



TRANSWARRANTY FINANCE LIMITED

FINANCIAL ENGINEERS

22nd Annual Report 2015-16

Board of Directors



Mr. Kumar Nair
Managing Director

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

management team at Kotak Mahindra Finance Limited.



Mr. Ramachandran U.
Director & CFO

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



Mr. Sudharsanan Nair
Director

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

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



Mr. Pravin Khatau
Director

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



Mrs. Nirmala Sachin Parab
Director

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

CORPORATE INFORMATION

Board of Directors

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

Company Secretary

Mr. Sreedhar H.

Auditors

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

Bankers

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

Registered and Corporate Office

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

Registrar & Share Transfer Agent

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

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NOTICE

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

Ordinary Business:

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

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

Special Business:

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

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

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

For Transwarranty Finance Limited

Place : Mumbai

Company Secretary

Date : July 21, 2016

NOTES:

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

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

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

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

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

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

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

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

PROCEDURE FOR E-VOTING:

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

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

- I. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository 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 "Transwarranty Finance Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.



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

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

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

Mr. Sudharsanan S. Nair (DIN 01510505)

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

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

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

Mr. Sudharsanan Nair holds 500 shares in the Company.

Mr. Sudharsanan Nair is a Director of following Companies:

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

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

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

Mr. Kumar Nair (DIN 00320541)

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

Mr. Kumar Nair is a director of following Companies:

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

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

By order of the Board

Place : Mumbai
Date : July 21, 2016

Company Secretary

Regd. Office:

403, Regent Chambers
Nariman Point, Mumbai - 400 021





DIRECTORS' REPORT

Dear Members,

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

Financial Highlights

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

(₹ In lakhs)

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

Dividend:

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

Subsidiary Companies:

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

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

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

1. National Stock Exchange of India Limited (NSE)
2. Bombay Stock Exchange Limited, (BSE)
3. Cochin Stock Exchange Limited, (CSE)
4. National Securities Depository Ltd., (NSDL) (for depository services)
5. SEBI registration as a Merchant Banker
6. It is an (Association of Mutual Funds of India) AMFI registered Mutual Fund Advisor.

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

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

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

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

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

Management Discussion and Analysis:

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

Corporate Governance Report:

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

Consolidated Financial Statements:

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

Auditors' Report

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

Directors' Responsibility Statement:

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

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

Deposits:

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

Particulars of Loans, Guarantees and Investments:

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

Directors:

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

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

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

Familiarization Programme for Directors:

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

Performance of Board Evaluation

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

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

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

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

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



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

Risk Management:

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

Nomination & Remuneration Policy

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

Sexual Harassment Policy

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

Whistle Blower Policy:

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

Employees' Stock Option Plan 2008 (ESOP):

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

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

Independent Directors Meeting:

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

Related Party Transactions:

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