



**TRANSWARRANTY FINANCE LIMITED**

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**FINANCIAL ENGINEERS**

**20<sup>th</sup> Annual Report 2013-14**

# Board of Directors



**Mr. Suresh Talwar**  
*Chairman*

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



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

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



**Mr. Raghu Palat**  
*Director*

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



**Mr. Pravin Khatau**  
*Director*

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



**Mr. K. Jay Chandran**  
*Whole-time Director*

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



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

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

## CORPORATE INFORMATION

### Board of Directors

Mr. Suresh N. Talwar	<i>Chairman</i>
Mr. Kumar Nair	<i>Managing Director</i>
Mr. Raghu R. Palat	
Mr. R. L. Shenoy	
Mr. Pravin Khatau	
Mr. K. Jay Chandran	<i>Non Executive Director</i>

### Company Secretary

Mr. Sreedhar H.

### Auditors

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

### Solicitors & Advocates

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

### Bankers

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

### Registered and Corporate Office

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

### Registrar & Share Transfer Agent

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

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## NOTICE

NOTICE is hereby given that the 20th 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, 2014 at 11.30 a.m. to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the year ended as on that date and the report of Directors and Auditors thereon.
2. To appoint Director in place of Mr. K. Jayachandran (DIN 00508434) who retires by rotation and being eligible offers himself for reappointment.
3. Consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s. Rahul Gautam Divan & Associates, Chartered Accountants (firm Registration No. 120294W be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

### Special Business:

4. To appoint Mr. Raghu R Palat (DIN 00311994) as an Independent Director and in this regard 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, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Raghu R Palat (DIN 00311994) a non-executive Director of the Company, who meets the criteria for independence as provided in Section 149 (6) of the Act 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 of the Company to hold office for a period of 5 (five) years, not liable to retire by rotation.”

5. To appoint Mr. Pravin Khatau (DIN 02425468) as an Independent Director and in this regard 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, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Pravin Khatau (DIN 02425468) a non-executive Director of the Company, who meets the criteria for independence as provided in Section 149 (6) of the Act 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 of the Company to hold office for a period of 5 (five) years, not liable to retire by rotation.”

6. To appoint Mr. Ranjal Laxmana Shenoy (DIN00074761) as an Independent Director and in this regard 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, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Ranjal Laxmana Shenoy (DIN00074761) a non-executive Director of the Company, who meets the criteria for independence as provided in Section 149 (6) of the Act 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 of the Company, to hold office for a period of 5 (five) years, not liable to retire by rotation.”

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

**“RESOLVED THAT** as recommended by Nomination and Remuneration Committee and pursuant to provisions of Section 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 to the said Act, consent and approval of the Company be and is hereby accorded to the re-appointment of and the remuneration being paid or provided to Mr. Kumar Nair (DIN 00320541) as Managing Director of the Company for a period of three (3) years with effect from 1st September, 2014 on the following terms:”

### Terms of Remuneration:

1. **Basic Salary: Remuneration not exceeding ₹ 42 Lakhs p.a. including perquisites as may be determined by the**

**Board of Directors or Nomination and Remuneration Committee.**

**2. Perquisites:**

i. **Provident Fund, Superannuation, Gratuity, Leave Travel Concession reimbursements of Medical Expenses, Gas, Electricity, Water, Company's Car with Driver - As per rules of the Company.**

ii. **Allowances Performance Bonus and Reimbursements subject to overall remuneration not exceeding ₹ 42 Lakhs p.a.**

iii. (a) ***Children's education allowance:*** In case of children studying in or outside India, an allowance limited to a maximum of ₹ 12,000 per month per child or actual expenses incurred, whichever is less. Such allowance is admissible up to a maximum of two children.

(b) ***Holiday passage for children studying outside India or family staying abroad:***

Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India, with the managerial person.

(c) ***Leave travel concession:*** Return passage for self and family in accordance with the rules specified by the company where it is proposed that the leave be spent in home country instead of anywhere in India.

3. The following perquisites will not be included in the computation of the ceiling of perquisites:

(i) Contribution to the Provident Fund, Superannuation Fund or annuity fund in accordance with the rules of the Company and to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of tenure.

(iv) ***Children's education allowance; Holiday passage for children studying outside India or family staying abroad; Leave travel concession.***

**"RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Kumar Nair (DIN 00320541) office as Managing Director the remuneration set out above be paid or granted to Mr. Kumar nair (DIN 00320541) as Minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in the said Schedule

V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactments thereof."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary or desirable in order to give effect to this resolution."

8. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Foreign Exchange Management Act, 1999 (FEMA) and the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 contained in RBI Notification No. FEMA 20/2000-RB dated 3rd May 2000, F E M (Transfer or Issue of Security by a Person Resident outside India) (Amendment) Regulations, 2001 contained in Notification No. FEMA. 45 /2001-RB dated September 20, 2001 and FEM (Transfer or Issue of Security by a Person Resident outside India) (Second Amendment) Regulations, 2003 contained in Notification No. FEMA. 94 /2003-RB dated 18th June 2003 and subject to the relevant laws, rules and regulations applicable from time to time and subject to such consents, sanctions and permissions as may be required, consent of the members be and is hereby accorded for acquiring and holding Equity Shares of the Company, by Foreign Institutional Investors (FIIs), upto an aggregate limit of 100% of the paid up Equity Share Capital of the Company. Provided, however, that the equity shareholding of a single FII or a sub-account of an FII in the Company shall not at any time exceed 10 percent of the paid up Equity Share Capital of the Company."

**"RESOLVED FURTHER THAT** pursuant to the provisions of FEM (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 contained in RBI Notification No. FEMA 20/2000-RB dated 3rd May 2000 and subject to the relevant laws, rules and regulations as applicable from time to time and subject to such consents, sanctions and permissions as may be required, consent of the members be and is hereby accorded for raising the ceiling on the aggregate value of shares of the Company that can be purchased by all NRIs put together to 24% of the paid up share capital of the Company."

**"RESOLVED FURTHER THAT** such increased limits of the holdings of FIIs/sub accounts of FIIs and NRIs be subject to such conditions as may be



imposed by Reserve Bank of India or any other Statutory Authority whose permission or sanction may be required under any Law.”

By order of the Board

Place : Mumbai  
Date : 30.07.2014

*Company Secretary*

**Regd. Office:**

403, Regent Chambers  
Nariman Point, Mumbai 400 021

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto

2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** 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 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.

3. The Register of Members and Share Transfer Books of the Company will remain closed from **10th September, 2014 to 19th September, 2014** (both days inclusive).

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

4. 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.

5. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 9th September, 2014 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.30 am 11th September, 2014 and will end at 5.30 pm on 12th September, 2014. The Company has appointed Mr. M.P Sharma, Practicing Company Secretary 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.

6. The Scrutinizer shall, within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the company and make a Scrutinizers Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the company.

7. In the event of a poll, please note that the members who have exercised their right to vote by electronic means or through ballot form as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with the provisions of Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under the poll, taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing resolution.

8. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 20th Annual General Meeting of the company scheduled to be held on Friday 19th September, 2014. At the said Annual General Meeting the Chairman shall declare the results of e-voting. The results declared along with the Scrutinizers Report shall be placed on the Company's website and on the website of Link Intime India Pvt. Ltd., within two days of the passing of the resolutions at the 20th Annual General

Meeting of the company and shall also be communicated to the Stock Exchange/s.

9. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

#### PROCEDURE FOR E-VOTING:

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

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>

DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date in the Dividend Bank details field.</b></li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

#### **In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 9.30 am 11th September, 2014 and ends on 5.30 pm on 12th September, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) Members holding shares either in Demat or physical mode who are in receipt of Notice of Annual General Meeting in physical form may cast their vote using the Ballot Form. Please refer instructions below for more details.
- (D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **MEMBERS WHO WISH TO VOTE USING BALLOT FORM:**

In terms of Clause 35B of the Listing Agreement members may fill in the Ballot Form and submit the same in a sealed envelope to the Scrutinizer, Mr. M.P. Sharma, Neha Appartment, Ground

floor, opp. Badwaik Hospital, LBS Road, Bhandup (W), Mumbai - 400 078 so as to reach by 5.30 p.m. of 12 September, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

**In the event member casts his votes through both the processes i.e. E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the physical ballot form would be ignored.**

6. Members may please note that pursuant to the provisions of Section 205(A) (5) of the Companies Act, 1956, unclaimed dividend for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956, as and when the same falls due for such transfer. Members who have not encashed their dividend warrants for the Financial Year 2006-07 are requested to write to the Company Secretary or Company's Registrars and Share Transfer Agents.

The details of dividend paid by the Company and respective due dates of transfer to the said Fund which remain unclaimed are as under:

Date of Declaration	Dividend for the year	Amount unclaimed ₹	Due date for transfer
01-08-2007	2006 - 07	42,709/-	01-08-2014
07-08-2008	2007 - 08	51,830/-	07-08-2015
05-08-2009	2008 - 09	23,128/-	05-08-2016
12-09-2012	2011 - 12	27,839/-	12-09-2019

#### **Transferring the Unclaimed Dividend**

All Unclaimed Dividend remaining unpaid/unclaimed for the financial year ended 31st March, 2007, dividend for which was declared at the Annual General Meeting of the members held on 1st August, 2007, will be transferred by August, 2014, to the IEPF.

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

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

##### **Item Nos. 4 to 6**

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of

Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company.

Mr. Raghu R Palat (DIN 00311994), Mr. Pravin Khatau (DIN 02425468) and Mr. Ranjal Laxmana Shenoy (DIN00074761), are proposed to be appointed as Independent Directors on the Board of the Company for a term of five years, commencing from the date of the Annual General Meeting 19th September, 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is as given below.

None of the above directors are disqualified from being appointed as Directors in terms Section 164 of the Act and have given their consent to act as Directors of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at item no. 4 to 6 for approval of the Members.

Brief resume of Mr. Raghu R Palat (DIN 00311994), Mr. Pravin Khatau (DIN 02425468) and Mr. Ranjal Laxmana Shenoy (DIN00074761).

**Mr. Raghu R Palat** is FCA from Institute of Chartered Accountants from England and Wales and ACA from Institute of Chartered Accountants of India. He was an eminent banker. He worked with American Express for about 15 years in Senior Management capacity and with Bank Indonesia for about 3 years as Chief Executive Officer and Head of India operations.

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

**Mr. Ranjal Laxmana Shenoy** is B. Com., LL.M., A. C. A. A.C.S. Diploma from Indian Institute of Bankers (C.A.IIB). He is Gold Medalist in Law and placed in the merit list both in Inter and Final examinations conducted by the Institute of Chartered Accountants of India (ICAI). He has worked with Merck Limited (formerly known as E. Merck (India) Limited) – in 1980 as a Company Secretary (served as Executive Director (Finance) since 1988) and retired in September 2012. The areas of responsibilities included: Legal and Secretarial Matters; Finance; Accounts and Auditing; Taxation; Corporate Restructuring; Distribution and, for a brief period, Marketing and Production.

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

#### Item 7:

Members at the Annual General Meeting held on 5th August, 2009 approved the appointment of Mr. Kumar Nair (DIN

00320541), 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 ₹ 65,000/- to ₹ 4,00,000/- per month with other perquisites. 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 was comparatively less. In view of this the monthly remuneration of Managing Director was revised from ₹ 1,50,000/- to ₹ 3,00,000/- with effect from 1st April, 2011 with an increment as may be approved by the Board of Directors. All other terms and conditions of appointment remained unchanged. This was approved by the Members at the Annual General Meeting held on 16 September 2011.

The Board has approved terms of his appointment and Remuneration as per the recommendation of the Nomination and Remuneration Committee subject to further approval by the members of the Company.

The Board commends the Special resolution under item 7 for your approval.

A statement containing information required to be provided to the shareholders as per the provision of Schedule V in respect of appointment of Mr. Kumar Nair (DIN 00320541) is given below:

#### I General Information:

**Nature of Industry:** The Company is a Reserve Bank of India (RBI) registered Non-Banking Finance Company (NBFC) engaged in a wide spectrum of financial services, both advisory and fund based lending. The Company has three major business operations in advisory services consisting of Trade Finance, Corporate Finance and Investment Banking.

**Date or expected date of commencement of commercial production:** Not applicable as the company is existing Company.

**In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable.

#### Financial performance based on given indicators:

₹ in lacs

Particulars	FY 2013-14	FY 2012-13	FY 2011-12
Total Income	894.47	1,431.35	2,325.92
Total Expenditure (incl. Finance Cost, Depreciation and Tax)	871.76	1,540.40	1,653.43
Profit / (Loss) After Tax	22.71	(109.05)	672.49
Earning Per Share	0.09	(0.45)	2.88

**Foreign investments or collaborations, if any:** No Foreign investments or collaborations

**II. Information about the appointee:**

1. Background details: Kumar Nair (DIN 00320541) is an A.C.A. and OPM (Harvard Business School) with over 25 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.
2. Past remuneration: Remuneration drawn by Kumar Nair (DIN 00320541) in his capacity as Managing Director during the last three years are as follows:

₹ in Lacs

Particulars	FY 2013-14	FY 2012-13	FY 2011-12
Salary drawn by Managing Director	23.85	36.02	36.02

3. Recognition or awards: Not applicable
4. Job profile and his suitability: Kumar Nair (DIN 00320541) is responsible for the overall functions of the Company. His qualification, outstanding experience and general management skills are most suitable for the responsibilities shouldered by him
5. Remuneration Proposed: **Basic Salary: Remuneration not exceeding ₹ 42 Lakhs p.a. including perquisites as may be determined by the Board of Directors or Nomination and Remuneration Committee or such authority as may be delegated by the Board of directors from time to time.**
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The Remuneration offered to Kumar Nair (DIN 00320541) is at par with the industry norms considering the industry, size of the company, profile of the position and person
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel: Kumar Nair (DIN 00320541) is Promoter Director of the Company holding 12708694 Equity Shares in the Company which is 51.96% of the total Subscribed Capital of the Company.

**III Other Information:**

1. Reasons of loss or inadequate profits: The Company has three major business operations in advisory services consisting of Trade Finance, Corporate Finance and Investment Banking. Corporate Finance, which largely caters to Micro, Small & Medium Enterprises (MSME) segment, remained subdued. Investment Banking continues to have robust deal flow. However, due to unforeseen circumstances, the company could not close deals in the pipeline. The lending business, which is

providing loans to the economically challenged sections of the society against security of gold jewellery, 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.

2. Steps taken or proposed to be taken for improvement: During the year, Transwarranty has undertaken various measures for achieving the aspirations and goals of the organization. These are long term measures. These measures are ticking in the DNA of Transwarranty culture and these aspirations and goals as set up, will be definitely achieved.
3. Expected increase in productivity and profits in measurable terms: The Company will be committed to its vision of achieving the following:
  - Investment from a reputed fund / strategic institution
  - Set up and manage International & domestic funds for wealth management
  - Build a high quality loan portfolio in select niche segments
  - Technology driven strategy for IT enabled value added services
  - Strong international operations with offices in Singapore, London, Dubai, Hong Kong and New York
  - Top 10 place in the league table in every business
  - Think money, think Transwarranty
  - Be a socially relevant company
  - Performance oriented culture with ethics and values
  - Add and create value for clients, investors, lenders, employees and society at large

Kumar Nair (DIN 00320541) is deemed to be concerned or interested in the resolution. Mr. K. Jay Chandran (DIN00508434) being a relative of Mr. Kumar Nair may be regarded as concerned or interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at item no. 7 for approval of the Members.

**Item 8:**

As per the existing regulations (Notification No. FEMA 20/2000-RB dated 3rd May 2000 and Notification No. FEMA. 45 /2001-RB dated September 20, 2001), FII's and their sub accounts taken