

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-à-vis the Stock Exchange Listing Agreement is presented below.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors as on 31st March, 2015 and as on date:

Name of Directors	Category of Directorship	During the year 2014-15				Attendance at AGM. held on 26-09-2014 Yes(Y)/No(N)
		No. of other Directorships @	No. of Committee position in other Companies**		No. of Board Meetings attended	
Member	Chairman					
Mr. Ashok Chhajer, Managing Director	Executive	3	-	-	7	Y
Ms. Sushma A. Chhajer	Non-Executive	-	-	-	7	Y
Mr. Kashyap R. Mehta	Independent Non-Executive	3	3	2	7	Y
Mr. Manish J. Joshi #	Independent Non-Executive	-	-	-	5	Y

#Appointed w.e.f 29th July, 2014

@ Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 are excluded

** For the purpose of reckoning the limit of committees, only chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee has been considered

b) Details of the Directors seeking Appointment/Re-appointment in forthcoming Annual General Meeting:

Name of Directors	Mr. Ashok Chhajer
Date of Birth	02-02-1958
Date of Appointment	14-11-1995
Qualification	Commerce Graduate
Expertise in specific functional areas	Management & Administration
List of Public Limited Companies in which Directorships held	APA Finance Limited; Indian Agrotech Limited; and Gujarat Craft Industries Limited
List of Private Limited Companies in which Directorships held	Flora Commerce Pvt. Ltd. Technomod Properties Pvt. Ltd.; Rishabh Business Pvt. Ltd.; Ethnic Apparels Pvt. Ltd.; Worldwide Impex Pvt. Ltd.; Castle Housing Development Pvt. Ltd.; and Bosco Chemtex Pvt. Ltd.
Chairman/Member of the Committees of the Board of Directors of the Company	Stakeholders' Relationship Committee
Chairman/Member of the Committees of Directors of other companies.**	NIL
Shareholding in the Company	93,100 Equity Shares

** For the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and the Stakeholders' Relationship Committee has been considered.

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meetings of the Board of Directors were held on 28th May, 2014, 16th June, 2014, 29th July, 2014, 13th August, 2014, 12th September, 2014, 14th November, 2014 and 13th February, 2015.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors as on the date of the Report:

Name of the Directors	Expertise	Functions of the Committee	Attendance
Mr. Kashyap R. Mehta, Chairman Ms. Sushma A. Chhajer Mr. Manish J. Joshi	All members are Non-executive. Chairman is Independent Non-Executive Director and majority members are Independent Directors. All members are financially literate and one member has financial and accounting expert knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s) which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	All of the members were present at the meeting held on 28 th May, 2014; 13 th August, 2014; 14 th November, 2014 and 13 th February, 2015

The Board of Directors has laid down a policy on Vigil Mechanism for Directors and Employees to report their genuine concerns or grievances to the Company for Company's effective and smooth functioning. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.

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4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee consists of the following Directors as on the date of the Report:

Name of the Directors	Functions of the Committee	Attendance
Mr. Kashyap R. Mehta, Chairman	All members are Non executive and majority of the committee members are Independent. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	All members were present at the meeting held on 29 th July, 2014.
Ms. Sushma Chhajjer		
Mr. Manish Joshi		

Term of reference & Remuneration Policy:

The Committee identifies and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

Details of remuneration paid:

No Remuneration, Sitting Fees, Commission or Stock Option has been offered to the Directors.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constitutes a Stakeholders' Relationship Committee for the purpose of effective Redressal of the complaints and concerns of the shareholders and other stakeholders of the Company.

The Committee comprises the following Directors as members as on the date of the Report:

1. Mr. Kashyap R. Mehta Chairman
2. Mr. Ashok Chhajjer Member

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on 31st March, 2015.

Ms. Sumriti Anand, Company Secretary is the Compliance Officer for the above purpose.

6. TRAINING OF INDEPENDENT DIRECTORS:

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

7. INDEPENDENT DIRECTORS' MEETING:

A meeting of the Independent Directors of the Company was held on 13th February, 2015, in conformity with the provisions of the Schedule IV of the Companies Act, 2013 & the Listing Agreement.

8. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2011-12	29-09-2012	3.00 p.m.	35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad 80 009. No Special Resolution was passed.
2012-13	30-09-2013	3.00 p.m.	35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad 80 009. No Special Resolution was passed.
2013-14	26-09-2014	4:00 P.M	35, Omkar House, Nr. Swastik Char Rasta, C.G. Road, Navrangpura, Ahmedabad – 380 009 Special Resolution: 1. Borrowing Limit under Section 180(1)(c) of the Companies Act, 2013. 2. Creation of charge/mortgage under Section 180(1)(a) of the Companies Act, 2013 3. Elevation of Mr. Ashok Chhajer as Managing Director of the Company under Sections 188, 196, 197, 203 of the Companies Act, 2013

Pursuant to the relevant provisions of the Companies Act, 1956/ 2013, there was no matter required to be dealt by the Company to be passed through postal ballot during 2014-15.

9. DISCLOSURES:

- a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b) There has neither been any non compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.
- c) The Company has established the Vigil Mechanism, by formulating Whistle Blower Policy (WBP), for Directors and Employees of the Company to report their genuine concerns or grievances to the Company. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.
- d) Code of Conduct:
The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website. All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.
- e) Prohibition of Insider Trading:
In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.
- f) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and has not adopted any of the non mandatory requirements of the clause.

10. MEANS OF COMMUNICATIONS:

In compliance with the requirements of the Listing Agreement, the Company is regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange(s) immediately after they are taken on record by the Board of Directors. The financial results are normally published in 'Western Times' (English & Gujarati).

The financial results and official news releases are displayed on Company's website www.typhoonfinancial.com.

During the year ended on 31st March, 2015, no presentation was made to Institutional Investors or analyst or any other enterprise.

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11. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Industry Structure and Developments:

The Non Banking Financial Companies (NBFC) industry in the private sector in India is represented by a mix of few large and national level Companies and a large number of small and medium sized, regional and local Companies. These NBFCs provide a variety of services including fund based and free based activities as well as cater to retail and non-retail markets and niche segments.

b. Opportunities and Threats:

The Company faces normal market competition in its business. The working of the NBFCs continued to be adversely affected by defaults due to recession and absence of proper and speedier recovery loss and procedure, paucity of funds, over regulations, lack of level playing field, additive tax treatments and disallowance and encroachment by unprofessional and inexperienced fly-by-night operators in the industry.

c. Segment wise Performance:

The Company is operating in single segment. Hence, there is no need of reporting segment wise performance.

d. Recent Trend and Future Outlook:

The Company is likely to continue to maintain its focus on capital market activities including trading in securities and emerging products in derivatives. The Company will also look for any attractive opportunities in other growth areas in the financial services sector.

e. Risks and Concerns:

The Company is exposed to the normal industry risk factors of interest rate volatility, credit risk, market risk and operational risk. It manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practises.

With lower and lower interest regime, the Company's gross income may suffer a set back as being a finance Company its main income is return/yield on its deployable funds.

f. Internal Control Systems and their Adequacy:

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2014-15 is described in the Directors' Report under the head 'Review of Operation'.

h. Material Developments in Human Resources and Industrial Relations Front:

The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock out etc.

i. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

12. **SHAREHOLDERS' INFORMATION:**

a)	Registered Office	35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad 380 009
b)	Annual General Meeting	Day : Thursday Date : 24 th September, 2015 Time : 4.00 p.m. Venue : 35, Omkar House, Near Swastik Cross Roads, C. G. Road, Navrangpura, Ahmedabad 380 009
c)	Financial Calendar 1st Quarter Results Half-yearly Results 3rd Quarter Results Audited yearly Results	Mid - August, 2015. Mid - November, 2015. Mid - February, 2016. End - May, 2016.
d)	Book Closure Dates	From : Friday, the 4th September, 2015 To : Thursday, the 24th September, 2015 (both days inclusive).
e)	Dividend Payment Date	Not applicable.
f)	Listing of Shares on Stock Exchanges	1. Ahmedabad Stock Exchange Limited (ASE) Kamdheni Complex, 1st Floor, Ambawadi, Ahmedabad - 380 015. 2. Calcutta Stock Exchange Limited (CSE) 7, Lyons Range, Calcutta – 700 001.
g)	Stock Exchange Code	Stock Exchange Code ASE 62023 CSE 10030281
h)	Stock Price Data	The Equity Shares of the Company were not traded on ASE/ CSE and hence the information on stock price data is not available.
i)	Registrar and Share Transfer Agents :	Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company: M/s. Link Intime India Pvt. Ltd. Unit No 303, 3 rd Floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad 380 009 Tele. No. : (079) 2646 5179 e mail address: ahmedabad@linkintime.co.in
j)	Share Transfer System:	The transfer of Equity Shares in physical form is processed and completed by RTA of the Company viz. M/s. Link Intime India Pvt. Ltd. within a period of 15 days from the date of receipt thereof. In case of Equity Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.

k) Distribution of Shareholding as on 31st March, 2015:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	529	90.43	21600	0.72
501 to 1000	4	0.68	3200	0.11
1001 to 2000	18	3.08	36000	1.20
2001 to 3000	-	-	-	-
3001 to 4000	-	-	-	-
4001 to 5000	1	0.17	4800	0.16
5001 to 10000	5	0.85	43900	1.46
10001 & Above	28	4.79	2891100	96.35
Total	585	100.00	3000600	100.00

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l) Category of Shareholders as on 31st March, 2015:

Category	No. of Shares held	% of Shareholding
Promoters	2007800	66.91
Financial Institutions/Banks	---	---
Mutual Fund	---	---
Bodies Corporate	12620	0.42
Indian Public	980180	32.67
Grand Total	3000600	100.00

m) Shareholding of Non- Executive Directors as on 31st March, 2015:

Name of the Non- Executive Director	No. of Shares held	% of Shareholding
Ms. Sushma Chhajer	275400	9.18
Mr. Kashyap R. Mehta	-	-
Mr. Manish J. Joshi	-	-
Total	275400	9.18

n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: - The Company has not issued any GDRs/ADRs.

o) Dematerialisation of Equity Shares : The Company has make arrangements with NSDL & CDSL for Dematerialisation of its Equity Shares. The ISIN of Equity Shares of the Company is: INE761R01013. As on date approx. 80% of total Equity Shares of the Company are in dematerialised mode.

13. CEO Certification: : The requisite certification from the Managing Director required to be given under clause 49 (IX) was placed before the Board of Directors of the Company.

14. ADDRESS FOR CORRESPONDENCE: For both Physical and Electronic Form and for any assistance regarding correspondence, dematerialisation of shares, share transfers, transactions, change of address, non receipt of dividend or any other query, relating to shares, shareholders may contact to the Company's Registrar and Share Transfer Agent at:

M/s. Link Intime India Pvt. Ltd.,
Unit No 303, 3rd floor Shoppers Plaza V,
Opp. Municipal Market, Behind Shoppers Plaza II,
Off C. G. Road, Ahmedabad- 380 009.
Tel. No. 079-26465179

Compliance Officer : Email Address: ahmedabad@linkintime.co.in
Ms. Sumruti Anand, Company Secretary

15. DECLARATION : All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct for the year ended on 31st March, 2015.

Registered Office:
35, Omkar House,
Near Swastik Cross Roads, C. G. Road, Navrangpura,
Ahmedabad 380 009.
Date: 29th July, 2015

For and on behalf of the Board,

Sushma Chhajer **Ashok Chhajer**
Director **Managing Director**

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Typhoon Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Typhoon Financial Services Limited, for the year ended on 31st March, 2015 and also up to the date of this report as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

We have conducted over review on the basis of relevant records and documents maintained by the Company for the year ended 31st March, 2015 and furnished to us for the purpose of the review and the information and explanation given to us by the Company during the course of review.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all materials respects with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Stakeholders' Grievance Committee, no investor grievances remaining unattended/pending for more than 30 days.

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

For KASHYAP R. MEHTA & ASSOCIATES
Company Secretaries

Place : Ahmedabad
Date : 29th July, 2015

KASHYAP R. MEHTA
Proprietor
FCS: 1821
COP No. 2052
FRN: S2011GJ16650