



TRANSWARRANTY FINANCE LIMITED

FINANCIAL ENGINEERS



17th

Annual Report 2011

Board of Directors



Mr. Suresh Talwar
Chairman

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



Mr. Kumar Nair
Managing Director

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



Mr. Raghu Palat
Director

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



Mr. K Jay Chandran
Director

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



Mr. Pravin Khatau
Director

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



Mr. K K Dastur
Director

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

CORPORATE INFORMATION

Board of Directors

Mr. Suresh N. Talwar *Chairman*

Mr. Kumar Nair *Managing Director*

Mr. Raghu R. Palat

Mr. K. K. Dastur

Mr. Pravin Khatau

Mr. K. Jay Chandran

Company Secretary

Mr. Sridhar H.

Auditors

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

Solicitors & Advocates

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

Bankers

ICICI Bank Limited

The Catholic Syrian Bank Limited

The Federal Bank Limited

HDFC Bank Limited

Registered and Corporate Office

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

Registrar & Share Transfer Agent

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

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NOTICE

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

Ordinary Business:

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

Special Business:

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

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

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

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

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

By order of the Board
For **Transwarranty Finance Limited**

Sridhar H
Company Secretary

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

Date: 25/05/2011

NOTES:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By order of the Board
For **Transwarranty Finance Limited**

Sridhar H
Company Secretary

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

Date: 25/05/2011

**DIRECTORS' REPORT**

To

The Members,
Transwarranty Finance Limited

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

(Rs. in lakhs)

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

Business:

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

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

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

(Rs. in lakhs)

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

Dividend:

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

Merger of subsidiary Companies:

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

Share Capital:

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

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

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

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

Future Outlook:

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

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

Employees' Stock Option Plan 2008 (ESOP):

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

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

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

Subsidiary Companies:

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

1. Stock broking with around 250 offices focusing business mainly on southern and western India. The company caters to retail, HNI and institutional clients.
2. Currency derivatives segment.
3. Commodity broking through Vertex Commodities and Finpro Pvt. Ltd (VCFPL) and services retail, HNI and corporate clients.
4. Merchant banking.

Vertex has membership of: -

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

6. SEBI registration as a Merchant Banker.

7. MCX Stock Exchange Limited

VCFPL has membership of following commodity exchanges: -

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

During the year under report, the consolidated revenue of these two subsidiaries was Rs.1084.43 lakhs as against Rs.1045.42 lakhs in the previous year. The loss after tax was Rs.76.80 lakhs as against profit of Rs.32.58 lakhs in the previous year.

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

Auditors' Report:

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

Consolidated Financial Statement:

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



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

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

Directors:

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

Directors' Responsibility statement:

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

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

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

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

Auditors:

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

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

Corporate Governance Report:

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

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

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

Foreign Exchange earnings and outgo during the year:

Earnings : Rs.21.00 lakhs
Outgo : Rs.11.70 lakhs

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

Acknowledgments:

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

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

For and on behalf of the Board of Directors

**Suresh N Talwar
Chairman**

Place : Mumbai
Date : 25/05/2011

Registered Office:

403, Regent Chambers,
Nariman Point,
Mumbai 400 021

CORPORATE GOVERNANCE REPORT

Mandatory Requirements

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

Transparency, fairness, disclosure and accountability are central to the working of the company and it's Board of Directors. The Company has always been guided by conviction of adhering to transparency, accountability and integrity. The Company believes and acknowledges individual and collective responsibilities to manage the business activities with integrity. The Board of Directors is responsible and committed to sound principles of Corporate Governance.

Effective Corporate Governance is needed to maintain public trust and to active success in business. The Company lays great emphasis on regulatory compliances and strives to ensure that high standard of professionalism and ethical conducts are maintained throughout the organization. The Company believes that shareholders interest is utmost and the management is only a trustee to carry out the activities in a truthful manner.

Code of Conduct:

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

2. Board of Directors:

Composition and size of the Board

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

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

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

3. Meetings of the Board:

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

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

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

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

* Includes only Audit & Shareholder's Committee

** Includes 1 company where he is an Alternate Director

4. Appointment/Reappointment of Directors:

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

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

**5. Board Committee**

The Board had constituted the following Committees of Directors:

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

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

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

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

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

Attendance at the Audit Committee Meeting:

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

(ii) Power of Audit Committee:

The Audit Committee has the following powers:

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

(iii) Role of Audit Committee:

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

- (iv) Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.
- (v) Reviewing, with the management the performance of Statutory and Internal Auditors, adequacy of internal control systems.
- (vi) Reviewing, the adequacy of Internal audit function, if any, including the structure of the internal audit department, staffing and the seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- (vii) Discussion with Internal Auditors any significant findings and follow up there on.
- (viii) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- (ix) Discussion with the Statutory Auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (x) To look into the reasons for the substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (xi) To review the functioning of Whistle Blower Mechanism, in case, if the same is existing.
- (xii) Carrying out any other function as is mentioned in the terms of reference of Audit Committee.

(b) Shareholders' Grievance Committee:

During the financial year the Committee met 2 times on 29th October, 2010 and 28th January, 2011 respectively. The Shareholders' Grievance Committee focuses on shareholders' grievances and strengthening of investors' relations, specifically looking into redressal of grievances pertaining to

- 1) transfer and transmission of shares
- 2) non-receipt of balance sheet
- 3) non-receipt of declared dividend
- 4) matters relating to demat / remat
- 5) other related issues

The committee comprises of and the meetings attended during the year are as under-

Name	Designation	Category	Attendance out of two meetings held
Mr. Raghu R. Palat	Chairman	Independent	2
Mr. Pravin Khatau	Member	Independent	Nil
Mr. K. K. Dastur	Member	Independent	2
Mr. Kumar Nair	Member	Executive	2

- Company Secretary has been designated as Compliance Officer. The investors may register their complaints at the email-id shridhar@transwarranty.com; companysecretary@transwarranty.com.
- During the year the Company received 1 complaint relating to dematerialization/ rematerialization. The Company has attended the same and no complaint is pending unresolved at the end of the financial year.

(c) Remuneration / Compensation Committee:

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

1. Mr. Raghu R. Palat - Chairman
2. Mr. Kumar Nair - Member
3. Mr. K. K. Dastur - Member
4. Mr. Pravin khatau - Member

No meeting was held during the year.

**Details of remuneration paid to the Directors.**

(In Rupees)

Directors	Salary (including Performance Incentive, if any and other allowance)	Perquisites	Contribution to P.F Superannuation and Gratuity	Sitting Fees	Total
Mr. Kumar Nair	15,60,804	1,74,400	64,800	-	18,00,004
Mr. Suresh N Talwar	-	-	-	1,20,000	1,20,000
Mr. Raghu R. Palat	-	-	-	2,04,000	2,04,000
Mr. Pravin Khatau	-	-	-	NIL	NIL
Mr. K. K. Dastur	-	-	-	2,04,000	2,04,000
Mr. Jay Chandran	-	-	-	NIL	NIL

6. General Body Meetings:

Venue and Time of Annual General Meetings during the last three years

Financial Year	Day, Date & Time	Venue	Special Resolution passed
2007-08	Thursday, August 7, 2008 11:00 a.m	M C Ghia Hall Kala Ghoda, Fort, Mumbai- 400 001	No
2008-09	Wednesday August 5, 2009 11:00 a.m	M C Ghia Hall Kala Ghoda, Fort, Mumbai- 400 001	Yes, Re-pricing of Employees Stock Option Scheme
2009-10	Thursday, September 16, 2010 11.00 a.m	M C Ghia Hall Kala Ghoda, Fort, Mumbai- 400 001	Yes, approval of the Trust Deed namely TFL - TCCPL and TFCPL Merger Scheme Trust.

7. Postal Ballot

The provisions relating to Postal Ballot will be complied with in respect of matters wherever applicable.

(a)	Whether any special resolution was passed last year through postal ballot	Yes	Special resolution was passed under Section 372A of the Companies Act, 1956
(b)	Whether any special resolution is proposed to be conducted through postal ballot	Yes	Special resolution is proposed to be passed under Section 372A of the Companies Act, 1956.

9. Disclosures:

- i. There were no transactions of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives during the period that may have potential conflict with the interest of the company at large.
- ii. Transactions with the related parties are disclosed in Note No. II (8) of Schedule M to the accounts in the Annual Report as required by Accounting Standards under AS 18 issued by Institute of Chartered Accountants of India.
- iii. There were no non-compliances by the Company during the year. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities on any matters related to the capital markets, during the previous three financial years.
- iv. The Board has adopted a Code of Conduct including Business Ethics Policy for its Directors and Senior Management. This is available on the Company's web-site.
- v. The Managing Director has submitted before the Board a declaration of compliance with the Code of Conduct by the Directors during the financial year ended March 31, 2011.
- vi. The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of the financial statement; the Company has not adopted a treatment different from that prescribed by any Accounting Standard.
- vii. Risk assessment and minimization procedures are periodically reviewed by the Audit Committee and the Board of Directors of the Company.
- viii. The Chief Executive Officer and the Chief Financial Officer have certified to the Board of Directors as per the format prescribed in compliance Clause 49(V) of the Listing Agreement with the Stock Exchanges. This has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company.

xi The Company has complied with all mandatory requirements under Clause 49 of the Listing Agreement with the Stock Exchanges. The adoption of non-mandatory requirements has been dealt with in this Report.

9. Means of Communication:

Un-audited financial results are published in leading English/Vernacular newspapers. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to the shareholders at their registered address with the company and also put up on Company's web site www.transwarranty.com.

10. General Shareholders' Information:

Annual General Meeting

Date : 16th September, 2011
 Time : 11 .00 a.m
 Venue : M C Ghia Hall, Bhogilal Hargovindas Building,
 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001

Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2011 : Last week of July, 2011
 Financial reporting for the quarter ending Sept.30, 2011 : Last week of October, 2011
 Financial reporting for the quarter ending Dec. 31, 2011 : Last week of January, 2012
 Financial reporting for the quarter ending March 31, 2012 : Last week of May 2012
 Annual General Meeting for the year ended Mar. 31, 2012 : August-September, 2012
Date of Book Closure : 8th September, 2011 to 16th September, 2011 (Both days inclusive)

Listing on Stock Exchanges

: Bombay Stock Exchange Ltd
 : National Stock Exchange of India Ltd

Stock Code

: Bombay Stock Exchange Ltd, - 532812
 : National Stock Exchange of India Ltd -TFL

Payment of Annual Listing fees

: Listing fees for the financial year 2011-2012 has been paid to both the Stock Exchanges BSE & NSE

Demat ISIN for NSDL& CDSL

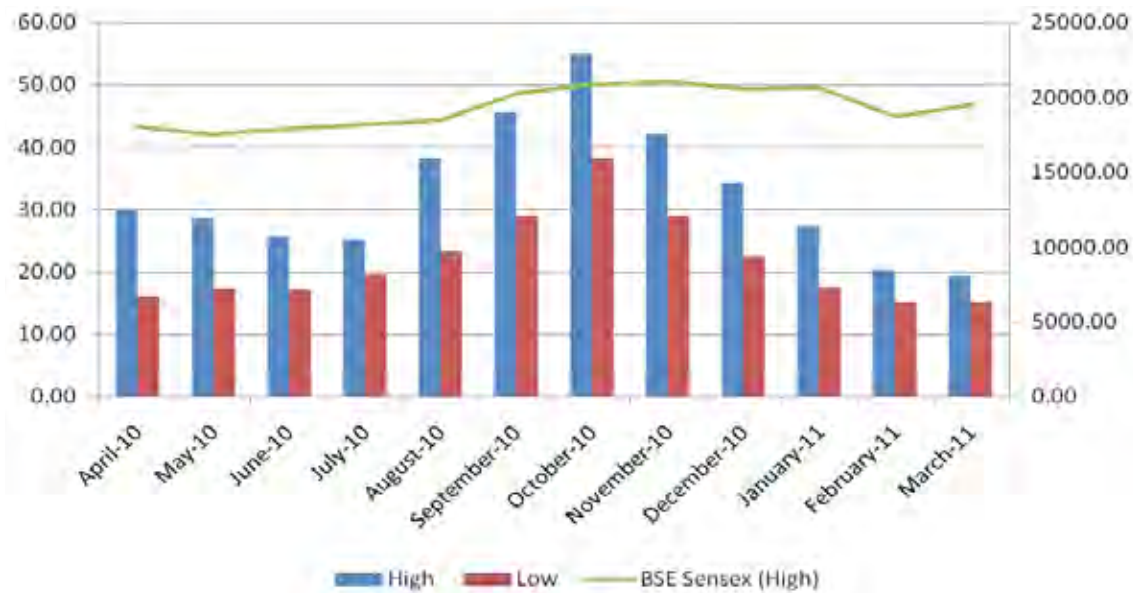
: INE 804H01012

10. Stock performance vs BSE Sensex and NSE

Market Price Data during the year ended 31.03.2011

BSE

Month	High	Low	BSE Sensex (High)
Apr-2010	29.95	16.00	18,047.86
May-2010	28.45	17.30	17,536.86
June-2010	25.60	17.10	17,919.62
July-2010	25.05	19.50	18,237.56
Aug-2010	38.25	23.25	18,476.27
Sept-2010	45.65	29.00	20,267.98
Oct-2010	55.10	38.25	20,854.55
Nov-2010	42.00	29.00	21,108.64
Dec-2010	34.10	22.40	20,552.03
Jan-2011	27.30	17.50	20,664.80
Feb-2011	20.30	15.15	18,690.97
Mar-2011	19.15	15.15	19,575.16



NSE

Month	High	Low
Apr-2010	29.90	15.60
May-2010	27.00	17.50
June-2010	25.15	17.10
July-2010	25.00	19.50
Aug-2010	38.00	23.25
Sept-2010	46.05	30.00
Oct-2010	54.00	37.05
Nov-2010	42.85	28.90
Dec-2010	34.25	22.20
Jan-2011	26.50	17.60
Feb-2011	20.10	15.00
Mar-2011	19.10	14.45

Registrars & Transfer Agents : Link Intime India Pvt. Limited
 C-13, Pannalal Silk Mills Compound,
 L B S Marg, Bhandup (West),
 Mumbai - 400 078

Contact person : Ms. Chanda Valeja
 Contact No. : 25963838. Extn. 2297 Fax. : 25956969
 Email : chandavaleja@linkintime.co.in

Share Transfer System

- Securities lodged for transfer at the Registrar's Office are normally processed with in 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Company Secretary is empowered to approve transfer of shares and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc are processed by the Registrars with in 30 days.
- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the shares of the Company and for conducting a Secretarial Audit on a quarterly basis for reconciliation of the Share Capital of the Company.

Distribution of Shareholding as on 31-03-2011

No of equity shares held	No. of Shareholders	% of Shareholders	Total no of shares held	% of shares held
1 - 500	4705	83.48	8,24,732	3.99
501 - 1000	507	9.00	4,10,408	1.99
1001 - 2000	185	3.28	2,86,256	1.39
2001 - 3000	79	1.40	2,00,411	0.97
3001 - 4000	31	0.55	1,10,882	0.54
4001 - 5000	30	0.53	1,39,195	0.67
5001 - 10000	43	0.77	3,07,559	1.49
10001 and above	56	0.99	1,83,66,585	88.96
Total	5636	100	2,06,46,028	100

Shareholding Pattern as on 31-03-2011

Sl. No.	Category	No. of Shares	% of Holding
1	Promoters & Persons acting in Concert	92,87,928	44.99
2	Mutual funds / UTI / Banks / FIs	25,000	0.12
3	Private Corporate Bodies	18,51,464	8.97
4	NRIs / OCBs	6,90,364	3.34
5	Indian Public	81,11,272	39.29
6	Foreign Institutional Investors	6,80,000	3.29
	Grand Total	2,06,46,028	100

Dematerialization of shares : 99.18% of the shares have been dematerialized by the members so far

Outstanding GDRs/ADRs/Warrants or any convertible/instruments, conversion data and likely impact on equity : N.A.

Plant location : Not applicable

Address for correspondence : Transwarranty Finance Limited,
403, Regent Chambers, Nariman Point,
Mumbai 400 021.
Phone : 022 - 6630 6090/91

Contact person : Shri. Sridhar Hirimbi, Company Secretary

E-mail : shridhar@transwarranty.com

Members holding shares in Demat mode should address all their correspondence to their respective Depository Participant



Non-mandatory requirements:

- 1 **Chairman of the Board** - No separate office is maintained for the Non-Executive Chairman. Company does not reimburse expenses incurred by him in performance of his duties.
Mr. Suresh N. Talwar, Mr. Raghu R. Palat, Mr. Pravin Khatau and Mr. K. K. Dastur are independent Directors on the Board of the Company. No specific period has been specified for these Directors. All of them have requisite qualification and experience and in the opinion of the Company this would enable them to contribute effectively to the Company in their capacity as Independent Directors.
- 2 **Shareholder Right** - The Company has not sent half yearly financial performance including summary of the significant events to each household of the shareholders, since the results were published in 2 news papers, one in Vernacular and one in English newspaper.
- 3 **Audit Qualifications** - During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- 4 **Training of Board Members** - The Board consists of eminent, qualified and well experienced Directors. Therefore, the training of Board members is not required.
- 5 **Mechanism for evaluation of Non-Executive Board Members** - The evaluation process is yet to be formulated by the Board.

DECLARATION

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct and Ethics during the financial year ended March 31, 2011.

Place: Mumbai
Date: 25 May, 2011

Kumar Nair
Managing Director

CEO/ CFO CERTIFICATION:

We hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2011 and to the best of our knowledge and belief.
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that, we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps we have taken or propose to take steps to rectify these deficiencies.
- d) We further certify that:
 - i) There have been no significant changes in internal control during the year;
 - ii) There have been no significant changes in accounting policies during the year,
 - iii) To the best of our knowledge, there have been no instances of fraud, involving management or an employee having a significant role in the Company's internal control systems.

For Transwarranty Finance Limited

Place: Mumbai
Date: 25 May, 2011

Kumar Nair
Chief Executive Officer (CEO)

U. Ramachandran
Chief Financial Officer (CFO)



AUDITORS' CERTIFICATE

To
The Members of
Transwarranty Finance Limited

We have reviewed the relevant records of Transwarranty Finance Limited for the financial year ended 31 March 2011 relating to compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and according to the information and explanations given to us, we have to state that, to the best of our knowledge the Company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For and on behalf of

Rahul Gautam Divan & Associates
Chartered Accountants
(ICAI Reg. No. 120294W)

Place: Mumbai
Date: 25 May, 2011

Rahul Divan
Partner
Membership No. 100733

MANAGEMENT DISCUSSION AND ANALYSIS

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 along with its subsidiary company achieved consolidated revenue of Rs.1922.71 lakhs compared to Rs.1635.68 lakhs in the previous year, an increase of 17.50%.

The Company has three major business operations in advisory services consisting of Trade Finance, Corporate Finance and Investment Banking and has recommenced lending business with gold loans against gold as security through a network of branches in rural areas and small towns and margin finance against shares as security to its own clients and that of its subsidiary company, Vertex Securities Limited.

Trade finance, which caters to the working capital needs of companies, had an excellent year with business transactions in excess of Rs.8,510 crores. Income from Trade Finance was Rs.413.57 lakhs for the year compared to Rs.259.33 lakhs in the previous year recording 60% growth.

Income from Corporate Finance was Rs.121.51 lakhs compared to Rs.214.95 lakhs in the previous year, which showed a decline.

Income from Investment banking was Rs.147.02 lakhs compared to Rs.43.68 lakhs in the previous year. The investment banking deal flow continues to be robust.

During the year, the total Income from operations was Rs.838.27 lakhs compared to Rs. 573.52 lakhs in the previous year recording a growth of 46.16%. Earnings before interest, depreciation, taxes and amortization (EBITDA) was Rs.156.11 lakhs as against Rs.119.73 lakhs in the previous year. The net profit after tax (PAT) was Rs.49.26 lakhs compared to the net loss Rs. 83.97 lakhs in the previous year.

Subsidiaries:

Vertex Securities Limited

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

1. Vertex and its subsidiary company are engaged in the business of broking with close to 250 offices pan India with strong footprint in southern and western India. The business caters to retail, HNI and institutional clients.

The company currently provides brokerage services in Equity, Equity derivatives and Currency derivatives and distribution of Mutual Funds and IPO's.

2. Commodity broking service is provided through its subsidiary company, Vertex Commodities and Finpro Pvt Ltd (VCFPL).
3. Merchant Banking.

Vertex has membership of:

- a. National Stock Exchange of India Ltd., (NSE)
- b. Bombay Stock Exchange Ltd., (BSE)
- c. Cochin Stock Exchange Ltd., (CSE)
- d. OTC Exchange of India (OTCEI)
- e. NSDL (for depository services)
- f. SEBI registration as a Merchant Banker.
- g. MCX Stock Exchange Ltd.,

VCFPL has membership of following commodity exchanges:

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

VERTEX SECURITIES LIMITED

During the year ended 31st March, 2011 your Company earned consolidated revenue of Rs.1084.43 Lacs as compared to Rs.1045.42 Lacs in the previous year. The operations have recorded a net loss of Rs.76.80 Lacs as compared to a net profit of Rs.32.58 Lacs in the previous year.

VERTEX COMMODITIES AND FINPRO PVT LTD

During the year ended 31st March, 2011, the subsidiary company Vertex Commodities And Finpro Private Limited had total revenue of Rs.237.03 Lacs and Loss after tax of Rs.51.13 Lacs as against Rs.108.98 Lacs and Profit of Rs.4.88 Lacs respectively in the previous year.

Economic Outlook:

The Indian economy is expected to grow at 8 to 8.5% in 2011-12 led by services, industry and agriculture in that order. This, if achieved would be a significant achievement considering the gloomy global economic outlook.

The global economic situation is still struggling due to worsening conditions in most of the developed economies, rallying commodity prices and extremely volatile currency and equity markets. Even after close to 3 years after the meltdown in 2008 and continuous intervention by all the central governments, the financial markets remain fragile.

It is the developing nations, which are providing some semblance of sanity to the market and hope. Even a slightly-slipping China, has been a source of growth for a Brazil that sells its iron ore, Chile and Peru that provides copper, Australia that sells a whole suite of



base metals, Canada that does the same, sub-Saharan Africa that provides agricultural commodities, Indonesia and Vietnam that are becoming sources of labor cost arbitrage.

And then there is India, a democracy, relatively better insulated from the turbulent global financial markets, by design or divine, no one knows, which continues to be a beacon of hope with a growing economy fuelled by domestic consumption on account of improvement of lifestyle by the masses.

However, rising cost of labor and inflation, if not tamed soon, could turn out to be real cause of concern. The Indian IT sector, which has thrived on labor cost arbitrage, would need to reinvent their business models and this is critical since it is one of the largest earner of export income and the young IT professionals, the single largest block of consumers.

The improved foreign investment regime is likely to increase the FDI flow and after considering the outflow, should result in net annual FDI inflow in the range of \$15 to 20 billion. Though India would continue to attract FII inflow, investors would be cautious and selective about their investment strategy.

The current correction and slowdown could be a blessing in disguise for emerging economies like India, which are blessed with potential growth trajectory for the next 20 to 30 years. Any asset price bubble at this growth stage could cause long term harm to our prospects. Companies with strong business models and progressive management have the opportunity to build great institutions over the next few decades.

Business outlook:

TRANSWARRANTY, an RBI registered NBFC is the flagship company of the Transwarranty Group, which is active in a wide gamut of Financial Services like Corporate Finance, Project Finance, Real Estate & Infrastructure Finance, Trade Finance, Gold Loans, Margin Finance, Stock / Commodities / Currencies / Interest Rates / Other Derivatives Broking, Inter-Bank Forex Broking, Merchant Banking, Investment Banking etc. Excellent domain expertise combined with a strong client and institutional relationship network nurtured over 20 years has ensured that both the companies are well poised to unlock value for its shareholders in the fast evolving

financial landscape in India. The company has applied for no objection from the Reserve Bank of India (RBI) to form a subsidiary company in Singapore to provide the full range financial advisory services including asset management.

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

Transwarranty Finance Limited, being an independent, professionally managed NBFC, is hopeful of securing the license to commence commercial banking when Reserve Bank of India (RBI) issues fresh licenses after satisfying all the requirements prescribed by RBI including Net worth criteria.

Internal control systems and their adequacy

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

Corporate Social Responsibility

As part of **Corporate Social Responsibility** initiative, employees visited Navjeevan center, Murbad, an organization engaged in rehabilitating children of women working in the red-light areas of Mumbai. There are 180 children and 20 guardians who are resident at the center.

Employees cooked food for all the inmates and had community lunch. Stationary such as note books , text books etc was sponsored by the company.

Human Resource Development

The most important asset of the company is its Human Resources. The company has introduced attractive ESOP scheme for sharing of wealth with employees.

Cautionary statements

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

AUDITORS' REPORT

To,
The Members of
Transwarranty Finance Limited,

1. We have audited the attached Balance Sheet of Transwarranty Finance Limited as on 31 March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Non Banking Financial Companies Auditors (Reserve Bank) Directions, 1998 we further state that:
 - i) The Company, incorporated prior to 9 January 1997 has applied for registration as provided in Section 56 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the Company has been granted certificate of registration dated 6 August, 1998 from the Reserve Bank as a NBFC;
 - ii) The Board of Directors of the Company has passed a resolution for non acceptance of any public deposits;
 - iii) The company has not accepted any public deposits during the year under reference; and
 - iv) The company has complied with prudential norms relating to the income recognition, accounting standards, asset classification and provision of bad and doubtful debts as applicable to it.
4. As required by the Companies (Auditors Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
5. Further to our comments in the Annexure referred to in Paragraph 4 above, we report that:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
 - v) On the basis of representations received from the directors as on 31 March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2011;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
Rahul Gautam Divan & Associates
Chartered Accountants
(ICAI Reg. No. 120294W)

Place: Mumbai
Date: 25 May 2011

Rahul Divan
Partner
Membership No: 100733



ANNEXURE TO AUDITOR'S REPORT

(Annexure referred to in paragraph 4 of the Auditors' Report of even date to the Members of Transwarranty Finance Limited on the accounts for the year ended 31 March 2011)

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management at the end of the year and, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- ii) The company had no inventory during the year. Since the company has no inventory, clauses 4 (ii) (a), (b) & (c) of the Order are not applicable.
- iii) a) The company has granted interest-free unsecured loans and deposits to subsidiary companies and others covered under Section 301 of the Companies Act, 1956 during the year. The maximum balance during the year was Rs. 63.13 million and the year end balance of the loans granted is Rs. 58.08 million.
- b) In our opinion the rate of interest and other terms and conditions of said interest-free unsecured loans were not, prima facie, prejudicial to the interest of the company.
- c) The company was regular in receiving the principal amount as per the terms and conditions of the agreement.
- d) There is no overdue amount of loans granted by the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, no major weakness has been noticed in the internal control systems in these areas.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us the company has not accepted deposits from the public.
- (vii) In our opinion and according to the information and explanation given to us, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The maintenance of cost records have not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for the year under report.
- (ix) (a) According to the records of the Company and information and explanations given to us, the Company has been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employee State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty Excise Duty, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31 March 2011 outstanding for a period of more than six months from the date they become payable
- (b) According to the records of the Company and information and explanations given to us, the disputed amounts of taxes have not been deposited with the authorities as at 31 March 2011 as per details given below:

Nature of Statue	Nature of dues	Amount (Rs. million)	Period to which amount relates	Forum where the dispute is pending
The Income tax Act,1961	Tax Demand	1.16	A.Y. 2008-09	First appellate authority (Income Tax)

- (x) In our opinion the company has no accumulated losses at the end of the financial year. The company has not incurred a cash loss during the financial year. No cash loss was incurred in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- (xii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that since the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, it is not required to maintain records in respect thereof.
- (xiii) The Company is not a chit fund/nidhi/mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable. Accordingly paragraph 4(xiii) of the Order is not applicable.
- (xiv) In respect of shares, securities etc. held as investments by the company, proper records have been maintained of the transactions and contracts and timely entries have been made by the company therein and the said investments have been held by the company in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the company had given guarantees for loans taken by its subsidiary company and others from banks were not prejudicial to the interest of the company. The outstanding guarantees at the end of the year were Rs. 203.80 million which are shown as an contingent liabilities.
- (xvi) In our opinion, the term loans, if any, have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and an overall examination of the Balance Sheet and Cash Flows of the company as at 31 March 2011, we report that funds raised on short term basis have not been used for long term investment.
- (xviii) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(xviii) of the Order is not applicable.
- (xix) The Company has not issued any debentures during the year ended 31 March 2011. Accordingly, paragraph 4(xix) of the Order is not applicable.
- (xx) During the year ended 31 March 2011, the Company has not raised money by way of public issue. Accordingly, paragraph 4(xx) of the Order is not applicable.
- (xxi) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31 March 2011.

For and on behalf of

Rahul Gautam Divan & Associates
Chartered Accountants
(ICAI Reg. No. 120294W)

Rahul Divan
Partner

Place: Mumbai
Date: 25 May 2011

Membership No: 100733

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SOURCES OF FUNDS			
(1) Shareholders Funds			
(a) Share Capital	A	215,996,630	140,000,000
(b) Reserves and Surplus	B	279,611,075	241,616,844
		<u>495,607,705</u>	<u>381,616,844</u>
(2) Loan Funds			
(a) Secured Loans	C	13,410,311	6,166,295
(b) Unsecured Loans	D	29,980,760	-
(3) Deferred Tax Liability/(Asset)		<u>(166,994)</u>	<u>(299,220)</u>
Total Funds Employed		<u>538,831,782</u>	<u>387,483,919</u>
APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block	E	9,644,280	8,468,894
(b) Less : Depreciation		5,138,628	4,646,469
(c) Net Block		<u>4,505,652</u>	<u>3,822,425</u>
(2) Investments			
(3) Current Assets, Loans & Advances		F	146,154,244
(a) Current Assets	G		234,476,917
Sundry Debtors		17,506,150	15,062,755
Cash and Bank Balances		5,028,619	16,937,721
(b) Loans and Advances		<u>402,296,596</u>	<u>154,969,131</u>
		<u>424,831,365</u>	<u>186,969,607</u>
Less : Current Liabilities & Provisions			
(a) Current Liabilities	H	7,445,426	5,799,251
(b) Provisions		29,743,950	31,985,780
		<u>37,189,376</u>	<u>37,785,031</u>
Net Current Assets		<u>387,641,989</u>	<u>149,184,576</u>
(4) Miscellaneous Expenses			
Total Utilisation of Funds		<u>538,831,782</u>	<u>387,483,919</u>
NOTES TO THE ACCOUNTS			
		M	
The Schedules referred to above form an integral part of the Balance Sheet			

As per our attached report of even date

For Rahul Gautam Divan & Associates
Chartered Accountants**Rahul Divan**
PartnerMumbai
May 25, 2011

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman**K. K. Dastur**
Director**Kumar Nair**
Managing Director**U. Ramachandran**
Chief Financial Officer**Raghu R. Palat**
Director**Sridhar H.**
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	31.03.2011 (Rs.)	31.03.2010 (Rs.)
INCOME			
Income From Operations	J	68,988,846	52,551,437
Other Income	K	14,838,507	4,800,996
TOTAL INCOME		<u>83,827,353</u>	<u>57,352,433</u>
EXPENDITURE			
Operational Expenses		6,233,315	4,332,046
Personnel Expenses		30,446,347	24,834,907
Interest and Bank Charges		4,038,570	3,253,862
Other Expenses	L	37,124,831	32,050,318
TOTAL EXPENDITURE		<u>77,843,063</u>	<u>64,471,133</u>
Profit/(Loss) before depreciation and tax		5,984,290	(7,118,700)
Depreciation		1,058,259	1,278,551
Profit/(Loss) before tax		4,926,031	(8,397,251)
Provision for Taxation:-			
Current Tax		129,000	-
Deferred Tax		132,226	(437,795)
Profit/(Loss) after Tax		4,664,805	(7,959,456)
Excess/ (Short) Provision for Income Tax		(526,038)	(328,591)
Net Profit Brought forward		6,042,001	14,330,048
Balance Brought forward from Amalgamted Companies		(4,059,511)	-
Profit available for appropriation		<u>6,121,257</u>	<u>6,042,001</u>
APPROPRIATION			
Reserve u/s 45 IC of RBI Act:-		932,961	-
Net Profit carried to Balance Sheet		5,188,296	6,042,001
		<u>6,121,257</u>	<u>6,042,001</u>
NOTES TO THE ACCOUNTS	M		
Earnings Per Share (Equity Shares of face Value Rs.10/- each)			
Basic Earning per share		0.24	(0.59)
Diluted Earning per share		0.24	(0.59)
The Schedules referred to above form an integral part of the Balance Sheet			

As per our attached report of even date

For Rahul Gautam Divan & Associates
Chartered Accountants**Rahul Divan**
PartnerMumbai
May 25, 2011

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman**K. K. Dastur**
Director**Kumar Nair**
Managing Director**U. Ramachandran**
Chief Financial Officer**Raghu R. Palat**
Director**Sridhar H.**
Company Secretary

**CASH FLOW STATEMENT** FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	2010-11 Amount (Rs.)	2009-10 Amount (Rs.)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	4,926,031	(8,397,251)
Add: Non Operating Expenses/ Non Cash Expenses		
Depreciation & Amortisation	1,058,259	1,278,551
Provision for diminution in value of quoted investments (net)	(13,834)	(17,435)
Loss on Sale of Fixed Assets	-	8,680
Interest Paid	4,038,570	3,253,862
Amalgamation Adjustments	70,804,982	-
Capital Reserve on Amalgamation	37,893,245	-
Bad debts Written off	5,587,754	-
	119,368,976	4,523,658
Less : Interest / Dividend/ Other Non Operating Income Adjustments		
Interest Received	3,116,101	2,215,182
Dividend Received	15,702	-
Profit on sales of shares	11,027,143	2,468,038
Prior period items	655,038	-
Profit on Sale of Fixed Assets	20,727	-
Sale of MCX Membership	645,000	-
	15,479,710	4,683,220
Operating Profit before Working Capital Changes	108,815,297	(8,556,812)
Adjusted for:		
(Increase)/Decrease in Sundry Debtors	(8,031,150)	12,305,970
(Increase)/Decrease in Loans & Advances	(45,160,390)	12,153,799
Increase / (Decrease) in Current Liabilities	1,646,175	(5,999,479)
Increase / (Decrease) in Provisions	10,057	(17,435)
Cash Generated from Operation	57,279,989	9,886,043
Income Tax Paid	(6,937,822)	(3,988,939)
Net Cash From Operating Activities	50,342,167	5,897,103

Particulars	2010-11 Amount (Rs.)	2009-10 Amount (Rs.)
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets	(1,570,370)	(274,741)
Proceed on sale of Fixed Assets	263,431	19,100
(Purchase)/ Sale of Investments (Net)	20,988,651	22,960,140
Inter Corporate Deposits received / (Given)	(115,042,214)	(3,356,232)
Micro Finance Gold Loan given	(4,063,926)	-
Interest Received	3,116,101	-
Dividend Received	15,702	-
Sale of MCX Membership	645,000	-
Net Cash used in Investing Activities	(95,647,625)	19,348,267
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	210,150	-
Increase/ (Decrease) in Secured Loans	7,244,016	(4,604,327)
Increase/ (Decrease) in Unsecured Loans	29,980,760	(2,500,000)
Interest Paid	(4,038,570)	(3,253,862)
Net Cash from/ (used in) Financing Activities	33,396,356	(10,358,189)
Net Increase / (Decrease) in Cash & Cash Equivalent	(11,909,102)	14,887,180
Opening Balance of Cash and Cash Equivalent	16,937,720	2,050,540
Closing Balance of Cash and Cash Equivalent	5,028,619	16,937,720

As per our attached report of even date

For Rahul Gautam Divan & Associates
Chartered Accountants

Rahul Divan
Partner

Mumbai
May 28, 2010

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman

K. K. Dastur
Director

Kumar Nair
Managing Director

U. Ramachandran
Chief Financial Officer

Raghu R. Palat
Director

Sridhar H.
Company Secretary

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2011**

	(Rs.)	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE – A			
SHARE CAPITAL			
Authorised Share Capital			
31,000,000 Equity Shares of Rs.10/- each (P.Y. 15,000,000 Equity Shares of Rs.10/- each)		<u>310,000,000</u>	<u>150,000,000</u>
Issued, Subscribed and Paid up Share Capital			
20,646,028 Equity Shares of Rs.10/- each fully paid up (P.Y. 14,000,000 Equity Shares of Rs.10/- each)		206,460,280	140,000,000
a) 6,625,013 (P.Y. Nil) Equity Shares of Rs.10/- each fully paid up are issued for consideration other than cash as follow:			
(i) 3,506,667 (P.Y. Nil) Equity Shares of Rs.10/- each issued as fully paid up to the shareholders of Transwarranty Credit Care Pvt. Ltd as per the scheme of amalgamation			
(ii) 3,118,346 (P.Y. Nil) Equity Shares of Rs.10/- each issued as fully paid up to the shareholders of Transwarranty Forex & Commodities Pvt. Ltd as per the scheme of amalgamation			
b) 21,015 (P.Y. Nil) Equity Shares of Rs.10/- each are issued under ESOP Scheme.			
3,814,540 Equity Shares of Rs.10/- each Rs.2.50 partly paid up (P.Y. Rs. Nil)		9,536,350	-
a) 3,814,540 (P.Y. Nil) Equity Shares of Rs.10/- each Rs.2.50 partly paid up are issued for consideration other than cash as follows:			
(i) 3,486,333 (P.Y. Nil) Equity Shares of Rs.10/- each Rs.2.50 partly paid up are issued to the shareholders of Transwarranty Credit Care Pvt. Ltd as per the scheme of amalgamation 328,207 (P.Y. Nil) Equity Shares of Rs.10/- each Rs.2.50 partly paid up are issued to the shareholders of Transwarranty Forex & Commodities Pvt. Ltd as per the scheme of amalgamation			
		<u>215,996,630</u>	<u>140,000,000</u>

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2011

	(Rs.)	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE – B			
RESERVES AND SURPLUS			
Capital Reserve on Amalgamation		37,893,245	-
Securities Premium Account		208,291,145	208,291,145
Reserve U/S 45 IC of RBI Act			
Balance as per last Balance Sheet	16,894,671		16,894,671
Transferred from Profit & Loss Account	<u>932,961</u>		-
		17,827,632	16,894,671
General Reserve			
Balance as per last Balance Sheet	10,389,028		10,389,028
Add:- Transfer from merged company	<u>21,729</u>		-
		10,410,757	10,389,028
Profit & Loss Account			
Balance as per the annexed Profit & Loss Account		<u>5,188,296</u>	6,042,001
		<u>279,611,075</u>	<u>241,616,844</u>
SCHEDULE – C			
SECURED LOANS			
From Bank :			
Overdraft Account (Gold Loan)- The Catholic Syrian Bank Ltd (Secured against Gold Loan Receivables and guarantee given by the Managing Director)		3,600,888	-
Overdraft Account- ICICI Bank Ltd (Secured against hypothecation of Office Premises owned by Transwarranty Pvt. Ltd. and Guarantee given by the Managing Director)		7,991,766	3,611,711
Car Loan Account (Secured against hypothecation of Motor Car)		1,817,657	2,554,584
		<u>13,410,311</u>	<u>6,166,295</u>
SCHEDULE – D			
UNSECURED LOANS			
Inter Corporate Deposits		28,500,000	-
Interest Accrued on Inter Corporate Deposits		<u>1,480,760</u>	-
		<u>29,980,760</u>	-



SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2011

**SCHEDULE – E
FIXED ASSETS**

Sr. No.	Description	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As on 1.04.2010 (Rs.)	Additions During the year (Rs.)	Sale During the year (Rs.)	As on 31.3.2011 (Rs.)	As on 31.3.2010 (Rs.)	Additions on Amalgamation (Rs.)	For the Year (Rs.)	On Sale During the Year (Rs.)	Upto 31.3.2011 (Rs.)	As on 31.3.2011 (Rs.)	As on 31.3.2010 (Rs.)
1	Goodwill		400,000	-	400,000	-	-	-	-	-	400,000	-
2	Furniture	701,249	-	740,837	1,422,119	305,803	-	97,671	9,842	393,632	1,028,486	395,445
3	Computers	506,115	45,000	269,136	789,451	356,512	35,222	91,028	26,152	456,610	332,841	149,602
4	Office Equipments	433,468	-	139,689	551,157	257,008	-	27,720	17,529	267,199	283,958	176,458
5	Vehicles	5,533,823	-	-	4,729,165	2,489,474	-	744,721	581,196	2,652,999	2,076,166	3,044,349
6	Computer Software	1,294,240	37,440	420,708	1,752,388	1,237,670	33,398	97,120	-	1,368,188	384,200	56,571
Total		8,468,894	482,440	1,570,370	9,644,280	4,646,469	68,620	1,058,259	634,719	5,138,628	4,505,652	3,822,425
Previous Year		8,241,143	-	274,741	8,468,894	3,387,128	-	1,278,551	19,210	4,646,469	3,822,425	

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2011

INVESTMENTS	Face Value (Rs.)	31.03.2011		31.03.2010	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
SCHEDULE – F					
A LONG TERM INVESTMENTS					
(a) In Government Securities					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
(b) In Equity Shares					
1 In Subsidiary Companies					
i. Unquoted and fully paid up					
Transwarranty Forex & Commodities Pvt. Ltd.	10		-	2,587,500	25,875,000
Transwarranty Credit Care Pvt Ltd	10		-	5,250,000	52,500,000
ii. Quoted and fully paid up					
Vertex Securities Limited		3,536,698	96,902,298	3,936,698	106,902,298
2 Others (Unquoted and fully paid up)					
Catholic Syrian Bank Ltd.	10	500	16,000	500	16,000
(c) In Preference Shares					
<u>In Subsidiary Companies</u>					
15% Non Cumulative Redeemable Preference Shares of Vertex Securities Limited	100	6,863	1,372,600	6,863	1,372,600
0.50% Fully Convertible Preference Shares of Rs.10/- each fully paid up of Vertex Securities Limited	10	4,732,000	47,320,000	4,732,000	47,320,000
Total (A)			145,615,898		233,990,898

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2011**

INVESTMENTS	Face Value (Rs.)	31.03.2011		31.03.2010	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
B QUOTED INVESTMENTS					
(a) In Equity Shares					
South Indian Bank (Right Share) (Market Value Rs.23/-)	10	1	40	1	40
NEPC India Ltd. (Market Value Rs.8,200/-)	10	2,000	85,156	2,000	85,156
Rama Newsprints (Market Value Rs.24,125/-)	10	1,250	86,838	1,250	86,838
Anil Products Ltd (Market Value Rs.3,206,677/-)	10	15,002	300,040	15,002	300,040
Biocon	10	100	52,326	-	-
Biocon-Bonus Shares (Market Value Rs.68,790/-)	10	100	-	-	-
(b) Others (Quoted)					
UTI Master Share (Market Value Rs.30,740/-)	-	1,000	13,945	1,000	13,945
Total			538,346		486,019
Grand Total			146,154,244		234,476,917
Market Value of Quoted Investments			3,338,555		1,580,998
Market Value of Quoted Investments in Subsidiary Company			612,202,424		152,350,213
Total			615,540,979		153,931,211

Note: Provision for diminution in the value of Quoted Investments amounted to Rs. 1,39,687/- (P.Y. Rs.1,29,630/-) has been provided for

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2011

	(Rs.)	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE – G			
CURRENT ASSETS, LOANS AND ADVANCES			
a) Current Assets			
Debtors (Unsecured considered good)			
Outstanding for a period exceeding six months	12,682,706		17,677,711
Less:- Bad Debts written off	<u>6,162,135</u>		<u>15,838,232</u>
		6,520,571	1,839,479
Other Debts		<u>10,985,579</u>	<u>13,223,276</u>
		<u>17,506,150</u>	<u>15,062,755</u>
Cash and Bank Balances			
Cash Balance		430,070	16,456
Balance with Scheduled Banks in Current Account		3,160,051	15,910,077
Fixed Deposit with Banks		<u>1,438,498</u>	<u>1,011,188</u>
		<u>5,028,619</u>	<u>16,937,721</u>
b) Loans and Advances (Unsecured considered good)			
Advances recoverable in cash or kind or for value to be received		46,644,650	44,252,285
Inter Corporate Deposits		169,097,669	54,055,455
Micro Finance - Gold Loan		8,761,647	4,697,721
Staff Loans		26,490	24,000
Deposits		52,316,401	9,550,866
Advance Income Tax (Including Tax Deducted at Source)		47,074,739	42,388,804
TFL-TCCPL and TFCPL Merger Scheme Trust		<u>78,375,000</u>	-
		<u>402,296,596</u>	<u>154,969,131</u>
Notes:			
1. The loans and advances in the nature of loans to subsidiaries and companies under the same management are interest free.			
2. Inter Corporate Deposit paid to subsidiaries and companies under the same management.			
Vertex Securities Limited		28,633,163	15,079,163
Transwarranty Forex & Commodities Private Limited (Merged)		-	7,968,892
Transwarranty Credit Care Private Limited (Merged)		-	22,695,700
		<u>28,633,163</u>	<u>45,743,755</u>
3. Maximum amount outstanding at any time during the year Subsidiaries and Companies under same management		29,633,163	54,404,930

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2011**

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE – H		
CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Other Liabilities	-	22,606
Sundry Creditors (Due to Micro, Small and Medium enterprises Rs. Nil (P.Y. Rs.Nil)	7,346,321	5,678,035
Book Overdraft	495	-
Unclaimed Dividend	98,610	98,610
	<u>7,445,426</u>	<u>5,799,251</u>
b) Provisions		
Provision for taxation	29,604,263	31,856,150
Provision for Diminution in value of Quoted Investments	139,687	129,630
	<u>29,743,950</u>	<u>31,985,780</u>
SCHEDULE – I		
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
a) Preliminary expenditure	159,450	-
Less : Written off during the year	31,892	-
Total (A)	<u>127,558</u>	-
b) Deferred Revenue Expenditure	502,926	-
Less : Written off during the year	100,588	-
Total (B)	<u>402,338</u>	-
Total (A+B)	<u>529,896</u>	-

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE – J		
INCOME FROM OPERATIONS		
Trade Finance	41,357,371	25,932,924
Corporate Finance	12,150,692	21,494,702
Investment Banking	14,701,739	4,367,600
Micro Finance-Interest on Gold Loan	773,168	756,211
Brokerage Income - Forex Broking	5,875	-
	<u>68,988,846</u>	<u>52,551,437</u>
SCHEDULE - K		
OTHER INCOME		
Interest Received (Tax Deducted at Source Rs.250,240/- (P.Y. Rs.145,220/-)	3,116,101	2,080,465
Dividend Received	15,702	134,717
Sale of MCX Membership	645,000	-
Profit on Sale of Fixed Assets (Net)	20,727	-
Provision for Quoted Investment Written Back (Net)	13,834	17,435
Profit on Futures & Options	-	100,341
Profit on Sale of Shares (Net)	11,027,143	2,468,038
	<u>14,838,507</u>	<u>4,800,996</u>
SCHEDULE - L		
OTHER EXPENSES		
Advertisement Expenses	323,598	127,248
Auditors Remuneration	92,000	95,000
Business Promotion	1,295,281	572,845
Bad Debts Written Off	5,587,754	15,838,232
Conveyance	298,642	287,822
Directors Sitting Fees	528,000	686,000
Electricity	573,079	595,358
Legal & Professional Charges	13,760,018	2,275,986
Office Expenses	1,918,261	1,334,541
Printing & Stationery	721,201	679,983
Rent	6,154,644	5,564,000
Rates & Taxes	992,978	183,374
Repairs & Maintenance	348,174	737,008
Subscription & Membership	2,036,718	205,113
Telephone & Lease Line Expenses	630,891	638,607
Traveling Expenses	1,731,113	636,905
Loss in Sale of Fixed Assets	-	8,680
Loss on GOI Securities	-	1,583,616
Deferred Revenue Expenses Written off	100,588	-
Preliminary Expenses Written Off	31,892	-
	<u>37,124,831</u>	<u>32,050,318</u>



SCHEDULE – M

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2011

I SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation of Financial Statements

The Financial Statements are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and relevant provisions of Companies Act, 1956 to the extent applicable.

(B) Fixed Assets

- (i) All the fixed assets have been stated at cost less depreciation. Cost includes cost of purchase and other costs attributable to bringing the assets to working condition for intended use.
- (ii) Fixed assets are adequately depreciated on written down value basis in accordance with the provisions of Section 205(2)(a) and at the rates specified in Schedule XIV to the Companies Act, 1956

(C) Current Assets

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

(D) Leases

Disclosures as required by Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India, are given below :

- (i) The company has taken various offices and a godown premises under lease and license agreements. These are generally non-cancelable and range between 11 months and 3 years and are renewable by mutual consent on mutually agreeable terms.
- (ii) Lease payments are recognized in the Profit and Loss Account under 'Rent'.

(E) Revenue Recognition

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

(F) Retirement Benefits

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

(G) Taxation

- (i) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income tax Act, 1961.
- (ii) The deferred tax charge or credit reflects the tax effect of timing differences between the book and the tax profits accounted for using the tax rates and laws that have been substantially enacted as on the Balance Sheet date.
- (iii) Deferred Tax Assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future.

(H) Investments

- (i) Long term investments are valued at cost.
- (ii) Short Term Investments are valued at cost or fair value whichever is lower determined on an individual investment basis.
- (iii) Trade investments are valued at cost or fair value whichever is lower determined on an individual investment basis.

(I) Earning per Share

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

(J) Foreign Currency Transactions

Transaction in foreign currencies pertaining to revenue accounts are accounted at approximate exchange rate prevalent on the transaction date. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment / realization in Profit & Loss Account. The amount outstanding at the year end are translated at exchange rate prevailing at year end and the profits / loss so determined are recognized in the Profit & Loss Account.

(K) Provisions

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the best current estimate.

(L) Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(M) Employee Stock Option

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share based Payments, issued by The Institute of Chartered Accountants of India. Compensation expenses is amortised over the vesting period of the option on a straight line basis. The Company measures compensation cost relating to employee stock options using the intrinsic value method.

II NOTES ON ACCOUNTS**1) CONTINGENT LIABILITIES**

S.No.	Particulars	2010-11 (Rs.)	2009-10 (Rs.)
1	Guarantees issued by the company on behalf of its associates for acquiring office premises	68,799,162	68,799,162
2	Counter Guarantees given to bankers on behalf of subsidiary companies for Exchange Margin Requirements	125,000,000	-
3	Guarantees issued by the company on behalf of its Subsidiary Company for Inter Corporate Deposits taken.	10,000,000	-
4	Claims against the company not acknowledged as debt		
a)	Tax Demand in respect of which company's Appeal is pending before the first appellate authority (Income Tax) for the Assessment Year 2008-09.	1,164,113	-

**2) AUDITORS REMUNERATION**

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
(I) As Auditors	72,000	60,000
(II) In other capacities		
– Taxation matters	-	-
– Tax Audit Fees	20,000	20,000
– For Other Matters	22,500	15,000
	<u>114,500</u>	<u>95,000</u>

3) EARNING / EXPENDITURE IN FOREIGN CURRENCY

(Rs in million)

	2010-11	2010-11
Earnings in Foreign Exchange as fees for Professional Services rendered	2.10	Nil
Expenditure incurred in Foreign Currency	1.17	Nil

4) The Deferred Tax Assets at the year end comprises of timing differences arising on account of :

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
Depreciation	166,994	299,220

5) Pursuant to the Scheme of Amalgamation [“the Scheme”] under section 391 to 394 of the Companies Act, 1956, Transwarranty Credit Care Pvt. Ltd(TCCPL), and Transwarranty Forex & Commodities Pvt. Ltd.(TFCPL) are merged with Transwarranty Finance Limited (TFL) (Transferee Company) w.e.f April 01, 2009 [“the Appointed date”] in terms of the Order dated October 15 ,2010 of Hon’ble High Court of Judicature at Mumbai, sanctioning the Scheme and is effective from November 01, 2010.

With effect from the Appointed date, all the business undertakings, assets, liabilities, rights and obligations of each of the Transferor Companies stood transferred to and vested in the Transferee Company in consideration for issue of,

- (i) for every 3 (three) equity shares of TCCPL, 2 (two) equity shares of TFL, and allotment of 3,506,667 equity shares of Rs.10/- each fully paid up , and 3,486,333 equity shares of Rs.10/- each, credited as Rs. 2.50 paid up in the capital of TFL to equity shareholders of TCCPL holding Rs.2.50/- paid up equity shares of Rs.10/- each.
- (ii) for every 3 (three) equity shares of TFCPL, 2 (two) equity shares of TFL, and allotment of 3,118,346 equity shares of Rs.10/- each, credited as fully paid-up and 328,207 equity shares of Rs.10/- each, credited as Rs. 2.50 paid up in the capital of TFL to equity shareholders of TFCPL holding Rs.2.50/- paid up equity shares of Rs.10/- each.

In terms of Clause 10.7 of the Scheme, the shares totaling 5,225,000 [Fifty two Lakhs twenty five thousand only] equity shares of Rs. 10 each fully paid up of Transwarranty Finance Limited (“Transwarranty Shares’) to be issued by TFL in lieu of equity shares held by TFL in the share capital of TCCPL and TFCPL are issued to a trustee which would hold such shares in trust together with additions and accretions thereto, exclusively for the benefit of the share holders of TFL subject to the powers, provisions, discretions, rights and agreements contained in the instrument incorporating(TFL – TCCPL and TFCPL Merger Scheme Trust). The Amalgamation has been accounted for under the “Pooling of Interests method” as prescribed by Accounting Standard 14- Accounting for Amalgamations [AS-14] issued by the Institute of Chartered Accountants of India. Accordingly, the assets, liabilities and reserves of the Transferor Companies have been taken over at their book values on the Appointed date.

Consideration

6,625,013 fully paid equity shares of Rs. 10 each and 3,814,540 partly paid (Rs. 2.50 paid up) equity shares of Rs.10 each were issued to the share holders of erstwhile TCCPL and TFCPL by TFL which amounts to an increase of Rs 75,786,480 in the paid up capital of the TFL. The difference between the transfer of Assets and Liabilities after considering issue of equity shares as mentioned above is adjusted in Goodwill on amalgamation / Reserve on amalgamation. Goodwill on amalgamation is to be written off over a period of five years as per the AS-14.

Pursuant to sanction of the Scheme of Amalgamation:

(a) Authorised Share Capital of TFL stands increased as under:

Equity Share Capital 31,000,000 Equity Shares of Rs. 10 each Rs. 310,000,000

In view of the aforesaid amalgamations, the figures for the current year are not comparable with those of the previous year, which have not been restated.

EPS for the year has been worked after taking into effect number of shares to be allotted on amalgamation.

6) Employee Stock Option Scheme

- a) The Transwarranty Finance Limited (TFL) Employee Stock Option Scheme has been approved by the Board Of Directors of the company on 10th March, 2008.
- b) The vesting period is over five years from the date of grant, commencing after one year from the date of grant.
- c) Exercise Period would commence one year from date of grant and will expire on completion of five years from the date of vesting.
- d) The options will be settled in equity shares of the company.
- e) The company used the intrinsic value method to account for ESOPs.
- f) The exercise price has been determined to be Rs.10/-
- g) Consequently, no compensation cost has been recognized by the company in accordance with the "Guidance Note on Accounting for Employee Share-Based payments" issued by the Institute of Chartered Accountants of India".
- h) Details of movement of Options

Particulars	As at 31.03.2011 Nos.	As at 31.03.2010 Nos.
Options outstanding at the beginning of the year	688,366	665,000
Options granted during the year	Nil	92,500
Options vested during the year	Nil	22,666
Options exercised during the year	21,015	Nil
Options forfeited during the year	206,100	55,400
Options lapsed /surrendered during the year	Nil	13,734
Options outstanding at the end of the year	482,266	688,366

- i) Had fair value method been used , the compensation cost would have been higher by Rs.7.46 Lakhs (Previous Year Rs. 11.72 Lakhs) Loss after tax would have been higher by Rs.7.46 Lakhs (Previous year Rs.11.72 Lakhs) and EPS - both basic and diluted - would have been Rs.0.20 Per share (Previous Year Rs.(0.68)Per share)



7) The company is primarily engaged in a single segment viz. Financial Services and related activities, therefore the separate disclosures required under Accounting Standard (AS-17) on Segment Reporting issued by ICAI are not applicable.

8) Related Party Disclosures

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

(I) List of Related parties

- | | | |
|-------------------------------|---|---|
| (a) Subsidiary of the company | : | Vertex Securities Limited
Vertex Commodities and Finpro (P) Ltd. |
| (b) Associated Company | : | Transwarranty Advisors Private Limited
Transwarranty Private Limited |
| (c) Key Management Personnel | : | Mr. Kumar Nair (Managing Director) |

(II) Summary of Transactions

(Rs. in Million)

Sr. No.	Particulars	Subsidiary Company	Associated Company	Key Management Personnel
1	Salary and other Allowances to Key Management Personnel.	Nil	Nil	1.80
2	Inter Corporate Deposits paid	40.51	29.90	Nil
3	Inter Corporate Deposits Received	26.95	8.77	Nil
4	Rent Paid	Nil	6.00	Nil
Balance As on 31-03-2011				
	Vertex Securities Limited	28.63 Dr		
	Transwarranty Advisors Pvt. Ltd.	27.24 Dr		
	Transwarranty Private Limited	2.21 Dr		

9) Earnings Per Share (EPS)

	2010-11	2009-10
(a) Net Profit as per Profit & Loss Account (Rs)	4,138,767	(8,288,047)
(b) Weighted average number of Equity Shares used as a denominator for calculating Basic EPS	17,166,526	14,000,000
(c) Weighted average number of Equity Shares used as a denominator for calculating Diluted EPS	17,166,526	14,007,554
(d) Basic Earnings Per Share of face value of Rs.10/- each	0.24	(0.59)
(e) Diluted Earnings Per Share of face value of Rs.10/- each	0.24	(0.59)

- 10) (a) Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.
 (b) Debit and Credit balances are subject to confirmation of parties.
- 11) Previous Year figures are regrouped or rearranged wherever necessary to correspond with the current year figures
- 12) Advances recoverable in cash or kind or for value to be received includes Rs. 4.34 Crores (P.Y. Rs.4.33 Crores) as advance against capital expenditure outstanding for a period more than 180 days.
- 13 **Disclosure as required under Accounts Standard 15 on employee benefits for gratuity and leave encashment is as under**

S.No.	Particulars	Gratuity	Leave Encashment (unfunded)
i)	Change in the benefit Obligations:		
	Present value of obligations as on 01. 04. 2010	1,266,480	-
	Current Service Cost	311,965	3,690
	Past Service Cost	319,379	1,034,723
	Interest Cost	101,318	96,017
	Actuarial (Gain)/Loss on obligation	42,129	(897,972)
	Benefits Paid	-	(99,777)
	Present value of obligations as on 31.03.2011	2,041,271	136,681
ii)	Change in Plan Assets:		
	Fair Value of Plan Assets as on 01.04.2010	1,179,797	-
	Adjustment to the opening balance	-	-
	Expected Return on Plan Assets	121,122	-
	Employer's Contributions	668,461	99,777
	Benefits Paid	-	(99,777)
	Actuarial Gain/(Loss) on Plan Assets	(121,122)	-
	Fair Value of plan assets as on 31.03.2011	1,848,258	-
iii)	Net (Asset) Liability (i) - (ii) :	193,013	136,681
iv)	Net Cost for the year ended 31.03.2011		
	Current Service Cost	311,965	1,034,723
	Past Service Cost	319,379	-
	Interest Cost	101,318	3,690
	Expected Return on plan Assets	(121,122)	-
	Actuarial (Gain)/ Loss recognised during the year	163,251	(897,972)
	Adjustment (Gain) to opening value of planned assets	-	-
	Net Cost	774,791	140,441



S.No.	Particulars	Gratuity	Leave Encashment (unfunded)
	Amount recognised in the Balance sheet (Asset) / Liability	193,013	136,681
	Amount recognised in the Profit and Loss Account(Gain)/Loss	774,791	140,441
	Principal actuarial assumptions:		
	Discount rate	8.00%	8.00%
	Expected Return on plan assets	8.00%	--
	Salary Escalation Rate	4.00%	10.00%
	Attrition Rate	46.00%	46.00%
	Demographic Assumptions:		
	Retirement age	60 Year	
	Mortality rate	8%	

14) a) **Managing Director's Remuneration Under Section 198 of the Companies Act, 1956.**

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
Salary	1,560,804	986,592
Contribution to Provident Fund	64,800	47,520
Other Allowances	174,400	286,000
	<u>1,800,004</u>	<u>1,320,112</u>

b) **Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956, and calculation of commission payable to Non Executive Directors**

S. No.	Particulars	2010-11		2009-10	
		Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
	Net Profit for the year Before Tax		4,926,031		(8,397,251)
	Add:-				
1	Depreciation provided in the Accounts	1,058,259		1,278,551	
2	Remuneration to Managing Director (Section 198)	1,800,004		1,320,112	
3	Commission to Non Executive Directors	-			
4	Directors Sitting Fees (Section 309 (2))	528,000		686,000	
5	Loss on Sale of Fixed Assets	-		8,680	
			3,386,263		3,293,343
			8,312,294		(5,103,908)
	Less:-				
1	Depreciation Under Section 350 of the Act	1,058,259		1,278,551	
2	Profit on Sale of Investments (Section 349 (3) (c))	11,027,143		2,468,038	
3	Profit on Sale of Fixed Assets	20,727			
			12,106,130		3,746,589
	Net Profit for Section 198 of the Act		(3,793,835)		(8,850,497)
	Maximum remuneration payable to Non Executive Directors @1%		Nil		Nil
	Commission Expenses in Profit & Loss Account in respect of Non Executive Directors		Nil		Nil

As per our attached report of even date

For Rahul Gautam Divan & Associates
Chartered Accountants

Rahul Divan
Partner

Mumbai
May 25, 2011

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman

K. K. Dastur
Director

Kumar Nair
Managing Director

U. Ramachandran
Chief Financial Officer

Raghu R. Palat
Director

Sridhar H.
Company Secretary



SCHEDULE – N

Additional Information Pursuant to the provisions of Part-IV of Shchedule VI of Companies Act, 1956

BALANCE SHEET ABSTRACT & COMPANY’S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. **80220** State Code : **11**
 Balance Sheet Date : **31 03 2011**
 Date Month Year

II. CAPITAL RAISED DURING THE YEAR : (Amount in Rs. Thousands)

Public Issue : **NIL** Right Issue : **NIL**
 Bonus Issue **NIL** Private Placement : **NIL**

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS : (Amount in Rs.Thousands)

Total Liabilities **576021** Total Assets : **576021**

SOURCE OF FUNDS :

Paid-Up Capital **215997** Reserves & Surplus: **279611**
 Share Application Money **NIL** Secured Loans : **13410**
 Unsecured Loans : **29981**

APPLICATION OF FUNDS :

Net Fixed Assets : **4505** Investments : **146154**
 Net Current Assets : **387642** Misc.Expenditure : **530**
 Accumulated Losses : **NIL** Deferred Tax Liability: **-167**

IV. PERFORMANCE OF THE COMPANY: (Amount in Rs.Thousands)

Total Income **83827** Total Expenditure : **78901**
 Profit before Tax : **4926** Profit / Loss after Tax : **4665**
 Basic Earnings Per Share in Rs. **0.24** Dividend Rate (%) **NIL**

V. GENERIC NAME OF THE THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code No. **N.A**
 Product Description **FINANCIAL SERVICES**

As per our attached report of even date

For Rahul Gautam Divan & Associates
 Chartered Accountants

Rahul Divan
 Partner

Mumbai
 May 25, 2011

For and on behalf of Board of Directors

Suresh N. Talwar
 Chairman

K. K. Dastur
 Director

Kumar Nair
 Managing Director

U. Ramachandran
 Chief Financial Officer

Raghu R. Palat
 Director

Sridhar H.
 Company Secretary

CONSOLIDATED FINANCIAL STATEMENT AUDITORS' REPORT

To,
The Members of
Transwarranty Finance Limited,

1. We have audited the attached Consolidated Balance Sheet of Transwarranty Finance Limited and its subsidiaries as on 31st March, 2011, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the management of Transwarranty Finance Limited in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and the audited financial statements of its subsidiaries included in the consolidated financial statements.
4. *As stated in Notes on Accounts point no.17 of Schedule N, sundry debtors in the subsidiary companies under the head current assets includes old outstanding dues. The sundry debtors of subsidiary companies outstanding for more than six months amounts to Rs.26.14 million. Further out of the total sundry debtors of subsidiary companies, for a sum of Rs.19.42 million, the subsidiary companies have initiated legal and recovery actions, the proceedings of which are in different stages.*

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

5. Subject to our comments in paragraph 4 above, we report that, on the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2011
 - b. in the case of the Consolidated Profit & Loss Account, of the consolidated results of operations for the year ended on that date; and
 - c. in the case of the Consolidated Cash Flow Statement, of the consolidated results of operations for the year ended on that date.

For and on behalf of

Rahul Gautam Divan & Associates
Chartered Accountants
(ICAI Reg. No. 120294W)

Sd/-

Rahul Divan

Partner

Membership No: 100733

Place: Mumbai

Date: 25 May 2011

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	31.03.2011 (Rs.)	31.03.2010 (Rs.)
I SOURCES OF FUNDS			
(1) Shareholders Funds			
(a) Share Capital	A	215,996,630	140,000,000
(b) Reserves and Surplus	B	<u>271,443,645</u>	<u>233,956,551</u>
		<u>487,440,275</u>	<u>373,956,551</u>
(2) Loan Funds			
(a) Secured Loans	C	14,278,476	15,442,984
(b) Unsecured Loans	D	38,159,210	21,918,630
(3) Deferred Tax Liability		640,181	2,615,680
(4) Minority Interest	E	<u>84,245,474</u>	<u>98,440,254</u>
Total Funds Employed		<u>624,763,616</u>	<u>512,374,099</u>
II APPLICATION OF FUNDS			
(1) Fixed Assets	F		
(a) Gross Block		81,062,007	76,190,108
(b) Less : Depreciation		<u>44,369,300</u>	<u>39,121,376</u>
(c) Net Block		<u>36,692,707</u>	<u>37,068,732</u>
(2) Investments	G	20,567,045	20,567,045
(3) Goodwill on Consolidation		51,310,750	54,543,290
(4) Current Assets, Loans & Advances	H		
(a) Current Assets			
Sundry Debtors		194,017,412	68,768,159
Cash and Bank Balances		127,551,605	72,830,673
(b) Loans and Advances		<u>577,766,492</u>	<u>397,412,491</u>
		<u>899,335,509</u>	<u>539,011,323</u>
Less : Current Liabilities & Provisions	I		
(a) Current Liabilities		353,128,311	105,939,670
(b) Provisions		<u>30,543,980</u>	<u>33,538,999</u>
		<u>383,672,291</u>	<u>139,478,669</u>
Net Current Assets		<u>515,663,218</u>	<u>399,532,654</u>
(5) Miscellaneous Expenses	J	<u>529,896</u>	<u>662,378</u>
Total Utilisation of Funds		<u>624,763,616</u>	<u>512,374,099</u>
NOTES TO THE ACCOUNTS	N		

The Schedules referred to above form an integral part of the Balance Sheet

As per our attached report of even date

For Rahul Gautam Divan & Associates
Chartered Accountants

Rahul Divan
Partner

Mumbai
May 25, 2011

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman

K. K. Dastur
Director

Kumar Nair
Managing Director

U. Ramachandran
Chief Financial Officer

Raghu R. Palat
Director

Sridhar H.
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	31.03.2011 (Rs.)	31.03.2010 (Rs.)
INCOME			
Income From Operations	K	162,428,977	144,988,717
Other Income	L	29,841,793	18,579,279
TOTAL INCOME		<u>192,270,770</u>	<u>163,567,996</u>
EXPENDITURE			
Operational Expenses		53,630,093	49,749,086
Personnel Expenses		69,137,431	51,755,793
Interest and Bank Charges		8,500,646	6,579,310
Other Expenses	M	59,440,156	51,577,085
TOTAL EXPENDITURE		<u>190,708,326</u>	<u>159,661,274</u>
Profit before depreciation and tax		<u>1,562,444</u>	<u>3,906,722</u>
Depreciation		6,424,444	6,554,411
Profit / (Loss) before tax		<u>(4,862,000)</u>	<u>(2,647,689)</u>
Provision for Taxation:-			
Current Tax		129,000	1,520,140
Deferred Tax		(1,975,499)	1,198,205
Profit / (Loss) after Tax		<u>(3,015,501)</u>	<u>(5,366,034)</u>
Add:-Share of Loss transferred to Minority Interest		(3,168,578)	(1,001,120)
Profit / (Loss) after Tax(After Adjustment for Minority Interest)		<u>153,077</u>	<u>(6,367,154)</u>
(Short)/ Excess Provision for Tax Earlier years		(526,038)	(1,285,153)
Net Profit Brought forward		(1,618,294)	6,418,200
Consolidation adjustment due to change in shareholding in Subsidiary		3,600,784	-
Profit available for appropriation		<u>1,609,529</u>	<u>(1,234,107)</u>
APPROPRIATION			
Reserve u/s 45 IC of RBI Act:-		932,960	-
Preference Share Dividend		-	313,425
Corporate Dividend Tax Preference Shares		-	70,762
Net Profit carried to Balance Sheet		676,568	(1,618,294)
		<u>1,609,529</u>	<u>(1,234,107)</u>
Notes to the Accounts			
	N		
Earnings Per Share (Equity Shares of face Value Rs.10/- each)			
Basic Earning per share		(0.18)	(0.38)
Diluted Earning per share		(0.18)	(0.38)
The Schedules referred to above form an integral part of the Balance Sheet			

As per our attached report of even date

For Rahul Gautam Divan & Associates
Chartered Accountants**Rahul Divan**
PartnerMumbai
May 25, 2011

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman**K. K. Dastur**
Director**Kumar Nair**
Managing Director**U. Ramachandran**
Chief Financial Officer**Raghu R. Palat**
Director**Sridhar H.**
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

Particulars	2010-11 Amount (Rs.)	2009-10 Amount (Rs.)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before Tax and Extraordinary items	(4,862,000)	(2,647,689)
Add: Non Operating Expenses/ Non Cash Expenses		
Depreciation & Amortisation	6,424,444	6,554,411
Provision for diminution in value of quoted investments	(13,834)	(31,420)
Loss on Sale of Fixed Assets (Net)	338,883	182,907
Interest Paid	8,500,646	6,579,310
Preliminary Expenses / Deferred Revenue Expenses Written off	132,480	132,773
Adjustment on Sale of investments and Amalgamation	(13,831)	-
Bad Debts Written Off	5,755,279	-
	<u>21,124,067</u>	<u>13,417,981</u>
Less : Interest / Dividend/ Other Non Operating Income Adjustments		
Interest Received	(7,752,001)	(7,165,239)
Dividend Received	(15,702)	-
Profit on share trading	(11,027,143)	(2,468,038)
Sale of MCX Membership	(645,000)	-
Prior Period Items	(655,038)	-
	<u>(20,094,885)</u>	<u>(9,633,277)</u>
Operating Profit before Working Capital Changes	<u>(3,832,818)</u>	<u>1,137,015</u>
Adjusted for:		
(Increase)/Decrease in Sundry Debtors	(131,411,388)	2,580,731
(Increase)/Decrease in Loans & Advances	(43,391,760)	7,927,241
Increase / (Decrease) in Current Liabilities	247,595,497	(38,663,308)
Increase / (Decrease) in Provisions	(397,909)	849,802
(Increase) / Decrease in Inventories	84,827	-
Cash Generated from Operation	<u>68,646,449</u>	<u>(26,168,519)</u>
Income Tax Paid	(6,720,772)	(3,947,748)
Net Cash From Operating activities	<u>61,925,677</u>	<u>(30,116,266)</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	2010-11 Amount (Rs.)	2009-10 Amount (Rs.)
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets	(6,698,283)	(5,983,773)
Sale of Fixed Assets	310,980	2,178,092
Sale of Investments (Net)	21,040,977	23,258,943
Inter Corporate Deposits received / (Given)	(50,243,370)	12,532,711
Gold Loan Given	(4,063,926)	-
Interest Received	7,752,001	7,165,239
Dividend Received	15,702	-
Sale of MCX Membership	645,000	-
Premium on Acquisition	(2,400)	-
Net Cash used in Investing Activities	(31,243,318)	39,151,212
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	210,150	14,304,525
Share Application Money Received	17,480,272	-
Decrease in Secured Loans	(1,164,507)	(1,989,240)
Increase/ (Decrease) in Unsecured Loans	16,240,580	(9,111,556)
Dividend Paid (including tax thereon)	(227,276)	(384,187)
Interest Paid	(8,500,646)	(6,579,310)
Net Cash from / (used in) Financing Activities	24,038,573	(3,759,768)
Net Increase / (Decrease) in Cash & Cash Equivalent	54,720,932	5,275,178
Opening Balance of Cash and Cash Equivalent	72,830,673	67,555,495
Closing Balance of Cash and Cash Equivalent	127,551,605	72,830,673

As per our attached report of even date

For Rahul Gautam Divan & Associates
Chartered Accountants**Rahul Divan**
PartnerMumbai
May 25, 2011

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman**K. K. Dastur**
Director**Kumar Nair**
Managing Director**U. Ramachandran**
Chief Financial Officer**Raghu R. Palat**
Director**Sridhar H.**
Company Secretary

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011**

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE – A		
SHARE CAPITAL		
Authorised Share Capital		
31,000,000 Equity Shares of Rs.10/- each (P.Y. 15,000,000 Equity Shares of Rs.10/- each)	310,000,000	150,000,000
Issued, Subscribed and Paid up Share Capital		
20,646,028 Equity Shares of Rs.10/- each fully paid up (P.Y. 14,000,000 Equity Shares of Rs.10/- each)	206,460,280	140,000,000
a) 6,625,013 (P.Y. Nil) Equity Shares of Rs.10/- each fully paid up are issued for consideration other than cash as follows:		
(i) 3,506,667 (P.Y. Nil) Equity Shares of Rs.10/- each issued as fully paid up to the shareholders of Transwarranty Credit Care Pvt. Ltd as per the scheme of amalgamation		
(ii) 3,118,346 (P.Y. Nil) Equity Shares of Rs.10/- each issued as fully paid up to the shareholders of Transwarranty Forex & Commodities Pvt. Ltd as per the scheme of amalgamation		
b) 21,015 (P.Y. Nil) Equity Shares of Rs.10/- each are issued under ESOP Scheme.		
3,814,540 Equity Shares of Rs.10/- each Rs.2.50 partly paid up (P.Y. Rs. Nil)	9,536,350	-
a) 3,814,540 (P.Y. Nil) Equity Shares of Rs.10/- each Rs.2.50 partly paid up are issued for consideration other than cash as follows:		
(i) 3,486,333 (P.Y. Nil) Equity Shares of Rs.10/- each Rs.2.50 partly paid up are issued to the shareholders of Transwarranty Credit Care Pvt. Ltd as per the scheme of amalgamation		
(ii) 328,207 (P.Y. Nil) Equity Shares of Rs.10/- each Rs.2.50 partly paid up are issued to the shareholders of Transwarranty Forex & Commodities Pvt. Ltd as per the scheme of amalgamation		
	<u>215,996,630</u>	<u>140,000,000</u>
SCHEDULE – B		
RESERVES AND SURPLUS		
Capital Reserve on Amalgamation	37,893,245	-
Securities Premium Account	208,291,145	208,291,145
Reserve U/S 45 IC of RBI Act		
Balance as per last Balance Sheet	16,894,671	16,894,672
Transferred from Profit & Loss Account	<u>932,960</u>	<u>-</u>
	17,827,631	16,894,672
General Reserve		
Balance as per last Balance Sheet	10,389,028	10,389,028
Add:-Transferred from Merged Company	<u>21,729</u>	<u>-</u>
	10,410,757	10,389,028
Profit & Loss Account		
Balance as per the annexed Profit & Loss Account	676,568	(1,618,294)
Less : Consolidation adjustments due to Change in share holding in subsidiary company accounts	<u>(3,655,702)</u>	<u>-</u>
	<u>(2,979,134)</u>	<u>(1,618,294)</u>
	<u>271,443,645</u>	<u>233,956,551</u>

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE – C		
SECURED LOANS		
From Banks		
Overdraft Account (Gold Loan)-The Catholic Syrian Bank Ltd (Secured against Gold Loan Receivables and guarantee given by the Managing Director)	3,600,888	612,260
Overdraft Account-The Catholic Syrian Bank Ltd (Secured against Fixed Deposit of Rs.6,288,910/-)	-	7,417,556
Overdraft Account-ICICI Bank Ltd (Secured against hypothecation of Office Premises owned by Transwarranty Pvt. Ltd. and Guarantee given by the Managing Director)	7,991,766	3,611,711
Car Loan Account (Secured against hypothecation of Motor Car)	2,685,822	3,801,457
	<u>14,278,476</u>	<u>15,442,984</u>
SCHEDULE – D		
UNSECURED LOANS		
Inter Corporate Deposits	36,491,672	20,972,903
Interest Accrued on Inter Corporate Deposits	1,667,538	945,727
	<u>38,159,210</u>	<u>21,918,630</u>
SCHEDULE - E		
MINORITY INTEREST		
Transwarranty Forex & Commodities Pvt. Ltd.	-	20,715,154
Transwarranty Credit Care Pvt. Ltd.	-	13,103,637
Vertex Commodities & Finpro Pvt. Ltd.	205,782	316,699
Vertex Securities Limited	84,039,692	64,304,764
	<u>84,245,474</u>	<u>98,440,254</u>



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011

**SCHEDULE – F
FIXED ASSETS**

Sr. No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 1.4.2010	Additions During the Year	Sale During the year	As on 31.3.2011	As on 1.4.2010	For the Year	On Sale During the Year	Up to 31.3.2011	As on 31.3.2011	As on 1.4.2010
		Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
1	Goodwill	400,000	-	-	400,000	-	-	-	-	400,000	400,000
2	Furniture	10,793,135	1,773,446	122,199	12,444,382	4,980,626	738,089	41,820	5,676,895	6,767,487	5,812,509
3	Computers	23,247,622	1,753,427	638,983	24,362,066	18,478,448	1,757,382	477,482	19,758,348	4,603,718	4,769,174
4	Office Equipments	8,988,074	732,023	208,909	9,511,187	2,482,860	422,482	69,605	2,835,738	6,675,449	6,505,214
5	Vehicles	8,594,035	-	804,658	7,789,377	3,364,325	1,035,442	581,196	3,818,572	3,970,805	5,229,710
6	Land & Building	661,170	-	-	661,170	113,942	8,120	-	122,062	539,108	547,228
7	Vsat-(P)	4,182,323	-	-	4,182,323	776,229	161,080	-	937,309	3,245,014	3,406,094
8	Cycle	9,240	-	-	9,240	9,240	-	-	9,240	-	-
9	Air Conditioners	1,071,599	323,160	51,636	1,343,123	219,387	45,783	6,416	258,754	1,084,369	852,212
Intangible Assets											
10	Computer Software	6,631,930	450,708	-	7,082,638	4,414,339	1,050,792	-	5,465,131	1,617,507	2,217,591
11	Lisence	9,759,980	1,415,520	-	11,175,500	3,513,351	1,017,295	-	4,530,646	6,644,854	6,246,629
Membership Rights in											
12	BSE	1,000,000	-	-	1,000,000	394,110	100,000	-	494,110	505,890	605,890
13	NMCE	100,000	-	-	100,000	54,877	10,000	-	64,877	35,123	45,123
14	MCX	251,000	-	-	251,000	150,600	25,100	-	175,700	75,300	100,400
15	NCDEX	500,000	-	-	500,000	169,041	50,000	-	219,041	280,959	330,959
16	NSEL	-	250,000	-	250,000	-	2,877	-	2,877	247,123	-
TOTAL		76,190,108	6,698,284	1,826,385	81,062,007	39,121,375	6,424,442	1,176,519	44,369,300	36,692,707	37,068,732
PREVIOUS YEAR		77,700,963	5,983,773	7,494,630	76,190,108	37,700,594	6,554,411	5,133,629	39,121,376	37,068,732	

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011

	31.03.2011			31.03.2010	
	Face Value (Rs.)	Quantity (Nos)	Value (Rs.)	Quantity (Nos)	Value (Rs.)
SCHEDULE – G					
INVESTMENTS					
A. LONG TERM INVESTMENTS					
(a) In Government Securities					
National Savings Certificate VIII issue	5,000	1	5,000	1	5,000
(b) In Equity Shares					
1. Unquoted and fully paid up					
Others					
Catholic Syrian Bank Ltd.	10	500	16,000	500	16,000
Cochin Stock Exchange	Nil	1	2,501,150	1	2,501,150
Cochin Stock Exchange-Right Shares	10	655	6,550	655	6,550
Nawani Corp (India) Ltd	10	350,000	17,500,000	350,000	17,500,000
Total			20,028,700		20,028,700
B. QUOTED INVESTMENTS					
(a) In Equity Shares					
South Indian Bank (Right Share) (Market Value Rs.23/-)	10	1	40	1	40
NEPC India Ltd. (Market Value Rs.8,200/-)	10	2,000	85,156	2,000	85,156
Rama Newsprints (Market Value Rs.24,125/-)	10	1,250	86,838	1,250	86,838
Anil Products Ltd (Market Value Rs.3,206,677/-)	10	15,002	300,040	15,002	300,040
Biocon	10	100	52,326	100	52,326
Biocon - Bonus Shares (Market Value Rs.68,790/-)	10	100	-		-
C. OTHERS (QUOTED)					
UTI Master Share (Market Value Rs.30,740/-)	-	1,000	13,945	1,000	13,945
Total			538,345		538,345
Grand Total			20,567,045		20,567,045
Market Value of Quoted Investments (Short Term)			3,338,555		1,622,383

Note:- Provision for diminution in the value of Quoted Investments amounted to Rs. 139,687/- (P.Y. Rs.153,521/-) has been provided for

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011**

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE – H		
CURRENT ASSETS, LOANS AND ADVANCES		
a) Current Assets		
Debtors (Unsecured considered good)		
Outstanding for a period exceeding six months	38,822,171	49,022,816
Less:- Bad Debts Written off	6,162,135	15,838,232
	<u>32,660,036</u>	<u>33,184,584</u>
Other Debts	161,357,376	35,583,575
	<u>194,017,412</u>	<u>68,768,159</u>
Cash and Bank Balances		
Cash Balance	442,708	66,902
Balance with Scheduled Banks in current account	54,692,609	31,990,972
Fixed Deposit with Banks	72,416,288	40,772,800
	<u>127,551,605</u>	<u>72,830,674</u>
b) Loans and Advances (Unsecured considered good)		
Advances recoverable in cash or kind or for value to be received	54,103,576	51,946,818
Inter Corporate Deposits	200,484,784	150,241,414
Micro Finance - Gold Loan	8,761,647	4,697,721
Staff Loans	26,490	24,000
Deposits	186,977,275	145,744,763
Advance Income Tax (Including Tax Deducted at Source)	49,037,720	44,672,948
TFL-TCCPL and TFCPL Merger Scheme Trust	78,375,000	-
Inventories	-	84,827
	<u>577,766,492</u>	<u>397,412,491</u>

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2011

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE - I		
CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Other Liabilities	7,857,969	22,606
Sundry Creditors	318,513,893	105,743,665
(Due to Micro, Small and Medium undertakings Rs. Nil (P.Y. Rs.Nil)		
Book Overdraft	26,648,673	65,622
Unclaimed Dividend	107,776	107,776
	<u>353,128,311</u>	<u>105,939,669</u>
b) Provisions		
Provision for taxation	29,604,263	31,960,263
Provision Others	643,119	1,041,028
Preference Share Dividend	156,911	313,425
Dividend Tax on above	-	70,762
Provision for Diminution in value of Quoted Investments	139,687	153,521
	<u>30,543,980</u>	<u>33,538,999</u>
SCHEDULE - J		
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
a) Preliminary Expenditure	159,450	191,635
Less : Written off during the year	31,892	32,185
Total	<u>127,558</u>	<u>159,450</u>
b) Deferred Revenue Expenditure	502,926	603,514
Less : Written off during the year	100,588	100,586
Total (B)	<u>402,338</u>	<u>502,928</u>
Total (A) + (B)	<u>529,896</u>	<u>662,378</u>

**SCHEDULES** FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE - K		
INCOME FROM OPERATIONS		
Trade Finance	41,357,371	25,932,924
Corporate Finance	12,150,692	21,494,702
Investment Banking	14,701,739	4,367,600
Micro Finance-Interest on Gold Loan	773,168	756,211
Brokerage Income - Equity Broking	89,402,059	87,999,749
Income from Interest Rate Futures	-	297,782
Brokerage Income - Forex Broking	5,875	214,864
Merchant Banking Fees	1,606,397	1,295,004
Income From DP Operations	2,431,676	2,629,881
	<u>162,428,977</u>	<u>144,988,717</u>
SCHEDULE - L		
OTHER INCOME		
Interest Received	7,752,001	7,165,239
Dividend Received	15,702	-
Profit on Sale of Fixed Assets	20,727	-
Provision for Quoted Investment Written Back	13,834	31,420
Profit on Futures & Options	-	100,341
CTCL/IML/Vsat Charges	1,055,724	2,790,180
Profit on Sale of Shares (Net)	11,027,143	2,468,038
Sale of MCX Membership	645,000	-
Miscellaneous Income- Turn over Charges & Others	7,369,763	4,621,241
Over Due Charges Collected	1,941,899	1,402,819
	<u>29,841,793</u>	<u>18,579,278</u>

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
SCHEDULE - M		
OTHER EXPENSES		
Advertisement Expenses	1,328,324	457,016
Auditors Remuneration	226,500	231,500
Business Promotion	1,295,281	944,495
Bad Debts Written Off	5,755,279	16,321,020
Conveyance	298,642	719,966
Directors Sitting Fees	712,000	756,000
Electricity	3,045,657	2,849,876
Legal & Professional Charges	15,501,665	3,688,455
Office Expenses	4,636,025	5,380,753
Printing & Stationery	1,310,913	1,274,083
Rent	12,541,889	10,953,711
Rates & Taxes	2,116,442	625,442
Repairs & Maintenance	1,677,135	1,544,708
Subscription & Membership	2,036,718	205,113
Telephone & Lease Line Expenses	2,301,803	2,329,941
Traveling Expenses	4,138,442	1,395,719
Loss in Sale of Fixed Assets	359,610	182,907
Loss on GOI Securities	-	1,583,616
Provision for Quoted Investments	25,350	-
Deferred Revenue Expenses Written off	100,588	100,588
Preliminary Expenses Written Off	31,892	32,185
	<u>59,440,155</u>	<u>51,577,085</u>



SCHEDULE – N

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2011

I SIGNIFICANT ACCOUNTING POLICIES

- 1 Investments other than in Subsidiaries have been accounted as per Accounting Standard-13- “Accounting for Investments”.
- 2 Other Significant accounting policies

Other Significant accounting policies are set out under “ Significant Accounting Policies” as given in the standalone financial statements of the parent company, except in the subsidiary companies M/s. Vertex Securities Limited and M/s. Vertex Commodities & Finpro Private Limited where Fixed Assets are depreciated on Straight Line Method (SLM) at the rates specified in schedule XIV of the Companies Act, 1956.

II NOTES ON ACCOUNTS**1) Contingent Liabilities**

(Rs. in Million)

Sr. No. Particulars	2010-11	2009-10
1) Guarantees issued by the company on behalf of its associates for acquiring office premises	68.80	117.30
2) Counter Guarantees given to bankers on behalf of subsidiary companies for Exchange Margin Requirements	229.00	46.25
3) Guarantees issued by the company on behalf of its Subsidiary Company for Inter Corporate Deposits taken.	70.00	-
4) Claims against the company not acknowledged as debt		
a) Tax Demand in respect of which company’s Appeal is pending before the first appellate authority (Income Tax) for the Assessment Year 2008-09 & 2007-08	2.28	1.11
b) Company’s Service Tax appeal is pending before the CESTAT	0.50	0.50
c) Arbitration against the company pending in courts	Nil	1.37

2) Auditors Remuneration

Sr. No. Particulars	31.03.2011 (Rs.)	31.03.2010 (Rs.)
(I) As Auditors	142,000	142,000
(II) In other capacities		
- Taxation matters	-	-
- Tax Audit fees	40,000	40,000
- For Other Matters	67,000	49,500
	<u>249,000</u>	<u>231,500</u>

3) Earning/ Expenditure in Foreign Currency

(Rs. in Million)

	2010-11	2009-10
Earnings in Foreign Exchange as fees for Professional Services rendered	2.10	Nil
Expenditure incurred in Foreign Currency	1.17	Nil

4) The Deferred Tax liability/(Assets) at the year end comprises of timing differences arising on account of :-

S. No.	Particulars	31.3.2011 (Rs.)	31.3.2010 (Rs.)
1	Depreciation	3,641,924	3,748,180
2	Employees Benefits Allowable U/S 43 B of Income Tax Act	(528,282)	-
3	Employees Benefits Disallowed U/S 43 B of Income Tax Act	(26,080)	(323,800)
4	Unabsorbed Loss	(2,447,381)	(808,700)
	TOTAL	640,181	2,615,680

5) Employee Stock Option Scheme of Transwarranty Finance Limited

- The Transwarranty Finance Limited (TFL) Employee Stock Option Scheme has been approved by the Board Of Directors of the company on 10th March, 2008.
- The vesting period is over five years from the date of grant, commencing after one year from the date of grant.
- Exercise Period would commence one year from date of grant and will expire on completion of five years from the date of vesting.
- The options will be settled in equity shares of the company.
- The company used the intrinsic value method to account for ESOPs.
- The exercise price has been determined to be Rs.10/-
- Consequently, no compensation cost has been recognized by the company in accordance with the "Guidance Note on Accounting for Employee Share-Based payments" issued by the Institute of Chartered Accountants of India".
- Details of movement of Options

Particulars	31.03.2011	31.03.2010
Options outstanding at the beginning of the year	688,366	665,000
Options granted during the year	Nil	92,500
Options vested during the year	Nil	22,666
Options exercised during the year	21015	Nil
Options forfeited during the year	206100	55,400
Options lapsed /surrendered during the year	Nil	13,734
Options outstanding at the end of the year	482,266	688,366

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

6) Employee Stock Option Scheme of Vertex Securities Limited

- The "Vertex Employee Stock Option Plan,2010" has been approved by the Board Of Directors of the company on 10th March, 2008.
- The vesting period is over five years from the date of grant, commencing after one year from the date of grant.
- Exercise Period would commence one year from date of grant and will expire on completion of five years from the date of vesting.
- The options will be settled in equity shares of the company.
- The company used the intrinsic value method to account for ESOPs.
- The exercise price has been determined as follows:-



Grant	Options	Price Per Option	Reprice to (on 31.03.2011 vide Postal Ballot)
Grant I	462500	Rs.69.00	--
Grant II	50000	Rs.195.15	145.50
Grant III	17500	Rs.227.35	145.50
Grant IV	25000	Rs.227.35	145.50
Grant V	100000	Rs.145.50	--

g) Consequently, no compensation cost has been recognized by the company in accordance with the "Guidance Note on Accounting for Employee Share-Based payments" issued by the Institute of Chartered Accountants of India".

h) Details of movement of Options

Particulars	(Nos.)	
	31.03. 2011	31.03.2010
Options outstanding at the beginning of the year	Nil	Nil
Options granted during the year	655,000	Nil
Options vested during the year	Nil	Nil
Options exercised during the year	Nil	Nil
Options forfeited during the year	Nil	Nil
Options lapsed /surrendered during the year	Nil	Nil
Options outstanding at the end of the year	655,000	Nil

i) Had fair value method been used, the compensation cost would have been higher by Rs.92.73 Lakhs (Previous Year Rs.Nil) Loss after tax would have been higher by Rs.92.73 Lakhs (Previous year Rs.Nil) and EPS basic would have been Rs. (1.97) Per share (Previous Year Rs.Nil) Per share and Diluted EPS would have been Rs.(0.81) Per share (Previous Year Rs.Nil).

7) The company is primarily engaged in a single segment viz. Financial Services and related activities, therefore the separate disclosures required under Accounting Standard (AS-17) on Segment Reporting issued by ICAI are not applicable.

8) Related Party Disclosures

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

(I) List of Related parties

- (a) Associated Companies : Transwarranty Private Limited,
Transwarranty Advisors Private Limited
- (b) Key Management Personnel : Mr. Kumar Nair (Managing Director, Transwarranty Finance Limited)

(II) Summary of Transactions during the Year Ended on 31st March, 2011

S. No.	Particulars	(Rs. in Million)	
		Associated Company	Key Management Personnel
1	Loan /ICD's Paid	71.44	10.00
2	Loan /ICD's Received	31.10	10.00
3	Salary and other Allowances paid to Key Management Personnel	Nil	1.80
4	Interest on ICD	0.78	Nil
5	Rent Paid	6.00	Nil

9) Principal of Consolidation :

- a) The consolidated financial statements relate to Transwarranty Finance Limited, the holding company and its majority owned subsidiaries. The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements'. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.
- b) In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investment in the subsidiaries and/or joint ventures over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the consolidated financial statements.
- c) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment as stated above.
- d) Investments in Associates are dealt with in accordance with Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India. As on the reporting date the company does not have any associate company.
- e) The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as of the Company i.e., for the year ended March 31, 2011

10) Information on subsidiaries :

- a) The Subsidiary companies considered in the consolidated financial statement are :

Name of the Company	Country of Incorporation	Percentage of holding this year
Vertex Securites Limited (VSL)	India	58.96
Vertex Commodities & Finpro Pvt. Ltd (Subsidiary of VSL)	India	99.45

11) Earnings per Share (EPS)

	2010-11 (Rs.)	2009-10 (Rs.)
(a) Net Profit as per Profit & Loss Account	(3,015,501)	(5,366,034)
(b) Weighted average number of Equity Shares used as a denominator for calculating Basic EPS	17,166,526	14,000,000
(c) Weighted average number of Equity Shares used as a denominator for calculating Diluted EPS	17,166,526	14,007,554
(d) Basic Earnings Per Share of face value of Rs.10/- each	(0.18)	(0.38)
(e) Diluted Earnings Per Share of face value of Rs.10/- each	(0.18)	(0.38)

- 12) (a) Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business.
(b) Debit and Credit balances are subject to confirmation of parties.
- 13) Previous Year figures are regrouped or rearranged wherever necessary to correspond with the current year figures
- 14) Advances recoverable in cash or kind or for value to be received includes Rs. 4.34 Crores as advance against capital expenditure outstanding for a period more than 180 days.



15) Disclosure as required under Accounts Standard 15 on employee benefits for gratuity and leave encashment is as under:-

S. No.	Particulars	Gratuity	Gratuity	Leave Encashment (unfunded)	Leave Encashment
		2010-11	2009-10	2010-11	2009-10
i)	Change in the benefit Obligations:				
	Present value of obligations as on 01. 04. 2010	2,372,188	1,016,241	636,039	409,434
	Current Service Cost	680,086	286,257	494,916	321,264
	Past Service Cost	319,379	-	1,034,723	-
	Interest Cost	186,598	70,722	122,881	13,047
	Actuarial (Gain)/Loss on obligation	124,688	(255,656)	(790,434)	338,387
	Benefits Paid	(79,408)	(11,856)	(700,233)	(446,093)
	Present value of obligations as on 31.03.2011	3,603,531	1,105,708	797,892	636,039
ii)	Change in Plan Assets:				
	Fair Value of Plan Assets as on 01.04.2010	2,583,019	1,197,906	-	-
	Adjustment to the opening balance	-	-	-	-
	Expected Return on Plan Assets	263,033	111,925	-	-
	Employer's Contributions	1,073,329	103,266	670,771	437,056
	Benefits Paid	(57,736)	(11,856)	(670,771)	(437,056)
	Actuarial Gain/(Loss) on Plan Assets	(111,741)	1,981	-	-
	Fair Value of plan assets as on 31.03.2011	3,749,904	1,403,222	-	-
iii)	Net (Asset) Liability (i) - (ii) :	(146,373)	(297,514)	797,892	636,039
iv)	Net Cost for the year ended 31.03.2011				
	Current Service Cost	680,086	286,257	1,525,949	321,264
	Past Service Cost	319,379	-	-	-
	Interest Cost	186,598	70,722	30,554	13,047
	Expected Return on plan Assets	(263,033)	(111,925)	-	-
	Actuarial (Gain)/ Loss recognised during the year	236,429	(257,637)	(790,434)	338,387
	Adjustment (Gain) to opening value of planned assets	-	-	-	-
	Net Cost	1,159,459	(12,583)	766,069	672,698
	Amount recognised in the Balance sheet (Asset)/Liability	(146,373)	(297,514)	797,892	636,039
	Amount recognised in the Profit and Loss Account(Gain)/Loss	1,159,459	(12,583)	766,069	672,698
	Principal actuarial assumptions:				
	Discount rate	8.00%	7.00%	8.00%	7.00%
	Expected Return on plan assets	8.50%	9.00%	--	--
	Salary Escalation Rate	4.50%	5.00%	7.50%	5.00%
	Attrition Rate	30.50%	15.00%	30.50%	15.00%
	Demographic Assumptions:				
	Retirement age				60 Years
	Mortality rate				8%

16) A) Managing Director's Remuneration under Section 198 of the Companies Act, 1956.

a) Transwarranty Finance Limited

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
Salary	1,560,804	986,592
Contribution to Provident Fund	64,800	47,520
Other Allowances	174,400	286,000
	<u>1,800,004</u>	<u>1,320,112</u>

b) Vertex Securities Limited

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
Salary	801,364	792,000
Contribution to Provident Fund	-	-
Other Allowances	-	56,377
	<u>801,364</u>	<u>848,377</u>

B) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956, and calculation of commission payable to Non Executive Directors (Transwarranty Finance Limited, Holding Company)

S. No.	Particulars	2010-11		2009-10	
		Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
	Net Profit for the year Before Tax		4,926,031		(8,397,251)
	Add:-				
1	Depreciation provided in the Accounts	1,058,259		1,278,551	
2	Remuneration to Managing Director (Section 198)	1,800,004		1,320,112	
3	Commission to Non Executive Directors	-			
4	Directors Sitting Fees (Section 309 (2))	528,000		686,000	
5	Loss on Sale of Fixed Assets	-		8,680	
			<u>3,386,263</u>		<u>3,293,343</u>
			<u>8,312,294</u>		<u>(5,103,908)</u>



S. No.	Particulars	2010-11		2009-10	
		Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
	Less:-				
1	Depreciation Under Section 350 of the Act	1,058,259		1,278,551	
2	Profit on Sale of Investments (Section 349 (3) (c))	11,027,143		2,468,038	
3	Profit on Sale of Fixed Assets	20,727			
			12,106,130		3,746,589
	Net Profit for Section 198 of the Act		(3,793,835)		(8,850,497)
	Maximum remuneration payable to Non Executive Directors @1%		Nil		Nil
	Commission Expenses in Profit & Loss Account in respect of Non Executive Directors		Nil		Nil

- 17) Sundry debtors of Vertex Securites Limited (Subsidiary) include old and outstanding debts amounting to Rs.19,427,697 (P.Y. Rs.10,913,575) in respect of which Company has initiated legal and other recovery actions, the proceedings of which are in different stages.No provision for doubtful debts is made in the accounts for the year since the management is of the opinion that these debts are good and recoverable.
- 18) Lien has been marked in favour of ICICI Bank Ltd in respect of Bank Deposits worth Rs. 3.80 Millions (Rs. 20 Millions) together with accumulated interest there on , against bank gurantees issued by them and in favour of HDFC Bank Limited in repect of bank deposits worth Rs.13.25 Million (P.Y. Rs. Nil) with accumulated interest there on , against Fixed Deposit of Rs.26.50 Million (P.Y. Rs. Nil) to the National Stock Exchange in favour of the holding Company. Bank deposit held by subsidiary company in favour of HDFC Bank Limited for Rs.25 Million (P.Y. Rs. 3.75 Million to ICICI Bank Limited) and in favour of Axis Bank Limited for Rs. 5 Millions (P.Y. Rs. Nil) together with accumulated interest thereon, against bank guarantees issued by them in favour of the subsidiary.
- 19) Pursuant to the Scheme of Amalgamation [“the Scheme”] under section 391 to 394 of the Companies Act, 1956, Transwarranty Credit Care Pvt. Ltd(TCCPL), and Transwarranty Forex & Commodities Pvt. Ltd.(TFCPL) are merged with Transwarranty Finance Limited (TFL) (Transferee Company) w.e.f April 01, 2009 [“the Appointed date”] in terms of the Order dated October 15 ,2010 of Hon’ble High Court of Judicature at Mumbai, sanctioning the Scheme and is effective from November 01, 2010.

With effect from the Appointed date, all the business undertakings, assets,liabilities, rights and obligations of each of the Transferor Companies stood transferred to and vested in the Transferee Company in consideration for issue of,

- (i) for every 3 (three) equity shares of TCCPL, 2 (two) equity shares of TFL, and allotment of 3,506,667 equity shares of Rs.10/- each fully paid up , and 3,486,333 equity shares of Rs.10/- each, credited as Rs. 2.50 paid up in the capital of TFL to equity shareholders of TCCPL holding Rs.2.50/- paid up equity shares of Rs.10/- each.
- (ii) for every 3 (three) equity shares of TFCPL, 2 (two) equity shares of TFL, and allotment of 3,118,346 equity shares of Rs.10/- each, credited as fully paid-up and 328,207 equity shares of Rs.10/- each, credited as Rs. 2.50 paid up in the capital of TFL to equity shareholders of TFCPL holding Rs.2.50/- paid up equity shares of Rs.10/- each.

In terms of Clause 10.7 of the Scheme, the shares totaling 5,225,000 [Fifty two Lakhs twenty five thousand only] equity shares of Rs. 10 each fully paid up of Transwarranty Finance Limited ("Transwarranty Shares") to be issued by TFL in lieu of equity shares held by TFL in the share capital of TCCPL and TFCPL are issued to a trustee which would hold such shares in trust together with additions and accretions thereto, exclusively for the benefit of the share holders of TFL subject to the powers, provisions, discretions, rights and agreements contained in the instrument incorporating (TFL - TCCPL and TFCPL Merger Scheme Trust). The Amalgamation has been accounted for under the "Pooling of Interests method" as prescribed by Accounting Standard 14- Accounting for Amalgamations [AS-14] issued by the Institute of Chartered Accountants of India. Accordingly, the assets, liabilities and reserves of the Transferor Companies have been taken over at their book values on the Appointed date.

Consideration

6,625,013 fully paid equity shares of Rs. 10 each and 3,814,540 partly paid (Rs. 2.50 paid up) equity shares of Rs.10 each were issued to the share holders of erstwhile TCCPL and TFCPL by TFL which amounts to an increase of Rs 75,786,480 in the paid up capital of the TFL. The difference between the transfer of Assets and Liabilities after considering issue of equity shares as mentioned above is adjusted in Goodwill on amalgamation / Reserve on amalgamation. Goodwill on amalgamation is to be written off over a period of five years as per the AS-14.

Pursuant to sanction of the Scheme of Amalgamation:

(a) Authorised Share Capital of TFL stands increased as under:

Equity Share Capital 31,000,000 Equity Shares of Rs. 10 each Rs. 310,000,000

In view of the aforesaid amalgamations, the figures for the current year are not comparable with those of the previous year, which have not been restated.

EPS for the year has been worked after taking into effect number of shares to be allotted on amalgamation.

As per our attached report of even date

For Rahul Gautam Divan & Associates
Chartered Accountants

Rahul Divan
Partner

Mumbai
May 25, 2011

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman

K. K. Dastur
Director

Kumar Nair
Managing Director

U. Ramachandran
Chief Financial Officer

Raghu R. Palat
Director

Sridhar H.
Company Secretary

**STATEMENT PURSUANT TO SECTION 212**

OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR 2010-11

Sr. No	Name of the subsidiary Company	Vertex Securities Ltd.	Vertex Commodities & Finpro Pvt. Ltd.
1	Financial Year of the subsidiary ended on	31.03.2011	31.03.2011
2	Date on which they become subsidiary	18.07.2008	18.07.2008
3	Holding Company's Interest		
a)	Number of Shares Fully paid	35,36,698	38,40,000
b)	% of Shares held by Transwarranty Finance Ltd and its subsidiaries	58.96%	99.44%
4	Net aggregate Profit / (Loss) of the Subsidiary Companies so far as they concern members of Transwarranty Finance Ltd.		
i)	For the Financial Year of the subsidiary (Rs. in Lacs)		
a)	Dealt with in the accounts of the Holding Company	(45.12)	(50.85)
b)	Not Dealt with in the accounts of the Holding Company	(31.40)	(0.28)
ii)	for the previous Financial Years of the Subsidiary Company since it become the Holding Company's Subsidiary (Rs. in Lacs)		
a)	Dealt with in the accounts of the Holding Company	14.26	4.76
b)	Not Dealt with in the accounts of the Holding Company	13.32	0.12

In accordance with the General Circular issued by The Ministry of Corporate Affairs , Government of India.

(Rs. In Lakhs)

Sr. No	Name of the subsidiary Company	Vertex Securities Ltd.	Vertex Commodities & Finpro Pvt. Ltd.
A	Capital	1,457.72	386.15
B	Reserves & Surplus	44.40	(10.43)
C	Total Assets	2,074.50	398.01
D	Total Liabilities	2,074.50	398.01
E	Details of Investment (Except in case of investment in subsidiaries)	584.10	Nil
F	Turnover	942.45	237.03
G	Profit Before Taxation	(38.03)	(59.85)
H	Provision for taxation (Deferred Tax)	(12.36)	(8.72)
I	Profit after Taxation	(25.67)	(51.13)
J	Proposed Dividend	Nil	Nil

For and on behalf of Board of Directors

Suresh N. Talwar
Chairman**Kumar Nair**
Managing Director**Raghu R. Palat**
DirectorMumbai
25 May, 2011**K. K. Dastur**
Director**U. Ramachandran**
Chief Financial Officer**Sridhar H.**
Company Secretary



TRANSWARRANTY FINANCE LIMITED

Registered Office: 403, Regent Chambers,
Nariman Point, Mumbai - 400 021.

ATTENDANCE SLIP

Regd. Folio No./Client ID

I hereby record my presence at the 17th ANNUAL GENERAL MEETING of the Company at M C Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001, at 11.00 a.m. on Friday, 16th September, 2011.

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

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

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.

PLEASE BRING YOUR COPY OF THE ANNUAL REPORT TO THE MEETING.



TRANSWARRANTY FINANCE LIMITED

Registered Office: 403, Regent Chambers,
Nariman Point, Mumbai - 400 021.

PROXY FORM

I/We _____ of _____

_____ being a member/members of the above-named Company hereby appoint

_____ of _____

_____ or failing him/her _____

of _____ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at M C Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001, at 11.00 a.m. on Friday, 16th September, 2011 and at any adjournment thereof.

Signed this _____ day of _____ 2011

Affix
Re.1
Revenue
Stamp

Shareholder



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Transwarranty Finance Limited

Transwarranty Finance Limited (TFL) is a RBI registered full service Investment Bank providing a wide range of Financial Services to over 1000 large and mid cap companies and thousands of retail clients all over India since 1994.

Advisory Businesses:

Investment Banking

- Mergers and Acquisitions
- Venture Capital
- Private Equity
- International Capital Markets through FCCB / ADR / GDR / AIM listing
- Joint Ventures (Indian / International)
- Corporate Advisory Services
- Business Re-Structuring

Trade Finance

- LC Bills Discounting
- Clean Bills Discounting
- Inter Corporate Deposits
- Unsecured working capital loan
- Import and Export Finance (Supplier's / Buyer's Credit)

Fund Based Businesses

Gold Loans

- Retail loans against security of Gold

Corporate Finance

- Structured Finance
- Rupee / Foreign Currency Loans
- External Commercial Borrowing (ECB)
- Working Capital facilities from Banks
- Acquisition Finance both in India and abroad
- Stressed Assets Finance
- Debt Re-structuring

Project Finance

- Financial Structuring
- Project Report and Financial Feasibility Study
- Raising Project Equity
- Raising rupee and Foreign currency loans for projects

Secured Loans

- Secured loans to Corporates and Individuals against security of listed shares, property etc.

Our Subsidiary Company

Vertex Securities Ltd.

Vertex Securities Limited is one of the leading stock broking company catering with a wide range of products and services to retail, HNI and institutional clients. The company has 250 centers Pan India.

The Company is also a SEBI registered category I full service Merchant Banker and Institutional Broker.

- Retail Stock Broking
- Distribution of Mutual Funds, IPO and other financial products.
- Retail Investment advisory services
- Depository Participant
- Institutional Broking
- Arbitrage
- AMFI certified corporate agent

Merchant Banking

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

Vertex Commodities & Finpro Pvt.Ltd.

Vertex Commodities & Finpro Pvt. Ltd., a subsidiary of Vertex Securities Limited. The company caters to its retail , HNI and institutional clients through its 250 centers pan India

Memberships and Licenses

- Reserve Bank of India (RBI) Registration for Financial Services
- Securities and Exchange Board of India (SEBI) Registration for Merchant Banking
- SEBI registration for Securities Broking
- Foreign Exchange Dealers Association of India (FEDAI) accreditation for Inter-Bank Foreign Exchange Broking
- Association of Mutual Funds of India (AMFI) Registration for Mutual Funds Distribution
- Forward Market Commission (FMC) registration for Commodities Broking
- Member of the Association of Merchant Bankers of India (AMBI)
- Membership of the National Stock Exchange (NSE) for broking in both Equities and Derivatives segments
- Membership of the Bombay Stock Exchange (BSE) for broking in Equities segment
- Membership of the Cochin Stock Exchange (CSE) for broking in Equities segment
- Membership of the Over The Counter Exchange of India (OTCEI) for broking in Equities segment
- Membership in the National Commodities & Derivatives Exchange (NCDEX).
- Membership in the Multi Commodity Exchange (MCX)
- Membership in the National Multi Commodity Exchange of India Limited (NMCE)
- Membership in National Securities Depository Limited(NSDL)

Registered Office Address:

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

Telephone : 022-6630 6090 / 4001 0800 / 4001 0900

Fax : 022-6630 6655

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

Email : mail@transwarranty.com



TRANSWARRANTY FINANCE LIMITED

FINANCIAL ENGINEERS