

VERTEX
Securities Limited
(A subsidiary of Transwarranty Finance Limited)

22nd Annual Report 2014-15

Board of Directors



Mr. Kumar Nair

F.C.A., Chairman is the Managing Director of Transwarranty Finance Limited and has over two decades of experience in Financial Services, Capital Market and Investment Banking.



Mr. U. Ramachandran

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



Mr. Jose Thomas Polachira

B.Com, CAIIB, Post Graduate Diploma in Banking, Industrial Relations & Personal Management, has close to 3 decades experience in banking with specific emphasis on stock broking related areas.



Mr. James Pothen

M.Sc has close to 3 decades of experience in various senior capacities in Reserve Bank of India.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kumar Nair (Chairman & Managing Director)

James Pothen

Jose Thomas Polachira

U. Ramachandran

Company Secretary

Aswathi C Madhavadas

AUDITORS

Rahul Gautam Divan & Associates

Chartered Accountants,

134, Mittal Tower, C Wing,

Nariman Point, Mumbai - 400 021

BANKERS

Axis Bank

Bank of Baroda

Canara Bank

Federal Bank

HDFC Bank

ICICI Bank

South Indian Bank

State Bank of India

State Bank of Travancore

REGISTERED OFFICE

CIN: L67120KL1993PLC007349

Thottathil Towers, 2nd Floor,

Market Road, Ernakulam,

Kochi - 682 018

Tel. No. 0484-2384848

Fax No. 0484-2394209

e-mail id : vsl@vertexbroking.com

CORPORATE OFFICE

403, Regent Chambers

Nariman Point, Mumbai 400 021

Tel. No. 91-022-6630 6090 / 40010900

Fax No. 91-022-66306655

e-mail id : vsl@vertexbroking.com

REGISTRAR & TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd

C-13, Pannalal Silk Mills Compound

LBS Marg, Bhandup (West),

Mumbai 400 078

Tel. No. 022-2596 3838

Fax No. 022-2592 6969

e-mail id : suman.shetty@linkintime.co.in

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NOTICE

Notice is hereby given that the 22nd Annual General Meeting of Vertex Securities Limited will be held on Monday, 7th September, 2015 at Conference Hall of the Company at Ground Floor, Amritha Towers, Combara Junction, Market Road, Ernakulam, Cochin-682 018 at 9.30 AM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2015, the Balance Sheet as at that date and the Reports of the Directors and Auditors to Shareholders thereon.
2. To consider re-appointment of Mr. U. Ramachandran, Director (DIN- 00493707), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, M/s. Rahul Gautam Divan & Associates, Chartered Accountants, Mumbai (Firm Registration No.301003E) the retiring Auditors of the Company, be and are hereby appointed as Auditors of the Company for a consecutive period of four (4) years, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Twenty Sixth Annual General Meeting of the Company, subject to ratification of the appointment by the Members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013 on such remuneration as may be decided by the Board of Directors or any Committee thereof."

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 pursuant to Regulation 7(5) of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the price of the remaining un-vested ESOP granted shall be re-priced at par i.e. ₹ 2 per share.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and execute all such documents, deeds and writings as may be required for the aforesaid purpose and which it may deem fit in the interest of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to comply

with the guidelines of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), 1999 and any alteration, amendments, additions, deletions or modifications as may be prescribed by SEBI from time to time to initiate further proceedings of such re-pricing of the ESOP granted.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to comply with the Stock Exchange requirements under the Listing Agreement for Listing of Shares and also to intimate the related regulatory authorities from time to time."

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Latha Anand [DIN 06404421], who was appointed as an Additional Independent Woman Director of the Company by the Board of Directors at its meeting held on 12th May, 2015 and whose term of office expires at this Annual General Meeting ('AGM') and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term upto five consecutive years commencing from 12th May, 2015."

By Order of the Board of Directors,
For **VERTEX SECURITIES LIMITED**

Place : Cochin 18
Date : 27.07.2015

Aswathi C Madhavadas
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the company.**
Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 1, 2015 to September 7, 2015 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by notifying the company at secretarial@vertexbroking.com. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
5. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

6. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means through NSDL. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 31st August, 2015 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 AM on 4th September, 2015 and will end at 5.00 pm on 6th September, 2015. The Company has appointed Mr. K P Gopimohan, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E-VOTING:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. The remote e-voting period commences at 9.00 AM on 4th September, 2015 and will end at 5.00 pm on 6th September, 2015. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 31st August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains



your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of “Vertex Securities Limited”.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer.vsl@gmail.com with a copy marked to evoting@nsdl.co.in and secretarial@vertexbroking.com

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

IV. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the “Downloads” section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

V. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 31st August, 2015.

VIII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 31st August, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

IX. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

X. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date of 31st August, 2015 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XI. Mr. K P Gopimohan, Practicing Company Secretary, Membership No: 7110 has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make,

not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XIV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.vertexbroking.com and on the website of NSDL within two working days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

STATEMENT AS PER SECTION 102 OF THE COMPANIES ACT, 2013:

Item No 4:

The exercise price of the ESOPs granted to the employees is at ₹ 5.46 which is significantly higher than the current market price, which is below par. The very purpose of ESOPS, which is to retain and motivate employees, is not being met due to the high exercise price. Therefore, the exercise price of the unvested ESOPs is fixed at par, i.e. ₹ 2 per share.

The SEBI Regulations provide that a Company may re-price the options, which are not exercised, with the approval of the Shareholders in General Meeting. The Board of Directors recommend the above resolutions for approval of the Members.

None of the Directors, Manager and Key Managerial Personnel or any of the relatives of the said persons of the Company are directly or indirectly concerned or interested in this resolution.

Item No 5:

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

None of the Directors, Manager and Key Managerial Personnel or any of the relatives of the said persons of the Company are directly or indirectly concerned or interested in this resolution.

Item No 6:

Mrs. Latha Anand was appointed as an Additional Independent Woman Director of the Company pursuant to Section 161 of the Companies Act, 2013 since 12th May, 2015. She is an advocate by profession and is the Managing Partner of the Law Firm, M/s. B.S. Krishnan Associates. She brings to Vertex nearly 3 decades of varied legal knowledge and expertise.

As per the provisions of Section 149 of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mrs. Latha Anand has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Act.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mrs. Latha Anand as Independent Director is now being placed before the Members in general meeting for their approval. The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

Mrs. Latha Anand is interested and concerned in the Resolution mentioned at Item No.6 of the Notice. Other than Mrs. Latha Anand, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in this resolution.

By Order of the Board of Directors,
For **VERTEX SECURITIES LIMITED**

Place : Cochin 18
Date : 27.07.2015

Aswathi C Madhavadas
Company Secretary



ADDITIONAL INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH REGARD TO DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 22ND ANNUAL GENERAL MEETING:

Name of Director	:	Mr. U. Ramachandran	Mrs. Latha Anand
DIN	:	00493707	06404421
Date of Birth	:	25/11/1956	26/04/1965
Type of Appointment	:	Director retiring by rotation	Independent Director
Date of Appointment/ Re-appointment	:	10/07/2009	12.05.2015
Qualification	:	B.Com., F.C.A.	LLB
No. of Shares held	:	12,500	Nil
Experience in Specific	:	He was a Senior Partner with M/s. Haridas Associates a leading firm of Chartered Accountants in Mumbai. He is also in the Board of our parent Company, Transwarranty Finance Limited.	Practising before the Hon'ble High Court of Kerala and is the Standing Counsel for various companies including Central and State Government Companies. Currently the Managing Partner of M/s B S Krishnan Associates, Advocates, Cochin.
Other Directorship	:	1. Suncem Surface Coatings Pvt.Ld. 2. Welworth Sales & services (P) Ltd. 3. UR One Stop Exports (P) Ltd. 4. Vertex Commodities and Finpro Pvt. Ltd. 5. Quality Dialysis (Akola) LLP 6. Renal Dialysis Consulting Services Pvt.Ltd. 7. Quality Dialysis (Nagpur) Pvt.Ltd. 8. Vivo Kidney Care Foundation 9. Brainwave (India) Pvt.Ltd. 10. Transwarranty Finance Limited	1. Socius Legal Solutions Pvt. Ltd
Justification for appointment		Excellent knowledge in Audit, Capital Market and Investment Banking.	Excellent Legal knowledge

By Order of the Board of Directors,
For **VERTEX SECURITIES LIMITED**

Place : Cochin 18
Date : 27.07.2015

Aswathi C Madhavadas
Company Secretary

DIRECTORS' REPORT

To,
The Members of
Vertex Securities Limited

Your Directors are pleased to present the 22nd Annual Report of the Company along with Audited Financial Statements, for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS:

Particulars	₹ (in lakhs)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Total Income	504.57	498.61
Total Expenditure	530.49	597.81
Profit / (Loss) from Operations before Other Income, Finance Cost & Exceptional Items	(25.92)	(99.20)
Profit / (Loss) from Ordinary Activities before Finance Cost & Exceptional Items	(25.92)	(99.20)
Profit / (Loss) from Ordinary Activities after Finance Cost but before Exceptional Items	(46.71)	(111.26)
Exceptional Items Profit / (Loss)	18.99	12.20
Profit / (Loss) from Ordinary Activities before Tax	(27.72)	(99.06)
Total Tax	0.09	0.00
Net Profit / (Loss) from Ordinary Activities After Tax	(27.81)	(99.06)
Net Profit / (Loss) For the period	(27.81)	(99.06)

SHARE CAPITAL STRUCTURE:

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
SHARE CAPITAL:		
73,753,805 (P.Y 73,753,805) Equity Shares of ₹ 2/- each	147,507,610	14,75,07,610
5,981,739 (P.Y 5,981,739) 0.5% Preference shares of ₹ 10/- each	59,817,390	5,98,17,390
5,00,000 (P.Y 5,00,000) 15% Non-Cumulative Redeemable Preference shares of ₹ 100/- each	50,000,000	5,00,00,000
TOTAL	257,325,000	257,325,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:		
73,753,750 (P.Y 47,721,480) Equity Shares of ₹ 2/- each	147,507,500	95,442,960
Nil (P.Y 5,206,454) 0.5% Fully Convertible Preference shares of ₹ 10/- each fully paid up	—	52,064,540
27,758 (P.Y 27,758) 15% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	2,775,800	2,775,800
TOTAL	150,283,300	150,283,300

PERFORMANCE REVIEW:

During the year ended 31st March, 2015, your Company earned consolidated revenue of ₹ 596.49 Lacs as compared to ₹ 583.50 Lacs in the previous year. The consolidated operations have recorded a loss of ₹ 33.33 Lacs as compared to a loss of ₹ 152.91 Lacs in the previous year. The net loss suffered is being carried over to the Balance Sheet.

Detailed information on operational and financial performance, etc. of the Company for the financial year is given in the Management Discussion and Analysis which is set out separately with the Directors' Report.

DIVIDEND:

Due to inadequacy of profits your Directors regret their inability to recommend any Dividend for the year.

CONSOLIDATED ACCOUNTS:

The Consolidated Statement of Profit and Loss for the year ended 31st March, 2015 and the Balance Sheet as on that date as required under Listing Agreement is also enclosed herewith.

During the year, the Issued, Subscribed and Paid Up Equity Share Capital of the Company has increased due to conversion of 5,206,454 0.5% Fully Convertible Preference shares of ₹ 10/- each into 26,032,270 Equity Shares of ₹ 2/- each. There is no change in the Total Authorised and Paid Up Equity Share Capital of the Company.

OPERATIONS OF SUBSIDIARY:

Vertex Commodities and Finpro Private Limited:

During the year ended 31st March, 2015 the subsidiary company Vertex Commodities And Finpro Private Limited had total



revenue of ₹ 9,191,485 and loss of ₹ 552,521 as against the total revenue of ₹ 1,33,89,365 and loss of ₹ 53,86,350 respectively in the previous year.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary company are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary company will also be kept open for inspection at the Registered Office of the Company and that of the Subsidiary Company.

The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company.

LISTING ON STOCK EXCHANGE

The Company's Equity Shares continue to be listed on The BSE Ltd.

DIRECTORS AND KMP:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. U. Ramachandran, Director of the Company (DIN: 00493707), retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board has recommended his re-appointment.

Mrs. Latha Anand was appointed as an Additional Independent Woman Director of the Company pursuant to Section 161 of the Companies Act, 2013 by the Board of Directors on 12th May, 2015. In accordance with the provisions of Section 149 of the Companies Act, 2014 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the approval of Members is being sought at the ensuing Annual General Meeting of the Company for the appointment of Mrs. Latha Anand as Independent Director who shall hold office for a term up to five consecutive years on the Board of the company and will not be liable to retire by rotation.

Pursuant to Clause 49(g) (1) of the Listing Agreement with the Stock Exchange, brief resume of the Directors proposed for appointment/re-appointment has been given in the Notice convening the Annual General Meeting.

In accordance with the provisions of Section 203 of the Companies Act, 2013, Ms. Aswathi C Madhavadas, an Associate Member of the Institute of Company Secretaries of India, was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 12th May, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for 2014-15, as required under Clause 49 of the Listing Agreement,

forms part of the Annual Report and is attached separately as **Annexure A**.

REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance as per the requirement of the Listing Agreement forms an integral part of this Annual Report. The Report on Corporate Governance is provided as **Annexure B**

AUDITORS' REPORT

Referring to observations a) and b) given under "Basis for Qualified Opinion" in the Independent Auditors Report, it is clarified that:

- (a) as stated in notes forming part of accounts the management has evaluated long term investments and confirm that there exist no circumstances which warrant any provision in the accounts for a possible diminution in the value.
- (b) as the company has initiated legal actions for the recovery of the dues, it will not be prudent to make any provisions as the cases are in various stages in different Courts.

SECRETARIAL AUDIT

A Report on Secretarial Audit is appended to this report as **Annexure C**

Referring to the qualifications by the Secretarial auditors, it is clarified that:

- i. The Company has not yet found a suitable person for the post of Chief Financial Officer (CFO). However, the appointment of CFO is under process as the requirement is mandated by the Companies Act, 2013.
- ii. The change in shareholding of the Promoters and Top Ten Shareholders, which is to be intimated to the Registrar of Companies in the prescribed form pursuant to Section 93 of the Companies Act, 2013, is delayed as there were some discrepancies in the Distinctive Numbers of the Shares provided by the Registrar and Transfer Agents and the Stock Exchange. The matter is clarified and the prescribed return have since been filed.

EXTRACT OF ANNUAL RETURN

An extract of Annual return in Form MGT-9 is appended to this report as **Annexure D**

BOARD COMMITTEES:

The Board of Directors of the Company had already constituted various Committees in compliance with the provisions of the Companies Act, 2013 and Listing Agreement, such as Audit Committee, Remuneration and Compensation Committee, Share Transfer and Stakeholders' Relationship Committee.

During the year under review, in compliance with the above said provisions, the Board has re-constituted Remuneration and Compensation Committee into Nomination, Remuneration

and Compensation Committee. The Committee acts as a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and as Compensation Committee under Regulation 5 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Share Purchase Scheme) Guidelines, 1999.

All decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference/role of the Committees are taken by the Board of Directors.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided in the Corporate Governance Report, which forms a part of the Annual Report.

MEETINGS

The details regarding the meeting of the Board of Directors, Committees of the Board and meeting of Independent Directors are provided in the Report on Corporate Governance, which forms part of the Annual Report.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee is duly approved by the Board of Directors of the Company and the policy is attached to the Board's Report as **Annexure E**

VIGILANCE MECHANISM AND WHISTLE BLOWER POLICY

The Company has a Vigilance Mechanism and Whistle Blower Policy to deal with instances of fraud and mismanagement. The policy is uploaded in the website of the Company.

RISK MANAGEMENT

Pursuant to the requirement of Section 134 of the Companies Act, 2013, the Company has in place a Risk Management Policy, to identify and evaluate business risk and opportunities. The policy has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company Level.

PERFORMANCE REVIEW OF BOARD, COMMITTEE AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of Section 134(3) (p), Section 149(8) and Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, annual performance evaluation of the Directors as well as the Committees of the Board has been carried out.

The performance evaluation of the Independent Directors was carried out by the entire Board of Directors of the Company and the performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

STATEMENT OF DECLARATION ON INDEPENDENT DIRECTORS

The Board of Directors declares that the Independent Directors of the Company are persons:

- who possess relevant expertise and experience to be an independent director in the Company;
- who was/were not a promoter of the company or its holding, subsidiary or associate company;
- who is not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- who, apart from receiving director sitting fees / remuneration, has/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of whose relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- who, neither himself nor any of his relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- who is not a material supplier, service provider or customer or a lessor or lessee of the company;
- who is not less than 21 years of age.

AUDITORS

M/s. Rahul Gautam Divan & Associates, Chartered Accountants, Mumbai will retire at the ensuing Annual General Meeting



and have confirmed their eligibility and willingness for re-appointment. Your Directors recommend their appointment.

EMPLOYEE STOCK OPTION SCHEME (ESOP)

Disclosures as per the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and disclosure pursuant to the Rule 12(9) of Companies (Share Capital and Debenture) Rules, 2014 are provided as **Annexure F** to the Board's Report.

PENALTIES/PUNISHMENTS OR COMPOUNDING OF OFFENCES

There are no significant and material orders passed by the Courts, Tribunal or other Regulators impacting the going concern status and company's operations in future.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE U/S 186

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

RELATED PARTY TRANSACTIONS

All Related Party Transactions attracting compliance under Section 188 of the Companies Act are placed before the Audit Committee as well as before the Board for approval.

The disclosures on the Related Party Transactions in the Form AOC-2 are provided as Annexure G.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public, or its employees during the year under review.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company has, during the year, transferred an amount of ₹ 9,666/- to Investor Education and Protection Fund (IEPF), in compliance with the provisions of the Companies Act, 1956. The amount represents the dividend for the year 2006-07 which remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment.

PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION

The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as Annexure H.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities which are being carried on by the Company, the disclosures regarding Conservation of Energy & Technology Absorption are not applicable to the Company.

SEXUAL HARASSMENT

The Company has constituted an Internal Complaints

Committee as per Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year, there were no cases filed pursuant to the above said provisions.

MATERIAL CHANGES

There are no material changes affecting the financial position of the Company between the date of Financial Statements and the Board's report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:-

- in the preparation of the Annual Accounts for the year ended 31st March, 2015, applicable Accounting Standards have been followed along with proper explanation relating to material departures, wherever necessary.
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the loss of the Company for the year ended 31st March, 2015.
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors have prepared the annual accounts on an ongoing concern basis.
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial control is adequate and was operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors would like to express their gratitude to the officials of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, Cochin Stock Exchange, Over the Counter Exchange of India, National Securities Depository Limited, Central Depository Services (India) Limited and also to the Shareholders and Bankers.

Your directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution in its progress.

For and On behalf of the Board of Directors

Kumar Nair

Chairman and Managing Director
(DIN: 00320541)

Place : Cochin-18
Date : 27.07.2015

Annexure A to the Board's Report

MANAGEMENT DISCUSSION AND ANALYSIS

Economy Overview

The Economy of India is the seventh-largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP). The country classified as Newly Industrialized Country, one of the G-20 major economies, a member of BRICS and a developing economy with approximately 7% average growth rate for the last two decades. India's economy became the world's fastest growing major economy from the last quarter of 2014, replacing China's.

The long-term growth prospective of the Indian economy is moderately positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. The Indian economy has the potential to become the world's 3rd-largest Economy by next decade and one of the largest economies by mid-century. And the outlook for short-term growth prospective is also good as according to IMF, the Indian economy is the "bright spot" in the global landscape, India also topped World Bank's growth outlook for the year 2015-16 for the first time with economy grown 7.3% in 2014-15 & expected to grow at 7.5-8.3% in 2015-16.

Industry Overview

In the past 7 years or so, the Indian stock broking Industry had faced extreme pressure due to the downslide in the economy and shrinking traded volume of business. As a result, nearly 50% of the Brokers exited the market. However, the changing economic scenario has brought hope and respite to the industry. After an early boom, the markets saw several ups and downs due to extraneous reasons. By and large, the markets are bullish and the broking fraternity hopeful. It is expected that in the coming years, the markets will see one of its best cycles of last few decades.

This is an opportunity for broking companies to reach out to investors and facilitate the growth story of India

Review of Operations

The Company currently provides brokerage services in equity, equity derivatives and currency derivative segments

through our network of branches and franchisees and provides commodity broking through its subsidiary company, Vertex Commodities & Finpro Pvt Ltd.

The Company along with its subsidiary company achieved consolidated revenue of Rs.596.49 lakhs compared to Rs.583.50 lakhs in the previous year.

On standalone basis, Vertex Securities Limited achieved revenue of Rs.504.57 lakhs compared to Rs.498.61 lakhs in the previous year.

On standalone basis, Vertex Commodities & Finpro Pvt Ltd achieved revenue of Rs. 91.91 lakhs compared to Rs. 133.89 lakhs in the previous year.

Outlook 2015-16

The Financial Year 2015-16 will see the launch of Third Party Products including Mutual Funds, Tax Free/Infra Bonds, NCDs and Corporate FDs. The Government of India has already given approval to Companies to issue Tax Free Bonds to the tune of Rs.40,000 crores. We are geared up to garner a fair share of these products. A spate of Public Issues of NCD's by various Companies has been announced and we have already initiated procurement on the NCD front.

Last year market had seen a huge inflow into the Mutual Fund and the retailers have started coming back to the Mutual Fund route of investment. We are gearing up for marketing and procurement of funds for investments in Mutual Funds. For this purpose, we have arranged to equip our staff through training sessions. Thrust will also be given to tap the vast potential of NRI and HNI segments.

Risks & Concerns

Risk management and regulatory compliance are an integral part of the business model due to the nature of the industry. A continuous review and updating of the risk management policy is in place. We have dedicated risk management & compliance teams to ensure that we conform to all the applicable regulations.



Internal Control Systems

The Company has reviewed and updated existing policies and introduced new policies for internal controls. The Internal Auditor's reports are reviewed regularly by the audit committee and the Board.

Human Resources

The Company has reduced its manpower cost over the past 2 years. We have planned to achieve growth through automation with minimal manpower addition. This cost effective approach will enhance revenues but with reduced cost. Suggestions Awards, Incentives for performance, Training Multi-skilling and Welfare oriented measures have brought about vibrancy in the Company.

Cautionary Note

Statements in this Report describing the Company's objectives, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. These statements are subject to risks & uncertainties. Actual results could differ materially from those expressed or implied since there could be many factors which are beyond the control of the management. The company assumes no responsibility in respect of forward looking statements that may change due to subsequent developments.

Annexure B to the Board's Report

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

Corporate Governance is about promoting corporate fairness, transparency, accountability and integrity of the management. It also aims to align as nearly as possible the interests of individuals, corporate and society and enhancing the stakeholders' value. Best results are achieved when the companies begin to treat the Corporate Governance system not as a mere structure but as a way of corporate life. A good Corporate Governance practice have always been an integral part of your Company's philosophy and is committed to achieving and maintaining the highest standards of Corporate Governance. The Company has already put in place systems and procedures and is fully compliant with Clause 49 of the Listing Agreement.

BOARD OF DIRECTORS

a) Composition of the Board:

As on 31st March, 2015, the Company's Board consisted of Four Directors having considerable professional experience in their respective fields. Out of the Four Directors, one is a Managing Director, one is a Non-Executive Director and two are Independent Directors. The requirement to appoint a Woman Director was fulfilled on 12th May, 2015 by appointing Mrs. Latha Anand as Additional Independent Director. This appointment is effective from 12th May, 2015.

All the Directors possess the requisite qualifications and experience in general corporate management, audit, finance, banking, legal and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

b) Profile of Directors:

Mr. Kumar Nair (DIN: 00320541), aged 53 years, is the Chairman and Managing Director of the Company. He is a Chartered Accountant with over 25 years of experience in Financial Services, Capital Market and Investment Banking.

Mr. U. Ramachandran (DIN: 00493707), aged 58 years, is the Non Executive Director of the Company. He is a Chartered Accountant and was a Senior Partner with M/s. Haridas Associates, a leading firm of Chartered Accountants in Mumbai. He has over three decades of experience in Audit, Capital Market and Investment Banking.

Mr. James Pothan (DIN: 02492330), aged 63 years, is the Independent Director of the Company. He is a Post-Graduate from the Indian Institute of Science, Bangalore with over 25 Years of service in various management positions in the Reserve Bank of India.

Mr. Jose Thomas Polachira (DIN: 01049189), aged 63 years, is the Independent Director of the Company. He is an experienced banking professional with over three decades of experience in various aspects of banking and finance. He is also responsible for setting up the HDFC Bank in Kerala.

Mrs. Latha Anand (DIN: 06404421), aged 50 years, is the Additional Independent Woman Director of the Company. She is a Graduate in Law and is practising before the Hon'ble High Court of Kerala and is the Standing Counsel for various companies including Central and State Government Companies. She was appointed as Additional Director by the Board of Directors of the Company with effect from 12th May, 2015.

c) Meetings:

The Board of Directors met 5 times during the financial year 2014-15. The meetings were held on 5th May, 2014, 18th July, 2014, 17th October, 2014, 19th January, 2015 and 14th March, 2015.

Pursuant to Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 14th March, 2015 to review the performance of Non-Independent Directors of the Company.



d) Record of Attendance of Directors and other details*

Name of the Director	Category	Board Meeting Held	Board Meeting Attended	Whether attended last AGM	No: of Directorships in other Boards
Kumar Nair	Managing Director	5	5	No	5
U. Ramachandran	Non-Executive Director	5	5	No	9
James Pothan	Independent Director	5	5	Yes	1
Jose Thomas Polachira	Independent Director	5	5	Yes	1

* The Board of Directors at its meeting held on 12th May, 2015 has appointed Mrs. Latha Anand as Additional Independent Director. The appointment is effective from 12th May, 2015.

COMMITTEES OF THE BOARD

The Board Committees focus on certain specific areas and make informed decisions within the delegated authority. Each Committee of the Board functions according to its scope that defines its composition, power and role in accordance with the Companies Act, 2013 and the Listing Agreement.

a) Audit Committee

In compliance with the provisions of Section 177 of the Companies Act, 2013, the Board has constituted an Audit Committee with majority of the members being the Independent Directors of the Company. The members of the committee possess sound knowledge and experience in the fields of Audit, Accounts, Finance, Taxation and Internal Controls.

During the financial year 2014-15, Audit Committee met four times on 5th May, 2014, 18th July, 2014, 17th October, 2014 and 19th January, 2015.

Composition and Attendance:

Name	Category	Membership in Committee	No: of Meeting held/attended
James Pothan	Independent Director	Chairman	4/4
Jose Thomas Polachira	Independent Director	Member	4/4
U. Ramachandran	Non Executive Director	Member	4/4

Terms of Reference:

The Audit Committee, inter alia, reviews and reports to the Board on the following:

- Oversight of the Company's financial reporting.
- Reviewing the quarterly/annual financial results, financial statements before submission to the Board for approval, with particular reference to accounting policies & procedures, major accounting policies, related party transactions etc.
- Recommending to the Board the appointment / re-appointment of Statutory Auditors and Internal Auditors and fixation of audit fees.
- Approving internal audit plan and reviewing efficacy of internal control systems / function.

The powers and terms of reference of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement.

b) Nomination, Remuneration and Compensation Committee:

In compliance with Section 178 of the Companies Act, 2013, every listed company must constitute a Nomination and Remuneration Committee. The Remuneration and Compensation Committee which was constituted by the Board is now

re-constituted as Nomination, Remuneration and Compensation Committee with three members out of which two are Independent Directors and one is the Chairman and Managing Director of the Company.

The Committee acts as a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and as Compensation Committee under Regulation 5 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Share Purchase Scheme) Guidelines, 1999.

Composition and Attendance:

Name	Category	Membership in Committee	No: of Meeting held/attended
James Pothen	Independent Director	Chairman	2/2
Jose Thomas Polachira	Independent Director	Member	2/2
Kumar Nair	Chairman and Managing Director	Member	2/2

Terms of Reference:

The functions of the Committee is to formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the Remuneration of the Directors, Key Managerial Personnel and other employees.

c) Share Transfer and Stakeholders' Relationship Committee:

In compliance with the Listing Agreement, the Board has constituted as Share Transfer and Stakeholders' Relationship Committee consisting of three members for the purpose of redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

Composition and Attendance:

Name	Category	Membership in Committee	No: of Meeting held/attended
James Pothen	Independent Director	Chairman	1/1
Jose Thomas Polachira	Independent Director	Member	1/1
U. Ramachandran	Non Executive Director	Member	1/1

Terms of Reference:

The terms of reference, inter alia, are as follows:

- i. To approve or deal with applications for transfer, transmission, transposition and mutation of shares and certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters.
- ii. To approve or deal with all the matters related to de-materialization or re-materialization of shares, change in the beneficial holders of demat shares and granting of necessary approvals wherever required.
- iii. To look into and redress Members' / investors' grievances relating to
 - Transfer of shares
 - Non-receipt of declared dividends
 - Non-receipt of annual reports
 - All such complaints directly concerning the Members / investors as stakeholders of the Company; and
 - Any such matters that may be considered necessary in relation to Members and investors of the Company.

GENERAL BODY MEETINGS:

a) Annual General Meetings:

Details of Annual General Meetings during the last three (3) years:



Financial year	Day, Date and Time	Venue	Special Resolutions Passed, if any
2011-12	Wednesday, 18/07/2012 at 9:30 AM	The International Hotel, Veekshanam Road, Ernakulam, Kochi - 682 031	Yes. For Modification in the Employee Stock Option Scheme.
2012-13	Saturday, 28/09/2013 at 9.30 AM	Conference Hall, Amritha Towers, Kombara Junction, Market Road, Ernakulam, Cochin - 682 018	Yes. Re-appointment of Mr. Kumar Nair as Managing Director
2013-14	Saturday, 20/09/2014 at 9.30 AM	Conference Hall, Amritha Towers, Kombara Junction, Market Road, Ernakulam, Cochin-682 018	Yes. a) Change in terms of appointment of Mr. Kumar Nair as Managing Director b) Increase in Investment limits of FII and NRI in the Company

b) Extra Ordinary General Body Meetings:

No Extra Ordinary General Body Meeting was held during the financial year ended 31st March, 2015.

c) Postal Ballot:

For the financial year ended 31st March, 2015, the following special resolution was passed through postal ballot dated 14th March, 2015:

Postal Ballot Notice dated 31st January, 2015, in respect of the following matters:

Special Resolution: For Alteration of Object Clause.

Mr. K. P. Gopi Mohan, Practicing Company Secretary, Scrutinizer appointed by the Board has submitted his report. Accordingly, the following result of the Postal Ballot was declared on 14th March, 2015.

Description	No: of Valid Ballot	In favor of the Resolution		Against the Resolution		No: of Invalid Ballot	%
		Number of votes cast	%	Number of votes cast	%		
Special Resolution under Section 13 of the Companies Act, 2013 for Alteration of the Object Clause of the Memorandum of Association of the Company	22	288241	98.68	Nil	—	4	1.32

Out of 26 Shareholders participated in the Postal Ballot: 22 have made valid casting of their votes and 4 ballots were invalid for the reason as certified by the Scrutinizer.

RESULT: The resolutions were passed with the requisite majority.

REMUNERATION OF EXECUTIVE/NON-EXECUTIVE DIRECTORS

Mr. Kumar Nair, Managing Director, is in charge of the overall management of the Company. As consented by him, he will not be paid any remuneration by the Company for his services.

Your Company pays sitting fees of ₹ 5000 for each Board Meeting and ₹ 2000 each for all other Committee Meetings attended by the Directors.

CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on 31st March, 2015 and a declaration to this effect signed by the Managing Director forms part of this report.

DISCLOSURES

- i. All Related Party Transactions attracting compliance under Section 188 of the Companies Act are within Arm's Length and are placed before the Audit Committee as well as the Board for approval.
The transactions have no potential conflict with the interest of the Company. The disclosures on the Related Party Transactions are provided in the Financial Statements and Notes to Financial Statements of the Company.
- ii. There were no non-compliances by the Company during the year. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any other statutory authorities on any matter related to the capital markets during the previous three financial years.
- iii. The Board has adopted a Vigil mechanism and Whistle Blower Policy and no personnel have been denied access to the Audit Committee.
- iv. Clause 49 of the Listing Agreement is not strictly applicable to the Company as the net worth of the Company is not exceeding 25 Crores. However, the Company has complied with the applicable mandatory requirements and adoption of non-mandatory requirements.

Adoption of Non-mandatory Requirements:

- a) A separate office is maintained for the Chairman at the Company at its own expense and is allowed re-imbursement of expenses incurred in performance of his duties.
- b) The company has not sent half yearly financial performance including summary of the significant events to each household since the financial results were published in two newspapers, one in Vernacular and one in an English newspaper.
- c) Any qualifications by the Auditor are replied to in the Board's Report. The Company may move towards a regime of unqualified financial statements.

MEANS OF COMMUNICATION

The quarterly results of the Company are published in Deepika (Vernacular) and Financial Express (English). Annual Reports are sent to the Shareholders at their registered address with the Company and is being regularly placed on the website of the Company.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting:

Date	:	7th September, 2015
Day	:	Monday
Time	:	9.30 A.M.
Venue	:	The Conference Hall of the Company at Amritha Towers, Ground Floor, Market Road, Ernakulam, Kochi - 682 018.

Financial Year:

The Financial Year of the Company covers the financial period from 1st April to 31st March.

During the financial year under review, the Board Meetings for the approval of the Quarterly and Annual Financial Results were held on the following dates:

1st Quarter Results	:	18th July, 2014
2nd Quarter Results	:	17th October, 2014
3rd Quarter Results	:	19th January, 2015
4th Quarter Results	:	12th May, 2015

For the Financial Year 2015-16, the Board Meeting for the approval of the Quarterly and Annual Financial Results are/will be held on the following dates:

1st Quarter Results	:	27th July, 2015
2nd Quarter Results	:	October 2015
3rd Quarter Results	:	January 2016
4th Quarter Results	:	April 2016



Tentative Date for the Annual General Meeting for the year ended 31st March, 2016

: August/September 2016

Book Closure:

1st September, 2015 to 7th September, 2015 (both days inclusive).

Listing:

Stock Exchange : The BSE Limited
Stock Code : 531950
Payment of Listing Fees : Paid for the year 2015-16
Demat ISIN for NSDL & CDSL : INE316DO1024

Corporate Identification Number:

The CIN of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L67120KL1993PLC007349.

Registrars & Transfer Agents:

M/S. LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai- 400 078

Contact person : Ms. Sanskriti More
Contact No. : 022-25963838
Fax No. : 022-25926969
E-Mail Id : sanskriti.more@linkintime.co.in

Share Transfer System:

Securities lodged for transfer at the Registrar's Office are normally processed within fifteen (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 fifteen (15) days.

Dematerialization of Shares : More than 99% of the Shares are dematerialized

Outstanding GDRs/ADRs/Warrants or any convertible/instruments, conversion data and likely impact on equity : 5,206,454 Compulsorily Convertible Redeemable Cumulative Preference Shares were converted to Equity during the year. No convertible shares are outstanding.

Plant location : Not applicable

Address for Correspondence : VERTEX SECURITIES LIMITED
Thottathil Towers, 2nd Floor, Market Road, Kochi, Kerala – 682 018.
Phone: 91-484-2384848

Contact Person : Ms. Aswathi C Madhavadas,
Email Id: aswathi@vertexbroking.com

Shareholding:

The Equity Shareholding pattern as on 31st March, 2015 is as follows:

Category	No. of Shares	%
Promoters and Promoter Group	5,41,76,503	73.46%
Others	1,95,77,247	26.54%
Total	7,37,53,750	100.00%

Distribution of Shareholding as on 31.03.2015

No. of Equity Shares held		No. of Shareholders	Percentage of Shareholders	Total No. of shares held	Percentage of Shares held
1	500	995	41.2008	216654	0.2938
501	1000	439	18.1781	377533	0.5119
1001	2000	275	11.3872	447544	0.6068
2001	3000	169	6.9979	438428	0.5944
3001	4000	67	2.7743	236175	0.3202
4001	5000	110	4.5549	531659	0.7209
5001	10000	130	5.383	1029166	1.3954
10001	and above	230	9.5238	70476591	95.5566
Total		2415	100	73753750	100.0000

Stock Performance:

Market Price Data during the year ended 31st March, 2015:

Month	High	Low	Volume
Apr-14	2.25	1.61	71,971
May-14	2.49	1.75	1,39,066
Jun-14	3.59	2.31	3,64,391
Jul-14	3.41	2.55	1,63,302
Aug-14	3.31	2.58	95,123
Sep-14	3.02	2.25	2,34,812
Oct-14	2.99	1.94	1,40,755
Nov-14	2.89	2.04	2,25,792
Dec-14	2.85	2.05	2,33,466
Jan-15	3.00	2.03	1,83,822
Feb-15	2.65	1.95	2,78,953
Mar-15	2.32	1.63	2,56,533

For VERTEX SECURITIES LIMITED

Kumar Nair

Chairman and Managing Director
(DIN: 00320541)

Place : Cochin-18

Date : 27.07.2015



DECLARATION

We hereby confirm that:

The company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and senior management in respect of the Financial Year 2014-15

For VERTEX SECURITIES LIMITED

Place : Cochin-18

Date : 12.05.2015

Kumar Nair
Managing Director
(DIN: 00320541)

CEO/CFO CERTIFICATION

We hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with 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 violative of the Company's code of conduct;
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee -
- Significant changes in internal control over the financial reporting during the year;
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

For VERTEX SECURITIES LIMITED

Place : Cochin-18

Date : 27.07.2015

Kumar Nair
Chief Executive Officer

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Vertex Securities Limited,

- i. We have examined the compliance of conditions of Corporate Governance by Vertex Securities Limited ('the Company') for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.
- ii. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- iii. 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 with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
- iv. We further confirm that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Rahul Gautam Divan and Associates

Chartered Accountants

Firm Registration No: 120294W

GAUTAM DIVAN

Partner

Membership No: 006457

Place : Mumbai

Date : 27 July 2015



Annexure C to the Board's Report

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

To,
The Members,
Vertex Securities Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vertex Securities Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Vertex Securities Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d) The Securities and Exchange Board of India Act, 1992 ('SEBI Act');
- e) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- f) SEBI (Prohibition of Insider Trading) Regulations, 1992;
- g) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009; [not applicable to the Company during the period as the Company has not issued any shares other than conversion of compulsorily convertible preference shares into equity shares pursuant to Scheme of Amalgamation approved by the Hon'ble High Courts at Bombay and Kerala];
- h) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- i) SEBI (Mutual Funds) Regulations, 1996,
- j) SEBI (Stock-Brokers and Sub-Brokers) Regulations, 1992
- k) SEBI (Depositories and Participants) Regulations, 1996
- l) SEBI (Merchant Bankers) Regulations, 1992

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with Bombay Stock Exchange;

1. During the period under review the Company has complied with the provisions of the Companies Act, 2013 and Rules, Regulations, Circulars and Guidelines and SEBI Act and Regulations, made thereunder subject to the following observations:-

- i. *The Company has not appointed the Chief Financial Officer as required under section 203 of the Companies Act, 2013.*
- ii. *The Company has not filed the prescribed return as specified under section 93 of the Act.*

In respect of other laws like Acts relating to employee and labour regulations, welfare and connected activities, specifically applicable to the Company, we have relied on information/ records produced by the Company during the course of our audit and the reporting is limited to that extent.

We report that:

2. The following Rules issued under the Companies Act, 2013 are not applicable to the Company during the financial year 2014-15:
 - i. Companies (Issue of Global Depository Receipts) Rules, 2014 as the Company has not issued any Global Depository Receipts.
 - ii. Companies (Prospectus and Allotment of Securities) Rules, 2014 as the Company has not issued any shares or other securities through issue of prospectus.
 - iii. Companies (Acceptance of Deposits) Rules, 2014 as the Company has not accepted any public deposits.
 - iv. Companies (Corporate Social Responsibility Policy) Rules, 2014.
 - v. Companies (Inspection, investigation and inquiry) Rules, 2014 as no inspection or investigation were ordered on the affairs of the Company.
 - vi. Companies (Declaration and Payment of Dividend) Rules, 2014 as the Company has not declared dividend during the audit period.

The Company has complied with the following Rules, issued under the Companies Act, 2013:

- i. Companies (Share Capital and Debentures) Rules, 2014.
- ii. Companies (Registration of Charges) Rules, 2014.
- iii. Companies (Management and Administration) Rules, 2014 subject to observation in Para 1(ii) above.
- iv. Companies (Accounts) Rules, 2014.
- v. Companies (Audit and Auditors) Rules, 2014
- vi. Companies (Appointment and Qualification of Directors) 2014.
- vii. Companies (Meeting of Board and its Powers) Rules, 2014.
- viii. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 subject to observation in Para 1(i) above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were passed unanimously and were captured and recorded as part of the minutes.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We also report that during the audit period the Company:

1. has approved conversion of 0.5% Fully Convertible Preference Shares to equity shares as per the Scheme of Arrangement as approved by the Hon'ble High Courts at Bombay and Kerala.

Date	Number of 0.5% Fully Convertible Preference Shares	Equity shares issued on conversion
01/10/2014	1,90,000	9,50,000
13/02/2015	3,90,000	19,50,000
14/03/2015	46,26,454	23,132,270

2. has redeemed 27,758, 15% non cumulative preference shares and reissued fresh preference shares for the same amount.
3. Altered the main object clause of the Memorandum of Association of the Company and complied with the provisions of the Companies Act, 2013.

For **Gopimohan, Satheesan and Associates,**
Practising Company Secretaries

K P Gopimohan
FCS No: 7110
C.P No: 2912

Place : Cochin
Date : 27th July, 2015



Annexure D to the Board's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

CIN	U67120KL1993PLC007349
Registration Date	15/09/1993
Name of the Company	VERTEX SECURITIES LIMITED
Category/Sub-category of the Company	Company having Share Capital
Address of the Registered office & contact details	Thottathil Towers, II nd Floor, Market Road, Ernakulam, Kochi - 682018
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S. LINK INTIME INDIA PRIVATE LIMITED, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai- 400 078

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Broking Services	66110, 66120, 66190	95%
2	Depository Participant Services	66110, 66120, 66190	5%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Equity Shares held	Applicable Section
1.	Transwarranty Finance Limited 403, Regent Chambers, Nariman Point, Mumbai Pin: 400 021.	L65920MH1994PLC 080220	Holding Company	50.74	2(46)
2.	Vertex Commodities and Finpro Private Limited Thottathil Towers, II nd Floor, 41/3522 D, Market Road, Ernakulam, Kochi Pin: 682018	U67120KL1995PTC 008610	Subsidiary Company	Nil	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	6128563	36025	6164588	12.92	14827553	95000	14922553	20.23	7.31
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
d) Bodies Corp.	25013365	0	25013365	52.42	39253950	0	39253950	53.22	0.8
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0
f) Any other	0	0	0	0.00	0	0	0	0.00	0
Sub-total (A1)	31141928	36025	31177953	65.34	54081503	95000	54176503	73.45	8.11
(2) Foreign									
a) Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
e) Any Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total (A2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A)=(A1+A2)	31141928	36025	31177953	65.34	54081503	95000	54176503	73.45	8.11
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corp.	3012793	500	3013293	6.31	2479688	500	2480188	3.36	-2.95
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5604363	122575	5726938	12.00	5577917	95075	5672992	7.69	-4.31
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5002408	58780	5061188	10.61	8648223	155000	8803223	11.94	1.33
c) Others (specify)									
Other Directors	135000	0	135000	0.28	22500	0	22500	0.03	-0.25
Non Resident Indians (Repat)	2181115	0	2181115	4.57	2220068	0	2220068	3.01	-1.56
Non Resident Indians (Non-Repat)	15500	0	15500	0.03	29191	0	29191	0.04	0.01
Clearing Members	354288	0	354288	0.74	288121	0	288121	0.39	-0.35
ESOP/ESOS/ESPS/Office Bearers	56205	0	56205	0.12	60694	0	60694	0.08	-0.04
Sub-total (B)(2)	16361672	181855	16543527	34.66	19326672	250575	19577247	26.54	-8.12
Total Public Shareholding (B) = (B)(1)+ (B)(2)	16361672	181855	16543527	34.66	19326672	250575	19577247	26.54	-8.12
(C) Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	47503600	217880	47721480	100.00	73408175	345575	73753750	100.00	0

B) Shareholding of Promoter

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Transwarranty Finance Ltd.	24318110	50.96	28.21	37420625	50.74	0	-0.22
2	Transwarranty Advisors Pvt Ltd	695255	1.46	0.00	1833325	2.49	0	1.03
3	Kumar Nair	5882058	12.33	0.00	14177543	19.22	0	6.89
4	Leena Nair	246505	0.52	0.00	650010	0.88	0	0.36
5	Sheila Satish	36025	0.08	0.00	95000	0.13	0	0.05

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No	Name of the Promoter/ Promoter Group	Shareholding							Cumulative Shareholding during the year	
		At the beginning of the year		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)			At the end of the year		No. of shares	% of total shares of the company
		No. of shares	% of total shares of the company	Date	No. of Shares Increase(+)/ Decrease(-)	Reason for Increase/ Decrease	No. of shares	% of total shares of the company		
1	Transwarranty Finance Ltd.	24318110	50.96	08.07.2014 14.03.2015	(-)37500 (+)13140015	Sale Conversion of 0.5% CCPS to Equity	37420625	50.74	37420625	50.74
2	Transwarranty Advisors Pvt Ltd	695255	1.46	14.03.2015	(+)1138070	Conversion of 0.5% CCPS to Equity	1833325	2.49	1833325	2.49
3	Kumar Nair	5882058	12.33	14.03.2015	(+)8295485	Conversion of 0.5% CCPS to Equity	14177543	19.22	14177543	19.22
4	Leena Nair	246505	0.52	14.03.2015	(+)403505	Conversion of 0.5% CCPS to Equity	650010	0.88	650010	0.88
5	Sheila Satish	36025	0.08	14.03.2015	(+)58975	Conversion of 0.5% CCPS to Equity	95000	0.13	95000	0.13

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Pravin Dhairyashil Khatau	2126730	4.46	2117861	2.87
2	Pranesh Puranmal Kejriwal	1000000	2.09	1000000	1.36
3	Raunak Ramachandran	500000	1.05	700000	0.95
4	Gulshan Investment Company Ltd	452236	0.95	452236	0.61
5	Globe Fincap Limited	346819	0.73	346819	0.47
6	Jyoti Ramachandran	-	0	275000	0.37
7	Usha Jain	-	0	260000	0.35
8	Sudharsanan Sundreswaran Nair	-	0	250500	0.34
9	Mohan Narayan Nair	250000	0.52	250000	0.34
10	Rajesh T. R.	-	0	250000	0.34



E) Shareholding of Directors and Key Managerial Personnel:

Sl No	Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	U. Ramachandran (Director)	12,500	0.03	12,500	0.02
2	James Pothen (Independent Director)	10,000	0.02	10,000	0.01

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	53,65,156.00	–	53,65,156.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	53,65,156.00	–	53,65,156.00
Change in Indebtedness during the financial year				
* Addition	19,28,55,176.00	–	–	19,28,55,176.00
* Reduction	18,39,81,169.00	5,95,204.00	–	18,45,76,373.00
Net Change	88,74,007.00	5,95,204.00	–	94,69,211.00
Indebtedness at the end of the financial year				
i) Principal Amount	87,65,103.00	47,69,952.00	–	1,35,35,055.00
ii) Interest due but not paid	1,08,904.00	–	–	1,08,904.00
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	88,74,007.00	47,69,952.00	–	13643959

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl No	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount
		Kumar Nair	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	Nil	Nil
	Ceiling as per the Act	11% of the net profits of the Company	

B. Remuneration to other directors

Sl No	Particulars of Remuneration	Name of Directors			Total Amount
		James Pothen	Jose Thomas Polachira	U. Ramachandran	
1.	Independent Directors				
	Fee for attending Board/ Committee meetings	35,000	35,000	–	70,000
	Commission	–	–	–	–
	Others, please specify	–	–	–	–
	Total (1)	35,000	35,000	–	70,000
2.	Other Non-Executive Directors				
	Fee for attending Board/ Committee meetings	–	–	33,000	33,000
	Commission	–	–	–	–
	Others, please specify	–	–	–	–
	Total (2)	–	–	33,000	33,000
	Total (B)=(1+2)	35,000	35,000	33,000	1,03,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	11% of the net profits of the Company			

* Mrs Latha Anand was appointed as Additional Independent Director in May, 2015, thus not included in the above table.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd

Sl No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS*	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–	–
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission				
	- as % of profit	–	–	–	–
	- Others, specify...	–	–	–	–
5	Others, please specify	–	–	–	–
	Total	–	–	–	–

* Ms. Sandhya Nair, Company Secretary resigned from the post in December, 2014 and Ms. Aswathi C Madhavadas, Company Secretary was appointed in May, 2015. Therefore, the details of Remuneration are not included.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					

Annexure E to the Board's Report

NOMINATION AND REMUNERATION POLICY

The Board of Directors of Vertex Securities Limited ("the Company") re-constituted the "Nomination and Remuneration Committee" at the Meeting held on May 05, 2014. The Nomination, Remuneration and Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

DEFINITIONS

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board in accordance with the Act and applicable Listing Agreements and/or Regulations.

"Directors" mean Directors of the Company.

"Key Managerial Personnel" means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. Such other officer as may be prescribed.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961

"Senior Management" means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

OBJECTIVES

The key objectives of the Committee would be:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation of the Board.
3. Formulation of criteria for evaluation of Independent Director and the Board.

4. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
8. To develop a succession plan for the Board and to regularly review the plan.
9. To devise a policy on Board diversity, composition, size etc.
10. To assist the Board in fulfilling responsibilities.

CONSTITUTION OF THE COMMITTEE

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination, Remuneration and Compensation Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the Chairperson of the Company (whether executive or non executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

- a) The Committee shall identify 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.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided



that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman,

Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend,

to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS / KMP / SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing / Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- The Remuneration/ Compensation/ Commission etc. to be paid to Whole-time Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
- The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

2 Remuneration to Non- Executive / Independent Director:

- The Non-Executive / Independent Director may receive sitting fees and such other remuneration as permissible under the provisions of Companies

Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied: i) The Services are rendered by such Director in his capacity as the professional; and ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- i. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- ii. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- iii. Identifying and recommending Directors who are to be put forward for retirement by rotation.
- iv. Determining the appropriate size, diversity and composition of the Board and recommending any necessary changes to the Board;
- v. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- vi. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- vii. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- viii. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- ix. Delegating any of its powers to one or more of its members or the Secretary of the Committee;

- x. Considering any other matters, as may be requested by the Board.

REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- i. to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- ii. to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- iii. to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- iv. to consider any other matters as may be requested by the Board.
- v. Professional indemnity and liability insurance for Directors and senior management.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

COMMITTEE MEMBERS' INTERESTS

- i. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- ii. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

REVIEW AND AMENDMENT

- i. The Committee or the Board may review the Policy as and when it deems necessary.
- ii. The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.



Annexure F to the Board's Report

**DISCLOSURE UNDER RULE 12(9) OF THE COMPANIES
(SHARE CAPITAL AND DEBENTURES) RULES, 2014**

Sl. No	Particulars	Details
a)	Options granted	Nil
b)	Options vested	3,01,866
c)	Options exercised	Nil
d)	The total number of shares arising as a result of exercise of Option	Nil
e)	Options lapsed	1,57,196
f)	Exercise price	₹ 5.46
g)	Variation of Terms of Options	Nil
h)	Total no: of Options in force	7,01,064

i) Employee wise details of Options Granted to:-

Key Managerial Personnel			
Sl. No:	Name	Designation	No: of Options granted and in force
1	NA	NA	NA

Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year

Sl. No:	Name	Designation	No: of Options granted and in force
	NA	NA	NA

Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant

Sl. No:	Name	Designation	No: of Options granted and in force
	NA	NA	NA

For and On behalf of the Board of Directors

Place : Cochin - 18
Date : 27.07.2015

Kumar Nair
Chairman and Managing Director
(DIN: 00320541)

Annexure G to the Board's Report

FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/ transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Transwarranty Finance Limited, Parent Company
b)	Nature of contracts/arrangements/transaction	Inter Corporate Transactions
c)	Duration of the contracts/arrangements/ transaction	FY 2014-15
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Transactions for an amount of ₹ 5.56 Cr
e)	Date of approval by the Board	05.05.2014 18.07.2014 17.10.2014 19.01.2015
f)	Amount paid as advances, if any	Transactions for an amount of ₹ 5.71 Cr



Sl. No	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vertex Commodities and Finpro Pvt Ltd, Subsidiary Company
b)	Nature of contracts/arrangements/transaction	Inter Corporate Transactions
c)	Duration of the contracts/arrangements/transaction	FY 2014-15
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Transactions for an amount of Rs. 3.68 Cr
e)	Date of approval by the Board	05.05.2014 18.07.2014 17.10.2014 19.01.2015
f)	Amount paid as advances, if any	Transactions for an amount of Rs. 3.68 Cr

For **Vertex Securities Limited**

Place : Cochin - 18
Date : 27.07.2015

Kumar Nair
Chairman and Managing Director
(DIN: 00320541)

Annexure H to the Board's Report

DISCLOSURE IN BOARD'S REPORT UNDER RULE 5 OF COMPANIES
(APPOINTMENT AND REMUNERATION) RULES, 2014

i.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2014-15
	The Directors of the Company do not receive any remuneration from the Company*

* The Non-Executive Directors of the company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non –Executive Directors are provided in the corporate governance report. The ratio of remuneration and percentage increase for Non –Executive Directors remuneration is therefore not considered for the purpose above.

ii.	The percentage increase in remuneration of each Director, CFO, CEO, Company Secretary or Manager, if any, in the Financial Year 2014-15	
	Name of Director, CFO, CEO, Company Secretary or Manager	% Increase over last F.Y
1	Director/CFO/CEO	NA
2	Company Secretary	Nil
3	Manager	10%

iii.	The percentage increase in median remuneration of employees in the Financial Year 2014-15
	9%

iv.	The number of permanent employees in the rolls of the Company As on 31st March, 2015.
	86

v.	The explanation on relation between average increase in remuneration and company performance
	The reward philosophy of the company is to provide market competitive total reward opportunity that has a strong relation linkage to and drives performance culture. Salary increases during the year are in line with Company's performance as well as per Company's market competitiveness.

vi.	Comparison of the remuneration of the KMP against the performance of the Company
	The reward philosophy of the company is to provide market competitive total reward opportunity that has a strong relation linkage to and drives performance culture. Salary increases during the year are in line with Company's performance as well as per Company's market competitiveness.

vii.	Variation in:	
Details	31.03.2015	31.03.2014
Market Capitalisation		
Price Earnings Ratio		
Percentage increase/ decrease in Market Quotation	The Company's stock price as at 31 st March, 2015 has been increased by 20%.	
Net Worth of the Company (₹ In Lakhs)	1313.78	1371.82



viii.	Average percentile increase in salaries of employees other than Managerial Personnel	
	Increase	Justification
	9%	As per the market Practice
ix.	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	
	Same response as Point (vi)	
x.	The key parameters for any variable component of remuneration availed by the Directors	
	Nil	
xi.	The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	
	Nil	

The Board of Directors hereby affirms that the remuneration paid to employees is as per the Remuneration Policy of the Company.

For and On behalf of the Board of Directors

Place : Cochin - 18

Date : 27.07.2015

Kumar Nair

Chairman and Managing Director
(DIN: 00320541)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
VERTEX SECURITIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Vertex Securities Limited ("the Company") which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis for Qualified Opinion

- a) *Attention is invited to Note 32 forming part of the Financial Statements, regarding evaluation of long term investment by the management. We have relied upon the confirmation by the management in the absence of independent external evaluation.*
- b) *As stated in Note 27 forming part of the Financial Statements, sundry debtors under the head current assets include old outstanding dues. The sundry debtors outstanding for more than six months amount to ₹ 16,439,009. Further out of the total sundry debtors, for a sum of ₹ 9,695,589, the Company has 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) The company has adequate internal financial controls and in our opinion the same are operating effectively.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

- i. The Company does not have any pending litigations which would impact its financial position/ The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 22 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

Chartered Accountants

(Firm's Registration Number: 120294W)

GAUTAM DIVAN

Partner

Place : Mumbai

Date : 12 May, 2015

Membership Number: 006457

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, some of the fixed assets have been physically verified by the management according to a programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.

(ii) The Company had no inventory during the year. Since the Company has no inventory, clauses 3 (ii) of the Order is not applicable.

(iii) In our opinion and according to the information and explanations given to us, the Company has granted unsecured any loans, to a company covered in the register maintained under Section 189 of the Companies Act, 2013.

(a) The company is recovering principal and interest on a regular basis.

(b) The balance at 31 March 2015 is ₹ 1,507,635. There is no overdue amount.

(iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder.

(vi) In our opinion and according to the information and explanation given to us, pursuant to the Rules made by the Central Government, the maintenance of cost records as prescribed under Section 148 (1) of the Companies Act, 2013, is not applicable to the Company for the year under report.

(vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues applicable to it.

There are no undisputed statutory dues as referred to above as at 31st March, 2015 outstanding for a period of more than six months from the date they become payable.

(b) The disputed statutory dues aggregating to ₹ 622,000 that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹)
1	Finance Act	Tax/ Penalty	The Customs, Excise and Service tax Appellate Tribunal.	2006-07 to 2009-10	622,000

(c) The amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) *According to the records of the Company, the Company has accumulated losses at the end of the financial year. The Company has incurred a cash loss during the financial year and in the immediately preceding financial year.*

(ix) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions.

(x) Based on our examination of the records, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) The Company has not taken any term loans during the year.

(xii) To the best of our knowledge, and according to the information and explanations to us, no material fraud on or by the Company has been noticed or reported during the year.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

Chartered Accountants

(Firm's Registration Number: 120294W)

GAUTAM DIVAN

Partner

Place : Mumbai

Date : 12 May, 2015

Membership Number: 006457



BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	Figures as at 31.03.2015		Figures as at 31.03.2014	
		₹	₹	₹	₹
I EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2	150,283,300		150,283,300	
(b) Reserves and Surplus	3	(18,902,813)		(13,101,838)	
			131,380,487		137,181,462
(2) Non-Current Liabilities					
(a) Long Term Borrowings	4	4,769,952		60,949,217	
(b) Other Long Term Liabilities	5	8,048,991		3,730,843	
			12,818,943		64,680,060
(3) Current Liabilities					
(a) Short Term Borrowings	6	8,874,007		5,642,520	
(b) Trade Payables	7	66,044,544		57,982,483	
(c) Other Current Liabilities	8	4,053,575		4,949,891	
(d) Short Term Provisions	9	1,025,357	79,997,483	3,132,747	71,707,641
TOTAL EQUITY AND LIABILITIES			224,196,913		273,569,163
II ASSETS					
(1) Non Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	9,015,011		12,341,747	
(ii) Intangible Assets	11	1,190,220		2,284,579	
(b) Non Current Investments	12	61,103,030		171,901,030	
			71,308,261		186,527,356
(2) Current Assets					
(a) Trade Receivables	13	35,010,552		29,766,119	
(b) Cash and Cash Equivalents	14	23,243,139		18,682,890	
(c) Short Term Loans and Advances	15	92,352,472		36,969,442	
(d) Other Current Assets	16	2,282,489	152,888,652	1,623,356	87,041,807
TOTAL ASSETS			224,196,913		273,569,163

Notes 1 to 36 form an integral part of the Financial Statements.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants

Gautam Divan
Partner

Mumbai
12th May, 2015

For and on behalf of Board of Directors

Kumar Nair
Chairman & Managing Director

Kochi - 18
12th May, 2015

James Pothen
Director

U. Ramachandran
Director

Jose Thomas Polachira
Director

Aswathi C Madhavadas
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	Figures for the Year Ended 31 st March, 2015 ₹	Figures for the Year Ended 31 st March, 2014 ₹
REVENUE			
Revenue From Operations	17	41,576,815	38,800,275
Other Income	18	8,880,817	11,060,675
TOTAL REVENUE		50,457,632	49,860,950
EXPENSES			
Employee Benefits Expenses	19	19,186,309	22,677,669
Finance Costs	20	2,079,352	1,206,312
Depreciation and Amortisation Expenses	10 & 11	3,373,956	2,773,764
Other Expenses	21	30,489,473	34,328,887
TOTAL EXPENSES		55,129,090	60,986,632
Loss Before Exceptional and Extraordinary items and Tax		(4,671,458)	(11,125,682)
Exceptional Items :-			
Profit / (Loss) on Sale of Assets		(94,156)	1,220,038
Reversal of Excess Provision		1,993,185	—
Loss Before Extra ordinary items and Tax		(2,772,429)	(9,905,644)
Extraordinary Items		—	—
Loss Before Tax		(2,772,429)	(9,905,644)
Tax Expense			
Current Tax		—	—
Deferred Tax		—	—
Short Provision of Tax relating to earlier years		(8,813)	—
Loss for the year from Continuing Operations		(2,781,242)	(9,905,644)
Loss from Discontinuing Operations		—	—
Tax Expenses of Discontinuing Operations		—	—
Loss from Discontinuing Operations After Tax		—	—
Loss for the year		(2,781,242)	(9,905,644)
Basic Earning Per Share of ₹ 2/- each (In Rupees)	23	(0.06)	(0.21)
Diluted Earning Per Share of ₹ 2/- each (In Rupees)		(0.04)	(0.13)

Notes 1 to 36 form an integral part of the Financial Statements.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants**Gautam Divan**
PartnerMumbai
12th May, 2015

For and on behalf of Board of Directors

Kumar Nair
Chairman & Managing DirectorKochi - 18
12th May, 2015**James Pothen**
Director**U. Ramachandran**
Director**Jose Thomas Polachira**
Director**Aswathi C Madhavadas**
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	2014-15 ₹	2013-14 ₹
A. Cash Flow from Operating Activities		
Net Profit/(Loss) Before Taxation	(2,772,429)	(9,905,644)
Adjustments for:		
Add/(Less):		
Depreciation/Amortisation	3,373,956	2,773,764
(Profit)/Loss on assets sold/ written off	94,156	(1,220,038)
Interest Paid & Bank Guarantee Expense	2,079,352	1,206,312
Bad debts written off	514,585	–
Interest Received	(1,444,039)	(1,120,690)
Reversal of excess actuarial valuation	(1,993,185)	–
Sundry Credit Balances Written back	(2,070,810)	–
Operating Profit/(Loss) before working Capital Changes	<u>(2,218,414)</u>	<u>(8,266,296)</u>
Adjustments for Changes in Working Capital		
Trade & Other Receivable-Decrease/(Increase)	(7,573,776)	3,186,336
Loans & Advances(Net)-Decrease/(Increase)	5,296,357	6,492,555
Trade payables-(Decrease)/Increase	13,067,937	(1,550,060)
Other payables-(Decrease)/Increase	42,249	1,984,440
Cash Generated from operations	<u>8,614,353</u>	<u>1,846,975</u>
Income Tax Refund/ (Paid)	1,152,937	(100,258)
Net Cash flow from Operating Activities (A)	<u>9,767,290</u>	<u>1,746,717</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(304,195)	(36,400)
Sale of Fixed Assets	52,200	2,870,401
Interest Received	784,906	1,120,690
Net Cash used in Investing Activities (B)	<u>532,911</u>	<u>3,954,691</u>
C. Cash Flow from Financing Activities:		
Receipt/Repayment of Secured Loans(net)	–	(5,929,010)
Interest Paid & Bank Guarantee Expense	(2,079,352)	(1,206,312)
Dividend paid	(165,519)	(100)
Bank Overdraft	8,874,007	
Repayment of Car Loan	(99,373)	(254,376)
Inter Corporate Deposit	(12,269,716)	(13,267,480)
Net Cash used in Financing Activities (C)	<u>(5,739,952)</u>	<u>(20,657,278)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)	<u>4,560,249</u>	<u>(14,955,871)</u>
Cash & Cash Equivalents as at the beginning of the year	<u>18,682,890</u>	<u>33,638,761</u>
Cash & Cash Equivalents as at the end of the year	<u>23,243,139</u>	<u>18,682,890</u>

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants

For and on behalf of Board of Directors

Gautam Divan
Partner

Kumar Nair
Chairman & Managing Director

James Pothen
Director

Jose Thomas Polachira
Director

Mumbai
12th May, 2015

Kochi - 18
12th May, 2015

U. Ramachandran
Director

Aswathi C Madhavadas
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation of Financial Statements:

These Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles under the historical cost convention, on an accrual basis of accounting. Generally Accepted Accounting Principles comprises of mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts Rules), 2014 and provisions of the Act to the extent notified.

b) Use of estimates

The preparation of financial statements in conformity with the Indian Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c) Fixed Assets and Depreciation:

- i) Fixed assets are stated at cost less accumulated depreciation and adjusted for impairment, if any.
- ii) The Company provides depreciation on straight-line method (SLM) on useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013.
- iii) Depreciation on additions and deletions to fixed assets is provided on pro-rata basis from the date of addition or till deletion respectively.

d) Intangible Assets:

Intangible assets comprise of Membership rights of Stock Exchanges, Computer software and Software licences. The Stock Exchange rights and Software Licenses are amortized over a period of 10 years. Computer software is amortized over a period of 3 years on Straight Line basis.

e) Inventories - Shares:

The shares are valued at lower of cost or net realizable value.

f) Income:

Brokerage income is recognized on the date of the transaction, upon confirmation of the trade by client. Interest on Suit filed debtors are accounted on receipt basis since there is significant uncertainty in collection. Dividend income is recognised when right to receive the same is established.

g) Employee Benefits:

Long Term Employee Benefits

i. Defined Contribution plan

The company has defined contribution plans for employees comprising of Provident Fund and Employees State Insurance. The contributions paid/payable to these plans are charged to Statement of Profit and Loss for the period to which they are related.

ii. Defined Benefit Plan

The company makes contributions to Employees' Group Gratuity-cum-Life Assurance Scheme of Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation, conducted annually using the Projected Unit Credit Method, as adjusted for unrecognized past service cost if any and as reduced by fair value of plan assets, is recognized in the accounts. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

iii. Other Long term Employee Benefits

The company has a scheme of Leave Encashment for eligible employees. Company's liability as at the Balance Sheet date for such benefits is provided for on the basis of actuarial valuation under Projected Unit Credit Method, done by an independent actuary. Actuarial gains and losses comprise experience adjustments and effects of changes in actuarial assumptions and are recognized in the Statement of Profit and Loss as income or expense.

iv. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

h) Income tax

Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS 22), which includes current taxes and deferred taxes. Deferred tax assets/liabilities representing timing differences between accounting income and taxable income are recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same.

i) Investments

Long term investments are stated at cost less provision for permanent diminution in their values, if any. Current investments are stated at lower of cost and net realisable value.

j) Provisions and Contingent liabilities

Provisions are recognised when the company has a present obligation as a result of past events, for which it is probable that a cash outflow will be required and reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

k) Earnings 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.

l) Leases

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

Leases are accounted for and disclosure made as per the requirements of Accounting Standard 19 - Leases, issued by the Institute of Chartered Accountants of India.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As At 31.03.2015 ₹	As At 31.03.2014 ₹
2. SHARE CAPITAL		
Authorised Capital		
1) 73,753,805 Equity Shares of ₹ 2/- each (P.Y. 73,753,805 Equity Shares of ₹ 2/- each)	147,507,610	147,507,610
2) 5,981,739 0.5% Preference shares of ₹ 10/- each (P.Y. 5,981,739 0.5% Preference Shares of ₹ 10/- each)	59,817,390	59,817,390
3) 5,00,000 15% Non-Cumulative Redeemable Preference shares of ₹ 100/- each (P.Y. 50,00,000 15% Non-Cumulative Redeemable Preference shares of ₹ 100/- each)	50,000,000	50,000,000
	257,325,000	257,325,000
Issued, Subscribed and Paid Up :		
73,753,750 (P.Y. 47,721,480) Equity Shares of ₹ 2/- each fully paid up	147,507,500	95,442,960
Nil (P.Y. 5,206,454) 0.5% Fully Convertible Preference shares of ₹ 10/- each fully paid up.	–	52,064,540
27,758 (P.Y. 27,758) 15% Non Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up.	2,775,800	2,775,800
	150,283,300	150,283,300

NOTES

1) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

A) Equity shares

Particulars	2014-15		2013-14	
	Number	Amount (₹)	Number	Amount (₹)
At the beginning of the year	47,721,480	95,442,960	43,848,980	87,697,960
Add:- Conversion of Preference Shares into Equity Shares				
– On 01 October 2014 (On 16 May 2013)	950,000	1,900,000	1,592,500	3,185,000
– On 13 February 2015 (On 03 September 2013)	1,950,000	3,900,000	1,780,000	3,560,000
– On 14 March 2015 (On 25 October 2013)	23,132,270	46,264,540	425,000	850,000
– Nil (On 11 December 2013)	–	–	75,000	150,000
Total No of Shares	73,753,750	147,507,500	47,721,480	95,442,960
Additional Equity Shares Issued	–	–	–	–
Outstanding at the end of the year	73,753,750	147,507,500	47,721,480	95,442,960

B) 0.5% Fully Convertible Preference Shares

Particulars	2014-15		2013-14	
	Number	Amount (₹)	Number	Amount (₹)
At the beginning of the year	5,206,454	52,064,540	5,980,954	59,809,540
Less:- Conversion of Preference Shares into Equity Shares				
– On 01 October 2014 (On 16 May 2013)	190,000	1,900,000	318,500	3,185,000
– On 13 February 2015 (On 03 September 2013)	390,000	3,900,000	356,000	3,560,000
– On 14 March 2015 (On 25 October 2013)	4,626,454	46,264,540	85,000	850,000
– Nil (On 11 December 2013)	–	–	15,000	150,000
Outstanding at the end of the year	–	–	5,206,454	52,064,540



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

C) 15% Non-Cumulative Redeemable Preference Shares

Particulars	2014-15		2013-14	
	Number	Amount (₹)	Number	Amount (₹)
At the beginning of the year	27,758	2,775,800	27,758	2,775,800
Add:- Issued during the year	27,758	2,775,800	–	–
Less:- Redeemed during the year	(27,758)	(2,775,800)	–	–
Outstanding at the end of the year	27,758	2,775,800	27,758	2,775,800

2) Terms and rights attached to Shares.

A) Equity Shares.

- 1) The company has only one class of Equity share having a Par Value of ₹ 2/- each. Each holder of equity share is entitled for one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the share holders in the ensuing Annual General Meeting.
- 2) In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B) 0.5% Fully Convertible Preference Shares.

- 1) Each Fully Convertible Preference Share shall be compulsorily converted into five equity share of ₹ 2/- each fully paid up at par, at any time from the end of first year to the end of fifth year from the date of allotment.
- 2) Preference share holders are entitled to get dividend only when the company has distributable profits.
- 3) In the event of winding up or repayment of capital, Preference share holders have the preferential right to be repaid the amount of capital paid up.

C) 15%, Non Cumulative Redeemable Preference Shares.

- 1) Each Non Cumulative Redeemable Preference Share shall be redeemable with in a period of 1 to 8 years from the date of issue i.e. 05/05/2014 as may be determined by the Board of Directors of the company at their absolute discretion.
- 2) Preference share holders are entitled to get dividend only when the company has distributable profits.
- 3) In the event of winding up or repayment of capital, Preference share holders have the preferential right to be repaid the amount of capital paid up.

3) Shares held by Holding company- Transwarranty Finance Limited

Particulars	31 st March, 2015	31 st March, 2014
Equity Shares		
Equity shares @ ₹ 2/- each Fully Paid	37,420,625	24,318,110
Preference Shares		
0.5% Fully Convertible Preference share of ₹ 10/- each	–	3,128,003
15% Non Cumulative Redeemable Preference Shares of ₹ 100/- each	6,863	6,863

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

4) Aggregate Number of shares allotted as fully paid up without payment being received in cash during a period of 5 Years preceding the date at which the Balance Sheet is prepared.

Particulars	No of Shares	Class of Shares
Equity Shares of ₹ 2/- each fully paid Up issued to share holders of "Transwarranty Capital Pvt. Ltd." as per scheme of amalgamation in F.Y. 2009-10.	4,262,250	Equity Shares
0.5% Fully convertible Preference Share of ₹ 10/- each issued to share holders of "Transwarranty Capital Pvt. Ltd." as per scheme of amalgamation in F.Y. 2009-10.	8,619,215	Preference Shares
15% Non Cumulative Redeemable Preference Shares of ₹ 100/- each reissued to share holders redeemable with in a period of 1 to 3 years from the date of issue i.e. 19/05/2010.	27,758	Preference Shares
15% Non Cumulative Redeemable Preference Shares of ₹ 100/- each issued to share holders redeemable with in a period of 1 to 8 years from the date of issue i.e. 05/05/2014.	27,758	Preference Shares
157,500 Equity Shares of ₹ 2/- each fully paid Up issued to share application money of "Transwarranty Capital Pvt. Ltd." as per scheme of amalgamation in F.Y. 2011-12.	157,500	Equity Shares
26,032,270 Equity Shares of ₹ 2/- each fully paid up issued on conversion of 5,206,454 0.5% Fully Convertible Preference Shares of ₹ 10/- each in F.Y. 2014-15.	26,032,270	Equity Shares

5) Details of shares holders holding more than 5% shares in the Company.

A) Equity shares of ₹ 2/- fully paid up.

Particulars	31 st March, 2015		31 st March, 2014	
	Number	% of Holdings	Number	% of Holdings
Transwarranty Finance Limited	37,420,625	50.74	24,318,110	50.96
Kumar Nair	14,177,543	19.22	5,882,058	12.33

B) 0.5% Fully Convertible Preference shares of ₹ 10/- fully paid up.

Particulars	31 st March, 2015		31 st March, 2014	
	Number	% of Holdings	Number	% of Holdings
Transwarranty Finance Limited	–	–	3,128,003	60.08
Kumar Nair	–	–	1,739,097	33.40
Pravin Khatau	–	–	–	–

C) 15% Non-Cumulative Redeemable Preference shares of ₹ 100/- fully paid up.

Particulars	31 st March, 2015		31 st March, 2014	
	Number	% of Holdings	Number	% of Holdings
Transwarranty Finance Limited	6,863	24.72	6,863	24.72
Transwarranty Private Limited	17,750	63.94	17,750	63.94
Transwarranty Advisors Private Limited	3,145	11.34	3,145	11.34

As per records of the company, including its register of share holders/ members and other declarations received from the shareholders regarding beneficial interest, the above represents both legal and beneficial ownership of shares.

The Company had issued and allotted 376,730 equity shares of ₹ 2/- each on 16-01-2012, pursuant to Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2010 (ICDR). Although the listing approval from BSE is received on 09-05-2012 the above shares have been included in the above shareholding pattern.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

6) Employees Stock Option Scheme

- 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 (Face Value of ₹ 10/- per share)	Price Per Option (₹)	Options (Split to Face value of ₹ 2/- per share)	Price Per Option After Share Splitting (₹)
Grant -I	462,500	69.00	2,312,500	13.80
Grant -II	50,000	145.50	250,000	29.10
Grant -III	17,500	145.50	87,500	29.10
Grant-IV	25,000	145.50	125,000	29.10
Grant-V	100,000	145.50	500,000	29.10
Grant-VI	–	–	1,013,750	29.10
Grant-VII	–	–	200,000	5.46
Grant-VIII	–	–	1,875,000	5.46

- 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	As at 31 st March, 2015 (₹)	As at 31 st March, 2014 (₹)
Options outstanding at the beginning of the year (Face Value of ₹ 2/- (P.Y. ₹ 2/-))	1,722,007	2,537,002
Prior Period Adjustment	(129,631)	–
Options granted during the year	–	–
Options vested during the year	301,866	–
Options exercised during the year	–	–
Options forfeited during the year	432,250	814,995
Options lapsed /surrendered during the year	157,196	–
Options outstanding at the end of the year	701,064	1,722,007

- Had fair value method been used , the compensation cost would have been higher by ₹ 10.94 Lakhs (Previous Year ₹ 14.55 Lakhs) Loss after tax would have been higher by ₹ 10.94 Lakhs (Previous year ₹ 14.55 Lakhs) and Basic EPS would have been ₹ (0.08) per share (Previous Year ₹ (0.24) Per share) and Diluted EPS would have been ₹ (0.05) (Previous Year ₹ (0.15)).

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	As at 01.04.2014 (₹)	Additions/ Created During the Year (₹)	Deductions During the Year (₹)	As at 31.03.2015 (₹)
3. RESERVES AND SURPLUS				
Reserve on Amalgamation Account	6,078,892	–	1,814,759	4,264,133
Deficit as per Statement of Profit and Loss (Refer Note below)	(37,426,275)	(2,781,242)	1,204,975	(41,412,492)
Securities Premium Reserve	18,245,545	–	–	18,245,545
Total Reserves and Surplus	(13,101,838)	(2,781,242)	3,019,734	(18,902,813)

Note: Deductions during the year are on account of depreciation debited to Reserves, as per Schedule II of the Companies Act, 2013.

Particulars	As at 01.04.2013 (₹)	Additions/ Created During the Year (₹)	Deductions During the Year (₹)	As at 31.03.2014 (₹)
RESERVES AND SURPLUS				
Reserve on Amalgamation Account	6,078,892	–	–	6,078,892
Deficit as per Statement of Profit and Loss (Refer Note below)	(27,520,631)	(9,905,644)	–	(37,426,275)
Securities Premium Reserve	18,245,545	–	–	18,245,545
Total Reserves and Surplus	(3,196,194)	(9,905,644)	–	(13,101,838)

Note :-

Particulars	2014- 2015 (₹)	2013- 2014 (₹)
Loss for the Year	(2,781,242)	(9,905,644)
Less:- Appropriations	–	–
	(2,781,242)	(9,905,644)



**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015
(ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	Figures as at 31 st March, 2015 (₹)	Figures as at 31 st March, 2014 (₹)
NON- CURRENT LIABILITIES		
4. LONG TERM BORROWINGS		
A) UNSECURED		
a) Loans and Advances from Related Parties		
Inter-Corporate Deposits - Holding Company	–	50,388,865
Inter-Corporate Deposits - Others	–	5,195,196
b) Other Loans and Advances		
– Security Deposit from Franchises & Advances	4,769,952	5,365,156
	<u>4,769,952</u>	<u>60,949,217</u>
5. OTHER LONG TERM LIABILITIES		
a) Trade Payables		
Amount due to Clients	7,210,096	3,120,001
b) Others		
Other Creditors	838,896	610,842
	<u>8,048,991</u>	<u>3,730,843</u>
CURRENT LIABILITIES		
6. SHORT TERM BORROWINGS		
A) From Banks		
SECURED		
Overdraft Account - Axis Bank	8,874,007	–
(Secured against mortgage of property owned by Transwarranty Private Limited - ₹ 20,000,000/-, Corporate Guarantee of Holding Company and Personal Guarantee of the Managing Director)		
B) FROM OTHERS		
UNSECURED		
Inter Corporate Deposits	–	5,642,520
	<u>8,874,007</u>	<u>5,642,520</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015
(ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	Figures as at 31 st March, 2015 (₹)	Figures as at 31 st March, 2014 (₹)
7. TRADE PAYABLES		
a) Amount due to Micro, Small and Medium Enterprises	–	–
b) Other Creditors		
– Amount due to Clients and Exchanges	66,044,544	57,982,483
	<u>66,044,544</u>	<u>57,982,483</u>
8. OTHER CURRENT LIABILITIES		
a) Current Maturities of Long Term Debt	–	99,373
b) Unpaid Dividend	–	9,066
c) Other Payables		
– Statutory Payables (Net)	613,459	480,431
– Creditors For Expenses	3,440,116	4,361,022
	<u>4,053,575</u>	<u>4,949,891</u>
9. SHORT TERM PROVISION		
a) Provision For Employee Benefits		
– Provision for Leave Encashment	440,645	830,552
– Provision for Gratuity payable	–	1,319,253
b) Others		
– Provision for Preference Share dividend	–	156,911
– Other Provision	584,712	826,031
	<u>1,025,357</u>	<u>3,132,747</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

10. FIXED ASSETS -TANGIBLE

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE				DEPRECIATION / AMORTISATION				NET BLOCK		
		Total As at 01.04.2014	Additions/ Adjustments During the Period	Deductions / Adjustments During the Period	Total As at 31.03.2015	Total As at 01.04.2014	Transfer to Retained Earnings	Provided during the Period	Deductions / Adjustments During the Period	Total As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
		(₹)	(₹)	(₹)	(₹)	(₹)	((₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1	Plant & Equipments	10,983,778	223,026	152,433	11,054,371	4,414,527	232,090	884,874	69,307	5,462,183	5,592,188	6,569,251
2	Furniture & Fittings	9,857,099	53,779	114,658	9,796,220	5,885,732	398,360	770,313	51,428	7,002,977	2,793,243	3,971,367
3	Vehicles	2,121,711	-	7,090	2,114,621	1,158,420	712	399,730	7,090	1,551,772	562,848	963,290
4	Computer	17,544,760	22,140	116,099	17,450,801	16,706,922	484,402	308,844	116,099	17,384,070	66,732	837,838
	Total	40,507,349	298,945	390,280	40,416,014	28,165,602	1,115,564	2,363,761	243,924	31,401,003	9,015,011	12,341,747
	Previous Year(13-14)	46,101,378	6,400	5,600,430	40,507,348	30,435,687	-	1,679,981	3,950,067	28,165,601	12,341,747	15,665,691

11. FIXED ASSETS - INTANGIBLE

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE				DEPRECIATION / AMORTISATION				NET BLOCK		
		Total As at 01.04.2014	Additions/ Adjustments During the Period	Deductions / Adjustments During the Period	Total As at 31.03.2015	Total As at 01.04.2014	Transfer to Retained Earnings	Provided during the Period	Deductions / Adjustments During the Period	Total As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1	Computer Software	5,838,750	-	-	5,838,750	5,413,111	89,411	237,177	-	5,739,700	99,050	425,639
2	License	7,576,262	5,250	-	7,581,512	5,923,213	-	673,019	-	6,596,232	985,280	1,653,049
3	Mumbai Stock Exchange	1,000,000	-	-	1,000,000	794,110	-	100,000	-	894,110	105,890	205,890
	Total	14,415,012	5,250	-	14,420,262	12,130,434	89,411	1,010,196	-	13,230,041	1,190,220	2,284,578
	Previous Year (13-14)	14,385,013	30,000	-	14,415,013	11,036,651	-	1,093,783	-	12,130,434	2,284,579	3,348,361

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	Figures as at 31 st March, 2015 (₹)	Figures as at 31 st March, 2014 (₹)
NON -CURRENT ASSETS		
12. NON- CURRENT INVESTMENTS (At Cost)		
1) Investments in Equity Instruments		
A) Quoted		
Motul Mafatlal Ltd (100 Shares)	370	370
Prudential Sugar (100 Shares)	700	700
Usha India (320 Shares)	304	304
Odyssey Video Co (100 Shares)	1,432	1,432
	<u>2,806</u>	<u>2,806</u>
Less: Diminution in the value of shares	2,806	2,806
	<u>-</u>	<u>-</u>
Market Value of Quoted Investments (See Note 32)	<u>-</u>	<u>-</u>
B) Un Quoted		
i) Subsidiaries		
Vertex Commodities & Finpro Pvt Ltd		
3,859,493 (P.Y. 3,859,493) Equity Shares @ ₹ 10/- each.	38,595,330	38,595,330
ii) Others		
Cochin Stock Exchange Ltd (905 Equity Shares @ ₹ 10/- each fully paid)	2,507,700	2,507,700
Nawany Corp (India) Ltd. (3,50,000 Equity shares of face value @ ₹ 10/- each fully paid)	-	17,500,000
2) Investments in Preference Shares		
i) Subsidiaries		
Vertex Commodities & Finpro Pvt Ltd		
200,000 (P.Y.200,000) Non-Cumulative Redeemable Preference shares of ₹ 100/- each.	20,000,000	20,000,000
ii) Others		
1) Transwarranty Private Limited	-	52,501,000
Nil (P.Y. 525,010) 8% Non-Cumulative Redeemable Preference shares of ₹ 100/- each.		
2) Transwarranty Advisors Private Limited	-	40,797,000
Nil (P.Y. 407,970) 8% Non-Cumulative Redeemable Preference shares of ₹ 100/- each.		
	<u>61,103,030</u>	<u>171,901,030</u>
CURRENT ASSETS		
13. TRADE RECEIVABLES		
Unsecured Considered Good		
Debts outstanding for a period exceeding six months	16,439,009	17,670,742
Other Debts	18,571,544	12,095,377
	<u>35,010,552</u>	<u>29,766,119</u>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015
(ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	Figures as at 31 st March, 2015 (₹)	Figures as at 31 st March, 2014 (₹)
14. CASH & CASH EQUIVALENTS		
Balance with Banks		
– In Current Accounts	7,217,410	5,535,783
– In Deposits Accounts		
Less Than 12 Months Maturity	16,000,000	13,100,302
(Fixed Deposit of ₹ 15,000,000/- (P.Y. ₹ 11,900,000/-) are pledged against Bank Guarantees and ₹ 1,000,000/- (P.Y. ₹ 1,000,000/-) are pledged against Trading Guarantee for Exchange.)		
Cash On Hand	25,729	46,805
	<u>23,243,139</u>	<u>18,682,890</u>
15. SHORT TERM LOANS & ADVANCES		
Unsecured Considered Good		
Loans and Advances to Related Parties		
Advance to Holding Company	1,507,635	–
Inter Corporate Deposits	61,311,042	977,542
Others		
Advance Receivable	3,302,739	4,621,733
Advance Income Tax (Net of Provision)	2,812,180	3,973,928
Deposits	23,418,876	27,396,239
	<u>92,352,472</u>	<u>36,969,442</u>
16. OTHER CURRENT ASSETS		
Interest Receivable on Fixed Deposits	2,281,746	1,623,356
Interest Accrued on ICD's	743	–
	<u>2,282,489</u>	<u>1,623,356</u>

Particulars	Figures for the year ended on 31 st March, 2015 (₹)	Figures for the year ended on 31 st March, 2014 (₹)
17. REVENUE FROM OPERATIONS		
Sale of Services		
Brokerage Income	39,416,708	35,902,778
Income from Merchant Banking	–	573,889
Income from DP Operations	2,160,107	2,323,608
Net Sales	<u>41,576,815</u>	<u>38,800,275</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015
(ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	Figures for the year ended on 31 st March, 2015 (₹)	Figures for the year ended on 31 st March, 2014 (₹)
18. OTHER INCOME		
a) Interest Income	1,444,782	1,120,690
b) Other Non Operating Income		
– Late Payment Charges	1,356,649	834,096
– Software & AMC Charges Recovered	436,200	1,027,274
– Vsat Recurring Charges Recovered	28,800	28,800
– Recovery on Shared Services	–	4,899,790
– Miscellaneous Income	5,614,386	3,150,025
	<u>8,880,817</u>	<u>11,060,675</u>
19. EMPLOYEES BENEFIT EXPENSES		
Salaries & Allowances	17,360,716	18,975,514
Contribution to Provident Fund & Other Funds	1,198,976	3,084,270
Staff Welfare Expenses	626,617	617,885
	<u>19,186,309</u>	<u>22,677,669</u>
20. FINANCE COST		
a) Interest Expense	1,710,150	797,758
b) Other Borrowing Cost		
– Bank Charges	101,095	76,145
– Bank Guarantee Expenses	268,106	332,409
	<u>2,079,352</u>	<u>1,206,312</u>
21. OTHER EXPENSES		
Annual Fee to Depository / Exchanges	304,417	195,906
AMC Charges	1,217,660	1,652,678
Clients Meet & Business Promotion Expenses	318,281	190,754
Consultation fee	497,199	556,387
Connectivity Charges	2,281,530	4,903,875
Depository Charges	600,047	379,207
Investor Protection Fund	14	93



**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015
(ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	Figures for the year ended on 31 st March, 2015 (₹)	Figures for the year ended on 31 st March, 2014 (₹)
Marketing fee/Commission paid	6,109,893	8,673,586
Sub Brokerage	8,968,832	6,434,125
SEBI Turnover Charges	192,425	105,734
Stock Exchange Charges	119,857	117,680
VSAT Charges	119,135	149,675
Advertisement & Publicity Expenses	191,093	116,351
Auditor's Remuneration		
– Statutory Audit Fees	190,000	100,000
– Income Tax Audit Fees	30,000	25,000
– Other Services	45,550	43,100
Bad debts Written off	514,585	2,765
Books & Periodicals	40,883	39,624
Communication Expenses	1,014,857	1,138,898
Data Entry expenses	–	353,394
Insurance Premium	35,641	35,848
Legal Expenses and Filing Fees	138,800	177,721
Listing Fee	100,000	25,000
Miscellaneous Charges & Expenses	267,861	844,614
Office Maintenance	809,193	764,084
Postage & Courier Charges	141,695	172,470
Power Charges	1,128,843	1,453,009
Printing & Stationery	336,516	402,081
Professional and Legal Fees	1,512,425	914,881
Rates and Taxes	14,437	514,927
Rent	1,837,169	2,469,736
Repairs & Maintenance	422,445	234,670
Sitting Fees to Directors	114,445	106,668
Training & Conference Expense	133,102	174,158
Travelling and Conveyance Expenses	672,048	806,489
Vehicle Running and Maintenance Expenses	68,596	53,700
TOTAL	30,489,474	34,328,887

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Particulars	Figures as at 31 st March, 2015 (₹)	Figures as at 31 st March, 2014 (₹)
22. CONTINGENT LIABILITIES		
1. Counter guarantee issued in favour of the banker for guarantee given by them to NSE for margin requirement ₹ 29.80 Mn. (P.Y. ₹ 29.80 Mn) and to BSE ₹ (₹ P.Y. 0.2 Mn) for Margin requirment	15,000,000	11,900,000
2. Guarentee given on behalf of subsidiary company Vertex Commodities & Finpro (P) Limited	5,000,000	30,000,000
3. Claims against the company not acknowledged as debts:-		
a. Tax demand in respect of:-		
– Service Tax orders for FY 2006-07 to 2009-10	622,000	622,000
	<u>20,622,000</u>	<u>42,522,000</u>

Particulars	Figures as at 31 st March, 2015 (₹)	Figures as at 31 st March, 2014 (₹)
23. EARNINGS PER SHARE		
I. Loss after tax as per Statement of Profit and Loss	(2,781,242)	(9,905,644)
II. Weighted Average number of equity shares for Earnings per share computation		
A) For Basic Earnings per share of ₹ 2/- each (No's)	49,587,044	46,476,035
B) For Diluted Earnings per share of ₹ 2/- each (No's)		
No of Shares for Basic EPS as per II A (No's)	49,587,044	46,476,035
Add:- Weighted Average for convertible preference shares	24,166,706	27,277,715
No of shares for Diluted Earnings per Share of ₹ 2/- Each	73,753,750	73,753,750
III. Earnings Per Share (Face Value of ₹ 2/- each)		
Basic (₹)	(0.06)	(0.21)
Diluted (₹)	(0.04)	(0.13)



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

24. DISCLOSURE AS REQUIRED UNDER ACCOUNTS STANDARD 15 ON EMPLOYEE BENEFITS FOR GRATUITY AND LEAVE ENCASHMENT IS AS UNDER:

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2014-15 (₹)	2013-14 (₹)	2014-15 (₹)	2013-14 (₹)
Change in the benefit Obligations:				
Present value of obligations as on 01. 04. 2014	3,179,923	1,615,076	830,552	493,022
Current Service Cost	284,090	661,373	259,142	574,428
Past Service Cost	—	—	—	—
Interest Cost	236,816	117,400	58,033	24,682
Actuarial (Gain)/Loss on obligation	(1,456,983)	1,081,237	(496,799)	107,411
Benefits Paid	(439,435)	(295,163)	(210,283)	(368,991)
Present value of obligations as on 31.03.2015	1,804,411	3,179,923	440,645	830,552
Change in Plan Assets:				
Fair Value of Plan Assets as on 01.04.2014	1,860,670	1,768,147	—	—
Adjustment to the opening balance	352,470	(112,314)	—	—
Expected Return on Plan Assets	200,707	158,243	—	—
Employer's Contributions	473,319	500,000	210,283	368,991
Benefits Paid	(439,435)	(295,163)	(210,283)	(368,991)
Actuarial Gain/(Loss) on Plan Assets	(34,721)	(158,243)	—	—
Fair Value of plan assets as on 31.03.2015	2,413,010	1,860,670	—	—
Net (Asset) Liability (i) - (ii) :	(608,599)	1,319,253	440,645	830,552
Net Cost for the year ended 31.03.2014				
Current Service Cost	284,090	661,373	259,142	574,428
Past Service Cost	—	—	—	—
Interest Cost	236,816	117,400	58,033	24,682
Expected Return on plan Assets	(200,707)	(158,243)	—	—
Actuarial (Gain)/ Loss recognised during the year	(1,422,262)	1,239,480	(496,799)	107,411
Net Cost	(1,102,063)	1,860,010	(179,624)	706,521
Amount recognised in the Balance sheet (Asset) / Liability	(608,599)	1,319,253	440,645	830,552
Amount recognised in the Profit and Loss Account(Gain)/Loss	(1,102,063)	1,860,010	(179,624)	706,521
Principal actuarial Assumptions:-				
Discount rate	8.00%	8.00%	8.00%	8.00%
Expected Return on plan assets	0.00%	0.00%	0.00%	0.00%
Salary Escalation Rate	5.00%	10.00%	5.00%	10.00%
Attrition Rate	10.00%	10.00%	10.00%	10.00%
Demographic Assumptions:				
Retirement age				58 Year
Mortality rate				IALM (2006-08) Unlimited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

25. 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:-

Name of the party	Relation
Kumar Nair	Chairman & Managing Director
Transwarranty Finance Limited	Holding Company
Vertex Commodities and Finpro (P) Limited	Subsidiary Company
Transwarranty Private Limited	Associated Company (Until 16/12/2013)
Transwarranty Advisors Private Limited	Associated Company

(II) Summary of Transactions :

Particulars	2014-15 (₹)	2013-14 (₹)
1) Inter Corporate Deposits Received - Holding Company		
Transwarranty Finance Limited	5,229,500	31,093,783
2) Inter Corporate Deposits Paid Back - Holding Company		
Transwarranty Finance Limited	57,126,000	18,632,000
3) Sale of Investments - Holding Company		
Transwarranty Finance Limited	52,501,000	–
4) Issue of Equity Shares on Conversion of 0.5% Fully Convertible Preference Shares - Holding Company		
Transwarranty Finance Limited	131,400,150	–
5) Dividend Paid - Holding Company		
Transwarranty Finance Limited	102,945	–
6) Brokerage Received on Share Trading - Holding Company		
Transwarranty Finance Limited	141,531	162,099
7) Inter Corporate Deposits Given - Subsidiary Company		
Vertex Commodities and Finpro (P) Limited	36,749,000	69,749,000
8) Inter Corporate Deposits Received Back - Subsidiary Company		
Vertex Commodities and Finpro (P) Limited	36,749,000	49,749,000
9) Conversion of Inter Corporate Deposits Given into 8% Non Cumulative Preference Shares - Subsidiary Company		
Vertex Commodities and Finpro (P) Limited	–	20,000,000
10) Expenses shared - Subsidiary Company		
Vertex Commodities and Finpro (P) Limited	–	4,899,790



**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015
(ALL AMOUNTS MENTIONED ARE IN RUPEES)**

Particulars	2014-15 (₹)	2013-14 (₹)
11) Inter Corporate Deposits Given - Associated Company		
Transwarranty Advisors Private Limited	5,355,000	4,966,810
Transwarranty Private Limited	–	8,027,200
12) Inter Corporate Deposits Received Back - Associated Company		
Transwarranty Advisors Private Limited	159,804	–
Transwarranty Private Limited	–	2,643,000
13) Dividend Paid - Associated Company		
Transwarranty Advisors Private Limited	53,508	–
14) Sale of Investments - Associated Companies		
Transwarranty Advisors Private Limited	–	–
Transwarranty Private Limited	58,297,000	–
15) Issue of Equity Shares on Conversion of 0.5% Fully Convertible Preference Shares - Associate Company		
Transwarranty Advisors Private Limited	2,276,140	–
16) Issue of Equity Shares on Conversion of 0.5% Fully Convertible Preference Shares - Chairman & Managing Director		
Kumar Nair	16,590,970	–
17) Margin Received - Chairman & Managing Director		
Kumar Nair	22,000,000	–
18) Interest paid on Margin Money received - Chairman & Managing Director		
Kumar Nair	115,068	–
19) Brokerage Collected - Chairman & Managing Director		
Kumar Nair	200	1,113
Closing Balances As on 31/03/2015		
1) Current Account Credit - Holding Company		
Transwarranty Finance Limited	–	38,428
2) Inter Corporate Deposit Credits - Holding Company		
Transwarranty Finance Limited	1,507,635	50,388,865
3) Trading Account Credit - Holding Company		
Transwarranty Finance Limited	934,969	1,441,169
4) Trading Account Credit - Chairman & Managing Director		
Kumar Nair - Margin Account	22,000,000	455,065
Kumar Nair - Trading Account	734	–
5) Inter Corporate Deposit Debits - Associated Companies		
Transwarranty Advisors Private Limited	–	5,195,196

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

26. Operating Leases: The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 60 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognised in the Statement of Profit and Loss as 'Rent' under Note No. 21 is ₹ 1,837,169/- (P.Y. 2,469,736/-). Future minimum lease rent payable are as follows:

Particulars	As at 31 st March, 2015 (₹)	As at 31 st March, 2014 (₹)
Not later than one year	1,001,350	978,537
Later than one year but not later than five years	515,740	142,442
Later than five years	–	–

27. Sundry debtors include old outstanding debts amounting to ₹ 9,695,589/- (P.Y. ₹ 9,695,589) in respect of which Company has initiated legal and other recovery actions, the proceedings of which are in different stages of progress. No provision for doubtful debts has been made in the accounts during the year since the management is confident that the debts are good and recoverable.
28. In the opinion of Directors, the current assets and deposits have the value as stated in the Balance Sheet, if realized in the ordinary course of business.
29. The company is maintaining DEMAT beneficiary account with own Depository Services. The stock is transferred to the respective clients' accounts only when the company receives a written request from the clients and after confirming that they have enough credit / margin in their account.
30. Lien has been marked in favour of Axis bank in respect of Bank Deposits worth ₹ 15,000,000/- (P.Y ₹ 11,900,000/-) together with accumulated interest thereon, against bank guarantees issued by them on account of the Company. Lien has been marked in favour of BSE against trading guarantee in respect of Bank Deposit worth ₹ 1,000,000/- (P.Y. ₹ 1,000,000/-) together with accumulated interest thereon.
31. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS – 17) issued by the Institute of Chartered Accountants of India, the Company's primary business segment is share broking. All other activities of the company revolve around the main business. As the company's business activity falls within a single primary business segment, the disclosure requirements of AS – 17 in this regard are not applicable.
32. The management has evaluated the long term investments and confirms that there exists no circumstances which warrants further provision on account of permanent diminution in the value of investments.

The Company has long term investments in quoted securities which were written off in the books of accounts in the financial year 2009-10 as there was a permanent diminution in the value of investment. However, as at the end of the current financial year, some of these securities have regained some value. The details of the above long term investments as written off in the financial year 2009-10 and its market value, if available, as the end of the current financial year is as follows:

Investments in Equity Instruments	Number of shares	Market Price per share as at 31.03.2015	Market Value as at 31.03.2015
Atlos Ltd.	100	Not Available	Not Available
Apple Credit Corp. Ltd.	100	1.60	160
Arihant Cotsyn Ltd.	50	Not Available	Not Available
Cauvery Software Engg. Systems Ltd.	100	0.65	65
Classic Diamond India Ltd.	100	1.68	168
Computer Power	500,000	Not Available	Not Available
Dunlop Ltd.	100	11.05	1,105
Femnor Mineral	100	Not Available	Not Available
Goldstone Infrastructure	100	16.00	1,600
Indo French Biotech Enterprise Ltd.	1,000	0.60	600
Kerala Ayurveda Ltd.	100	38.65	3,865
Kitex Garments Ltd.	2,000	537.00	1,074,000



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS MENTIONED ARE IN RUPEES)

Investments in Equity Instruments	Number of shares	Market Price per share as at 31.03.2015	Market Value as at 31.03.2015
Koluthara Exports	4,900	Not Available	Not Available
MOH Ltd.	20,000	0.10	2,000
Nagarjuna Finance Ltd.	200	3.05	610
Superstar Distillaries & Foods Ltd.	2,600	2.60	6,760
Synthetics & Chemicals Ltd.	100	1.25	125
TISCO SPN	15	Not Available	Not Available
Trend Design	800	Not Available	Not Available
TTK Health Care	100	930.00	93,000
UTI Master share	50	Not Available	Not Available
Vanady Chemicals	200	Not Available	Not Available
Vatsa Corporation Ltd.	4,200	Not Available	Not Available
Vysali Pharmaceuticals Ltd.	11,600	4.28	49,648
TOTAL	548,615		1,233,706

No write back in the value of investments has been done as a matter of prudence.

33. No provision for dividend on Preference Shares and dividend tax there on has been made in the financial statement in the absence of distributable profits during the year.
34. a) The Company has vide resolution passed at the meeting of Board of Directors dated 11th October, 2011 and 16th January, 2012 decided to demerge its Merchant Banking division into a new company in the name and style of Transwarranty Capital Market Services Private Limited
- b) As per the requirement of the Clause 24(f) of the Listing Agreement, company has made an application to the Bombay Stock Exchange Limited (BSE) which is pending for approval.
- c) Appointed date of the proposed scheme of demerger is January 1, 2012 also the current financials of the company includes the financials of the Merchant Banking division.
35. The Company has revised depreciation rates on Fixed Assets effective 1st April, 2014 in accordance with requirements of Schedule II of Companies Act, 2013 ("the Act"). The remaining useful life of the Fixed Assets has been revised by adopting standard useful life as per new Companies Act 2013. The carrying amount of the Fixed Assets as on 1st April, 2014 is depreciated over the remaining useful life. As a result of this changes :-
- (a) The depreciation charge for the year ended 31st March, 2015 is higher by ₹ 11,24,024/-
- (b) There is a debit to retained earnings of ₹ 12,04,975/- Lakhs for the Fixed Assets whose remaining life as on 1st April, 2014 is expired in accordance with revised life as per Companies Act 2013.
36. Previous year figures have been re-grouped/reclassified/re-arranged/recast wherever necessary to suit the current year's classification.

Previous year figures are, unless otherwise stated, given in bracket.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants

Gautam Divan
Partner

Mumbai
12th May, 2015

For and on behalf of Board of Directors

Kumar Nair
Chairman & Managing Director

Kochi - 18
12th May, 2015

James Pothen
Director

U. Ramachandran
Director

Jose Thomas Polachira
Director

Aswathi C Madhavadas
Company Secretary

Consolidated Financial Statements

2014-15



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors of
VERTEX SECURITIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Vertex Securities Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on

Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

- a) *Attention is invited to Note 33 forming part of the Consolidated Financial Statements, regarding evaluation of long term investment by the management. We have relied upon the confirmation by the management in the absence of independent external evaluation.*
- b) *As stated in Note 28 forming part of the Consolidated Financial Statements, sundry debtors under the head current assets include old outstanding dues. The sundry debtors outstanding for more than six months amount to ₹ 25,781,178. Further out of the total sundry debtors, for a sum of ₹ 15,259,655, the Company has 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the

information required by the Act in the manner required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **RAHUL GAUTAM DIVAN & ASSOCIATES**

Chartered Accountants
(Firm's Registration Number: 120294W)

GAUTAM DIVAN

Partner

Place : Mumbai
Date : 12 May, 2015

Membership Number: 006457



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- (i) (a) In our opinion, the Holding Company and its subsidiary company have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, some of the fixed assets have been physically verified by the management according to a programme of verification which in our opinion is reasonable having regard to the size of the Holding Company and its subsidiary and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (ii) The Holding Company and its subsidiary had no inventory during the year. Since the Holding Company and its subsidiary have no inventory, clauses 3 (ii) of the Order is not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the Holding Company has granted unsecured loans, to a company covered in the register maintained under Section 189 of the Companies Act, 2013.
- (a) *The company is recovering principal and interest on a regular basis.*
- (b) *The balance at 31 March 2015 is ₹ 1,507,635. There is no overdue amount.*
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Holding Company and its subsidiary and the nature of its business with regard to purchases of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiary have not accepted any deposit within the meaning of Section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder.
- (vi) In our opinion and according to the information and explanation given to us, pursuant to the Rules made by the Central Government, the maintenance of cost records as prescribed under Section 148 (1) of the Companies Act, 2013, is not applicable to the Holding Company and its subsidiary for the year under report.
- (vii) (a) According to the records of the Holding Company and its subsidiary and the information and

explanations given to us, the Holding Company and its subsidiary have been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2015 outstanding for a period of more than six months from the date they become payable.

(b) Holding Company

The disputed statutory dues aggregating to ₹ 622,000 that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹)
1	Finance Act	Tax/ Penalty	The Customs, Excise and Service tax Appellate Tribunal	2006-07 to 2009-10	622,000

Subsidiary Company

The disputed statutory dues aggregating to ₹ 881,042 lakhs that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in Lakhs)
1	Finance Act, 1994	Tax / Penalty	The Customs, Excise and Service tax Appellate Tribunal	F.Y. 2008-09 to 2012-13	881,042

- (c) The amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

- (viii) *According to the records of the Holding Company, the Holding Company has accumulated losses at the end of the financial*

year. The Holding Company has incurred a cash loss during the financial year and in the immediately preceding financial year.

According to the records of the Subsidiary Company, the Subsidiary Company has accumulated losses at the end of the financial year. The Subsidiary Company has incurred a cash profit during the financial year and a cash loss in the immediately preceding financial year.

- (ix) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Holding Company and its subsidiary have not defaulted in repayment of dues to banks or financial institutions.
- (x) Based on our examination of the records, the Holding Company and its subsidiary have not given any guarantee for loans taken by others from banks or financial institutions.

(xi) The Holding Company and its subsidiary have not taken any term loans during the year.

(xii) To the best of our knowledge, and according to the information and explanations to us, no material fraud on or by the Holding Company or its subsidiary have been noticed or reported during the year.

For RAHUL GAUTAM DIVAN & ASSOCIATES

Chartered Accountants
(Firm's Registration Number: 120294W)

GAUTAM DIVAN

Place : Mumbai
Date : 12 May, 2015

Partner
Membership Number: 006457



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	Figures as at 31.03.2015		Figures as at 31.03.2014	
		(₹)	(₹)	(₹)	(₹)
I EQUITY AND LIABILITIES					
(1) Shareholders Funds					
(a) Share Capital	2	150,283,300		150,283,300	
(b) Reserves and Surplus	3	<u>(25,362,013)</u>		<u>(18,624,384)</u>	
			124,921,287		131,658,916
(2) Minority Interest			12,183		12,470
(3) Non – Current Liabilities					
(a) Long Term Borrowings	4	5,854,478		62,239,370	
(b) Other Long Term Liabilities	5	<u>12,188,735</u>		<u>8,451,785</u>	
			18,043,213		70,691,155
(4) Current Liabilities					
(a) Short Term Borrowings	6	8,874,007		5,642,520	
(b) Trade Payables	7	74,345,843		65,137,827	
(c) Other Current Liabilities	8	4,918,814		8,064,322	
(d) Short Term Provisions	9	<u>1,082,147</u>	89,220,811	<u>3,474,656</u>	82,319,325
TOTAL EQUITY AND LIABILITIES			<u><u>232,197,494</u></u>		<u><u>284,681,866</u></u>
II ASSETS					
(1) Non Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	10,217,240		14,747,319	
(ii) Intangible Assets	11	3,157,491		4,756,455	
(b) Goodwill on Consolidation		8,146,986		8,146,986	
(c) Non Current Investments	12	<u>35,207,700</u>		<u>146,005,700</u>	
			56,729,417		173,656,460
(2) Current Assets					
(a) Trade Receivables	13	44,733,650		40,546,378	
(b) Cash and Cash Equivalents	14	27,388,031		22,558,405	
(c) Short Term Loans and Advances	15	100,587,763		46,093,067	
(d) Other Current Assets	16	2,758,633		1,827,556	
			175,468,077		111,025,406
TOTAL ASSETS			<u><u>232,197,494</u></u>		<u><u>284,681,866</u></u>

Notes 1 to 38 form an integral part of the Financial Statements.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants

Gautam Divan
Partner

Mumbai
12th May, 2015

For and on behalf of Board of Directors

Kumar Nair
Chairman & Managing Director

Kochi - 18
12th May, 2015

James Pothan
Director

U. Ramachandran
Director

Jose Thomas Polachira
Director

Aswathi C Madhavadas
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	Figures for the year ended 31.03.2015 (₹)	Figures for the year ended 31.03.2014 (₹)
REVENUE			
Revenue From Operations	17	49,186,689	50,560,005
Other Income	18	10,462,429	7,790,520
TOTAL REVENUE		59,649,118	58,350,525
EXPENSES			
Employee Benefits Expense	19	21,122,140	25,002,645
Finance Costs	20	2,225,472	1,436,274
Depreciation and Amortisation Expense	10 & 11	4,379,933	3,854,778
Other Expenses	21	36,846,098	44,568,859
TOTAL EXPENSES		64,573,643	74,862,556
Loss Before Exceptional and Extraordinary items and Tax		(4,924,525)	(16,512,031)
Exceptional Items :-			
Profit / (Loss) on Sale of Fixed Assets		(393,609)	1,220,038
Reversal of Excess Provisions		1,993,185	—
Loss Before Extra ordinary items and Tax		(3,324,949)	(15,291,993)
Extraordinary Items:-		—	—
Loss Before Tax		(3,324,949)	(15,291,993)
Tax Expense			
Current Tax		—	—
Deferred Tax		—	—
Short Provision of Tax relating to earlier years		(8,813)	—
Loss for the year from Continuing Operations		(3,333,762)	(15,291,993)
Profit / (Loss) from Discontinuing Operations		—	—
Tax Expenses of Discontinuing Operations		—	—
Profit / (Loss) from Discontinuing Operations After Tax		—	—
Loss for the year		(3,333,762)	(15,291,993)
Basic Earning Per Share of ₹ 2/- each (In Rupees)	23	(0.07)	(0.33)
Diluted Earning Per Share of ₹ 2/- each (In Rupees)		(0.05)	(0.21)

The Note No.1 to 38 are an integral part of these Financial Statements

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants

Gautam Divan
Partner

Mumbai
12th May, 2015

For and on behalf of Board of Directors

Kumar Nair
Chairman & Managing Director

Kochi - 18
12th May, 2015

James Pothen
Director

U. Ramachandran
Director

Jose Thomas Polachira
Director

Aswathi C Madhavadas
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	2014-15 (₹)	2013-14 (₹)
A. Cash Flow from Operating Activities		
Net Profit / (Loss) Before Taxation	(3,324,949)	(15,291,993)
Adjustments for:		
Add/(Less):		
Depreciation/Amortisation	4,379,933	3,854,778
(Profit)/ Loss on assets sold/ written off	393,609	(1,220,038)
Interest Paid & Bank Guarantee Expense	2,225,472	1,436,274
Interest Received	(1,834,399)	(1,585,958)
Bad debts written off	543,585	–
Reversal of excess provision	(1,993,185)	–
Sundry Credit Balances Written back	(2,070,810)	–
Operating profit before working Capital Changes	(1,680,744)	(12,806,937)
Adjustments for Increase / (-)Decrease in :		
Trade & Other Receivable – Decrease/(Increase)	(6,545,616)	570,181
Trade & Other payables – (Decrease)/ Increase	11,177,874	(19,209,677)
Other payables/ Provisions -(Decrease)/ Increase	(242,871)	2,199,519
Loans & Advances(Net) – Decrease/(Increase)	6,115,067	7,726,996
Cash Generated from operations	8,823,711	(21,519,918)
Income Tax Refund / (Paid)	1,222,559	207,297
Net Cash flow from Operating Activities (A)	10,046,270	(21,312,621)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(304,195)	(232,128)
Sale of Fixed Assets	70,301	2,870,401
Interest Received Less Accrued	903,323	1,585,958
Inter corporate deposit	–	6,732,520
Net Cash used in Investing Activities (B)	669,429	10,956,748
C. Cash Flow from Financing Activities:		
Receipt/Repayment of Secured Loans(net)	–	(5,929,010)
Bank Overdraft	8,874,007	–
Dividend paid	(165,519)	(100)
Interest Paid & Bank Guarantee Expense	(2,225,472)	(1,436,274)
Intercompany Deposit	(12,269,717)	–
Repayment of Car Loan	(99,373)	(254,376)
Net Cash used in Financing Activities (C)	(5,886,073)	(7,619,760)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	4,829,626	(17,975,632)
Cash & Cash Equivalents as at the beginning of the year	22,558,405	40,534,037
Cash & Cash Equivalents as at the end of the year	27,388,031	22,558,405

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants

Gautam Divan
Partner

Mumbai
12th May, 2015

For and on behalf of Board of Directors

Kumar Nair
Chairman & Managing Director

Kochi - 18
12th May, 2015

James Pothan
Director

U. Ramachandran
Director

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Director

Aswathi C Madhavadas
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

1. 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 are set out under "Significant Accounting Policies" as given in the standalone financial statements of the parent company,

a) Basis of Presentation of Financial Statements:

These Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles under the historical cost convention, on an accrual basis of accounting. Generally Accepted Accounting Principles comprises of mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts Rules), 2014 and provisions of the Act to the extent notified.

b) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c) Fixed Assets and Depreciation:

- i) Fixed assets are stated at cost less accumulated depreciation and adjusted for impairment if any.
- ii) The Company provides depreciation on straight-line method (SLM) on useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013.
- iii) Depreciation on additions and deletions to fixed assets is provided on pro-rata basis from the date of addition or till deletion respectively.

d) Intangible Assets:

Intangible assets comprise of Membership rights of Stock Exchanges, Computer software and Software license's. The Stock Exchange rights and Software Licenses are amortized over a year of 10 years and the Computer software is amortized over a year of 3 years on Straight Line basis.

e) Inventories – Shares:

The shares are valued at lower of cost or net realizable value.

f) Income:

Brokerage income is recognized on the date of the transaction, upon confirmation of the trade by client. Interest on Suit filed debtors are accounted on receipt basis since there is significant uncertainty in collection. Dividend income is recognised when right to receive the same is established. Service income is recognised as per the terms of the contract/ agreement entered into with the customers when the related services are performed.

g) Employee Benefits:

Long Term Employee Benefits

i. Defined Contribution plan

The company has defined contribution plans for employees comprising of Provident Fund and Employees State Insurance. The contributions paid/payable to these plans are charged to statement of profit & loss for the year to which they are related.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

ii. Defined Benefit Plan

The company makes contributions to Employees' Group Gratuity-cum-Life Assurance Scheme of Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognized past service cost if any and as reduced by fair value of plan assets, is recognized in the accounts. Actuarial gains and losses are recognized in full in the statement of profit & loss for the year in which they occur.

iii. Other Long term Employee Benefits

The company has a scheme of Leave Encashment for eligible employees. Company's liability as at the balance sheet date for such benefits is provided for on the basis of actuarial valuation under Projected Unit Credit Method, done by an independent actuary. Actuarial gains and losses comprise experience adjustments and effects of changes in actuarial assumptions and are recognized in the statement of profit & loss as income or expense.

iv. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the year in which the employee renders the related service.

h) Income Tax

Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS 22), which includes current taxes and deferred taxes. Deferred tax assets/liabilities representing timing differences between accounting income and taxable income are recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same.

i) Investments

Long term investments are stated at cost less provision for permanent diminution in their values, if any. Current investments are stated at lower of cost and net realisable value.

j) Provisions and Contingent liabilities

Provisions are recognised when the company has a present obligation as a result of past events, for which it is probable that a cash outflow will be required and reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

k) Earnings 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.

l) Leases

Leases are accounted for and disclosure made as per the requirements of Accounting Standard 19 – Leases, issued by the Institute of Chartered Accountants of India.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Figures as at 31.03.2015	Figures as at 31.03.2014
2. SHARE CAPITAL		
Authorised Capital		
1) 73,753,805 Equity Shares of ₹ 2/- each (P.Y. 73,753,805 Equity Shares of ₹ 2/- each)	147,507,610	147,507,610
2) 5,981,739 0.5% Preference shares of ₹ 10/- each (P.Y. 5,981,739 0.5% Preference Shares of ₹ 10/- each)	59,817,390	59,817,390
3) 500,000 15% Non-Cumulative Redeemable Preference shares of ₹ 100/- each (P.Y. 500,000 15% Non-Cumulative Redeemable Preference shares of ₹ 100/- each)	50,000,000	50,000,000
	<u>257,325,000</u>	<u>257,325,000</u>
Issued, Subscribed and Paid Up :		
73,753,750 (P.Y. 47,721,480) Equity Shares of ₹ 2/- each fully paid up	147,507,500	95,442,960
Nil (P.Y. 5,206,454) 0.5% Fully Convertible Preference shares of ₹ 10/- each fully paid up	–	52,064,540
27,758 (P.Y. 27,758) 15% Non Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up	2,775,800	2,775,800
	<u>150,283,300</u>	<u>150,283,300</u>

1) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

A) Equity shares

Particulars	2014-15		2013-14	
	Number	Amount	Number	Amount
At the beginning of the year	47,721,480	95,442,960	43,848,980	87,697,960
Add:- Conversion of Preference Shares into Equity Shares				
– On 01 October 2014 (On 16 May 2013)	950,000	1,900,000	1,592,500	3,185,000
– On 13 February 2015 (On 03 September 2013)	1,950,000	3,900,000	1,780,000	3,560,000
– On 14 March 2015 (On 25 October 2013)	23,132,270	46,264,540	425,000	850,000
– Nil (On 11 December 2013)	–	–	75,000	150,000
Total No of Shares	<u>73,753,750</u>	<u>147,507,500</u>	<u>47,721,480</u>	<u>95,442,960</u>
Additional Equity Shares Issued	–	–	–	–
Outstanding at the end of the year	<u>73,753,750</u>	<u>147,507,500</u>	<u>47,721,480</u>	<u>95,442,960</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

B) 0.5% Fully Convertible Preference Shares

Particulars	2014-15		2013-14	
	Number	Amount	Number	Amount
At the beginning of the year	5,206,454	52,064,540	5,980,954	59,809,540
Less:- Conversion of Preference Shares into Equity Shares				
– On 01 October 2014 (On 16 May 2013)	190,000	1,900,000	318,500	3,185,000
– On 13 February 2015 (On 03 September 2013)	390,000	3,900,000	356,000	3,560,000
– On 14 March 2015 (On 25 October 2013)	4,626,454	46,264,540	85,000	850,000
– Nil (On 11 December 2013)	–	–	15,000	150,000
Outstanding at the end of the year	–	–	5,206,454	52,064,540

C) 15% Non-Cumulative Redeemable Preference Shares

Particulars	2014-15		2013-14	
	Number	Amount	Number	Amount
At the beginning of the year	27,758	2,775,800	27,758	2,775,800
Add:- Issued during the year	27,758	2,775,800	–	–
Less:- Redeemed during the year	(27,758)	(2,775,800)	–	–
Outstanding at the end of the year	27,758	2,775,800	27,758	2,775,800

2) Terms and rights attached to Shares.

A) Equity Shares.

- 1) The company has only one class of Equity share having a Par Value of ₹ 2/- each. Each holder of equity share is entitled for one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the share holders in the ensuring Annual General Meeting.
- 2) In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B) 0.5% Fully Convertible Preference Shares.

- 1) Each Fully Convertible Preference Share shall be compulsorily converted into five equity share of ₹ 2/- each fully paid up at par, at any time from the end of first year to the end of fifth year from the date of allotment.
- 2) Preference share holders are entitled to get dividend only when the company has distributable profits.
- 3) In the event of winding up or repayment of capital, Preference share holders have the preferential right to be repaid the amount of capital paid up.

C) 15%, Non Cumulative Redeemable Preference Share.

- 1) Each Non Cumulative Redeemable Preference Share shall be redeemable with in a period of 1 to 8 years from the date of issue i.e. 05/05/2014 as may be determined by the Board of Directors of the company at their absolute discretion.
- 2) Preference share holders are entitled to get dividend only when the company have distributable profits.
- 3) In the event of winding up or repayment of capital, Preference share holders have the preferential right to be repaid the amount of capital paid up.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

3) Shares held by Holding company- Transwarranty Finance Limited

Particulars	31 st March, 2015	31 st March, 2014
Equity Shares		
Equity shares @ ₹ 2/- each Fully Paid	37,420,625	24,318,110
Preference Shares		
0.5% Fully Convertible Preference share of ₹ 10/- each	–	3,128,003
15 % Non Cumulative Redeemable Preference Shares of ₹ 100/- each	6,863	6,863

4) Aggregate Number of shares allotted as fully paid up without payment being received in cash during a year of 5 Years preceding the date at which the Balance Sheet is prepared.

Particulars	No. of Shares	Class of Shares
Equity Shares of ₹ 2/- each fully paid up issued to share holders of “Transwarranty Capital Pvt. Ltd.” as per scheme of amalgamation in F.Y. 2009-10	4,262,250	Equity Shares
0.5% Fully convertible Preference Share of ₹ 10/- each issued to share holders of “Transwarranty Capital Pvt. Ltd.” as per scheme of amalgamation in F.Y. 2009-10	8,619,215	Preference Shares
15% Non Cumulative Redeemable Preference Shares of ₹ 100/- each reissued to share holders redeemable with in a year of 1 to 3 year from the date of issue i.e. 19/05/2010	27,758	Preference Shares
15% Non Cumulative Redeemable Preference Shares of ₹ 100/- each issued to share holders redeemable with in a period of 1 to 8 years from the date of issue i.e. 05/05/2014.	27,758	Preference Shares
1,57,500 Equity Shares of ₹ 2/- each fully paid Up issued to share application money of “Transwarranty Capital Pvt. Ltd.” as per scheme of amalgamation in F.Y. 2011-12.	157,500	Equity Shares
26,032,270 Equity Shares of ₹ 2/- each fully paid up issued on conversion of 5,206,454 0.5% Fully Convertible Preference Shares of ₹ 10/- each in F.Y. 2014-15.	26,032,270	Equity Shares

5) Details of shares holders holding more than 5% shares in the Company.

A) Equity shares of ₹ 2/- fully paid up.

Particulars	31 st March, 2015		31 st March, 2014	
	Number	% of Holdings	Number	% of Holdings
Transwarranty Finance Limited	37,420,625	50.74	24,318,110	50.96
Kumar Nair	14,177,543	19.22	5,882,058	12.33

B) 0.5% Fully Convertible Preference shares of ₹ 10/- fully paid up.

Particulars	31 st March, 2015		31 st March, 2014	
	Number	% of Holdings	Number	% of Holdings
Transwarranty Finance Limited	–	–	3,128,003	60.80
Kumar Nair	–	–	1,739,097	33.40

C) 15% Non Cumulative Redeemable Preference shares of ₹ 100/- fully paid up.

Particulars	31 st March, 2015		31 st March, 2014	
	Number	% of Holdings	Number	% of Holdings
Transwarranty Finance Limited	6,863	24.72	6,863	24.72
Transwarranty Private Limited	17,750	63.94	17,750	63.94
Transwarranty Advisors Private Limited	3,145	11.34	3,145	11.34



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

As per records of the company, including its register of share holders/ members and other declarations received from the shareholders regarding beneficial interest, the above represents both legal and beneficial ownership of shares.

6) Employees Stock Option Scheme

- The "Vertex Employee Stock Option Plan 2010" has been approved by the Board Of Directors of the company on 10th March, 2008.
- The vesting year is over five years from the date of grant, commencing after one year from the date of grant.
- Exercise year 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 (Face Value of ₹ 10/- per share)	Price Per Option (₹)	Options (split to Face value of ₹ 2/- per share)	Price Per Option (After Share Split) (₹)
Grant -I	462,500	69.00	2,312,500	13.80
Grant -II	50,000	145.50	250,000	29.10
Grant -III	17,500	145.50	87,500	29.10
Grant-IV	25,000	145.50	125,000	29.10
Grant-V	100,000	145.50	500,000	29.10
Grant-VI	–	–	1,013,750	29.10
Grant-VII	–	–	200,000	5.46
Grant-VIII	–	–	1,875,000	5.46

- 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	As at 31 st March, 2015 (₹)	As at 31 st March, 2014 (₹)
Options outstanding at the beginning of the year (Face Value of ₹ 2/-)	1,722,007	2,537,002
Prior Period Adjustments	(129,631)	–
Options granted during the year	–	–
Options vested during the year	301,866	–
Options exercised during the year	–	–
Options forfeited during the year	432,250	814,995
Options lapsed /surrendered during the year	157,196	–
Options outstanding at the end of the year	701,064	1,722,007

- Had fair value method been used , the compensation cost would have been higher by ₹ 10.94 Lakhs (Previous Year ₹ 14.55 Lakhs) Loss after tax would have been higher by ₹ 10.94 Lakhs (Previous year ₹ 14.55 Lakhs) and Basic EPS would have been ₹ (0.08) Per share (Previous Year ₹ (0.36) Per share) and Diluted EPS would have been ₹ (0.05) (Previous Year ₹ (0.23).)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 1 st April, 2014	Additions/ Created during the year	Deductions during the year	As at 31 st March, 2015
3. RESERVES AND SURPLUS				
Reserve on Amalgamation Accounts	6,078,891	–	1,814,759	4,264,132
Deficit as per Statement of Profit and Loss (Refer Note below)	(42,948,820)	(3,333,475)	1,589,395	(47,871,690)
Securities Premium Reserve	18,245,545	–	–	18,245,545
Total Reserves and Surplus	(18,624,384)	(3,333,475)	3,404,154	(25,362,013)

Note: Deductions during the year are on account of depreciation debited to Reserves, as per Schedule II of the Companies Act, 2013.

Particulars	As at 1 st April, 2013	Additions/ Created during the year	Deductions during the year	As at 31 st March, 2014
RESERVES AND SURPLUS				
General Reserve	269,212	–	269,212	–
Reserve on Amalgamation Accounts	6,078,891	–	–	6,078,891
Deficit as per Statement of Profit and Loss (Refer Note below)	(27,928,732)	(15,020,088)	–	(42,948,820)
Securities Premium Reserve	18,245,545	–	–	18,245,545
Total Reserves and Surplus	(3,335,084)	(15,020,088)	269,212	(18,624,384)

Note :-

Particulars	31 st March, 2015	31 st March, 2014
Loss for the Year	(3,333,762)	(15,291,993)
Less:-		
Minority Share	(287)	(2,693)
Consolidation adjustments due to change in Share holding in Subsidiary	–	(269,212)
	(287)	(271,905)
	(3,333,475)	(15,020,088)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Figures as at 31 st March, 2015 (₹)	Figures as at 31 st March, 2014 (₹)
NON- CURRENT LIABILITIES		
4. LONG TERM BORROWINGS		
A) SECURED		
Term Loan From Banks		
B) UNSECURED		
a) Loans and Advances from Related Parties		
Inter-Corporate Loan- Holding Company	–	55,584,061
b) Other Loans and Advances		
Security Deposit from Franchises	5,854,478	6,655,309
	<u>5,854,478</u>	<u>62,239,370</u>
5. OTHER LONG TERM LIABILITIES		
a) Trade Payables		
Amount due to Clients	11,240,027	7,731,131
b) Others		
Other Creditors	948,709	720,654
	<u>12,188,735</u>	<u>8,451,785</u>
CURRENT LIABILITIES		
6. SHORT TERM BORROWINGS		
A) From Banks		
Secured		
Overdraft Account- Axis Bank		
(Secured against mortgage of property owned by Transwarranty Private Limited – ₹ 20,000,000/-, Corporate Guarantee of Holding Company and Personal Guarantee of the Managing Director)	8,874,007	–
Unsecured		
Inter Corporate Deposits	–	5,642,520
	<u>8,874,007</u>	<u>5,642,520</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Figures as at 31 st March, 2015 (₹)	Figures as at 31 st March, 2014 (₹)
7. TRADE PAYABLES		
a) Amount due to Micro, Small & Medium Enterprises	–	–
b) Other Creditors		
Amount due to Clients	74,345,843	65,137,827
	<u>74,345,843</u>	<u>65,137,827</u>
8. OTHER CURRENT LIABILITIES		
a) Current Maturities of Long Term Debt	–	99,373
b) Unpaid Dividend	–	9,066
c) Other Payables		
– Book Overdraft	–	1,535,270
– Statutory Payables (Net)	698,216	991,757
– Creditors for Expenses	4,220,597	5,428,856
	<u>4,918,814</u>	<u>8,064,322</u>
9. SHORT TERM PROVISION		
a) Provision For Employee Benefits		
Provision for Gratuity	–	1,393,475
Provision for Leave Encashment	482,435	883,238
b) Others		
Provision for Preference Share Dividend	–	156,911
Other Provision	599,712	1,041,032
	<u>1,082,147</u>	<u>3,474,656</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

10. FIXED ASSETS -TANGIBLE

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE				DEPRECIATION / AMORTISATION				NET BLOCK	
		Total As at 01.04.2014	Additions/ Adjustments During the Period	Deductions / Adjustments During the Period	Total As at 31.03.2015	Total As at 01.04.2014	Transfer to Retained Earnings	Provided during the Period	Deductions / Adjustments During the Period	Total As at 31.03.2015	As at 31.03.2015
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1	Plant & Equipments	13,090,921	223,026	293,873	13,020,074	5,108,475	232,090	1,049,436	116,445	6,273,556	6,746,517
2	Furniture & Fittings	10,488,065	53,779	511,071	10,030,773	6,193,564	398,360	822,295	224,589	7,189,631	2,841,142
3	Vehicles	2,653,237	-	7,090	2,646,147	1,631,512	59,146	399,730	7,090	2,083,298	562,848
4	Computer	20,631,573	22,140	273,099	20,380,614	19,182,922	810,388	593,670	273,099	20,313,882	66,732
	Total	46,863,795	298,945	1,085,133	46,077,607	32,116,474	1,499,984	2,865,132	621,223	35,860,367	10,217,240
	Previous Year (2013-14)	54,228,259	896,391	2,666,826	52,457,824	32,208,550	-	2,999,297	1,367,717	33,840,130	18,617,694
											-

11. FIXED ASSETS – INTANGIBLE

Sr. No.	Description	GROSS BLOCK / COST / BOOK VALUE				DEPRECIATION / AMORTISATION				NET BLOCK	
		Total As at 01.04.2014	Additions/ Adjustments During the Period	Deductions / Adjustments During the Period	Total As at 31.03.2015	Total As at 01.04.2014	Transfer to Retained Earnings	Provided during the Period	Deductions / Adjustments During the Period	Total As at 31.03.2015	As at 31.03.2015
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1	Computer Software	5,838,750	-	-	5,838,750	5,413,111	89,411	237,177	-	5,739,699	99,050
2	License	11,821,085	5,250	-	11,826,335	8,004,366	-	1,097,501	-	9,101,867	2,724,469
3	Mumbai Stock Exchange	1,000,000	-	-	1,000,000	794,110	-	100,000	-	894,110	105,890
4	Membership in NMCE	100,000	-	-	100,000	94,877	-	5,123	-	100,000	-
5	Membership in MCX	251,000	-	-	251,000	251,000	-	-	-	251,000	-
6	Membership in NCDEX	500,000	-	-	500,000	369,041	-	50,000	-	419,041	80,959
7	Membership in NSEL	250,000	-	-	250,000	77,877	-	25,000	-	102,877	147,123
	Total	19,760,835	5,250	-	19,766,085	15,004,382	89,411	1,514,801	-	16,608,594	3,157,491
	Previous Year (2013-14)	19,190,108	345,000	-	19,535,108	11,506,278	-	1,869,739	-	13,376,017	6,159,091
											-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Figures as at 31 st March, 2015 (₹)	Figures as at 31 st March, 2014 (₹)
NON – CURRENT ASSETS		
12. NON- CURRENT INVESTMENTS (At Cost)		
Other Investments		
1) Investments in Equity Instruments		
A) Quoted		
Motul Mafatlal Ltd (100 Shares)	370	370
Prudential Sugar (100 Shares)	700	700
Usha India (320 Shares)	304	304
Odyssey Video Co (100 Shares)	1,432	1,432
TOTAL	2,806	2,806
Less: Diminution in the value of shares	2,806	2,806
	–	–
Market Value of Quoted Investments (See Note 33)	Nil	Nil
B) Un Quoted		
Cochin Stock Exchange Ltd (905 Equity Shares @ ₹ 10/- each fully paid)	2,507,700	2,507,700
Nawany Corp (India) Ltd. (3,50,000 Equity shares of face value @ ₹ 10/- Each fully paid)	–	17,500,000
2) Investments in Preference Shares (Un Quoted)		
a) Transwarranty Private Limited	32,700,000	85,201,000
3,27,000 (P.Y. 852,010) 8% Non-Cumulative Redeemable Preference shares of ₹ 100/- each.		
b) Transwarranty Advisors Private Limited	–	40,797,000
Nil (P.Y.407,970) 8% Non-Cumulative Redeemable Preference shares of ₹ 100/- each.		
	35,207,700	146,005,700
CURRENT ASSETS		
13. TRADE RECEIVABLES		
Unsecured Considered Good		
Debts Outstanding for a period exceeding Six Months	25,781,178	27,552,227
Other Debts	18,952,472	12,994,151
	44,733,650	40,546,378



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Figures as at 31 st March, 2015 (₹)	Figures as at 31 st March, 2014 (₹)
14. CASH & CASH EQUIVALENTS		
Balance with Banks		
– In Current Accounts	8,862,205	6,910,873
– In Deposits Accounts		
Less Than 12 Months Maturity	18,500,000	15,600,302
(Fixed Deposit of ₹ 17,500,000/- (P.Y. ₹ 14,400,000/-) are pledged against Bank Guarantees and ₹ 1,000,000/- (P.Y. ₹ 1,000,000/-) are pledged against Trading Guarantee for Exchange.)		
Cash on Hand	25,826	47,230
	<u>27,388,031</u>	<u>22,558,405</u>
15. SHORT TERM LOANS & ADVANCES		
Unsecured Considered Good		
Loans and Advances to Related Parties		
Advance to Holding Company	1,507,635	–
Inter Corporate Deposits	61,311,042	977,542
Others		
Service Tax Credit	16,688	–
Advance Receivable	3,663,122	4,965,763
Advance income Tax (Including TDS)	3,328,033	4,559,405
Deposits	30,761,244	35,590,357
	<u>100,587,763</u>	<u>46,093,067</u>
16. OTHER CURRENT ASSETS		
Interest Receivable on Fixed Deposits	2,757,890	1,827,556
Interest Accured on ICD's	743	–
	<u>2,758,633</u>	<u>1,827,556</u>
Particulars	Figures for the year ended 31 st March, 2015 (₹)	Figures for the year ended 31 st March, 2014 (₹)
17. REVENUE FROM OPERATIONS		
Sale of services		
Brokerage Income	47,026,582	47,662,507
Income from Merchant Banking	–	573,889
Income from DP Operations	2,160,107	2,323,609
	<u>49,186,689</u>	<u>50,560,005</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Figures for the year ended 31 st March, 2015 (₹)	Figures for the year ended 31 st March, 2014 (₹)
18. OTHER INCOME		
a) Interest Income	1,835,142	1,585,958
b) Other Non Operating Income		
Late Payment Charges	1,408,803	929,252
Software & AMC charges recovered	574,200	1,309,874
P.Vsat Recurring Charges recovered	92,300	148,600
Misc. Income – Others	6,551,984	3,816,836
	<u>10,462,429</u>	<u>7,790,520</u>
19. EMPLOYEES BENEFIT EXPENSES		
Salaries, Bonus & Allowances	19,203,877	21,117,042
Contribution to Provident Fund & Other Funds	1,291,647	3,267,718
Staff Welfare Expenses	626,617	617,885
	<u>21,122,140</u>	<u>25,002,645</u>
20. FINANCE COST		
a) Interest Expense	1,710,384	798,902
b) Other Borrowing Cost		
Bank Charges	139,827	107,590
Bank Guarantee Expenses	375,261	529,782
	<u>2,225,472</u>	<u>1,436,274</u>
21. OTHER EXPENSES		
Annual Fee to Depository / Exchanges	487,850	374,281
AMC Charges	1,617,375	2,448,430
Clients Meet & Business Promotion Expenses	382,322	275,463
Consultation fee	497,199	556,387
Connectivity Charges	2,742,690	5,297,621
Depository Charges	601,722	421,423
Investor Protection Fund	14	93
Marketing fee/Commission paid	10,284,355	16,118,002



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Figures for the year ended 31 st March, 2015 (₹)	Figures for the year ended 31 st March, 2014 (₹)
Sub Brokerage	8,968,832	6,434,125
SEBI Turnover Charges	192,425	105,734
Stock Exchange Charges	220,246	185,258
VSAT Charges	119,135	149,675
Advertisement, Publicity and Business Promotion	191,093	179,351
Auditor's Remuneration		
– Statutory Audit Fees	215,000	110,000
– Income Tax Audit Fees	45,000	30,000
– Other Services	45,550	43,100
Bad debts Written off	543,585	2,765
Books & Periodicals	40,883	39,624
Communication Expenses	1,083,951	1,256,350
Data Entry expenses	–	353,394
Insurance Premium	42,415	42,845
Legal Expenses and Filing Fees	237,924	263,317
Listing Fee	100,000	25,000
Misc. Charges & Expenses	267,861	844,622
Office Maintenance	811,553	767,920
Postage & Courier Charges	142,005	177,318
Power Charges	1,362,938	1,765,485
Printing & Stationery	336,516	441,556
Professional and Legal Fees	1,512,425	914,881
Rates and Taxes	14,437	624,926
Rent	2,306,369	2,908,336
Repairs & Maintenance	422,445	234,670
Sitting Fees to Directors	114,445	106,668
Training & Conference Expense	133,782	174,158
Travelling and Conveyance Expenses	672,048	821,939
Interest on Service tax	–	1,991
Vehicle Running and Maintenance Expenses	89,710	72,151
TOTAL	36,846,098	44,568,859

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	Figures for the year ended 31 st March, 2015 (₹)	Figures for the year ended 31 st March, 2014 (₹)
22. CONTINGENT LIABILITIES		
1. Counter guarantee issued in favour of the banker for guarantee given by then to NSE/ NCDEX for margin requirement.	15,000,000	11,900,000
2. Guarantee given on behalf of subsidiary company Vertex Commodities & Finpro (P) Limited	5,000,000	30,000,000
3. Counter guarantee issued in favour of the banker for guarantee given by them to MCX for margin requirement	2,500,000	5,000,000
4. Claims against the company not acknowledged as debts:-		
– Service Tax orders for FY 2006-07 to 2009-10	622,000	622,000
– Service Tax orders for FY 2008-09 to 2012-13	881,042	–
	<u>24,003,042</u>	<u>47,522,000</u>

Particulars	Figures for the year ended 31 st March, 2015 (₹)	Figures for the year ended 31 st March, 2014 (₹)
23. EARNINGS PER SHARE		
I. Loss after tax as per Statement of Profit and Loss	(3,333,762)	(15,291,993)
II. Weighted Average number of equity shares for Earnings per share computation		
A) For Basic Earnings per share of ₹ 2/- each (No's)	49,587,044	46,476,035
B) For Diluted Earnings per share of ₹ 2/- each (No's)		
No of Shares for Basic EPS as per II A (No's)	49,587,044	46,476,035
Add:- Weighted Average outstanding for convertible preference shares	24,166,706	27,277,715
No of shares for Diluted Earnings per Share of ₹ 2/- each	73,753,750	73,753,750
III. Earnings Per Share (Face Value of ₹ 2/- each)		
Basic (₹)	(0.07)	(0.33)
Diluted (₹)	(0.05)	(0.21)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

24. DISCLOSURE AS REQUIRED UNDER ACCOUNTS STANDARD 15 ON EMPLOYEE BENEFITS FOR GRATUITY AND LEAVE ENCASHMENT IS AS UNDER

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Change in the benefit Obligations:				
Present value of obligations as on 01. 04. 2014	3,254,145	1,655,833	883,238	527,456
Current Service Cost	304,094	688,073	281,924	609,592
Past Service Cost	–	–	–	–
Interest Cost	242,754	120,661	62,248	27,015
Actuarial (Gain)/Loss on obligation	(1,497,083)	1,084,741	(534,692)	98,711
Benefits Paid	(439,435)	(295,163)	(210,283)	(379,536)
Present value of obligations as on 31.03.2015	1,864,475	3,254,145	482,435	883,238
Change in Plan Assets:				
Fair Value of Plan Assets as on 01.04.2014	1,860,670	1,768,147	–	–
Adjustment to the opening balance	352,470	(112,314)	–	–
Expected Return on Plan Assets	200,707	158,243	–	–
Employer's Contributions	473,319	500,000	210,283	368,991
Benefits Paid	(439,435)	(295,163)	(210,283)	(368,991)
Actuarial Gain/(Loss) on Plan Assets	(34,721)	(158,243)	–	–
Fair Value of plan assets as on 31.03.2015	2,413,010	1,860,670	–	–
Net (Asset) Liability (i) – (ii) :	(548,535)	1,393,475	482,435	883,238
Net Cost for the year ended 31.03.2015				
Current Service Cost	304,094	688,073	281,924	609,592
Past Service Cost	–	–	–	–
Interest Cost	242,754	120,661	62,248	27,015
Expected Return on plan Assets	(200,707)	(158,243)	–	–
Actuarial (Gain)/ Loss recognised during the year	(1,462,362)	1,242,984	(534,692)	98,711
Adjustment (Gain) to opening value of planned assets	–	–	–	–
Net Cost	(1,116,221)	1,893,475	(190,520)	735,318
Amount recognised in the Balance sheet (Asset) / Liability	(548,535)	1,393,475	482,435	883,238
Amount recognised in the Profit and Loss Account (Gain)/Loss	(1,116,221)	1,893,475	(190,520)	735,318
Principal actuarial Assumptions:-				
Discount rate	8%	8%	8%	8%
Expected Return on plan assets	0%	0%	0%	0%
Salary Escalation Rate	5%	10%	5%	10%
Attrition Rate	10%	10%	10%	10%
Demographic Assumptions:				
Retirement age				58 Year
Mortality rate				IALM (2006-08) Unlimited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

25. 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:-

Name of the party	Relation
Transwarranty Finance Limited	Holding Company
Kumar Nair	Chairman & Managing Director
Transwarranty Private Limited	Associated Company (Until 16/12/2013)
Transwarranty Advisors Private Limited	Associated Company

(II) Summary of Transactions

Name of the Company / Transactions	2014-15 (₹)	2013-14 (₹)
1) Inter Corporate Deposits Received – Holding Company		
Transwarranty Finance Limited	5,229,500	31,093,783
2) Inter Corporate Deposits Paid Back – Holding Company		
Transwarranty Finance Limited	57,126,000	18,632,000
3) Sale of Investments – Holding Company		
Transwarranty Finance Limited	52,501,000	–
4) Issue of Equity Shares on Conversion of 0.5% Fully Convertible Preference Shares – Holding Company		
Transwarranty Finance Limited	131,400,150	–
5) Dividend Paid – Holding Company		
Transwarranty Finance Limited	102,945	–
6) Brokerage Received on Share Trading – Holding Company		
Transwarranty Finance Limited	141,531	162,099
7) Conversion of Inter Corporate Deposit into 8% Non Cumulative Preference Shares – Associate Company		
Transwarranty Private Limited	–	32,700,000
8) Inter Corporate Deposits Given – Associated Companies		
Transwarranty Advisors Private Limited	5,355,000	4,966,810
Transwarranty Private Limited	–	8,027,200
9) Inter Corporate Deposits Received Back – Associated Companies		
Transwarranty Advisors Private Limited	159,804	–
Transwarranty Private Limited	–	2,643,000
10) Issue of Equity Shares on Conversion of 0.5% Fully Convertible Preference Shares – Associate Company		
Transwarranty Advisors Private Limited	2,276,140	–



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Name of the Company / Transactions		2014-15 (₹)	2013-14 (₹)
11) Dividend Paid – Associated Company			
Transwarranty Advisors Private Limited		53,508	–
12) Issue of Equity Shares on Conversion of 0.5% Fully Convertible Preference Shares – Chairman & Managing Director			
Kumar Nair		16,590,970	–
13) Margin Received – Chairman & Managing Director			
Kumar Nair		22,000,000	–
14) Interest paid on Margin Money received – Chairman & Managing Director			
Kumar Nair		115,068	–
15) Brokerage Collected – Chairman & Managing Director			
Kumar Nair		200	1,113
Closing Balances as on 16.12.2013 (Vertex Securities Limited)			
1) Inter Corporate Deposit Debits – Associated Companies			
Transwarranty Private Limited		–	47,935,419
Closing Balances As on 31.03.2015 (Vertex Commodities & Finpro Pvt. Ltd.)			
1) Inter Corporate Deposit Debits – Associated Companies			
Transwarranty Private Limited		–	30,000,000
2) Trading Account Credit – Associated Companies			
Transwarranty Private Limited		–	283
Closing Balances As on 31/03/2015 (Vertex Securities Limited)			
1) Current Account Credit – Holding Company			
Transwarranty Finance Limited		–	38,428
2) Inter Corporate Deposit Credits – Holding Company			
Transwarranty Finance Limited		1,507,635	50,388,865
3) Trading Account Credit – Holding Company			
Transwarranty Finance Limited		934,969	1,441,169
4) Inter Corporate Deposit Debits – Associated Companies			
Transwarranty Advisors Private Limited		–	5,195,196
5) Trading Account Credit – Chairman & Managing Director			
Kumar Nair – Margin Account		22,000,000	–
Kumar Nair – Trading Account		734	455,065

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

26. PRINCIPLES OF CONSOLIDATION:

The Consolidated financial statements of Vertex Securities Limited,(Parent Company) have been prepared in accordance with the Accounting Standard 21 (AS 21) "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India.

The financial statements of the Subsidiary used in the consolidation are drawn on the same reporting dates as that of the Parent Company, i.e.. 31st March 2015.

The Consolidated financial statements have been prepared applying uniform accounting policies for like transactions and events in similar circumstances and appropriate adjustment have been made where the accounting policies are not uniform.

The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and transactions resulting in unrealized Profit/Loss.

The value of investment over the cost to the Company's share in the net assets of the subsidiary at the date on which investment is made, is recognized as Goodwill and is separately disclosed in the consolidated financial statements.

27. Details of Subsidiary included in the consolidated financial statements:

Name of the Subsidiary Company	Country of Incorporation	Share in ownership	Shares held by
Vertex Commodities & Finpro (P) Limited	India	99.95% (P.Y. 99.95%)	Vertex Securities Limited

28. Sundry debtors include old outstanding debts amounting to ₹ 15,259,655 (₹ 15,259,655/-) in respect of which Company has initiated legal and other recovery actions, the proceedings of which are in different stages of progress. No provision for doubtful debts has been made in the accounts during the year since the management is confident that the debts are good and recoverable.
29. In the opinion of Directors, the current assets and deposits have the value as stated in the Balance Sheet, if realized in the ordinary course of business.
30. The company is maintaining DEMAT beneficiary account with own Depository Services. The stock is transferred to the respective clients' accounts only when the company receives a written request from the clients and after confirming that they have enough credit / margin in their account.
31. Lien has been marked in favour of Axis bank in respect of Bank Deposits worth ₹ 17,500,000/- (P.Y ₹ 14,400,000/-) together with accumulated interest thereon, against bank guarantees issued by them on account of the Company. Lien has been marked in favour of BSE against trading guarantee in respect of Bank Deposit worth ₹ 1,000,000 /- (P.Y. ₹ 1,000,000 /-) together with accumulated interest thereon.
32. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS – 17) issued by the Institute of Chartered Accountants of India, the Company's primary business segment is share broking. All other activities of the company revolve around the main business.
- As the company's business activity falls within a single primary business segment, the disclosure requirements of AS – 17 in this regard are not applicable.
33. The management has evaluated the long term investments and confirms that there exists no circumstances which warrants further provision on account of permanent diminution in the value of investments.

The Company has long term investments in quoted securities which were written off in the books of accounts in the financial year 2009-10 as there was a permanent diminution in the value of investment. However, as at the end of the current financial year, some of these securities have regained some value. The details of the above long term investments as written off in the financial year 2009-10 and its market value, if available, as the end of the current financial year is as follows:



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Investments in Equity Instruments	Number of shares	Market Price per share as at 31.03.2015	Market Value as at 31.03.2015
Atlos Ltd.	100	Not Available	Not Available
Apple Credit Corp. Ltd.	100	1.60	160
Arihant Cotsyn Ltd.	50	Not Available	Not Available
Cauvery Software Engg. Systems Ltd.	100	0.65	65
Classic Diamond India Ltd.	100	1.68	168
Computer Power	500,000	Not Available	Not Available
Dunlop Ltd.	100	11.05	1,105
Femnor Mineral	100	Not Available	Not Available
Goldstone Infrastructure	100	16.00	1,600
Indo French Biotech Enterprise Ltd.	1,000	0.60	600
Kerala Ayurveda Ltd.	100	38.65	3,865
Kitex Garments Ltd.	2,000	537.00	1,074,000
Koluthara Exports	4,900	Not Available	Not Available
MOH Ltd.	20,000	0.10	2,000
Nagarjuna Finance Ltd.	200	3.05	610
Superstar Distillaries & Foods Ltd.	2,600	2.60	6,760
Synthetics & Chemicals Ltd.	100	1.25	125
TISCO SPN	15	Not Available	Not Available
Trend Design	800	Not Available	Not Available
TTK Health Care	100	930.00	93,000
UTI Master share	50	Not Available	Not Available
Vanady Chemicals	200	Not Available	Not Available
Vatsa Corporation Ltd.	4,200	Not Available	Not Available
Vysali Pharmaceuticals Ltd.	11,600	4.28	49,648
TOTAL		548,615	1,233,706

No write back in the value of investments has been done as a matter of prudence.

34. No provision for dividend on Preference Shares and dividend tax there on has been made in the financial statement in the absence of distributable profits during the year.
35. Some of the debtors, creditors, advances and security deposits are subject to confirmation, reconciliation and adjustments. The management does not expect any material difference affecting the current year's financial statements.
36. Operating Leases: The Company has obtained office premises under operating lease. These leases are for a period ranging from 11 to 60 months and are renewable as may be mutually decided. These are generally cancellable lease. Lease payments recognised in the Statement of Profit and Loss as 'Rent' under Note No. 21 is ₹ 2,306,369 (P.Y. 2,908,336). Future minimum lease rent payable are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015 (ALL AMOUNTS ARE MENTIONED IN RUPEES)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Not later than one year	1,470,550	1,447,737
Later than one year but not later than five year	984,940	1,080,842
Later than five year	—	—

37. The Company has revised depreciation rates on Fixed Assets effective 1st April, 2014 in accordance with requirements of Schedule II of Companies Act, 2013 ("the Act"). The remaining useful life of the Fixed Assets has been revised by adopting standard useful life as per new Companies Act 2013. The carrying amount of the Fixed Assets as on 1st April, 2014 is depreciated over the remaining useful life. As a result of this changes :-

- (a) The depreciation charge for the year ended 31st March, 2015 is higher by ₹ 12,75,786/-
- (b) There is a debit to retained earnings of ₹ 15,89,395/- Lakhs for the Fixed Assets whose remaining life as on 1st April, 2014 is expired in accordance with revised life as per Companies Act 2013.

38. Previous year figures have been re-grouped/reclassified/re-arranged/recast wherever necessary to suit the current year's classification.

Previous year figures are unless otherwise stated given in bracket.

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants

Gautam Divan
Partner

Mumbai
12th May, 2015

For and on behalf of Board of Directors

Kumar Nair
Chairman & Managing Director

Kochi - 18
12th May, 2015

James Pothen
Director

U. Ramachandran
Director

Jose Thomas Polachira
Director

Aswathi C Madhavadas
Company Secretary



Annexure-A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing Salient Features of Financial Statements of Subsidiaries / Joint Ventures / Associates

Part-A (Subsidiaries)

(Rs. In Lakhs)

Particulars	Vertex Commodities & Finpro Pvt. Ltd.	
	31st March, 2015	31st March, 2014
Share Capital	586.15	586.15
Reserves & Surplus	(146.14)	(136.77)
Total Assets *	585.09	615.61
Total Liabilities	585.09	615.61
Investment	–	–

Particulars	For the year ended	
	31st March, 2015	31st March, 2014
Turnover **	91.91	133.89
Profit / (Loss) Before Tax	(2.53)	(53.86)
Provision For Taxation	–	–
Deferred Tax	–	–
Excess / (Short Provision for Prior Years	–	–
Net Profit / (Loss)	(5.30)	(53.86)
% of Share Holding	99.95%	99.95%

* Total Assets does not include investment

** Represents Income From Operations and other income

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company has Nil Associate Companies and Joint Ventures

As per our attached report of even date

For **Rahul Gautam Divan & Associates**
Chartered Accountants

Gautam Divan
Partner

Mumbai
12th May, 2015

For and on behalf of Board of Directors

Kumar Nair
Chairman & Managing Director

Kochi - 18
12th May, 2015

James Pothen
Director

U. Ramachandran
Director

Jose Thomas Polachira
Director

Aswathi C Madhavadas
Company Secretary



Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]



VERTEX SECURITIES LIMITED

CIN:L67120KL1993PLC007349

Regd. Office:

Thottathil Towers, 2nd Floor, Market Road, Kochi –682 018

Tel.: 0484-2384848 • Fax.: 0484-2394209

Website: www.vertexbroking.com

Email.: secretarial@vertexbroking.com

Name of the member(s):

Registered address:

E-mail Id:

Folio No / Client Id: DP ID:

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name:

Address:

E-mail Id: Signature:, or failing him

2. Name:

Address:

E-mail Id: Signature:, or failing him

3. Name:

Address:

E-mail Id: Signature:



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held at Conference Hall of the Company at Ground Floor, Amritha Towers, Combara Junction, Market Road, Ernakulam, Cochin-682 018, on 7th September, 2015 at 9.30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

RslnNo	Resolutions	Optional	
	Ordinary Business	*For	*Against
1.	To receive, consider and adopt the Financial Statements for the financial year ended 31st March, 2015, and the Reports of the Directors and Auditors to Shareholders thereon		
2.	To consider re-appointment of Mr. U. Ramachandran, Director (DIN- 00493707), who retires by rotation and being eligible offers himself for re-appointment		
3.	To appoint M/s. Rahul Gautam & Associates., Chartered Accountants as Auditors and fixation of remuneration thereof		
	Special Business		
4.	To approve exemption to Auditors to attend the Annual General Meeting of the Company		
5.	To approve re-pricing of the un-vested ESOPs granted		
6.	To appoint Mrs. Latha Anand as the Independent Director of the Company		

Signed this day of 2015.

.....
Signature of shareholder

.....
Signature of Proxy holder(s)

Affix
Revenue
Stamp of
₹ 1/-

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- * it is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



VERTEX SECURITIES LIMITED

CIN:L67120KL1993PLC007349

Regd. Office:

Thottathil Towers, 2nd Floor, Market Road, Kochi –682 018

Tel.: 0484-2384848 • Fax.: 0484-2394209

Website: www.vertexbroking.com

Email.: secretarial@vertexbroking.com

ATTENDANCE SLIP

Regd. Folio No./Client ID.....

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the Company at Conference Hall of the Company at Ground Floor, Amritha Towers, Combara Junction, Market Road, Ernakulam, Cochin-682 018, at 9.30 a.m. on Monday, 7th September, 2015.

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

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

Notes:

- (1) Members / Proxyholders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
- (2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

ELECTRONIC VOTING PARTICULARS		
Remote E-Voting Event Number (REVEN)	USER ID	PASSWORD/PIN

Notes: Please read Note No: B in “Procedures for E-voting” in the Notice for the 22nd Annual General Meeting of the Company.

VERTEX SECURITIES LIMITED

CIN:L67120KL1993PLC007349

Regd. Office: Thottathil Towers, 2nd Floor, Market Road, Kochi – 682 018
Tel.: 0484-2384848 • Fax.: 0484-2394209 • Website: www.vertexbroking.com
Email.: secretarial@vertexbroking.com

BALLOT FORM (In lieu of E-voting)

Registered Folio No. / DP ID No. / Client ID No. :

Name & Address :

Name(s) of the Joint Member(s), if any :

No. of Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 22nd Annual General Meeting of the Company dated 7th September, 2015, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick() mark at the appropriate box below:-

RsInNo	Resolutions	Optional	
	Ordinary Business	*For	*Against
1.	To receive, consider and adopt the Financial Statements for the financial year ended 31st March, 2015, and the Reports of the Directors and Auditors to Shareholders thereon		
2.	To consider re-appointment of Mr. U. Ramachandran, Director (DIN-00493707), who retires by rotation and being eligible offers himself for re-appointment		
3.	To appoint M/s. Rahul Gautam & Associates., Chartered Accountants as Auditors and fixation of remuneration thereof		
	Special Business		
4.	To approve exemption to Auditors to attend the Annual General Meeting of the Company		
5.	To approve re-pricing of the un-vested ESOPs granted		
6.	To appoint Mrs. Latha Anand as the Independent Director of the Company		

Place :

Date :

Signature of Shareholder

NOTE: Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by 5.00 p.m. on 6th September 2015 shall only be considered.

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Mr. K. P Gopimohan, 39/4781, Toufeeq Complex, 2nd floor, M.G. Road, Ravipuram, Cochin-682016 so as to reach by 5.00 p.m. of 6th September, 2015. **Ballot Form received thereafter will strictly be treated as if not received.**
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e., E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e., Link Intime Pvt. Ltd. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio / DP ID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/ Trust/Society etc., a certified copy of the relevant authorization / Board Resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of annual general meeting and are also placed on the website of the Company.

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.

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)

Real Estate & Infrastructure

- Private Equity
- Project Equity
- Joint Venture/Joint Development Agreements
- Outright sale of land/projects
- Project loan
- Securitization of rentals/receivables
- Strategic/Financial Investments.

Gold Loan

Vertex Securities Limited

Vertex Securities Limited is national level retail broking company with around 200 branch / franchise offices across India having membership in National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE), and depository services (NSDL).

The Company is also a SEBI registered full service Merchant Bank.

- Retail Stock Broking
- Mutual Funds, IPO and other retail investment advisory services
- Depository Participant
- Institutional Broking
- Arbitrage
- AMFI certified corporate Agent / distributor for various Mutual Funds

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 Project Loans both in Rupee and Foreign Currency

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 Private Limited

Vertex Commodities & Finpro Private Limited, a subsidiary of Vertex Securities Limited is also a national level retail broking company with around 200 branch / franchise offices across India having membership in the National Commodities & Derivatives Exchange (NCDEX), Multi Commodity Exchange (MCX), National Multi Commodity Exchange of India Limited (NMCE) and National SPOT Exchange of India Limited.

- Retail Commodities Broking

Membership 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 Equities, Derivatives and Currency 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



Regd. Office:

CIN: L67120KL1993PLC007349

Thottathil Towers, 2nd Floor, Market Road, Ernakulam, Kochi - 682 018.

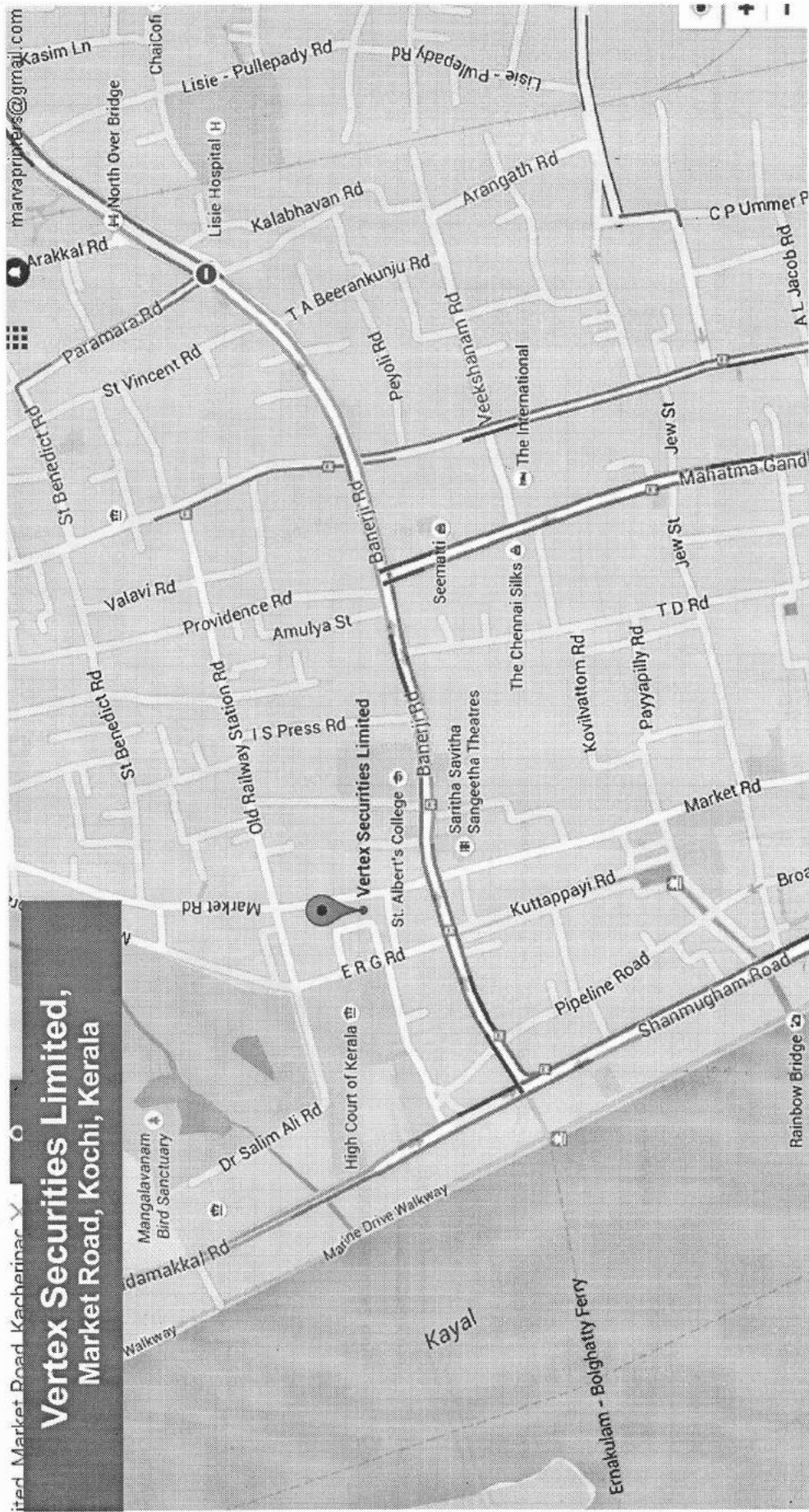
Tel.: 0484-2384848 • Fax: 0484-2394209

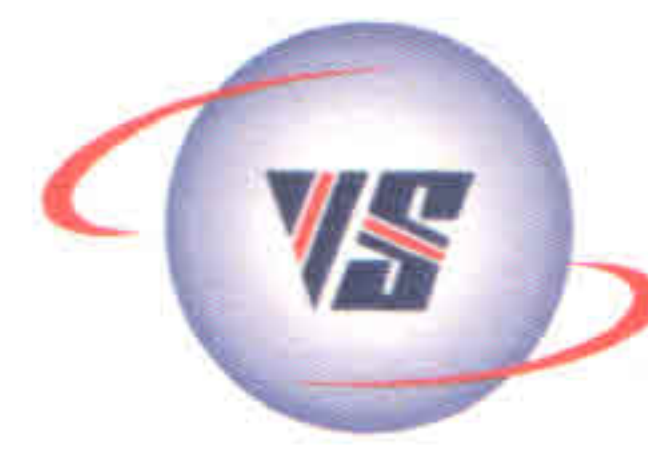
Website: www.vertexbroking.com • vsl@vertexbroking.com

Corporate Office:

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

Tel.: 022-4001 0900 • Fax: 022-6630 6655 • Email: www.vertexbroking.com



**VERTEX SECURITIES***Wisdom ↔ Value*

CIN : L67120KL 1993PLCOO7349

VSL/SEC/2015-16

14th August, 2015

To,
The Manager,
Corporate Relations Dept.,
The BSE Ltd.,
P.J Towers, Dalal Street,
Fort, Mumbai - 400 001

Company Scrip No: 531950


Dear Sir/Madam,

Pursuant to Clause 31 of the Listing Agreement with the Stock Exchange, we enclose herewith the Annual Report 2014-15 of the Company.

1.	Name of the company	Vertex Securities Ltd.
2.	Annual financial statements for the year ended	31st March 2015
3.	Type of Audit qualification	Qualified/Opinion
4.	Frequency of qualification Whether appeared	Repetitive since last 4 years
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	Attention is drawn to page 39 of the Annual Report for opinion stated by the Auditor Attention is drawn to Page 8 of the Annual Report for Management's reply to the opinion given by the Auditor.
	Additional comments from the board/audit committee chair	Nil
6	To be signed by	Managing Director

Kindly take the same on record.

For Vertex Securities Limited,


Kumar Nair
Managing Director

Vertex Securities Limited (A subsidiary of Transwarranty Finance Limited)

Registered Office : Thottathil Towers, II Floor, Market Road, Ernakulam, Kochi - 682018 Tel : 0484-2384848, Fax : 0484 2394209

Corporate Office : 403, Regent Chambers, Nariman Point, Mumbai - 400 012. Tel : 022-40010800/900, Fax : 022-40010888/999

Website : www.vertexbroking.com, www.transwarranty.com Email : vsl@vertexbroking.com, customercare@transwarranty.com