



TRANSWARRANTY FINANCE LIMITED

FINANCIAL ENGINEERS

21st Annual Report 2014-15

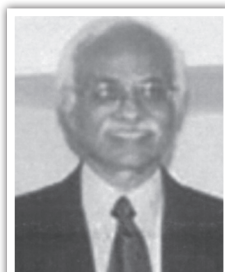
Board of Directors



Mr. Kumar Nair
Managing Director

management team at Kotak Mahindra Finance Limited.

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



Mr. Raghu Palat
Director

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. 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



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.



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. 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



Mr. Ramachandran U.
Director & CFO

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



Mrs. Nirmala Sachin Parab
Director

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

CORPORATE INFORMATION

Board of Directors

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

Company Secretary

Mr. Sreedhar H.

Auditors

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

Solicitors & Advocates

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

Bankers

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

Registered and Corporate Office

CIN: L65920MH1994PLC080220
403, Regent Chambers,
Nariman Point, Mumbai – 400021.
Tel. No. : 91-022-66306090, 40010900
Fax No. : 91-022-66306655
Website : www.transwarranty.com
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 21st Annual General Meeting of Transwarranty Finance Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 3rd floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, on 11th September, 2015 at 11.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31st March, 2015 and the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. Kumar Nair (DIN 00320541) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT M/s. Rahul Gautam Divan & Associates, Chartered Accounts (firm Registration No. 120294W) be and are hereby re-appointed as Auditors of the Company, to hold office for a consecutive period of 4 (four) years from the conclusion of this Annual General Meeting till the conclusion of the 25th Annual General Meeting subject to confirmation/ratification at every annual general meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company.”

Special Business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. U. Ramachandran (DIN 00493707) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director be and is hereby appointed as Director and Chief Finance Officer of the

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

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pravin D. Khatau (DIN 02425468) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up to 24th February, 2020.”

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Nirmala Sachin Parab (DIN 07149007) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director be and is hereby appointed as Director of the Company to hold office for a term of 5 (five) consecutive years up to 29th March, 2020.”

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

“RESOLVED THAT pursuant to provisions of Section 188

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

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

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

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

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

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

For **Transwarranty Finance Limited**

Place : Mumbai
Date : May 27, 2015

Company Secretary

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 02nd September, 2015 to 10th September, 2015 (both days inclusive).

Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by notifying the Company at companysecretary@transwarranty.com. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
5. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company



or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

6. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 01st September 2015 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.30 am 08th September, 2015 and will end at 5.30 pm on 10th September, 2015. The Company has appointed Mr. M.P. Sharma, Practicing Company Secretary (C. P. No.4536) to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E-VOTING:

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

- I. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (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 "Name of the company".
- (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 01st September, 2015
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 01st September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

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 (C. P. No. 4536) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- NOTE:** The Facility for Voting shall be decided by the company i.e. "remote e-voting" or "Ballot Paper" or "Poling Paper".
- XI. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.transwarranty.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, and NSE Limited, Mumbai.
7. Members may please note that pursuant to the provisions of Section 124 of the Companies Act, 2013, unclaimed dividend for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government and no claim shall lie against the said fund or the Company for the amounts of dividend so transferred to the said fund

when the same falls due for such transfer.

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

| Date of Declaration | Dividend for the year | Amount unclaimed (₹) | due date for transfer |
|---------------------|-----------------------|----------------------|-----------------------|
| 07-08-2008 | 2007 - 08 | 51,830/- | 07-08-2015 |
| 05-08-2009 | 2008 - 09 | 22,528/- | 05-08-2016 |
| 12-09-2012 | 2011 - 12 | 25,723/- | 12-09-2019 |

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

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

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

Item No. 4

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

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

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

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



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

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

Item No.5

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

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

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

Directorships held by Mr. Pravin D. Khatau - NIL

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

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

Item No.6

Mrs. Nirmala Sachin Parab (DIN 07149007)

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

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

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

Directorships held by Mrs. Nirmala Sachin Parab - NIL

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

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

Item No. 7

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

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

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

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

Item No. 8

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

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

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

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

Item No. 9

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

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

By order of the Board

Place : Mumbai
Date : May 27, 2015

Company Secretary

Regd. Office:

403, Regent Chambers
Nariman Point, Mumbai 400 021

DIRECTORS' REPORT

Dear Members,

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

Financial Highlights

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

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

Dividend:

In order to consolidate the financial position of the Company the Board has decided to skip the dividend for the financial year ended 31st March, 2015.

Subsidiary Companies:

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

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

4. Merchant banking.

Vertex Securities Limited (VSL) is a member of: -

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

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

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

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

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

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

Management Discussion and Analysis:

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

Corporate Governance Report:

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

Consolidated Financial Statements:

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

**Directors' Responsibility Statement:**

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

1. In preparation of annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and profit of the Company for the year ended on that date;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis;
5. They have laid down proper internal financial controls to be followed by the Company and they were adequate and operating effectively and
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Deposits:

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

Particulars of Loans, Guarantees and Investments:

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

Directors:

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

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

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

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

Familiarization Programme for Directors:

At the time of appointment of a Director, a formal letter of appointment is given to him/her. The Director is also explained in detail the role, function, duties and responsibilities expected from him/her and also compliance required from him/her under the Companies Act 2013, and Listing Agreement with stock exchanges. Further the Managing Director also will have one to one discussion with the newly appointed Director to familiarize with the Company's operation.

Performance of Board Evaluation

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

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

Risk Management:

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

Sexual Harassment Policy

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

Whistle Blower Policy:

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