related issues

The committee comprises of following Directors:-

Name	Designation	Category
Mr. Raghu Palat (upto 09.11.2015)	Chairman	Independent
Mr. R.L. Shenoy (Upto 18.01.2016)	Member	Independent
Mr. Sudharsanan Nair (w.e.f. 09.11.2015)	Chairman	Additional Independent
Mr. Kumar Nair	Member	Executive
Mr. Pravin D. Khatau	Member	Independent
Mrs. Nirmala Parab (w.e.f. 09.11.2015)	Member	Independent

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

(ii) Number of Complaints:

Details of investor complaints received and redressed during the year 2015- 16 are as follows:

Opening Balance	Received	Resolved	Pending
Nil	1	1	Nil

(c) Nomination and Remuneration Committee:

(i) Composition

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

Name	Designation	Category	Attendance out of 2 meetings held
Mr. Raghu R. Palat (upto 9th November, 2015)	Chairman	Independent	N.A.
Mr. R. L. Shenoy (upto 18th January, 2016)	Member	Independent	1
Mr. Sudharsanan Nair (w.e.f 9th November, 2015)	Chairman	Additional Independent	2
Mr. Pravin D. Khatau (w.e.f 9th November, 2015)	Member	Independent	Nil
Mrs. Nirmala Parab (w.e.f 9th November, 2015)	Member	Independent	2

(ii) Meetings

Two meetings were held on 9th November, 2015 and 28th January, 2016 respectively.

(iii) Terms of Reference

- To recommend to the Board composition of the Board and its committees.
- To formulate the criteria for evaluation of performance of Independent Directors and the Board
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
- To recommend to the Board the appointment or reappointment of directors.
- To recommend to the Board appointment of Key Managerial Personnel
- To carry out evaluation of every Director's performance
- Performing such other duties and responsibilities as may be required.

(iv) Nomination & Remuneration Policy

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

**(v) Performance evaluation criteria for Independent Directors**

Performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. The evaluation of performance is carried out by considering the factors such as experience and skills, participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

(d) Corporate Social Responsibility Committee

Directors would like to state that the Provisions of Section 135 of the Companies Act 2013 is at present not applicable to the Company. Therefore, Corporate Social Responsibility Committee (CSR) has not been formed.

(e) Whistle Blower Policy

Pursuant to Section 177 (9) and (10) of the Companies Act 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for visual mechanism for Directors and Employees to report to the Management about the unethical behavior, fraud or violation of code of conduct. The mechanism provides for adequate safeguards against victimization of Employees and Directors who use such mechanism and makes provisions for direct access to the Chairperson of Audit Committee. None of the Personnel has been denied access to the Audit Committee.

(f) Risk Management

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

Details of remuneration paid to the Directors.

Directors	Salary (including Performance Incentive, if any and other allowance) (₹)	Perquisites (₹)	Contribution to P. F. superannuation and Gratuity (₹)	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Kumar Nair	22,70,408	–	1,29,600	–	–	24,00,008
Mr. Raghu R. Palat	–	–	–	80,000	–	80,000
Mr. Pravin D. Khatau	–	–	–	20,000	–	20,000
Mr. R. L. Shenoy	–	–	–	1,22,000	–	1,22,000
Mr. U. Ramachandran (From 25.02.2015)	5,05,714	–	–	–	–	5,05,714
Mrs. Nirmala Sachin Parab (from 30.03.2015)	–	–	–	1,42,000	–	1,42,000
Mr. Sudharsanan Nair	–	–	–	1,02,000	–	1,02,000

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
2012-13	Wednesday 25th September, 2013 11.00 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai - 400 001	Nil

Financial Year	Day, Date & Time	Venue	Special Resolution passed
2013-14	Friday 19th September, 2014 11.00 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai - 400 001	(i) Pursuant to Sec. 196,197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V, appointment of Mr. Kumar Nair (DIN 00320541) as Managing Director of the Company for a period of 3 (three) years with effect from 1st September, 2014. (ii) Pursuant to the provisions of Foreign Exchange Management 1999 and the Foreign Exchange Management approval was accorded for holding shares by Foreign Institutional Investors (FIIs) upto an aggregate of 100% of the paid up capital of the company provided however, that equity shareholding of a single FII or sub-account of an FII should not exceed 10% of the paid up equity capital of the company.
2014-15	Friday 11th September, 2015 11.00 a.m.	M. C. Ghia Hall, Kala Ghoda, Fort, Mumbai - 400 001	(i) Pursuant to Section 180(1)(c) of the Companies Act, 2013, approval accorded to the Board of Directors to borrow money in excess of the aggregate of the paid-up capital and free reserves of the Company provided that the total amount so borrowed shall not exceed ₹ 100 crores over and above the aggregate of the paid-up capital and free reserves of the Company (ii) Pursuant to Section 146 of the Companies Act, 2013 approval accorded to the Board of Directors to consider giving exemptions to the Auditors of the Company to attend the General Meetings to be held from time to time

No Resolution was passed through Postal Ballot last year.

7. Disclosures:

- There were no transactions of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives during the period that may have potential conflict with the interest of the company at large.
- Transactions with related parties are disclosed in Note No.27 in the notes to the accounts in the Annual Report as required by Accounting Standards under AS 18 issued by Institute of Chartered Accountants of India.
- None of the transactions with related parties was in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the company at large and are carried out on an arm's length basis or fair value.
- There were no non-compliances by the Company during the year. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities on any matters related to the capital markets, during the previous three financial years.
- The policy for determining material subsidiaries and related party transactions is available on the website www.transwarranty.com/Investors/Policies.
- The Board has adopted a Code of Conduct including Business Ethics Policy for its Directors and Senior Management. This is available on the Company's website www.transwarranty.com.
- The Managing Director has submitted before the Board a declaration of compliance with the Code of Conduct by the Directors during the financial year ended March 31, 2016.
- The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of the financial statement; the Company has not adopted a treatment different from that prescribed by any Accounting Standard.



- Risk assessment and minimization procedures are periodically reviewed by the Audit Committee and the Board of Directors of the Company.
- The Chief Executive Officer and the Chief Financial Officer have certified to the Board of Directors as per the format prescribed in Part B of Schedule II of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. This has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company.
- During the financial year 2015-16, the information as mentioned in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration.
- The details of the familiarization programme of the Independent Directors are available on the website of the Company (<http://www.transwarranty.com/Investors>).

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	Financial Express (Mumbai edition)	30 th July 2015	11 th November 2015	29 th January 2016	25 th May 2016
2	Vernacular Newspapers in which quarterly results were published / to be published	Mumbai Mitra	30 th July 2015	11 th November 2015	29 th January 2016	25 th May 2016
3	Website Address of the Company on which financial results are posted	www.transwarranty.com				
4	Name of the Stock Exchange(s) on which financial results are posted	Website Address				
	BSE Limited (BSE)	www.bseindia.com	29 th July 2015	9 th November, 2015	28 th Jan, 2016	24 th May 2016
	National Stock Exchange of India Limited (NSE)	www.nseindia.com	29 th July 2015	9 th November, 2015	28 th Jan, 2016	24 th May 2016

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 for the financial year 2015-16	19th September 2016 10.30 a.m. M C Ghia Hall, Bhogilal Hargovindas Building, 3 rd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001
2	Financial Calendar (Tentative)	
	Financial reporting for the quarter ending June 30, 2016	Second Week of July/August, 2016
	Financial reporting for the quarter ending Sept.30, 2016	Second Week of October/November, 2016
	Financial reporting for the quarter ending Dec. 31, 2016	Second Week of January/February, 2017
	Financial reporting for the quarter ending March 31, 2017	Last week of May 2017
	Annual General Meeting for the year ended March 31, 2017	August-September, 2017
3	Date of Book Closure	13 th September, 2016 to 19 th September, 2016 (inclusive of both days)

Sl. No.	Particulars	Details		
		Name & Address of Stock Exchange Ltd	Stock Code	Demat ISIN for NSDL & CDSL
4	Listing on Stock Exchanges	Bombay Stock Exchange Ltd (BSE)	532812	INE 804H01012
		National Stock Exchange of India Ltd (NSE)	TFL	INE 804H01012
5	Payment of Annual Listing fees	Listing fees for the financial year 2016 - 2017 has been paid to both the Stock Exchanges BSE & NSE		
6	Registrars & Transfer Agents Contact person Contact No Email	Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078 Ms. Anuradha Bekal 25963838. Fax. : 25956969 anuradha.bekal@linkintime.co.in		
7	Custodial Fees to Depositories	The Company has paid custodial fees for the year 2016-17 to NSDL and CDSL.		
8	Address for correspondence	Transwarranty Finance Limited, 403, Regent Chambers, Nariman Point, Mumbai - 400 021. Phone : 022 – 6630 6090/4001 0900		
9	Investor Grievances For any assistance	The Company has designated an exclusive e-mail id viz. companysecretary@transwarranty.com to enable investors to register their complaints, if any. 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, 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)		
10	Functional website of the Company as per Regulation 46 of the SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015	Pursuant to the requirement of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company maintains a functional website of the Company and website address of the Company is www.transwarranty.com . Website of the Company provides the basic information about the Company e.g. details of its business, financial information, shareholding pattern etc. and the Company is regularly updating the Information provided on its website.		

10. 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.



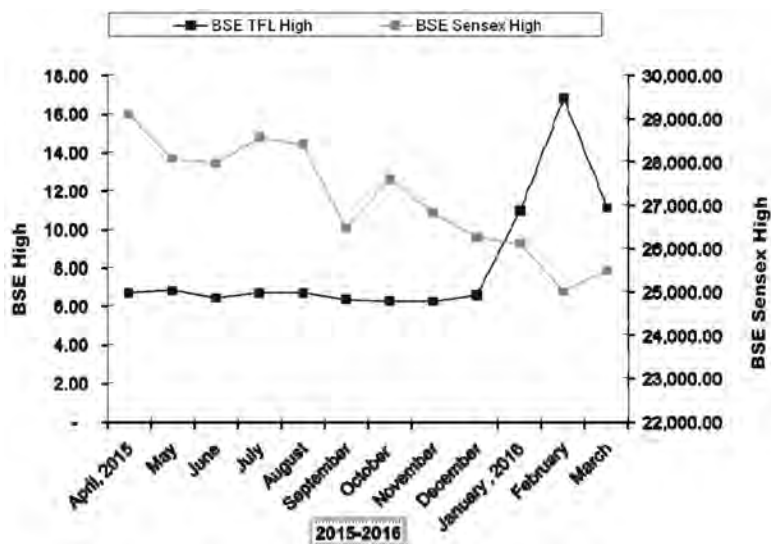
Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

Pursuant to Regulation 40 of the SEBI(Listing Obligations & Disclosure Requirements)Regulations, 2015, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 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 31.03.2016

BSE			
Month	High (₹)	Low (₹)	BSE Sensex (High)
April 2015	6.67	5.11	29,094.61
May 2015	6.80	5.40	28,071.16
June 2015	6.40	4.92	27,968.75
July 2015	6.69	5.20	28,578.33
August 2015	6.67	5.39	28,417.59
September 2015	6.34	5.30	26,471.82
October 2015	6.25	5.55	27,618.14
November 2015	6.24	5.61	26,824.30
December 2015	6.55	5.74	26,256.42
January 2016	11.00	5.70	26,116.52
February 2016	16.83	9.60	25,002.32
March 2016	11.15	6.86	25,479.62



NSE		
Month	High (₹)	Low (₹)
April-2015	6.60	5.15
May-2015	7.10	5.30
June-2015	6.95	4.80
July-2015	6.50	5.25
August-2015	6.20	5.40
September-2015	6.05	5.10
October-2015	6.35	5.35
November-2015	6.35	5.45
December-2015	6.50	5.60
January-2016	10.65	6.00
February-2016	16.25	10.85
March-2016	11.25	8.60

Shareholding Pattern as on 31-03-2016

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)	NRIs-Individuals	1	22717	0.09
	Sub Total(A)(2)	1	22717	0.09
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	10	13112977	53.61
(B)	Public shareholding			
B1	Institutions	0	0	0.00
(i)	Any Other (specify)	0	0	0.00
	Sub-Total (B)(1)	0	0	0.00
B2	Non-institutions			
(a)	Bodies Corporate	79	1438935	5.88
(b)	Individuals			
I	Individual shareholders holding nominal share capital up to ₹ 1 lakh	4500	2215342	9.06
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	21	879954	3.60
C	Any Other (specify)			
(c-ii)	Trusts	1	5225000	21.36
(c-iv)	Non Resident Indians (Repat)	31	1352814	5.53



Category code	Category of Shareholder	Number of Shareholders	Total number of shares	As a percentage of (A+B+C)
(c-v)	Non Resident Indians (Non-Repat)	22	6991	0.03
(c-vi)	Clearing Members	25	20382	0.08
(c-vii)	Hindu Undivided Family	156	112201	0.46
(c-viii)	Office Bearers	18	95972	0.39
	Sub-Total (B)(2)	4853	11347591	46.39
(B)	Total Public Shareholding (B) = (B)(1) + (B)(2)	4853	11347591	46.39
	TOTAL (A) + (B)	4863	24460568	100.00
(C)	Shares held by Custodians and Depository Receipts have been issued against which	–	–	–
	GRAND TOTAL (A) + (B) + (C)	4863	24460568	100.00

Distribution of Shareholding as on 31-03-2016:

No. of equity shares held	No. of shareholders	Total no. of shares held	% of shares held
1 - 500	3975	6,80,182	2.78
501 - 1000	427	3,44,728	1.41
1001 - 2000	190	2,87,384	1.18
2001 - 3000	86	2,21,224	0.90
3001 - 4000	43	1,51,220	0.62
4001 - 5000	35	1,62,250	0.66
5001 - 10000	48	3,54,349	1.45
10001 - and above	59	2,22,59,231	91.00
Total	4863	2,44,60,568	100

12. Corporate Benefits to Shareholders

(i) Dividend History

Financial Year	Dividend	Dividend (₹ per Share)
2008-09	3.00%	0.30/-
2009-10	Nil	Nil
2010-11	Nil	Nil
2011-12	5.00%	0.50/-
2012-13	Nil	Nil
2013-14	Nil	Nil
2014-15	Nil	Nil

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

As provided in Section 124(5) of the Companies Act, 2013, dividend amount which was due and payable and remained unclaimed and unpaid for a period of seven years has already been transferred to Investor Education & Protection Fund (IEPF) established by the Central Government.

The Company's Shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form. The Company had sent letters to shareholders holding shares in physical form emphasizing the benefits of dematerialization and 99.64% of the shares have been dematerialized so far.

The number of shares held in dematerialized and physical mode as on 31st March, 2016 is as under :

	No. of shares	% of total capital
Held in dematerialized form in NSDL	21360122	87.33
Held in dematerialized form in CDSL	3011763	12.31
Physical	88683	0.36
Total	24460568	100.00

Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary has carried out Secretarial Audit every quarter to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that total issued / paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Non-mandatory requirements:

- 1 **Chairman of the Board** – The Company does not maintain separate office for chairman at the Company's expenses.
- 2 **Shareholder Right** – The Company has not sent half yearly financial performance including summary of the significant events to each household of the shareholders, since the results were published in 2 news papers, one in Vernacular and one in English newspaper.
- 3 **Audit Qualifications** – During the year under review, auditor's have qualified the consolidated financial statement which has been replied in the Board's Report. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- 4 **Reporting of Internal Auditor** – The Internal Auditor attends Audit Committee meeting every quarter and reports to Audit Committee.

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

In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct and Ethics during the financial year ended March 31, 2016.

Place : Mumbai
Date : July 21, 2016

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, 2016 and to the best of our knowledge and belief.
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that, we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps we have taken or propose to take steps to rectify these deficiencies.
- d) We further certify that we have indicated to the Auditors and the Audit committee that:
 - i) There have been no significant changes in internal control over financial reporting during the year;
 - ii) There have been no significant changes in accounting policies during the year,
 - iii) To the best of our knowledge, there have been no instances of fraud, involving management or an employee having a significant role in the Company's internal control systems.

For Transwarranty Finance Limited

Place : Mumbai
Date : July 21, 2016

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

For Transwarranty Finance Limited

U. Ramachandran
Director & Chief Finance Officer
(DIN 00493707)

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
TRANSWARRANTY FINANCE LIMITED

We have examined the compliance of regulations of Corporate Governance by Transwarranty Finance Limited (the Company) for the year ended 31 March 2016, as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations 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 to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

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

Place : Mumbai
Date : July 21, 2016

GAUTAM DIVAN
Partner
Membership No.006457

MANAGEMENT DISCUSSION AND ANALYSIS

Background:

Transwarranty Finance Limited is a non-deposit accepting Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") engaged in a wide spectrum of financial services, both advisory and fund based lending.

The Company is headquartered in Mumbai with an office in Kochi and has a capital market subsidiary engaged in equity / commodities / currency broking and Merchant Banking.

Economic Scenario:

The Indian economy is continuing its positive momentum with GDP growth rate of more than 7%. However, the banking system continues to deal with stressed assets, which impacted asset formation and credit expansion. Consumption is yet to pick up, which impacts industrial activity.

Review of operations of the Company:

The Company along with its subsidiary companies achieved consolidated revenue of ₹ 1622 lakhs compared to ₹ 1399.47 lakhs in the previous year.

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

Trade finance, which caters to the working capital needs of companies, continues to be impacted by the weak industrial activity and executed business transactions of ₹ 3,620.96 crores (previous year ₹ 5,183 crores) with income of ₹ 133.34 lakhs (previous year ₹ 173 lakhs) for the year.

Corporate Finance & Investment Banking too were impacted due to the lack of credit growth in banking and most of the companies deferring investments. Business transactions worth of ₹ 85 crores (previous year of ₹ 112 crores) was executed with an income of ₹ 255 lakhs (previous year ₹ 123 lakhs)

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

Subsidiaries:

Vertex Securities Limited

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

1. Vertex and its subsidiary Company are engaged in the business of broking with close to 200 offices pan India

with strong footprint in southern and western India. The business caters to retail, HNI and institutional clients.

The Company provides brokerage services in Equity, Equity derivatives, Commodity futures and Currency derivatives. The Company also has third-party financial products distribution of Mutual Funds, Insurance Products 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 and an AMFI (Association of Mutual Funds of India) registered Mutual Fund Advisor.

Vertex Securities Limited has membership of:

- a. National Stock Exchange of India Ltd (NSE)
- b. Bombay Stock Exchange Ltd (BSE)
- c. Cochin Stock Exchange (CSE)
- d. NSDL (for depository services)

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

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

Vertex Securities Limited:

During the year ended 31st March, 2016, Vertex Securities Limited earned consolidated revenue of ₹ 620.52 Lacs as compared to ₹ 596.49 Lacs in the previous year. The consolidated operations have recorded a net loss of ₹ 60.72 Lacs as compared to a net loss of ₹ 33.34 Lacs in the previous year.

Vertex Commodities and Finpro Pvt Ltd:

During the year ended 31st March, 2016, the subsidiary company Vertex Commodities And Finpro Private Limited earned total revenue of ₹ 96.84 lakhs and profit of ₹ 0.33 lacs as against 91.91 lakhs and loss of ₹ 5.52 lacs respectively in the previous year.

Business Outlook:

TRANSWARRANTY, an RBI registered NBFC is the flagship company of the Transwarranty Group, which is active in a wide gamut of Financial Services like Corporate Finance,



Project Finance, Real Estate & Infrastructure Finance, Trade Finance, Gold Loans, Margin Finance, Stock / Commodities / Currencies / Interest Rates / Other Derivatives Broking, Inter-Bank Forex Broking, Merchant Banking, Investment Banking etc. Excellent domain expertise combined with a strong client and institutional relationship network nurtured over 21 years has ensured that all the Companies in the group are well poised to unlock value for its shareholders in the fast evolving financial landscape in India.

TRANSWARRANTY conducts all regulated capital market businesses through its subsidiary company, Vertex Securities Limited (listed on BSE), which in turn has a subsidiary company, Vertex Finpro and Commodities Pvt Ltd for the commodities broking business.

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

Risk Management

Risk Management is an integral part of the Company's business strategy. The Company is exposed to specific risks that are particular to its business including interest rate volatility, economic cycle, market risk and credit risk. The management continuously assesses the risk and monitors the business and risk management policies to minimize the risk.

Internal Control Systems And Their Adequacy

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

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

Human Resource Development

The Company believes that the human resources are vital in giving the company a competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment performance oriented work culture, knowledge acquisition/ dissemination, creativity and responsibility. As in the past the Company has enjoyed cordial relations with the employees at all levels.

Cautionary statements

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectation may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
TRANSWARRANTY FINANCE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Transwarranty Finance Limited ("the Company") which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure 'B'**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

Chartered Accountants

(Firm's Registration Number: 120294W)

GAUTAM DIVAN

Partner

Membership Number: 006457

Place : Mumbai

Date : 24 May 2016

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, some of the fixed assets have been physically verified by the management according to a programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (c) The Company did not own any immovable property during the year. Accordingly paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company is a Non-Banking Financial Company. Accordingly, it does not hold any physical inventory. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loan, to a company covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) The borrower company, listed in the register maintained under section 189 of the Act, has been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the loan granted to the company listed in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit attracting the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder. Thus, paragraph 3(v) of the Order is not applicable to the Company.

- (vi) In our opinion and according to the information and explanation given to us, pursuant to the Rules made by the Central Government, the maintenance of cost records as prescribed under Section 148 (1) of the Companies Act, 2013, is not applicable to the Company for the year under report.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2016 outstanding for a period of more than six months from the date they become payable.
- (b) The disputed statutory dues that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Tax/Penalty	546,710	Assessment Year 2011-2012	Assistant Commissioner of Income Tax
2	Income Tax Act, 1961	Tax/Penalty	2,358,110	Assessment Year 2012-2013	Assistant Commissioner of Income Tax

- (viii) Based on our audit procedures and according to the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions. The Company did not have any outstanding loans or borrowings from government or dues to debenture holders.
- (ix) According to the information and explanations given to us, term loan taken by the Company was applied for the purpose for which it was raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge, and according to the information and explanations to us, no material fraud on or by the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company, being a Non-Banking Financial Company (NBFC), is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. The Company has applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and has been granted certificate of registration dated 6 August, 1998 from the Reserve Bank as a NBFC.

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

Place : Mumbai
 Date : 24 May 2016

GAUTAM DIVAN
Partner
 Membership Number: 006457



ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Transwarranty Finance Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016. However, the Company is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

Chartered Accountants

(Firm's Registration Number: 120294W)

Place : Mumbai
Date : 24 May 2016

GAUTAM DIVAN
Partner
Membership Number: 006457

NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

TO THE BOARD OF DIRECTORS OF
TRANSWARRANTY FINANCE LIMITED

As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008 issued by Reserve Bank of India (RBI) on the matters specified in Para 3 and 4 of the said Directions to the extent applicable to the Transwarranty Finance Limited ("the Company") and according to the information and explanations given to us for the purpose of audit, we report that:

- a. The Company has applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and has been granted certificate of registration dated 6 August, 1998 from the Reserve Bank as a Non-Banking Financial Company (NBFC). Further, the company is entitled to continue to hold such Registration in terms of its asset/income pattern as on 31st March, 2016.
- 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.

For **Rahul Gautam Divan & Associates**

Chartered Accountants

(Firm's Registration No. 120294W)

Place : Mumbai
Date : 24 May, 2016

GAUTAM DIVAN
Partner
Membership No.006457

**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note No.	As at 31 st March 2016		As at 31 st March 2015	
		₹	₹	₹	₹
I EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2	244,605,680		244,605,680	
(b) Reserves and Surplus	3	326,402,263		324,972,508	
			571,007,943		569,578,188
(2) Non – Current Liabilities					
(a) Long Term Borrowings	4	207,614		16,170,484	
(b) Other Long Term Liabilities	5	692,880		1,312,879	
			900,494		17,483,363
(3) Current Liabilities					
(a) Short Term Borrowings	6	8,347,394		8,110,636	
(b) Other Current Liabilities	7	6,194,611		5,980,679	
(c) Short Term Provisions	8	866,098	15,408,103	568,426	14,659,741
Total Equity and Liabilities			587,316,540		601,721,292
II ASSETS					
(1) Non Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	9	1,435,176		1,864,340	
(ii) Intangible Assets	10	849,311		1,053,868	
(b) Non Current Investments	11 (A)	331,757,383		331,757,383	
(c) Deferred Tax Assets (Net)	12	423,186		433,736	
(d) Long Term Loans and Advances	13	205,766,855		224,131,556	
			540,231,911		559,240,883
(2) Current Assets					
(a) Current Investments	11 (B)	9,074,620		27,106	
(b) Trade Receivables	14	2,007,801		2,102,316	
(c) Cash and Cash Equivalents	15	1,351,280		4,316,952	
(d) Short Term Loans and Advances	16	28,828,418		31,789,937	
(e) Other Current Assets	17	5,822,510	47,084,629	4,244,098	42,480,409
Total Assets			587,316,540		601,721,292

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

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants**Gautam Divan**
PartnerMumbai
July 21, 2016

For and on behalf of Board of Directors

Kumar Nair
Managing Director**Nirmala Parab**
Director**U. Ramachandran**
Director & CFO**Sridhar H.**
Company Secretary**Sudharsanan Nair**
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the year Ended 31 st March, 2016 (₹)	For the year Ended 31 st March, 2015 (₹)
REVENUE			
Revenue From Operations	18	99,940,781	76,347,802
Other Income	19	207,216	3,949,722
Total Revenue		100,147,997	80,297,524
EXPENSES			
Purchase of Shares held in Stock in Trade	20	58,758,158	45,271,211
Employee Benefits Expenses	21	23,382,130	18,196,196
Finance Costs	22	1,211,779	1,503,416
Depreciation and Amortisation Expenses	9 & 10	633,721	815,946
Other Expenses	23	15,229,494	13,415,691
Total Expenses		99,215,282	79,202,460
Profit Before Exceptional and Extra ordinary items and Tax		932,715	1,095,064
Exceptional Items			
Reversal of Excess Provision		466,090	605,769
Profit Before Extra ordinary items and Tax		1,398,805	1,700,833
Extraordinary Items		—	—
Profit Before Tax		1,398,805	1,700,833
Tax Expense			
Current Tax		280,000	320,000
Less: MAT Credit Entitlement		(321,500)	(101,634)
Deferred Tax		10,550	(10,266)
Short Provision of tax relating to earlier years		—	383,938
Profit After Tax		1,429,755	1,108,795
Prior Period Expenses		—	13,165
Profit After Tax from Continuing Operations		1,429,755	1,095,630
Profit from Discontinuing Operations		—	—
Tax Expense of Discontinuing Operations		—	—
Profit from Discontinuing Operations After Tax		—	—
Profit For the Year		1,429,755	1,095,630
Basic Earning Per Share of ₹ 10/- each (In Rupees)	25	0.06	0.04
Diluted Earning Per Share of ₹ 10/- each (In Rupees)	25	0.06	0.04
Notes 1 to 33 form an integral part of the Financial Statements.			

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants**Gautam Divan**
PartnerMumbai
July 21, 2016

For and on behalf of Board of Directors

Kumar Nair
Managing Director**Nirmala Parab**
Director**U. Ramachandran**
Director & CFO**Sridhar H.**
Company Secretary**Sudharsanan Nair**
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	2015-16 Amount (₹)	2014-15 Amount (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	1,398,805	1,700,833
Add: Non Operating Expenses/ Non Cash Expenses		
Depreciation & Amortisation	633,721	815,946
Provision for diminution in value of quoted investments (net)	41,890	448
Loss on Sale of Fixed Assets	–	1,945
Interest Paid	1,211,779	1,503,416
Bad debts Written off	266,910	1,565,696
	<u>2,154,300</u>	<u>3,887,451</u>
Less : Interest / Dividend/ Other Non Operating Income Adjustments		
Interest Received	9,000	489,982
Dividend Received	2,884	18,557
Profit on sales of shares/ Mutual Fund	140,517	1,407,920
Sundry Creditors written back	24,193	1,010,461
Reversal of Excess Provision	466,090	605,769
Prior Period Expenses	–	13,165
	<u>642,684</u>	<u>3,545,854</u>
Operating Profit before Working Capital Changes	2,910,421	2,042,430
Adjusted for:		
(Increase) / Decrease in Trade Receivables & Other Assets	(836,802)	718,436
(Increase) / Decrease in Loans & Advances	2,672,746	1,661,256
Increase / (Decrease) in Current Liabilities	248,237	(1,142,643)
Increase / (Decrease) in Non-Current Liabilities	(620,000)	–
Increase / (Decrease) in Provisions	255,782	(198,201)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	2015-16 Amount (₹)	2014-15 Amount (₹)
Cash Generated from Operation	4,630,384	3,081,279
Income Tax Refund / (Paid)	(3,868,087)	2,669,089
Net Cash From Operating Activities	762,297	5,750,368
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets	—	(8,500)
Proceed on sale of Fixed Assets	—	4,000
(Purchase) / Sale of Investments (Net)	(8,906,997)	6,633,578
Inter Corporate Deposits received / (Given)	7,100,801	(6,286,879)
Micro Finance Gold Loan (Given) / Received Back	(930,955)	1,958,825
Interest Received	9,000	489,982
Dividend Received	2,884	121,502
Net Cash used in Investing Activities	(2,725,266)	2,912,508
CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Secured Loans	265,157	(7,319,118)
Increase / (Decrease) in Unsecured Loans	—	—
Interest Paid	(1,211,779)	(1,503,416)
Dividend Paid (including tax thereon)	(56,081)	(43,415)
Net Cash from / (used in) Financing Activities	(1,002,700)	(8,865,947)
Net Increase / (Decrease) in Cash & Cash Equivalent	(2,965,672)	(203,071)
Opening Balance of Cash and Cash Equivalent	4,316,952	4,520,023
Closing Balance of Cash and Cash Equivalent	1,351,280	4,316,952

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants**Gautam Divan**
PartnerMumbai
July 21, 2016

For and on behalf of Board of Directors

Kumar Nair
Managing Director**Nirmala Parab**
Director**U. Ramachandran**
Director & CFO**Sridhar H.**
Company Secretary**Sudharsanan Nair**
Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

1. SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation of Financial Statements

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

(B) Fixed Assets & Depreciation

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

(C) Current Assets

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

(D) Leases

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

(E) Revenue Recognition

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

(F) Retirement Benefits

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

(G) Taxation

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

(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, 2016.
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
2. SHARE CAPITAL		
Authorised Share Capital		
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	2015-16		2014-15	
	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	24,460,568	244,605,680
Add / (Less) : Issued / (Buy back) during the Year	—	—	—	—
No of shares outstanding at the end of the year	<u>24,460,568</u>	<u>244,605,680</u>	<u>24,460,568</u>	<u>244,605,680</u>

2) Terms and rights attached to Equity Share.

The company has only one class of Equity share having a Par Value of ₹ 10/- each. Each holder of equity share is entitled for one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the share holders in the ensuring Annual General Meeting.

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

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

Equity Shares

Name of the Person / Firm / Company	2015-16		2014-15	
	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, 2016. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

4) Employees Stock Option Scheme

- a) The Transwarranty Finance Limited (TFL) Employee Stock Option Scheme has been approved by the Board Of Directors of the company on 10th March, 2008.
- b) The vesting period is over five years from the date of grant, commencing after one year from the date of grant.
- c) Exercise Period would commence one year from date of grant and will expire on completion of five years from the date of vesting.
- d) The options will be settled in equity shares of the company.
- e) The company used the intrinsic value method to account for ESOPs.
- f) The exercise price has been determined to be ₹ 10/-
- 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.
- h) Details of movement of Options

Particulars	As at 31 st March, 2016 Nos.	As at 31 st March, 2015 Nos.
Options outstanding at the beginning of the year	152,775	520,319
Prior Period Adjustments	–	(205,419)
Options granted during the year	–	–
Options vested during the year	66,375	88,939
Options exercised during the year	Nil	Nil
Options forfeited during the year	24,750	30,375
Options lapsed /surrendered during the year	–	42,811
Options outstanding at the end of the year	61,650	152,775

- i) Had fair value method been used , the compensation cost would have been higher by ₹ 5.86 Lakhs (Previous Year ₹ 6.87 Lakhs). Profit after tax would have been lower by ₹ 5.86 Lakhs (Previous year ₹ 6.87 Lakhs) and EPS both basic and diluted- would have been ₹ 0.03 Per share (Previous Year ₹ 0.02 Per share)

Particulars	As at 1 st April, 2015 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 st March, 2016 (₹)
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	31,950,820	285,951	–	32,236,771
– General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1)	36,426,541	1,143,804	–	37,570,345
	<u>324,972,508</u>	<u>1,429,755</u>	<u>–</u>	<u>326,402,263</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016.
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

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

	2016	2015
Note:- 1		
1) Profit for the year	1,429,755	1,095,630
Less:-		
Transfer to Reserve U/S 45 IC of RBI Act	<u>285,951</u>	<u>219,126</u>
	<u>285,951</u>	<u>219,126</u>
	<u>1,143,804</u>	<u>876,504</u>

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
NON-CURRENT LIABILITIES		
4. LONG TERM BORROWINGS		
I. Secured Loans		
Car Loan Account – HDFC Bank (Secured against hypothecation of Motor Car)	207,614	670,484
Total (A)	<u>207,614</u>	<u>670,484</u>
II. Unsecured Loans		
From Others:		
Inter Corporate Deposits	–	15,500,000
Total (B)	<u>–</u>	<u>15,500,000</u>
Total (A) + (B)	<u>207,614</u>	<u>16,170,484</u>

Note:-

Terms of Repayment

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016.
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
5. OTHER LONG TERM LIABILITIES		
a) Trade Payables		
Gold Loan	692,880	1,312,879
	<u>692,880</u>	<u>1,312,879</u>

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
CURRENT LIABILITIES		
6. 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 Personal Guarantee given by the Managing Director)	4,285,059	3,603,001
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 15.25% p.a.		
Total – (A)	<u>4,285,059</u>	<u>3,603,001</u>
B) Unsecured Loans		
1) From Others		
i) Inter Corporate Deposits		
– From Subsidiary Company	1,062,335	1,507,635
– From Others	3,000,000	3,000,000
Total – (B)	<u>4,062,335</u>	<u>4,507,635</u>
Total – (A) + (B)	<u>8,347,394</u>	<u>8,110,636</u>
7. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt	462,870	416,901
Interest Accrued & Due on borrowings	3,246,588	3,085,010
Unpaid Dividends	48,152	104,232
Other Payables (Creditors for Expenses)	2,437,001	2,374,536
	<u>6,194,611</u>	<u>5,980,679</u>
8. SHORT – TERM PROVISIONS		
a) Provision for Employees		
Provision for Leave Encashment	664,388	408,606
b) Others		
Provision for Diminution in value of Quoted Investments	201,710	159,820
	<u>866,098</u>	<u>568,426</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016.
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

9. FIXED ASSETS -TANGIBLE

Sr. No.	Description	GROSS BLOCK/ COST/BOOK VALUE				DEPRECIATION /AMORTISATION				NET BLOCK	
		Total As at 1-Apr-15	Additions/ Adjustments During the Year	Deductions/ Adjustments During the Year	Total As at 31-Mar-16	Total As at 1-Apr-15	Transferred to Retained Earning	Provided during the Year	Deductions/ Adjustments During the Year	Total As at 31-Mar-16	As at 31-Mar-15
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1	Furniture	688,665	-	-	688,665	545,656	-	44,586	-	590,242	143,009
2	Computers	921,991	-	-	921,991	900,461	-	21,530	-	921,991	21,530
3	Office Equipments	627,718	-	-	627,718	531,508	-	64,685	-	596,193	96,210
4	Vehicles	3,872,140	-	-	3,872,140	2,268,549	-	298,363	-	2,566,912	1,603,591
	Total	6,110,514	-	-	6,110,514	4,246,174	-	429,164	-	4,675,338	1,864,340
	Previous Year	6,154,625	8,500	52,611	6,110,514	3,552,998	131,019	608,822	46,666	4,246,174	2,601,628

10. FIXED ASSETS – INTANGIBLE

Sr. No.	Description	GROSS BLOCK/ COST/BOOK VALUE				DEPRECIATION / AMORTISATION				NET BLOCK	
		Total As at 1-Apr-15	Additions/ Adjustments During the Year	Deductions/ Adjustments During the Year	Total As at 31-Mar-16	Total As at 1-Apr-15	Transferred to Retained Earning	Provided during the Year	Deductions/ Adjustments During the Year	Total As at 31-Mar-16	As at 31-Mar-15
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1	Goodwill	400,000	-	-	400,000	-	-	-	-	-	400,000
2	Computer Software	3,418,425	-	-	3,418,425	2,764,557	-	204,557	-	2,969,114	653,868
	Total	3,818,425	-	-	3,818,425	2,764,557	-	204,557	-	2,969,114	1,053,868
	Previous Year	3,818,425	-	-	3,818,425	2,553,727	3,706	207,124	-	2,764,557	1,264,697

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016.
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Face Value (₹)	31.03.2016		31.03.2015	
		Quantity (Nos)	Value (₹)	Quantity (Nos)	Value (₹)
11(A) NON-CURRENT INVESTMENTS (AT COST)					
a) Investments in Equity Instruments					
i) In Subsidiary Companies					
a) Quoted					
Vertex Securities Limited (Market Value ₹ 84,196,406/-)	2	37,420,625	133,190,024	37,420,625	133,190,024
ii) Others					
a) Quoted					
South Indian Bank (Right Shares) (Market Value ₹ 176/-)	1	10	40	10	40
NEPC India Ltd. (Market Value ₹ 2,880/-)	10	2,000	85,156	2,000	85,156
Shree Rama Newsprint Limited (Market Value ₹ 32,063/-)	10	1,250	86,838	1,250	86,838
Anil Limited (Market Value ₹ 11,833/-)	10	39	780	39	780
b) Unquoted					
Catholic Syrian Bank Ltd.	10	700	31,000	700	31,000
b) Investments in Preference Shares					
a) In Subsidiary Companies (Un Quoted)					
15% Non Cumulative Redeemable Preference Shares of Vertex Securities Limited	100	6,863	1,372,600	6,863	1,372,600
b) Others (Un Quoted)					
8% Non Cumulative Redeemable Preference Shares of Transwarranty Advisors Pvt. Ltd	100	837,340	83,734,000	837,340	83,734,000
8% Non Cumulative Redeemable Preference Shares of Transwarranty Pvt. Ltd	100	1,132,380	113,238,000	1,132,380	113,238,000
c) Investments in Government or Trust Securities					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
UTI Master Share (Market Value ₹ 35,932/-)	-	1,000	13,945	1,000	13,945
Total			331,757,383		331,757,383

1) Aggregate amount of Quoted investments is ₹ 133,376,784/- (P.Y. ₹ 133,376,784/-) and market value is ₹ 84,279,289/- (P.Y. ₹ 67,413,838/-)

2) Aggregate amount of Un Quoted investments is ₹ 198,380,600 /- (P.Y. 198,380,600/-)

3) Aggregate provision made for diminution in value of investments is ₹ 201,710/- (P.Y. ₹ 159,820/-)

11(B) CURRENT INVESTMENTS

Particulars	Face Value (₹)	31.03.2016		31.03.2015	
		Quantity (Nos/Units)	Value (₹)	Quantity (Nos/Units)	Value (₹)
(a) Investments in Equity Shares					
Axis Bank (Market Value ₹ 2,22,275/-)	2	500	286,933	-	-
(b) Mutual Fund					
SBI Ultra Short Term Debt Fund-Regular Plan Growth		785.470	1,518,483	15.256	27,106
HDFC Liquid Fund- Growth		1,457.410	4,268,152	-	-
UTI-Money Market Fund- Institutional Plan-Growth		1,803.690	3,001,052	-	-
Total			9,074,620		27,106

(a) Aggregate amount of quoted investments is ₹ 2,86,933/- (P.Y. ₹ Nil) and market value is ₹ 2,22,275/- (P.Y. ₹ Nil).

(b) Aggregate amount of un quoted investments is ₹ 8,787,687/- (P.Y. ₹ 27,106/-).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016.
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
NON CURRENT ASSETS		
12. DEFERRED TAX ASSET		
Deferred Tax Assets on Depreciation	423,186	433,736
Deferred Tax Asset	423,186	433,736
13. LONG TERM LOANS AND ADVANCES		
A) Unsecured, Considered Good		
a) Capital Advances	40,775,000	43,300,000
b) Security Deposits	272,259	270,259
c) Loans and Advances to Related Parties		
Inter Corporate Deposits to Associates	–	341,701
d) Other Loans and Advances		
Inter Corporate Deposits	88,957,096	104,457,096
TFL-TCCPL and TFCPL Merger Scheme Trust	75,762,500	75,762,500
	205,766,855	224,131,556
CURRENT ASSETS		
14. TRADE RECEIVABLES		
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	163,438	58,859
Other Debts	1,844,363	2,043,457
	2,007,801	2,102,316
Less:- Provision for Doubtful Debts	–	–
	2,007,801	2,102,316
15. CASH AND CASH EQUIVALENTS		
a) Cash on Hand	167,717	22,953
b) Balance with Banks		
In Current Account	1,135,411	2,432,366
In Dividend Account	48,152	100,097
In Deposit Accounts :-		
– Less than 12 months Maturity	–	1,761,536
	1,351,280	4,316,952

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016.
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
16. SHORT TERM LOANS AND ADVANCES		
A) Secured, Considered Good		
a) Others		
Gold Loans	5,676,636	5,659,686
Loan Against Property	81,837	81,837
B) Unsecured, Considered Good		
a) Loans and advances to Related Parties	352,496	947,478
b) Others		
Inter Corporate Deposits	8,174,837	15,379,237
Loans and advances to Employees	11,000	88,000
Deposits	27,362	27,362
MAT Credit Entitlement	423,134	101,634
Advance Payment of Income Tax (Including TDS, Net of Provisions) { Provision For Tax ₹ 10,452,800/- (P.Y. ₹ 10,172,800/-) }	12,564,939	8,976,852
Other Short Term Advances	1,516,176	527,851
	<u>28,828,417</u>	<u>31,789,937</u>
17. OTHER CURRENT ASSETS		
Interest Accrued on ICD's	4,252,327	3,419,601
Interest Accrued on Gold Loan , etc.	1,570,183	824,497
	<u>5,822,510</u>	<u>4,244,098</u>

Particulars	For the Year Ended 31 st March, 2016 (₹)	For the Year Ended 31 st March, 2015 (₹)
18. REVENUE FROM OPERATIONS		
a) Sale of Shares held in Stock -in -Trade	58,503,817	45,063,032
b) Interest		
Interest on Gold Loan	1,324,865	1,330,868
Interest on Loan Against Shares	19,587	—
Interest Received on ICD	1,257,939	354,193
c) Other Financial Services		
Trade Finance	13,334,273	17,299,709
Corporate Finance	2,500,000	10,800,000
Investment Banking	23,000,300	1,500,000
	<u>99,940,781</u>	<u>76,347,802</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016.
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	For the Year Ended 31 st March, 2016 (₹)	For the year Ended 31 st March, 2015 (₹)
19. OTHER INCOME		
a) Dividend Income	2,884	18,557
b) Net Gain on Sale of Investments	140,517	1,407,920
c) Bad Debts Written Off Recovered	39,391	–
d) Other Non Operating Income		
– Interest Income Others	9,000	1,448,588
– Miscellaneous Income	15,424	1,074,657
	<u>207,216</u>	<u>3,949,722</u>
20. PURCHASE OF SHARES HELD IN STOCK-IN-TRADE	<u>58,758,158</u>	<u>45,271,211</u>
	<u>58,758,158</u>	<u>45,271,211</u>
21. EMPLOYEE BENEFITS EXPENSES		
a) Salaries, Wages, Bonus, Gratuity & Allowances	22,552,318	17,239,691
b) Contribution to Provident Fund	609,876	748,332
c) Staff Welfare Expenses	219,936	208,173
	<u>23,382,130</u>	<u>18,196,196</u>
22. FINANCE COST		
a) Interest Expense		
On Term Loans	94,539	135,942
On Overdrafts & Other Borrowings	563,972	936,521
b) Other Borrowing Costs		
Interest on ICD	478,707	300,743
Financial and Bank Charges	74,561	130,210
	<u>1,211,779</u>	<u>1,503,416</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016.
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	For the Year Ended 31 st March, 2016 (₹)	For the year Ended 31 st March, 2015 (₹)
23. OTHER EXPENSES		
Rent	3,202,138	1,389,276
Rates & Taxes	178,673	262,823
Insurance	531,081	546,653
Advertisement, Publicity & Sales Promotion	627,551	624,973
Travelling & Other Incidental Expenses	1,535,412	1,402,019
Office Maintenance	2,530,354	1,493,097
Vehicle Running & Maintenance	97,622	122,455
Printing & Stationery	180,146	138,578
Communication Expenses	347,470	388,110
Electricity	441,853	459,700
Donation	3,000	25,000
Auditor's Remuneration		
– As Statutory Auditors	170,000	170,000
– For Tax Audit	30,000	30,000
– For Other Services	46,325	44,845
Legal, Professional & Consultancy Charges	2,615,396	1,824,210
Directors Sitting Fees	466,000	436,000
Other Operational Expenses	1,917,673	2,489,863
Loss on Futures & Options (Net)	–	1,945
Bad Debts written off	266,910	1,565,696
Provision for Quoted Investment (Net)	41,890	448
	15,229,494	13,415,691
Note:-		
1) EARNING / EXPENDITURE IN FOREIGN CURRENCY		
Earnings in Foreign Exchange as fees for Professional Services rendered	–	2,570,504
Expenditure incurred in Foreign Currency	2,388,592	646,488
24. CONTINGENT LIABILITIES		
1) Guarantees issued by the company on behalf of its associates for acquiring office premises	40,600,000	40,600,000
2) Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for Exchange Margin requirements	30,000,000	30,000,000
3) Corporate Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for OD Facility	25,000,000	20,000,000
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 2011-12.	546,710	–
b) Tax Demand in respect of which company's Appeal is pending before the first appellate authority (Income Tax) for the Assessment Year 2012-13.	2,358,110	–
	98,504,820	90,600,000



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016.
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	For the Year Ended 31 st March, 2016 (₹)	For the year Ended 31 st March, 2015 (₹)
25. EARNINGS PER SHARE		
I. Net Profit as per Statement of Profit and Loss available for Equity Share Holders	1,429,755	1,095,630
II. Weighted Average number of equity shares for Earnings per share computation		
A) For Basic Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
B) For Diluted Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
No of Shares for Basic EPS as per II A (No's)	24,460,568	23,381,866
Add:- Weighted Average outstanding for convertible preference shares	—	—
No of shares for Diluted Earnings per Share of ₹ 10/- Each	24,460,568	23,381,866
III. Earnings Per Share (Face Value of ₹ 10/- each)		
Basic (₹)	0.06	0.04
Diluted (₹)	0.06	0.04

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

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Change in the benefit Obligations:				
Present value of obligations as on 01. 04. 2015	2,466,452	2,208,996	408,606	574,952
Current Service Cost	142,821	213,221	517,761	598,101
Past Service Cost			—	—
Interest Cost	217,940	175,653	30,888	45,116
Actuarial (Gain)/Loss on obligation	(541,849)	(104,762)	(247,866)	(787,565)
Benefits Paid	515,593	(26,656)	(45,001)	(21,998)
Present value of obligations as on 31.03.2016	2,800,957	2,466,452	664,388	408,606
Change in Plan Assets:				
Fair Value of Plan Assets as on 01.04.2015	2,553,033	1,851,011	—	—
Adjustment to the opening balance	66,448	129,459	—	—
Expected Return on Plan Assets	261,880	175,787	—	—
Employer's Contributions	64,999	460,393	45,001	21,998
Benefits Paid	515,593	(26,656)	(45,001)	(21,998)
Actuarial Gain/(Loss) on Plan Assets	(44,608)	(36,961)	—	—
Fair Value of plan assets as on 31.03.2016	3,417,345	2,553,033	—	—
Net (Asset) Liability (i) - (ii) :	(616,388)	(86,581)	664,388	408,606

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016.
(ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Net Cost for the year ended 31.03.2016				
Current Service Cost	142,821	213,221	517,761	598,101
Past Service Cost	—	—	—	—
Interest Cost	217,940	175,653	30,888	45,116
Expected Return on plan Assets	(261,880)	(175,787)	—	—
Actuarial (Gain) / Loss recognised during the year	(497,241)	(67,801)	(247,866)	(787,565)
Adjustment (Gain) to opening value of planned assets	—	—	—	—
Net Cost	(398,360)	145,286	300,783	(144,348)
Amount recognised in the Balance sheet (Asset) / Liability	(616,388)	(86,581)	664,388	408,606
Amount recognised in the Statement of Profit and Loss (Gain)/Loss	(398,360)	145,286	300,783	(144,348)
Principal actuarial Assumptions:-				
Discount rate	7.44%	8.00%	7.44%	8.00%
Expected Return on plan assets	9.00%	9.00%	—	—
Salary Escalation Rate	3.00%	5.00%	3.00%	5.00%
Attrition Rate	24.00%	8.00%	8.00%	0 to 8%
Demographic Assumptions:				
Retirement age				60 Year
Mortality rate				Unlimited

27. RELATED PARTY DISCLOSURES

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

(I) List of Related parties

- | | | |
|-------------------------------|---|--|
| (a) Subsidiary of the company | : | Vertex Securities Limited (VSL)
Vertex Commodities and Finpro (P) Ltd. (VCFPL) |
| (b) Associate Company | : | Transwarranty Advisors Pvt. Ltd. |
| (c) Key Management Personnel | : | Mr. Kumar Nair (Managing Director)
Mr. U. Ramachandran (Director & Chief Financial Officer) |



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Details of Related Party Transactions

Name of the Company / Transactions	2015-16 (₹ in Millions)	2014-15 (₹ in Millions)
1) Inter Corporate Deposits Given - Subsidiary Companies		
VSL	10.36	5.23
2) Inter Corporate Deposits Received Back - Subsidiary Companies		
VSL	9.92	57.13
3) Inter Corporate Deposits Given - Associate Company		
TAPL	4.71	5.23
4) Inter Corporate Deposits Received Back - Associate Company		
TAPL	5.05	3.53
5) Purchase of Investments - Subsidiary Companies		
VSL	–	52.50
6) Investment in Preference Shares converted into Equity Shares		
VSL	–	26.28
7) Share Trading Debit - Subsidiary Companies		
VSL	12.81	25.27
8) Share Trading Credit - Subsidiary Companies		
VSL	13.40	27.03
9) Dividend Received - Subsidiary Companies		
VSL	–	0.10
10) Current Account Debit - Subsidiary Companies		
VSL	0.01	0.06
11) Current Account Credit - Subsidiary Companies		
VSL	0.10	0.10
12) Current Account Credit - Associate Company		
TAPL	0.02	0.02
13) Interest Paid on ICD - Subsidiary Companies		
VSL	0.16	0.00
14) Interest Paid on ICD - Associate Company		
TAPL	0.02	–
15) Interest Received on ICD - Associate Company		
TAPL	0.01	–
16) Brokerage Paid on Share Trading - Subsidiary Companies		
VSL	0.18	0.14
17) Salary and Other Allowances to Key Management Personnel		
Kumar Nair	2.40	2.40
U. Ramachandran	0.51	
18) Professional Charges paid to Key Management Personnel		
U. Ramachandran	1.36	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016. (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Name of the Company / Transactions	2015-16 (₹ in Millions)	2014-15 (₹ in Millions)
Balance As on 31-03-2016 [Debit /(Credit)]		
Inter Corporate Deposit - Subsidiary Company		
VSL	(1.06)	(1.51)
Inter Corporate Deposit - Associate Company		
TAPL	–	0.34
Current Account - Subsidiary Company		
VSL	(0.09)	–
Current Account - Associate Company		
TAPL	0.06	0.08
Share Account - Subsidiary Company		
Vertex Securities Limited - Share Trading Account	0.34	0.93

28. The company is primarily engaged in a single segment viz. Financial Services and related activities, therefore the separate disclosures required under Accounting Standard (AS-17) on Segment Reporting issued by ICAI are not applicable.
29. Operating Leases: The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 36 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognised in the Statement of Profit and Loss as 'Rent' under Note No. 23 is ₹ 3,202,138/- (P.Y. ₹ 1,389,276/-). Future minimum lease rent payable are as follows:

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Not later than one year	3,126,400	3,202,000
Later than one year but not later than five years	–	3,215,000
Later than five years	–	–

30. (a) Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.
(b) Debit and Credit balances are subject to confirmation of parties.
31. Provision for taxation has been made during the year under "Minimum Alternate Tax" (MAT) as per the provisions of the Indian Income Tax Act, 1961, which can be setoff in the subsequent year based on the provisions of Section 115 JB.
32. Exceptional items are in respect of write back of excess "Provision of Gratuity".
33. Previous Year figures are regrouped or rearranged wherever necessary to correspond with the current year figures

As per our attached report of even date

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

Gautam Divan
Partner

Mumbai
July 21, 2016

For and on behalf of Board of Directors

Kumar Nair
Managing Director

Nirmala Parab
Director

U. Ramachandran
Director & CFO

Sridhar H.
Company Secretary

Sudharsanan Nair
Director



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Members of
TRANSWARRANTY FINANCE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Transwarranty Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

As stated in Note 33 forming part of the Consolidated Financial Statements, sundry debtors under the head current assets include old outstanding dues. The sundry debtors outstanding for more than six months amount to ₹ 26,151,826/-. Further out of the total sundry debtors, for a sum of ₹ 10,017,298/-, the Company has initiated legal and recovery actions, the proceedings of which are in different stages.

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and its subsidiaries, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 26 to the consolidated financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

Chartered Accountants

(Firm's Registration Number: 120294W)

Place : Mumbai
Date : 24 May 2016

GAUTAM DIVAN

Partner

Membership Number: 006457



ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Transwarranty Finance Limited ("the Holding Company") and its subsidiary companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016. However, the Group is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAHUL GAUTAM DIVAN & ASSOCIATES

Chartered Accountants

(Firm's Registration Number: 120294W)

Place : Mumbai
Date : 24 May 2016

GAUTAM DIVAN

Partner

Membership Number: 006457



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31 st March, 2016		As at 31 st March, 2015	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2	244,605,680		244,605,680	
(b) Reserves and Surplus	3	304,843,565		306,494,431	
			549,449,245		551,100,111
(2) Minority Interest	4		54,283,086		57,286,136
(3) Non – Current Liabilities					
(a) Long Term Borrowings	5	6,600,828		22,024,962	
(b) Other Long Term Liabilities	6	13,038,714		13,501,615	
			19,639,542		35,526,577
(4) Current Liabilities					
(a) Short Term Borrowings	7	24,009,207		15,477,008	
(b) Trade Payables	8	77,756,579		74,345,843	
(c) Other Current Liabilities	9	11,739,479		10,899,492	
(d) Short Term Provisions	10	2,047,305	115,552,570	1,650,573	102,372,916
Total Equity And Liabilities			738,924,443		746,285,740
II. ASSETS					
(1) Non Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	11	10,781,576		12,081,580	
(ii) Intangible Assets	12	3,026,431		4,211,359	
(b) Goodwill on Consolidation		56,592,196		56,584,196	
(c) Non Current Investments	13(A)	232,402,460		232,402,460	
(d) Deferred Tax Assets (Net)	14	423,186		433,738	
(e) Long Term Loans and Advances	15	205,766,855		224,131,556	
			508,992,704		529,844,889
(2) Current Assets					
(a) Current Investments	13(B)	9,074,620		27,106	
(b) Trade Receivables	16	45,951,238		46,835,966	
(c) Cash and Cash Equivalents	17	22,803,967		31,704,983	
(d) Short Term Loans and Advances	18	137,034,043		130,870,066	
(e) Other Current Assets	19	15,067,871	229,931,739	7,002,730	216,440,851
Total Assets			738,924,443		746,285,740

Notes 1 to 40 form an integral part of the Financial Statements.

As per our attached report of even date

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

Gautam Divan
Partner

Mumbai
May 24, 2016

For and on behalf of Board of Directors

Kumar Nair
Managing Director

Nirmala Parab
Director

U. Ramachandran
Director & CFO

Sridhar H.
Company Secretary

Sudharsanan Nair
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the year ended 31 st March, 2016 (₹)	For the year ended 31 st March, 2015 (₹)
REVENUE			
Revenue From Operations	20	152,852,565	125,535,234
Other Income	21	9,347,659	14,411,409
Total Revenue		162,200,224	139,946,643
EXPENSES			
Purchase of Shares held in Stock in Trade	22	58,758,158	45,271,211
Employee Benefits Expense	23	43,049,943	39,318,337
Finance Costs	24	7,175,591	3,728,888
Depreciation and Amortisation Expenses	11 & 12	4,142,305	5,195,879
Other Expenses	25	54,213,181	50,655,395
Total Expenses		167,339,178	144,169,710
Loss Before Exceptional and Extra ordinary items and Tax		(5,138,954)	(4,223,067)
Exceptional Items:-			
Reversal of Excess Provisions		466,090	2,598,954
Loss Before Extra ordinary items and Tax		(4,672,864)	(1,624,113)
Extraordinary Items		—	—
Loss Before Tax		(4,672,864)	(1,624,113)
Tax Expense			
Current Tax		280,000	320,000
Less: MAT Credit Entitlement		(321,500)	(101,634)
Deferred Tax		10,550	(10,266)
Short Provision of tax relating to earlier years		—	392,751
Loss After Tax		(4,641,914)	(2,224,964)
Prior Period Expenses		—	13,165
Loss for the year from Continuing Operations		(4,641,914)	(2,238,129)
Profit / (Loss) from Discontinuing Operations		—	—
Tax Expense of Discontinuing Operations		—	—
Profit / (Loss) from Discontinuing Operations After Tax		—	—
Loss For the Year		(4,641,914)	(2,238,129)
Basic Earning Per Share of ₹ 10/- each (In Rupees)	27	(0.19)	(0.09)
Diluted Earning Per Share of ₹ 10/- each (In Rupees)	27	(0.19)	(0.09)
Notes 1 to 40 form an integral part of the Financial Statements.			

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants**Gautam Divan**
PartnerMumbai
May 24, 2016

For and on behalf of Board of Directors

Kumar Nair
Managing Director**Nirmala Parab**
Director**U. Ramachandran**
Director & CFO**Sridhar H.**
Company Secretary**Sudharsanan Nair**
Director

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	2015-16 (₹)	2014-15 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and Extraordinary items	(4,672,864)	(1,624,113)
Add: Non Operating Expenses / Non Cash Expenses		
Depreciation & Amortisation	4,142,305	5,195,879
Loss on Sale of Fixed Assets (Net)	—	395,554
Interest Paid	7,175,591	3,728,888
Bad Debts Written Off	266,910	2,109,281
Provision for diminution in value of quoted investments (net)	41,890	448
	11,626,696	11,430,050
Less : Interest / Dividend / Other Non Operating Income Adjustments		
Interest Received	2,186,381	2,324,381
Profit on Sale of Fixed Assets (Net)	50,985	—
Dividend Received	2,884	18,557
Gain on Sale of Investments	1,168,943	1,407,920
Sundry Creditors balances written back	15,424	3,081,271
Reversal of Excess Provision	466,090	2,598,954
Prior Period Expenses	—	13,165
	3,890,707	9,444,247
Operating Profit before Working Capital Changes	3,063,125	361,690
Adjusted for:		
(Increase)/Decrease in Trade Receivables & Other Assets	617,818	(5,938,753)
(Increase)/Decrease in Loans & Advances	(7,385,242)	5,047,369
Increase/(Decrease) in Current Liabilities	4,150,801	7,099,114
Increase/(Decrease) in Non-Current Liabilities	(462,901)	6,465,912
Increase/(Decrease) in Provisions	820,932	(440,614)
Cash Generated from Operation	804,532	12,594,718
Income Tax Paid/ (Refund)	(3,401,685)	3,891,648
Net Cash From Operating Activities	(2,597,153)	16,486,366
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets	(1,674,388)	(312,695)
Sale of Fixed Assets	68,000	74,301
(Purchase) / Sale of Investments (Net)	(9,067,514)	6,633,577
Gain on Sale of Investments	1,168,943	—
Inter Corporate Deposits Received / (Given)	1,747,923	(13,249,826)
Gold Loan Received / (Given)	(762,636)	1,958,825
Interest Received	665,104	1,393,305
Dividend Received	2,884	18,557
Net Cash used in Investing Activities	(7,851,684)	(3,483,956)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Secured Loans	8,619,210	1,455,517
Increase/(Decrease) in Unsecured Loans	160,282	(5,996,027)
Dividend Paid (including tax thereon)	(56,080)	(106,447)
Interest Paid	(7,175,591)	(3,728,888)
Net Cash from / (used in) Financing Activities	1,547,821	(8,375,845)
Net Increase / (Decrease) in Cash & Cash Equivalent	(8,901,016)	4,626,556
Opening Balance of Cash and Cash Equivalent	31,704,983	27,078,427
Closing Balance of Cash and Cash Equivalent	22,803,967	31,704,983

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants**Gautam Divan**
PartnerMumbai
May 24, 2016

For and on behalf of Board of Directors

Kumar Nair
Managing Director**Nirmala Parab**
Director**U. Ramachandran**
Director & CFO**Sridhar H.**
Company Secretary**Sudharsanan Nair**
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

1. SIGNIFICANT ACCOUNTING POLICIES

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

B) Other Significant Accounting Policies

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

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
2. SHARE CAPITAL		
Authorised Share Capital		
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	2015-16		2014-15	
	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	24,460,568	244,605,680
Add / Less :- Issued / Buy back .	-	-	-	-
No. of shares outstanding at the end of the year	<u>24,460,568</u>	<u>244,605,680</u>	<u>24,460,568</u>	<u>244,605,680</u>

2) Terms and rights attached to Equity Share.

The company has only one class of Equity share having a Par Value of ₹ 10/- each. Each holder of equity share is entitled for one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval by the share holders in the ensuring Annual General Meeting.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

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

Equity Shares

Name of the Person / Firm / Company	2015-16		2014-15	
	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.

	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

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".
- Details of movement of Options

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 st March, 2016 (Nos)	As at 31 st March, 2015 (Nos)
Options outstanding at the beginning of the year	152,775	520,319
Prior Period Adjustments	–	(205,419)
Options granted during the year	–	–
Options vested during the year	66,375	88,939
Options exercised during the year	–	–
Options forfeited during the year	24,750	30,375
Options lapsed /surrendered during the year	–	42,811
Options outstanding at the end of the year	61,650	152,775

- i) Had fair value method been used, the compensation cost would have been higher by ₹ 5.86 Lakhs (Previous Year ₹ 6.87 Lakhs) Profit after tax would have been lower by ₹ 5.86 Lakhs (Previous year ₹ 6.87 Lakhs) and EPS both basic and diluted would have been ₹ 0.03 Per share (Previous Year ₹ 0.02 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)	Re pricing of the options done on 07.09.2015
Grant -I	462,500	69.00	2,312,500	13.80	2.00
Grant -II	50,000	145.50	250,000	29.10	2.00
Grant -III	17,500	145.50	87,500	29.10	2.00
Grant-IV	25,000	145.50	125,000	29.10	2.00
Grant-V	100,000	145.50	500,000	29.10	2.00
Grant-VI	–	–	1,013,750	29.10	2.00
Grant-VII	–	–	200,000	5.46	2.00
Grant-VIII	–	–	1,875,000	5.46	2.00

- 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 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

h) Details of movement of Options

Particulars	As at 31 st March, 2016 (Nos)	As at 31 st March, 2015 (Nos)
Options outstanding at the beginning of the year split to face Value of ₹ 2/- share	701,064	1,722,007
Prior Period Adjustments	–	(129,631)
Options granted during the year	–	–
Options vested during the year	407,688	301,866
Options exercised during the year	–	–
Options forfeited during the year	57,188	432,250
Options lapsed/surrendered during the year	10,000	157,196
Options outstanding at the end of the year	<u>226,188</u>	<u>701,064</u>

- i) Had fair value method been used, the compensation cost would have been higher by ₹ 10.94 Lakhs (Previous Year ₹ 10.94 Lakhs). Loss after tax would have been higher by ₹ 4.08 Lakhs (Previous year ₹ 10.94 Lakhs) and Basic EPS would have been ₹ (0.09) Per share (Previous Year ₹ (0.08) Per share) and Diluted EPS would have been ₹ (0.09) (Previous Year ₹ (0.05)).

Particulars	As at 1 st April, 2015 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 st March, 2016 (₹)
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	31,950,820	285,951	–	32,236,771
– General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1)	17,948,464	(1,936,817)	–	16,011,647
	<u>306,494,431</u>	<u>(1,650,866)</u>	<u>–</u>	<u>304,843,565</u>

Particulars	As at 1 st April, 2014 (₹)	Additions/ Created During the Year	Deductions During the Year	As at 31 st March, 2015 (₹)
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	31,722,394	219,126	(9,300)	31,950,820
– General Reserve	10,410,757	–	–	10,410,757
d) Surplus as per Statement of Profit & Loss (Note-1)	21,361,258	(1,688,673)	1,724,120	17,948,464
	<u>309,678,799</u>	<u>(1,469,547)</u>	<u>1,714,820</u>	<u>306,494,431</u>

Note-1 :-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	2016	2015
1) Loss for the year	(4,641,914)	(2,238,129)
Less:-		
Transfer to Reserve U/S 45 IC of RBI Act	285,951	219,126
Share of Loss transferred to Minority Interest -VSL	(2,991,071)	(1,698,404)
Share of Profit/(Loss) transferred to Minority Interest -VCFPL	23	(287)
Adjustment for old debtors written off-VSL	-	920,809
Prior Period Adjustment for Reserve U/S 45 IC of RBI Act	-	9,300
	(2,705,097)	(549,456)
	(1,936,817)	(1,688,673)

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
4. MINORITY INTEREST		
Vertex Commodities & Finpro (P) Limited	203	12,183
Vertex Securities Limited	54,282,883	57,273,953
	54,283,086	57,286,136

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
NON-CURRENT LIABILITIES		
5. LONG TERM BORROWINGS		
I. Secured Loans		
A. Loan From Banks		
Car Loan Account-HDFC Bank (Secured against hypothecation of Motor Car)	606,808	670,484
Total (A)	606,808	670,484
II. Unsecured Loans		
From Others,		
Inter Corporate Deposits	-	15,500,000
Security Deposit From Franchises	5,994,020	5,854,478
Total (B)	5,994,020	21,354,478
Total (A) + (B)	6,600,828	22,024,962

Note:-

Terms of Vehicle Loan

- Vehicle loan of Transwarranty Finance Limited was sanctioned on 17.09.2012 from HDFC Bank for a period of 5 years. Current EMI per month is ₹ 42,620/-.
- Vehicle loan of Vertex Securities Limited was sanctioned on 05.05.2015 from HDFC Bank for a period of 5 years. Current EMI per month is ₹ 12,630/-.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
6. OTHER LONG TERM LIABILITIES		
a) Trade Payables		
Amount Payable to Clients	11,397,374	11,240,027
Gold Loan	692,880	1,312,879
b) Others		
Other Creditors	948,460	948,709
	<u>13,038,714</u>	<u>13,501,615</u>
CURRENT LIABILITIES		
7. SHORT TERM BORROWINGS		
A) Secured Loans		
1) Loan from Bank		
Overdraft Account – The Catholic Syrian Bank Ltd	4,285,059	3,603,001
(Secured against Gold Loan Receivables and personal guarantee given by the Managing Director)		
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 15.25% p.a.		
Overdraft Account- Axis Bank	16,724,148	8,874,007
Note:- Overdraft from Axis bank is Working Capital Facility secured against mortgage of property owned by Transwarranty Private Limited - ₹ 25,000,000/- (P.Y. 20,000,000/-) , Corporate Guarantee of Holding Company and Personal Guarantee of the Managing Director. Limits shall be renewed before the expiry of the sanctioned period of one year. Current interest rate is 13.25%)		
Total – (A)	<u>21,009,207</u>	<u>12,477,008</u>
B) Unsecured Loans		
i) Inter Corporate Deposits		
– From Others	3,000,000	3,000,000
Total – (B)	<u>3,000,000</u>	<u>3,000,000</u>
Total – (A) + (B)	<u>24,009,207</u>	<u>15,477,008</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
8. TRADE PAYABLES		
a) Amount Due to Micro , Small & Medium Enterprises	—	—
b) Other Creditors		
Amount due to Clients	77,756,579	74,345,843
	<u>77,756,579</u>	<u>74,345,843</u>
9. OTHER CURRENT LIABILITIES		
a) Current Maturities of Long Term Debt	567,587	416,901
b) Interest Accrued & Due on borrowings	3,105,750	3,085,010
c) Unclaimed Dividends	48,152	104,232
d) Other Payables		
– Creditors for Expenses	8,017,990	7,293,349
	<u>11,739,479</u>	<u>10,899,492</u>
10. SHORT – TERM PROVISIONS		
a) Provision for Employees		
Provision for Gratuity	87,604	—
Provision for Leave Encashment	1,112,051	891,041
b) Others		
Provision for Diminution in value of Quoted Investments	201,710	159,820
Provision Others	645,940	599,712
	<u>2,047,305</u>	<u>1,650,573</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

11. FIXED ASSETS -TANGIBLE

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE				DEPRECIATION / AMORTISATION				NET BLOCK	
		Total As at 1-Apr-15	Additions / Adjustments During the Year	Deductions/ Adjustments During the Year	Total As at 31-Mar-16	Total As at 1-Apr-15	Transferred to Retained Earning	Provided during the year	Deductions / Adjustments During the Year	Total As at 31-Mar-16	As at 31-Mar-16
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1	Furniture & Fixture	10,719,438	12,720	-	10,732,158	7,735,286	-	834,002	-	8,569,288	2,162,870
2	Computers	21,302,605	85,371	-	21,387,976	21,214,343	-	83,655	-	21,297,998	89,978
3	Office Equipments	13,647,791	629,607	64,000	14,213,398	6,805,064	-	1,200,576	46,985	7,958,655	6,254,743
4	Vehicles	6,518,287	689,226	531,526	6,675,987	4,351,847	-	581,681	531,526	4,402,002	2,273,985
	Total	52,188,121	1,416,924	595,526	53,009,519	40,106,540	-	2,699,914	578,511	42,227,943	10,781,576
	Previous Year	53,018,418	307,445	1,137,744	52,188,119	35,669,471	1,631,003	3,473,954	667,889	40,106,539	12,081,580
											17,348,947

12. FIXED ASSETS – INTANGIBLE

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE				DEPRECIATION / AMORTISATION				NET BLOCK	
		Total As at 1-Apr-15	Additions / Adjustments During the Year	Deductions/ Adjustments During the Year	Total As at 31-Mar-16	Total As at 1-Apr-15	Transferred to Retained Earning	Provided during the year	Deductions / Adjustments During the Year	Total As at 31-Mar-16	As at 31-Mar-16
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1	Goodwill	400,000	-	-	400,000	-	-	-	-	-	400,000
2	Computer Software	9,257,175	257,464	-	9,514,639	8,504,257	-	383,738	-	8,887,995	626,644
3	License	11,826,335	-	-	11,826,335	9,101,867	-	883,653	-	9,985,520	2,724,468
4	Bombay Stock Exchange	1,000,000	-	-	1,000,000	894,110	-	100,000	-	994,110	105,890
5	NMCE	100,000	-	-	100,000	100,000	-	-	-	100,000	-
6	MCX	251,000	-	-	251,000	251,000	-	-	-	251,000	-
7	NCDEX	500,000	-	-	500,000	419,041	-	50,000	-	469,041	80,959
8	NSEL	250,000	-	-	250,000	102,877	-	25,000	-	127,877	147,123
	Total	23,584,510	257,464	-	23,841,974	19,373,152	-	1,442,391	-	20,815,543	4,211,359
	Previous Year	23,579,260	5,250	-	23,584,510	17,558,109	93,117	1,721,925	-	19,373,151	4,211,359
											6,021,152

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	Face Value (₹)	31.03.2016		31.03.2015	
		Quantity (Nos.)	Value (₹)	Quantity (Nos.)	Value (₹)
13(A) NON- CURRENT INVESTMENTS (AT COST)					
a) Investments in Equity Instruments					
i) Quoted Investments					
South Indian Bank (Right Share)	1	10	40	10	40
(Market Value ₹ 176/-)					
NEPC India Ltd. (Market Value ₹ 2,880/-)	10	2,000	85,156	2,000	85,156
Rama Newsprint Papers Ltd. (Market Value ₹ 32,063/-)	10	1,250	86,838	1,250	86,838
Anil Limited (Market Value ₹ 11,833/-)	10	39	780	39	780
ii) Unquoted Investments					
Catholic Syrian Bank Ltd.	10	700	31,000	700	31,000
Cochin Stock Exchange	10	905	2,507,700	905	2,507,700
b) Investments in Preference Shares					
i) Associate Companies					
8% Non-Cumulative Redeemable Preference Shares of Transwarranty Private Limited	100	1,459,380	145,938,000	1,459,380	145,938,000
ii) Others					
8% Non-Cumulative Redeemable Preference Shares of Transwarranty Advisors Private Limited	100	837,340	83,734,000	837,340	83,734,000
c) Investments in Government or trust securities					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
UTI Master Share (Market Value ₹ 35,932/-)	–	1,000	13,945	1,000	13,945
Total			232,402,460		232,402,460

- 1) Aggregate amount of Quoted investments is ₹ 186,760/- (P.Y. ₹ 186,760/-) and market value is ₹ 82,884/- (P.Y. ₹ 56,713/-)
- 2) Aggregate amount of Unquoted investments is ₹ 232,215,700/- (P.Y. ₹ 232,215,700/-)
- 3) Aggregate provision made for diminution in value of investments is ₹ 201,710/- (P.Y. ₹ 159,820/-)

13(B) CURRENT INVESTMENTS

Particulars	Face Value (₹)	31.03.2016		31.03.2015	
		Quantity (Nos. / Units)	Value (₹)	Quantity (Nos. / Units)	Value (₹)
(a) Investment in Equity Shares					
Axis Bank (Market Value ₹ 2,22,275/-)	2.00	500	286,933	–	–
(b) Mutual Fund					
SBI Ultra Short Term Debt Fund- Regular Plan Growth		785.470	1,518,483	15.256	27,106
HDFC Liquid Fund - Growth		1,457.410	4,268,152	–	–
UTI - Money Market fund - Institutional Plan - Growth		1,803.690	3,001,052	–	–
Total			9,074,620		27,106

- (a) Aggregate amount of quoted investments is ₹ 2,86,933/- (P.Y. ₹ Nil) and market value is ₹ 2,22,275/- (P. Y. ₹ Nil).
- (b) Aggregate amount of un quoted investments is ₹ 8,787,687/- (P.Y. ₹ 27,106/-).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
NON CURRENT ASSETS		
14. DEFERRED TAX ASSETS		
1) The Deferred Tax Assets (Net) at the year end comprises of timing differences arising on account of :-		
Deferred Tax Asset:-		
Depreciation	423,186	433,738
	<u>423,186</u>	<u>433,738</u>
15. LONG TERM LOANS AND ADVANCES		
A) Unsecured, Considered Good		
a) Capital Advances	40,775,000	43,300,000
b) Security Deposits	272,259	270,259
c) Loans and Advances to Related Parties		
Inter Corporate Deposits	–	341,701
d) Other Loans and Advances		
Inter Corporate Deposits to Others	88,957,096	104,457,096
TFL-TCCPL and TFCPL Merger Scheme Trust	75,762,500	75,762,500
	<u>205,766,855</u>	<u>224,131,556</u>
CURRENT ASSETS		
16. TRADE RECEIVABLES		
Un Secured considered Good		
Debts outstanding for a period exceeding six Months	26,315,264	25,840,037
Other Debts	19,635,974	20,995,929
	<u>45,951,238</u>	<u>46,835,966</u>
Less:- Bad Debts Written off	–	–
	<u>45,951,238</u>	<u>46,835,966</u>
17. CASH AND CASH EQUIVALENTS		
a) Cash on Hand	179,468	48,779
b) Balance with Banks		
In Current Account	4,076,347	11,294,571
In Dividend Account	48,152	100,097
In Deposit Accounts :-		
Less than 12 months Maturity	18,500,000	20,261,536
More than 12 Months Maturity	–	–
Note:-		
1. Fixed Deposit of ₹ 17,500,000/- (P.Y. ₹ 17,500,000/-) are pledged against Bank Guarantees and ₹ 1,000,000/- (P.Y. ₹ 1,000,000/-) are pledged against Trading Guarantee for Exchange.	<u>22,803,967</u>	<u>31,704,983</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 31 st March, 2016 (₹)	As at 31 st March, 2015 (₹)
18. SHORT TERM LOANS AND ADVANCES		
A) Secured Considered Good		
a) Others		
Gold Loans	5,676,636	5,659,686
Loan Against Property	81,837	81,837
B) Unsecured, Considered Good		
a) Loans and advances to Related Parties	352,496	947,478
b) Others		
Inter Corporate Deposits	69,485,879	76,690,279
Loans and advances to Employees	11,000	88,000
Deposits	39,786,134	30,788,606
MAT Credit Entitlement	423,134	101,634
Advance Payment of Income Tax (Including TDS, Net of Provision) { Provision For Tax ₹ 10,452,800/- (P.Y. ₹ 10,172,800/-) }	15,426,570	12,304,885
Other Short Term Advances	1,516,177	527,851
Advance Receivable	4,274,180	3,679,810
	<u>137,034,043</u>	<u>130,870,066</u>
19. OTHER CURRENT ASSETS		
Interest Accrued on ICD's	9,218,522	3,420,344
Interest Accrued on Fixed Deposits	4,279,166	2,757,889
Interest Accrued on Gold Loan , etc.	1,570,183	824,497
	<u>15,067,871</u>	<u>7,002,730</u>
Particulars	For the year Ended on 31 st March, 2016 (₹)	For the year Ended on 31 st March, 2015 (₹)
20. REVENUE FROM OPERATIONS		
a) Sale of Shares held in Stock-in-Trade	58,503,817	45,063,032
b) Interest		
Interest on Gold Loan	1,324,865	1,330,868
Interest on Loan Against Shares	19,587	—
Interest on Inter Corporate Deposits	6,931,595	354,936
c) Other Financial Services		
Trade Finance	13,334,273	17,299,709
Corporate Finance	2,500,000	10,800,000
Investment Banking	23,000,300	1,500,000
Brokerage Income	44,518,856	47,026,582
Merchant Banking Fees	286,000	—
Income From DP Operations	2,433,272	2,160,107
	<u>152,852,565</u>	<u>125,535,234</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	For the year Ended on 31 st March, 2016 (₹)	For the year Ended on 31 st March, 2015 (₹)
21. OTHER INCOME		
a) Dividend Income	2,884	18,557
b) Net Gain on sale of Investments	1,168,943	1,407,920
c) Bad Debts Written Off Recovered	39,391	–
d) Other Non Operating Income		
– Interest Income	2,186,381	3,282,987
– Miscellaneous Income	3,918,621	7,626,641
– Vsat Recurring Charges Recovered	–	92,300
– Late Payment Charges	1,980,454	1,408,804
– Software & AMC Charges Recovered	–	574,200
– Profit on Sale of Fixed Assets	50,985	–
	<u>9,347,659</u>	<u>14,411,409</u>
22. PURCHASE OF SHARES HELD IN STOCK-IN-TRADE	<u>58,758,158</u>	<u>45,271,211</u>
	<u>58,758,158</u>	<u>45,271,211</u>
23. EMPLOYEE BENEFITS EXPENSES		
a) Salaries, Wages, Bonus, Gratuity & Allowances	40,121,098	36,443,568
b) Contribution to Provident Funds & Other Funds	2,111,095	2,039,979
c) Staff Welfare Expenses	817,750	834,790
	<u>43,049,943</u>	<u>39,318,337</u>
24. FINANCE COST		
a) Interest Expense		
On Term Loans	141,382	140,351
On Overdrafts & Other Borrowings	5,843,424	2,642,496
b) Other Borrowing Costs		
Interest on ICD	478,707	300,743
Bank Charges	301,149	270,037
Bank Guarantee Expenses	410,929	375,261
	<u>7,175,591</u>	<u>3,728,888</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	For the year Ended on 31 st March, 2016 (₹)	For the year Ended on 31 st March, 2015 (₹)
25. OTHER EXPENSES		
Rent	5,646,545	3,695,645
Rates & Taxes	198,003	277,260
Insurance	560,523	589,068
Advertisement , Publicity & Sales Promotion	1,062,662	1,199,839
Travelling & Other Incidental Expenses	2,330,424	2,074,067
Office Maintenance	5,445,454	5,027,545
Vehicle Running & Maintenance	203,973	212,165
Printing & Stationery	571,506	475,094
Communication Expenses	1,451,472	1,472,061
Electricity	1,702,893	1,822,638
Donation	3,000	25,000
Auditor's Remuneration		
– As Auditors	345,000	385,000
– For Tax Audit	75,000	75,000
– For Other Services	86,325	90,395
Legal , Professional & Consultancy Charges	5,965,940	4,071,758
Directors Sitting Fees	599,159	550,445
Other Operational Expenses	27,656,502	26,107,132
Loss on Sale of Fixed Assets	–	395,554
Bad Debts written off	266,910	2,109,281
Provision for Quoted Investments (Net)	41,890	448
	54,213,181	50,655,395
Note:-		
EARNING / EXPENDITURE IN FOREIGN CURRENCY		
Earnings in Foreign Exchange as fees for Professional Services rendered	–	2,570,504
Expenditure incurred in Foreign Currency	2,388,592	646,488



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	For the year Ended on 31 st March, 2016 (₹)	For the year Ended on 31 st March, 2015 (₹)
26. CONTINGENT LIABILITIES		
1) Guarantees issued by the company on behalf of its associates for acquiring office premises	40,600,000	40,600,000
2) Counter Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for Exchange Margin requirements	30,000,000	30,000,000
3) Corporate Guarantees issued by Transwarranty Finance Limited to bankers on behalf of its subsidiary company Vertex Securities Limited for OD Facility	25,000,000	20,000,000
4) Counter Guarantee issued by Vertex Securities Limited in favour of the banker for guarantee given by them for Exchange Margin requirements.	17,500,000	17,500,000
5) Guarantees issued by Vertex Securities Limited on behalf of its Subsidiary Company Vertex Commodities & Finpro Pvt. Ltd. for Exchange Margin requirements	5,000,000	5,000,000
6) Claims against the company not acknowledged as debt		
– Income Tax for Assessment Year 2011-12	546,710	–
– Income Tax for Assessment Year 2012-13	2,358,110	2,358,110
– Service Tax orders for FY 2006-07 to 2009-10	622,000	622,000
– Service Tax orders for FY 2008-09 to 2012-13	881,042	881,042
	<u>122,507,862</u>	<u>116,961,152</u>
27. EARNINGS PER SHARE		
I. Net Profit as per Statement of Profit and Loss available for Equity Share Holders	(4,641,914)	(2,238,129)
II. Weighted Average number of equity shares for Earnings per share computation		
A) For Basic Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
B) For Diluted Earnings per share of ₹ 10/- each (No's)	24,460,568	24,460,568
III. Earnings Per Share (Face Value of ₹ 10/- each)		
Basic (₹)	(0.19)	(0.09)
Diluted (₹)	(0.19)	(0.09)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

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

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Change in the benefit Obligations:				
Present value of obligations as on 01. 04. 2015	4,330,927	5,463,141	891,041	1,458,190
Current Service Cost	401,834	517,315	754,155	880,025
Past Service Cost	—	—	—	—
Interest Cost	353,732	418,407	58,012	107,364
Actuarial (Gain)/Loss on obligation	(406,789)	(1,601,845)	(259,390)	(1,322,257)
Benefits Paid	181,454	(466,091)	(331,767)	(232,281)
Present value of obligations as on 31.03.2015	4,861,158	4,330,927	1,112,051	891,041
Change in Plan Assets:				
Fair Value of Plan Assets as on 01.04.2014	4,966,043	3,711,681	—	—
Adjustment to the opening balance	84,431	481,929	—	—
Expected Return on Plan Assets	490,930	376,494	—	—
Employer's Contributions	627,141	933,712	331,767	232,281
Benefits Paid	181,454	(466,091)	(331,767)	(232,281)
Actuarial Gain/(Loss) on Plan Assets	(71,897)	(71,682)	—	—
Fair Value of plan assets as on 31.03.2015	6,278,102	4,966,043	—	—
Net (Asset) Liability (i) - (ii) :	(1,416,944)	(635,116)	1,112,051	891,041
Net Cost for the year ended 31.03.2015				
Current Service Cost	401,834	517,315	754,155	880,025
Past Service Cost	—	—	—	—
Interest Cost	353,732	418,407	58,012	107,364
Expected Return on plan Assets	(490,930)	(376,494)	—	—
Actuarial (Gain)/ Loss recognised during the year	(334,892)	(1,530,163)	(259,390)	(1,322,257)
Adjustment (Gain) to opening value of planned assets	—	—	—	—
Net Cost	(70,256)	(970,935)	552,777	(334,868)
Amount recognised in the Balance sheet (Asset) / Liability	(1,416,944)	(635,116)	1,112,051	891,041
Amount recognised in the Statement of Profit and Loss (Gain) / Loss	(70,256)	(970,935)	552,777	(334,868)
Principal actuarial Assumptions:-				
a) Transwarranty Finance Limited				
Discount rate	7.44%	8.00%	7.44%	8.00%
Expected Return on plan assets	9.00%	9.00%	—	—
Salary Escalation Rate	3.00%	5.00%	3.00%	5.00%
Attrition Rate	0 to 24%	0 to 8%	0 to 24%	0 to 8%
a) Vertex Securities Limited				
Discount rate	7.46%	8.00%	7.46%	8.00%
Expected Return on plan assets	9.00%	9.00%	—	—
Salary Escalation Rate	3.00%	5.00%	3.00%	5.00%
Attrition Rate	0 to 5%	0 to 10%	0 to 5%	0 to 10%
Demographic Assumptions:				
Retirement age				58 Year
Mortality rate				Unlimited



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

29. RELATED PARTY DISCLOSURES

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

(I) List of Related parties

- (a) Associate Company : Transwarranty Advisors Private Limited (TAPL)
 (b) Key Management Personnel : Mr. Kumar Nair (Managing Director), Mr. U.Ramachandran (Director & C.F.O)

Details of Related Party Transactions

Name of the Company / Transactions	2015-16 (₹ In Millions)	2014-15 (₹ In Millions)
1) Inter Corporate Deposits Given - Associate Company TAPL	4.71	10.71
2) Inter Corporate Deposits Received Back - Associate Company TAPL	5.05	3.69
3) Issue of Equity Shares on Conversion of 0.5% Fully Convertible Preference Shares - Associate Company TAPL	—	2.28
4) Current Account Credit - Associate Company TAPL	0.02	0.02
5) Interest Received on ICD- Associate Company TAPL	0.01	—
6) Dividend Paid (by Vertex Securities Ltd.) - Associate Company TAPL	—	0.05
7) Issue of Equity Shares on Conversion of 0.5% Fully Convertible Preference Shares - Key Management Personnel Kumar Nair	—	16.59
8) Salary and Other allowances to Key Management Personnel Kumar Nair	2.40	2.40
U. Ramachandran	0.51	—
9) Margin Received (in Vertex Securities Ltd.)- Key Management Personnel Kumar Nair	0.39	22.00
10) Margin Returned (in Vertex Securities Ltd.)- Key Management Personnel Kumar Nair	6.35	—
11) Interest paid on Margin Received (in Vertex Securities Ltd.) - Key Management Personnel Kumar Nair	2.87	0.12
12) Professional Charges paid to Key Management Personnel U. Ramachandran	1.36	—
Balance As on 31-03-2016 [Debit / (Credit)] (In the Books of Transwarranty Finance Limited)		
Intercompany Deposit - Associate Company TAPL	—	0.34
Current Account - Associate Company TAPL	0.06	0.08
(In the Books of Vertex Securities Limited)		
Trading Account - Key Management Personnel Kumar Nair - Margin Account	(16.45)	(22.00)
Kumar Nair - Trading Account	(0.00)	(0.00)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

30. PRINCIPLES OF CONSOLIDATION:

- The consolidated financial statements relate to Transwarranty Finance Limited, the holding company and its majority owned subsidiaries. The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements'. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.
- In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investment in the subsidiaries and/or joint ventures over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment as stated above.
- Investments in Associates are dealt with in accordance with Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India. As on the reporting date the company does not have any associate company.
- The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as of the Company i.e., for the year ended March 31, 2016.

31. INFORMATION ON SUBSIDIARIES :

The Subsidiary companies considered in the consolidated financial statement are :

Name of the Company	Country of Incorporation	Percentage of Holding at 31.03.2016
Vertex Securities Limited (VSL)	India	50.74%
Vertex Commodities & Finpro Pvt. Ltd. (Subsidiary of VSL)	India	99.9996%

- Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.
 - Debit and Credit balances are subject to confirmation of parties.
- Sundry debtors include old outstanding debts amounting to ₹ 10,017,298/- (₹ 15,259,655/-) in respect of which Company has initiated legal and other recovery actions, the proceedings of which are in different stages of progress. No provision for doubtful debts has been made in the accounts during the year since the management is confident that the debts are good and recoverable.
- Lien has been marked in favour of Axis bank in respect of Bank Deposits worth ₹ 17,500,000/- (P.Y ₹ 17,500,000/-) together with accumulated interest thereon, against bank guarantees issued by them on account of the Company. Lien has been marked in favour of BSE against trading guarantee in respect of Bank Deposit worth ₹ 1,000,000 /- (P.Y. ₹ 1,000,000/-) together with accumulated interest thereon.
- The management has evaluated the long term investments and confirms that there exist no circumstances which warrant provision on account of permanent diminution in the value of investments.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Investments in Equity Instruments	Number of shares	Market Price per share as at 31.03.2016	Market Value as at 31.03.2016
Atlos Ltd.	100	NotAvailable	NotAvailable
Apple Credit Corp. Ltd.	100	1.60	160
Arihant Cotsyn Ltd.	50	NotAvailable	NotAvailable
Cauvery Software Engg. Systems Ltd.	100	0.65	65
Classic Diamond India Ltd.	100	0.50	50
Computer Power	500,000	NotAvailable	NotAvailable
Dunlop Ltd.	100	10.41	1,041
Femnor Mineral	100	NotAvailable	NotAvailable
Goldstone Infrastructure	100	16.90	1,690
Indo French Biotech Enterprise Ltd.	1,000	0.60	600
Kerala Ayurveda Ltd.	100	54.45	5,445
Kitex Garments Ltd.	1,000	436.70	436,700
Koluthara Exports	4,900	NotAvailable	NotAvailable
MOH Ltd.	20,000	0.10	2,000
Nagarjuna Finance Ltd.	200	3.05	610
Superstar Distillaries & Foods Ltd.	2,600	2.60	6,760
Synthetics & Chemicals Ltd.	100	1.25	125
TISCO SPN	15	NotAvailable	NotAvailable
Trend Design	800	NotAvailable	NotAvailable
TTK Health Care	100	925.00	92,500
UTI Master share	50	NotAvailable	NotAvailable
Vanady Chemicals	200	NotAvailable	NotAvailable
Vatsa Corporation Ltd.	4,200	NotAvailable	NotAvailable
Vysali Pharmaceuticals Ltd.	11,600	4.28	49,648
TOTAL	547,615		597,394

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

36. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

37. Operating Leases: The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 60 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognised in the Statement of Profit and Loss as 'Rent' under Note No. 25 is ₹ 5,646,545 (P.Y. 3,695,645/-). Future minimum lease rent payable are as follows:-

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Not later than one year	5,488,302	4,672,550
Later than one year but not later than five year	1,350,738	4,199,940
Later than five year	—	—

38. Provision for taxation has been made during the year under "Minimum Alternate Tax" (MAT) as per the provisions of the Indian Income Tax Act, 1961, which can be setoff in the subsequent year based on the provisions of Section 115 JB.
39. Exceptional items are in respect of write back of excess "Provision of Gratuity".
40. Previous Year figures are regrouped or rearranged wherever necessary to correspond with the current year figures.

As per our attached report of even date

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

Gautam Divan
Partner

Mumbai
May 24, 2016

For and on behalf of Board of Directors

Kumar Nair
Managing Director

Nirmala Parab
Director

U. Ramachandran
Director & CFO

Sridhar H.
Company Secretary

Sudharsanan Nair
Director

**FORM NO. AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ Associate companies/ Joint ventures.

Part-A Subsidiaries

(Amount in ₹)

S.No.	Particulars		
1	Serial Number	1	2
2	Name of the Subsidiary	Vertex Securities Limited	Vertex Commodities & Finpro Private Limited
3	Reporting Period of the Subsidiary	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016
4	Reporting Currency & Exchange Rate	INR Rs.1/-	INR Rs.1/-
5	Share Capital	150,283,300	58,615,000
6	Reserves & Surplus	(25,007,266)	(14,580,890)
7	Total Assets	225,290,800	64,106,033
8	Total Liabilities	225,290,800	64,106,033
9	Investments	61,123,030	32,700,000
10	Turnover	52,372,436	9,683,806
11	Profit/(Loss) before Taxation	(6,104,453)	32,784
12	Provision For Taxation	Nil	Nil
13	Profit / (Loss) after Taxation	(6,104,453)	32,784
14	Proposed Dividend	Nil	Nil
15	% of Share Holding	50.74%	99.9996%

Notes:-

- 1) There are no subsidiaries which are yet to commence operations
- 2) There are no subsidiaries which have been liquidated or sold during the year

Part- B Associates & Joint Ventures**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associates and Joint Ventures**

The company has no Associates Companies and Joint Ventures.

As per our attached report of even date

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

Gautam Divan
Partner

Mumbai
May 24, 2016

For and on behalf of Board of Directors

Kumar Nair
Chairman & Managing Director

Nirmala Parab
Director

U. Ramachandran
Director & CFO

Sridhar H.
Company Secretary

Sudharsanan Nair
Director



Form No. MGT-11

PROXY FORM

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



TRANSWARRANTY FINANCE LIMITED

CIN: L65920MH1994PLC080220

Registered Office:

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

Tel.: +91-40010900 Fax.: +91-22-6630 6655

Website: www.transwarranty.com

Email: companysecretary@transwarranty.com

Name of the member(s):

Registered address:

E-mail Id:

Folio No / Client Id: DP ID:

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

1. Name:

Address:

E-mail Id: Signature:, or failing him

2. Name:

Address:

E-mail Id: Signature:, or failing him

3. Name:

Address:

E-mail Id: Signature:



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 3rd floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, on 19th September, 2016 at 10.30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

RslNo	Ordinary Business	Optional	
		*For	*Against
1.	Adoption of financial statement for the year ended March 31, 2016		
2.	Re-appointment of Mr. Kumar Nair (DIN 00320541) Director in place of Director who retires by rotation		
3.	Ratification of M/s. Rahul Gautam & Associates., Chartered Accountants as Auditors and fixation of remuneration thereof		
	Special Business		
4.	Appointment of Mr. Sudharsanan Nair (DIN 01510505) as an Independent Director of the Company for a term of upto five years		

Signed this day of 2016.

.....
Signature of shareholder

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

Affix
Revenue
Stamp of
₹ 1/-

Note:

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

Transwarranty Finance Limited

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

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

- Retail Stock Broking
- Distribution of Mutual Funds, IPO and other financial products
- Retail Investment advisory services
- Depository Participant
- Institutional Broking
- Arbitrage
- AMFI Certified Corporate Agent

Merchant Banking

- Management of Initial Public Offers / Follow on Offers / Rights Issue
- Management of debt (Bond) issues for Companies / Institutions / Corporations / Government Undertakings / Any other entity eligible to make a bond issue
- Placement of Equity Shares with QIP / Private Equity Funds
- Placement of Preference Shares
- Corporate Restructuring
- Valuations of Companies / Enterprises / Shares
- Listing services on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE)
- Buy Back of Shares
- Take Over & Offer for Sale
- ESOPs
- Certifications

Vertex Commodities And Finpro Pvt. Ltd.

Vertex Commodities And Finpro Pvt. Ltd., a subsidiary of Vertex Securities Limited is also a national level retail broking company with around 200 branch / franchise offices across India having membership in the National Commodities & Derivatives Exchange (NCDEX), Multi Commodity Exchange (MCX), National Multi Commodity Exchange of India Limited (NMCE) and National SPOT Exchange of India Limited.

Membership and Licenses

- Reserve Bank of India (RBI) Registration for Financial Services
- Securities and Exchange Board of India (SEBI) Registration for Merchant Banking
- SEBI Registration for Securities Broking
- Foreign Exchange Dealers Association of India (FEDAI) accreditation for Inter-Bank Foreign Exchange Broking
- Association of Mutual Funds of India (AMFI) Registration for Mutual Funds Distribution
- Member of the Association of Merchant Bankers of India (AMBI)
- Membership of the National Stock Exchange (NSE) for broking in Equities, Derivatives Segments and Currency Segments
- Membership of the Bombay Stock Exchange (BSE) for Broking in Equities Segment
- Membership of the Cochin Stock Exchange (CSE) for Broking in Equities Segment
- Membership of the National Commodities & Derivatives Exchange (NCDEX)
- Membership in the Multi Commodity Exchange (MCX) (Commodity and Currency)
- Membership in the National Multi Commodity Exchange of India Limited (NMCE)
- Membership in National Securities Depository Limited (NSDL)
- Membership in National Spot Exchange Ltd. (NSEL).

Registered Office Address:

CIN: L65920MH1994PLC080220

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

Tel. : 022-6630 6090 / 4001 0900

Fax : 022-6630 6655

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

E-mail : mail@transwarranty.com



TRANSWARRANTY FINANCE LIMITED
FINANCIAL ENGINEERS



TRANSWARRANTY FINANCE LIMITED

CIN: L65920MH1994PLC080220

Registered Office:

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

Tel.: +91-022-40010900 Fax.: +91-022-66306655 • Website: www.transwarranty.com

Email.: companysecretary@transwarranty.com

ATTENDANCE SLIP

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

I hereby record my presence at the **22ND ANNUAL GENERAL MEETING** of the Company at M C Ghia Hall, Bhogilal Hargovindas Building, 3rd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001, at 10.30 a.m. on Monday, 19th September, 2016.

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

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

Notes:

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

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

Notes: Please read Note on "Procedures for E-voting" in the Notice for the 22nd Annual General Meeting of the Company.

