



TRANSWARRANTY FINANCE LIMITED

FINANCIAL ENGINEERS



17th

Annual Report 2011

Board of Directors



Mr. Suresh Talwar
Chairman

Mr. Suresh Talwar, is a distinguished and reputed Solicitor & Advocate. He is a Senior Partner of Talwar Thakore and Associates, one of the leading firms of Solicitors in India. He is the legal counsel to many companies and banks. He is on the board of several leading companies such as Merck, Sandvik Asea, Esab India, Johnson & Johnson, Uhde India, Blue Star, Larson & Toubro Ltd. etc.



Mr. Kumar Nair
Managing Director

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



Mr. Raghu Palat
Director

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



Mr. K Jay Chandran
Director

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



Mr. Pravin Khatau
Director

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



Mr. K K Dastur
Director

Mr. K K Dastur is a qualified A.C.A. He has had vast experience in Finance and Commercial matters as Executive Director of Godrej Industries Ltd. till 2002 and thereafter he continues to be on the Board.

CORPORATE INFORMATION

Board of Directors

Mr. Suresh N. Talwar *Chairman*

Mr. Kumar Nair *Managing Director*

Mr. Raghu R. Palat

Mr. K. K. Dastur

Mr. Pravin Khatau

Mr. K. Jay Chandran

Company Secretary

Mr. Sridhar H.

Auditors

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

Solicitors & Advocates

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

Bankers

ICICI Bank Limited

The Catholic Syrian Bank Limited

The Federal Bank Limited

HDFC Bank Limited

Registered and Corporate Office

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

Registrar & Share Transfer Agent

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

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NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of Transwarranty Finance Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, on Friday, the 16th day of September, 2011 at 11.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended as on that date and the report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. Jay Chandran who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

Special Business:

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

“RESOLVED THAT, in partial modification to the resolution passed by the members at the Annual General Meeting held on 5th August, 2009 approving the appointment and terms of remuneration of Kumar Nair as Managing Director in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any,

of the Companies Act, 1956, the Company hereby approves the increase in the remuneration of Mr. Kumar Nair for the remaining period of his tenure of office, with effect from 1st April, 2011 as set out in the Explanatory Statement annexed to the Notice convening the meeting.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Managing Director as approved earlier by the members shall remain unchanged

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Managing Director shall be paid remuneration, perquisites and the benefits mentioned in Explanatory Statement as minimum remuneration.”

By order of the Board
For Transwarranty Finance Limited

Sridhar H
Company Secretary

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

Date: 25/05/2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Instruments appointing the proxy must be lodged at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting. Proxy Form is enclosed.
3. Members /proxies should bring duly filled attendance slips sent herewith to attend the meeting.
4. Members who are holding shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
5. All documents referred to in the Notice will be available for inspection of the members at the Registered Office of the Company between 10.30 a. m to 12.00 noon on all the working days up to the date of Annual General Meeting.
6. The Register of Members and Share Transfer Registers will remain closed from 8th September, 2011 to 16th September, 2011 (both days inclusive).
7. Members requiring information on audited accounts at the meeting are requested to send their queries in writing so as to reach the Registered Office of the Company at least 10 days before the meeting.
8. Members holding shares in physical form are requested to notify change in address, if any, to Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400 078. Members holding shares in electronic form may intimate the changes, if any, to their respective Depository Participants (DPs).
9. Members may note that the company has to transfer the dividends which remains unclaimed over a period of 7 years to the Government U/S. 205 (a) and 205 (c) of the Companies Act, 1956. The details of dividend paid by the Company and respective due dates of transfer to the said Fund which remains unclaimed are as under:

Date of Declaration	dividend for the year	Amount unclaimed Rs.	due date for transfer
01-08-2007	2006-07	42,719/-	01-08-2014
07-08-2008	2007-08	55,891/-	07-08-2015
05-08-2009	2008-09	23,630/-	05-08-2016

10. Members are requested to address all correspondence, including dividend matters to the Registrars and Transfer Agents of the Company at the address given in Sr. No.8 above.

Additional information pursuant to Clause 49 of the Listing Agreement with regard to Directors seeking appointment/reappointment at the 17th Annual General Meeting.

Mr. K. Jay Chandran has been appointed as a Director of the Company on 21.03.1995 and retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The information/details pertaining to Mr. K. Jay Chandran in terms of clause 49 of the Listing Agreement with the Stock Exchanges are furnished hereunder:

Mr. K. Jay Chandran has post Graduate Honours Diploma in Systems Management. He has about 8 years experience in the field of Information & Technology and about 12 years experience in the field of manufacturing and international commodities trading.

Mr. K. Jay Chandran holds 22,717 equity shares in the Company.

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

Item No. 4 : Increase in remuneration of Managing Director:

Members at the Annual General Meeting held on 5th August, 2009 approved the appointment of Mr. Kumar Nair, as Managing Director of the Company for a period of five years pursuant to Section 198,269,309,310 read with Schedule XIII Section II (A) of the Companies Act, 1956, with effect from 30th August, 2009 in the basic pay scale of Rs.65,000/- to Rs. 4,00,000/- per month with other perquisites. Presently, the Managing Director is drawing remuneration Rs.1,50,000/- per month.

Considering the time devoted and the efforts put in by the Managing Director in the improvement of the business of the Company, and compared to the remuneration paid by other companies in the

similar nature of business, the remuneration paid by the Company to the Managing Director is comparatively less. It is, therefore, proposed to revise the monthly remuneration of Managing Director from Rs.1,50,000/- to Rs.3,00,000/- with effect from 1st April, 2011, with an annual increment as may be approved by the Board of Directors. All other terms and conditions of appointment will remain unchanged. The increased remuneration will be subject to overall limits as provided under Section 198, 269, 309, 310 read with Schedule XIII Section II (B) and other applicable provisions, if any, of the Companies Act, 1956.

The Directors of the Company on recommendation by the Remuneration Committee have approved the proposal of revision in the monthly remuneration of Managing Director from Rs.1,50,000/- to Rs.3,00,000/- subject to the approval of the members. Therefore, the Directors recommend the above resolution for your approval.

The above variation in the terms of remuneration of Mr. Kumar Nair as mentioned in item No. 4 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

Mr. Kumar Nair is deemed to be concerned or interested in the resolution. Mr. K. Jay Chandran being a relative of Mr. Kumar Nair may be regarded as concerned or interested in the resolution. None of the other Directors are concerned or interested in the resolution.

By order of the Board
For Transwarranty Finance Limited

Sridhar H
Company Secretary

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

Date: 25/05/2011



DIRECTORS' REPORT

To

The Members,
Transwarranty Finance Limited

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2011.

(Rs. in lakhs)

Financial Results	2010-11	2009-10
Total Income	838.27	573.52
Gross Profit / (loss)	100.23	(38.65)
Less / add: Interest and Finance Charges	40.39	32.54
Profit / (Loss) before Tax & Depreciation	59.84	(71.19)
Less: Depreciation	10.58	12.79
Less Provision for tax: Current Tax	1.29	-
Deferred Tax Liability/(Assets)	1.32	(4.38)
Profit / (Loss) after Tax	46.65	(79.59)
Net profit brought forward	60.42	143.30
Excess/(short) provision for Income Tax	(5.26)	(3.29)
Balance brought forward from amalgamated companies	(40.59)	-
Profit available for appropriation	61.21	60.42
Appropriation		
Reserves u/s 45 1C of RBI Act	9.33	-
Proposed Dividend	-	-
Corporate Dividend Tax	-	-
General Reserve	51.88	-
Profit/(Loss) carried to Balance Sheet	61.21	60.42

Business:

The performance of the Company during the year under review is as under:

The Company has three major business operations consisting of Trade Finance, Corporate Finance and Investment Banking and the recently commenced gold loan business.

During the year under report the total revenue of the Company stood at Rs.838.27 lakhs as against Rs.573.52 lakhs in the previous year registering a growth of 46%. The profit after tax stood at Rs.46.65 lakhs as against a loss of Rs.79.59 lakhs in the previous year. Income from operations during the financial years was as under:

(Rs. in lakhs)

	31.03.2011	31.03.2010
Trade finance	413.57	259.33
Corporate Finance	121.51	214.95
Investment Banking	147.02	43.68
Gold Loan	7.73	7.56
Other Income	148.39	48.01

Dividend:

In order to consolidate the financial position of the Company, the Directors have decided to skip the dividend for the year 2010-11.

Merger of subsidiary Companies:

During the financial year under report, the two subsidiary companies viz. Transwarranty Forex And Commodities Private Limited (TFCPL) and Transwarranty Credit Care Private Limited (TCCPL) were merged with the Company (TFL) with effect from 1st April, 2009, being the appointed date, as per Scheme of Amalgamation approved by the Hon'ble High Court, Bombay, vide order dated 15th October, 2010.

Share Capital:

Consequent to the merger of above mentioned two subsidiaries, during the year under report the Company issued and allotted 66,25,013 equity shares of Rs. 10/- each as fully paid up and 38,14,540 equity shares of Rs 10/- each as partly paid at Rs.2.50/- per share to the members of erstwhile transferor companies viz., Transwarranty Forex & Commodities Pvt. Ltd. and Transwarranty Credit Care Pvt. Ltd. in terms of the Scheme of Amalgamation.

Further, the Company issued and allotted 21,015 equity shares of Rs.10/- each as fully paid up for the Option Grantees pursuant to the exercise of stock options under Employees Stock Option Scheme 2008.

Consequently, the paid up capital of the Company increased by Rs. 7,59,96,630/- to Rs.21,59,96,630/.

All the fully paid up shares allotted during the year are listed with BSE and NSEIL.

Future Outlook:

The Company has well diversified business. The Directors, therefore, are fully confident of achieving reasonable growth in its business and profits in the year to come. The gold loan business of the Company is progressing well. The Company has already opened 8 branches in Kerala to distribute gold loan and is planning to open few more branches during the current financial year.

During the current financial year the Company has launched margin funding business activities. The Company expects good response in this particular line of business.

Employees' Stock Option Plan 2008 (ESOP):

Particulars	31.03.2011	31.03.2010	31.03.2009
Options outstanding at the beginning of the year	6,88,366	6,65,000	10,00,000
Options granted during the year	Nil	92,500	6,84,000
Options vested during the year	NIL	22,666	Nil
Options exercised during the year	21,015	Nil	Nil
Options forfeited during the year	2,06,100	55,400	NIL
Options lapsed/surrendered during the year	NIL	13,734	19,000
Options outstanding at the end of the year	4,82,266	6,88,366	6,65,000
Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year	Nil	Nil	Nil
Identified employees who were granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	Nil	Nil

Had fair value method been used the compensation cost would have been higher by Rs.7.46 lakhs (previous year Rs.11.72 lakhs). Loss after tax would have been higher by Rs.7.46 lakhs (Previous year Rs.11.72 lakhs) and EPS both basic and diluted would have been Rs.0.20 per share (previous year (Rs.0.68) per share.)

During the current financial year subject to the approval of the members, the Company proposes to introduce "Transwarranty Employees' Stock Option Plan - 2011" (ESOP - 2011) with an additional 10,00,000 equity shares of Rs.10/- each.

Subsidiary Companies:

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

1. Stock broking with around 250 offices 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 has membership of: -

1. National Stock Exchange of India Limited, (NSE)
2. Bombay Stock Exchange Limited, (BSE)
3. Cochin Stock Exchange Limited, (CSE)
4. OTC Exchange of India (OTCEI)
5. National Securities Depository Ltd., (NSDL) (for depository services)

6. SEBI registration as a Merchant Banker.

7. MCX Stock Exchange Limited

VCFPL has membership 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 Rs.1084.43 lakhs as against Rs.1045.42 lakhs in the previous year. The loss after tax was Rs.76.80 lakhs as against profit of Rs.32.58 lakhs in the previous year.

During the current financial year 2011-12 the company shall continue to focus on the same geographical areas with plan to expand and open few more branches in different locations and also strengthen its presence in western India.

Auditors' Report:

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

Consolidated Financial Statement:

Directors have pleasure in presenting the consolidated financial statements of holding company and subsidiaries duly audited by statutory auditors pursuant to Clause 32 read with Clause 41 of the Listing Agreement with the Stock Exchanges and prepared in accordance with Accounting Standard 21 of Institute of Chartered Accountants of India.



In terms of circular No.5/12/2007-CL-III (General Circular No.2/2011) dated 8th February, 2011 from Ministry of Corporate Affairs, the Board of Directors of the Company has by resolution dated 25th May, 2011 decided not to attach the balance sheet of the subsidiary companies.

The annual accounts of the subsidiary companies and the related detailed information shall be available to the shareholders of holding and subsidiary companies seeking any information at any time. The annual accounts of the subsidiary companies are available for inspection by any shareholder at the Registered Office of the holding company and of the subsidiary companies concerned.

Directors:

Mr. K. Jay Chandran retires by rotation and being eligible, offers for re-appointment. Pursuant to clause 49(g) (1) of the Listing Agreement with the Stock Exchanges, brief resume of Mr. K. Jay Chandran has been provided in the Notice convening the Annual General Meeting.

Directors' Responsibility statement:

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

- (a) In the preparation of the Annual Accounts for the year 2010-11, the applicable Accounting Standards have been followed and there are no material departures;
- (b) The accounting policies selected and applied are consistent and the judgment and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis.

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

None of the employees of the Company employed throughout the financial year/part of the year were in receipt of remuneration in excess of the limits as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and hence no particulars are required to be given.

Auditors:

The statutory auditors of the Company Rahul Gautam Divan & Associates retire at the conclusion of the ensuing Annual General

Meeting. The retiring auditors have furnished a certificate under Sec. 224 (1B) of the Companies Act, 1956 confirming their eligibility for reappointment.

Corporate Governance Report:

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

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

Because of the nature of activities being carried on by the Company, the particulars prescribed under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, relating to conservation of energy, technology absorption are not applicable to the Company.

Foreign Exchange earnings and outgo during the year:

Earnings : Rs.21.00 lakhs

Outgo : Rs.11.70 lakhs

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

Acknowledgments:

The Management is grateful to the Regulatory Authorities, Share holders, Company's Bankers, Financial Institutions, Insurance Companies, Foreign Institutional Investors, Clients, Business Associates etc. for their continued support and co-operation.

The Directors also wish to place on record their appreciation for the co-operation, active involvement and dedication of the employees, which enabled the Management to contribute to the growth of the Company.

For and on behalf of the Board of Directors

Suresh N Talwar
Chairman

Place : Mumbai
Date : 25/05/2011

Registered Office:

403, Regent Chambers,
Nariman Point,
Mumbai 400 021

CORPORATE GOVERNANCE REPORT

Mandatory Requirements

1. Company's Philosophy on Code of Corporate Governance:

Transparency, fairness, disclosure and accountability are central to the working of the company and it's 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 Board of Directors is responsible and committed to sound principles of Corporate Governance.

Effective Corporate Governance is needed to maintain public trust and to active success in business. 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 Company believes that shareholders interest is utmost and the management is only a trustee to carry out the activities in a truthful manner.

Code of Conduct:

The Board has laid down a code of conduct for all the Board Members and Senior Management of the Company. Senior Management includes personnel of the core management team excluding Board of Directors but including all functional heads.

2. Board of Directors:

Composition and size of the Board

The Company is fully complied with the Corporate Governance norms in terms of constitution of the Board with an optimum combination of Executive and Non-executive Directors with rich professional experience in various fields.

The present strength of the Board of Directors is six members including one Alternate Director. The Managing Director is the Executive Director and the other four are Non-Executive Directors. More than half of the Board consists of Independent Directors.

The size and composition of the Board, therefore, conforms to the requirements of Corporate Governance Report under the Listing Agreement with the Stock Exchanges.

3. Meetings of the Board:

During the year, the Board met 6 times on 28th May, 2010, 29th July, 2010, 6th September, 2010, 29th October, 2010, 28th January, 2011 and 23rd February, 2011 respectively.

None of the Directors on the Board of the Company is a member in more than 10 or Chairman of more than 5 specified committees of the Board across all the companies in which he is a Director as per Clause 49 of the Listing Agreement.

The composition of Board of Directors, attendance at the Board Meetings during the financial year and attendance at the last Annual General Meeting, number of outside Directorships, Chairman/Membership of Committees are as under:

Name of Director	Category	No. of Board meetings attended	Last AGM attendance	No of other Directorships	Membership/ Chairmanship of Board Committees *
Mr. Suresh N Talwar	Chairman – Non-Executive Director - Alternate Director to Mr. K. Jay Chandran	6	No	49	7/4**
Mr. Kumar Nair	Managing Director Executive	6	Yes	3	2
Mr. Raghu R. Palat	Director – Independent	6	Yes	4	Nil
Mr. Pravin Khatau	Director – Independent	Nil	No	1	Nil
Mr. K. K. Dastur	Director – Independent	6	Yes	6	3/2
Mr. K. Jay Chandran	Director – Non-Executive	Nil	No	Nil	Nil

* Includes only Audit & Shareholder's Committee

** Includes 1 company where he is an Alternate Director

4. Appointment/Reappointment of Directors:

Mr. K. Jay Chandran is a Non Executive Director of the Company. He holds Post Graduate Honors in Systems Management. He has about 10 years experience in Information Technology.

Mr. K. Jay Chandran holds 22,717 equity shares in the Company.

**5. Board Committee**

The Board had constituted the following Committees of Directors:

- (a) Audit Committee
- (b) Shareholders' Grievance Committee
- (c) Remuneration / Compensation Committee

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

The Audit Committee comprises 4 members out of which 3 are Independent Directors. Mr. Raghu R. Palat is the Chairman of Audit Committee. All the members of the Committee are financially literate. Mr. Raghu R. Palat, Mr. K. K. Dastur and Mr. Kumar Nair are Chartered Accountants and Mr. Pravin Khatau is MBA.

During the year, the Committee met 4 times on 26th May, 2010, 29th July, 2010, 29th October, 2010 and 28th January, 2011 and the gap between any 2 meetings was less than 4 months.

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

Attendance at the Audit Committee Meeting:

Name	Designation	Category	Attendance out of 4 meetings
Mr. Raghu R. Palat	Chairman	Independent	4
Mr. Pravin Khatau	Member	Independent	Nil
Mr. K. K. Dastur	Member	Independent	4
Mr. Kumar Nair	Member	Executive	4

(ii) Power of Audit Committee:

The Audit Committee has the following powers:

- (a) To investigate any activity within its 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 it is considered necessary.

(iii) Role of Audit Committee:

- (a) Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Recommending the Board, the appointment, re-appointment and if required replacement or removal of Statutory Auditors and fixation of Audit fees.
- (c) Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors.
- (d) Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to :
 - Matters required being included in Directors' Responsibility statement to be included in the Board's Report in terms of Clause 2(AA) of section 217 of the Companies Act, 1956.
 - Changes if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statement arising out of audit findings.
 - Compliance with Listing Agreement and other legal requirements relating to financial statements.
 - Disclosures of related party transactions.
 - Qualifications in draft Audit Report.