

VSL/2019-20/SEC/20

3rd September, 2019

The Manager,
Corporate Relations Department
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

SCRIP CODE: 531950

Dear Sir/Madam,

Sub: Intimation of Annual General Meeting and Book Closure

This is to inform you that the 26th Annual General Meeting (AGM) of the Company will be held on Wednesday, 25th September, 2019 at 4.00 p.m., at the Conference Hall, Ground Floor, Thottathil Towers, Market Road, Ernakulam, Kochi-682 018, Kerala.

The Book Closure dates are fixed as below:

| Company Scrip Code | Type of Security and Face Value per Share | Book Closure | Purpose |
|--------------------|---|--|------------------------|
| 531950 | Equity Shares of Rs. 2/- each | 19 th September, 2019 to 25 th September, 2019 (both days inclusive) | Annual General Meeting |


The notice of 26th Annual General Meeting alongwith the Annual Report of our Company is attached herewith.

Kindly take the same on your records.

Thanking You.

Yours faithfully,

For **VERTEX SECURITIES LIMITED**


Pranali Kadam
Company Secretary



Encl: a/a



Securities Limited
(A Subsidiary of Transwarranty Finance Limited)

26th Annual Report 2018-19



Board of Directors



Mr. Kumar Nair

He is the Chairman of the Company. He is B.Sc., F.C.A. & OPM (Harvard Business School). He is also the Managing Director of Transwarranty Finance Limited and has over two decades of experience in Financial Services, Capital Market and Investment Banking. He was a key member of the core senior management team in Kotak Mahindra Finance Limited.

Mr. U. Ramachandran

He is the Managing Director & CEO of the Company. He is B.Com, FCA and has close to 3 decades experience in Audit, Accounting, Capital Market and Investment Banking. He is also the Director and CFO of our Holding Company, Transwarranty Finance Limited.



Mr. Jose Thomas Polachira

He is the Independent Director of the Company. He is B.Com, CAIIB, Post Graduate Diploma in Banking, Industrial Relations & Personnel Management, He is an experienced banking professional with over three decades of experience in various aspects of banking and finance. He was also responsible for setting up the HDFC Bank in Kerala.

Mr. James Pothan

He is the Independent Director of the Company. He is a Post Graduate in Science with various specialized qualifications in management and banking. He had been with the Reserve Bank of India for over 26 years in various management positions and has many years of director-level experience in Scheduled Commercial Banks.



Mrs. Latha Anand

She is the Independent Woman Director of the Company. She is a Graduate in Law. She is a Managing Partner of the Law Firm, M/s. B.S. Krishnan Associates. She specializes in Contracts, Constitution, Arbitration, Labour and Service Laws. She is practicing before the Hon'ble High Court of Kerala and is the Standing Counsel for various companies including Central and State Government Companies. Her Court cases were reported in Legal Journals. She has nearly 3 decades of varied legal knowledge and expertise.

Mr. George Mampillil

He is the Director & CFO of the Company. He is a B.Sc. Graduate in Physics. He was the earlier the Chief Executive Officer of our Company and a Director of our subsidiary Company, Vertex Commodities & Finpro Pvt. Ltd. from 2004 to 2007. Thereafter, he worked as Chief Executive Officer, of Acumen Group, Cochin based Financial Services Company from October 2007 to December 2016. He has rich experience of around 20 years in the financial markets.



CORPORATE INFORMATION**BOARD OF DIRECTORS**

Kumar Nair
U. Ramachandran
James Pothan
Jose Thomas Polachira
Latha Anand
George Mampillil

Chairman
Managing Director & CEO
Independent Director
Independent Director
Independent Director
Director (w.e.f. 13.08.2018)

CHIEF FINANCIAL OFFICER

George Mampillil

(w.e.f. 05.05.2018)

COMPANY SECRETARY

Pranali Kadam

AUDITORS

Rahul Gautam Divan & Associates
Chartered Accountants,
134, Mittal Tower, C Wing,
Nariman Point, Mumbai - 400 021

SECRETARIAL AUDITOR

CS Yogesh M. Sharma

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 : secretarial@vertexbroking.com

CORPORATE OFFICE

403, Regent Chambers
Nariman Point, Mumbai 400 021
Tel. No. 91-22-6630 6090 / 40010900
Fax No. 91-22-66306655
e-mail id : vsl@vertexbroking.com

REGISTRAR & TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai- 400 083
Tel. No. 91-22-49186000
Fax No. 91-22-49186060
e-mail id: rnt.helpdesk@linkintime.co.in
website: www.linkintime.co.in

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NOTICE

Notice is hereby given that the 26th Annual General Meeting of Vertex Securities Limited will be held on Wednesday, 25th September, 2019 at Conference Hall of the Company at Third Floor, Thotathil Towers, Kombara Junction, Market Road, Ernakulam, Kochi- 682 018 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2019 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. U. Ramachandran (DIN-00493707), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 139 and 142 of the Companies Act, 2013, S.S. Khan & Co, Chartered Accountants (Firm Registration No. 133324W), be and are hereby appointed as the Auditors of the Company to hold such office for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the Thirty First Annual General Meeting, at a remuneration of ₹ 1,90,000/- (Rupees One Lakh Ninety Thousand only) to conduct statutory audit including Limited Reviews for the financial year 2019-20, payable in one or more installments plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred.”

SPECIAL BUSINESS:

4. **Re-appointment of Mr. James Pothan as an independent director for a second term of five consecutive years w.e.f. 20th September, 2019**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the ‘Act’) including the rules made thereunder read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. James Pothan

(DIN 02492330), who was appointed as an independent director of the Company for a term of five years up to 19th September, 2019 and who being eligible for re-appointment as an independent director has given his consent alongwith a declaration that he meets criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom a notice in writing pursuant to Section 160 of the Act has been received from a member in the prescribed manner be re-appointed as an independent director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 20th September, 2019 to 19th September, 2024.”

5. **Re-appointment of Mr. Jose Thomas Polachira as an independent director for a second term of five consecutive years w.e.f. 20th September, 2019**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the ‘Act’) including the rules made thereunder read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Jose Thomas Polachira (DIN 01049189), who was appointed as an independent director of the Company for a term of five years up to 19th September, 2019 and who being eligible for re-appointment as an independent director has given his consent alongwith a declaration that he meets criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom a notice in writing pursuant to Section 160 of the Act has been received from a member in the prescribed manner be re-appointed as an independent director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 20th September, 2019 to 19th September, 2024.”

6. **Re-appointment of Mrs. Latha Anand as an independent director for a second term of five consecutive years w.e.f. 12th May, 2020**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Sections

149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act') including the rules made thereunder read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mrs. Latha Anand (DIN 06404421), who was appointed as an independent director of the Company for a term of five years up to 11th May, 2020 and who being eligible for re-appointment as an independent director has given her consent alongwith a declaration that she meets criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom a notice in writing pursuant to Section 160 of the Act has been received from a member in the prescribed manner be re-appointed as an independent director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 12th May, 2020 to 11th May, 2025."

7. Approval for material related party transaction

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of the Regulation 23 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the members of the Company be and is hereby accorded to the Board of Directors (including its committee thereof), to ratify/ approve all existing contracts / arrangements /agreements entered into/to be entered by the Company with Transwarranty Finance Limited, being a related party, in which some of the Directors and their relatives are interested, and hence related party within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, by an amount not exceeding ₹ 50 Crores (Rupees Fifty Crores); as per the details mentioned in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby

authorised to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and be authorized to approve aforesaid transactions and the terms and conditions thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to the above resolution."

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

**Pranali Kadam
Company Secretary**

Registered Office:

Thothatthil Towers, 2nd Floor,
Market Road, Ernakulam,
Kochi 682018

Place: Kochi

Date: 27 August, 2019

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto. Additional Information required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with regard to director seeking appointment/ re-appointment 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 carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.



Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable to attend and vote on their behalf at the meeting. Proxies are requested to bring their ID proof at the meeting for the purpose of identification. A Proxy Form is annexed to this Report.

3. During the period beginning 24 (Twenty-Four) hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, members would be entitled to inspect the proxies lodged with the Company at any time during the business hours at the Registered Office of the Company, provided not less than 3 (Three) days' of notice in writing is given to the Company.
4. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 19th September, 2019 to Wednesday, 25th September, 2019 (both days inclusive).
6. 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 or Registrar & Share Transfer Agents of the Company, Link Intime India Pvt. Ltd. at rnt.helpdesk@linkintime.co.in. 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.
7. 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.

8. Relevant documents referred to in the Notice will be available for inspection at the Registered Office of the Company between 10.00 a.m. to 12.00 noon, on all working days except Saturdays, Sundays and Public Holidays, up to and including the date of the Annual General Meeting of the Company.
9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agents (RTA), Link Intime India Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.

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

10. SEBI had vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 read with BSE circular no. LIST/COMP/15/2018-19 dated July 05, 2018 and NSE circular no. NSE/CML/2018/26 dated July 09, 2018 and as per Regulation 40 of the Listing Regulations, as amended, directed that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. However, Shareholders can continue to hold shares in physical form. Accordingly, Shareholders holding securities in physical form were separately communicated at their registered address by RTA vide three letters sent on September 15, 2018 (by Registered Post), October 1, 2018 (by Registered Post) and November 20, 2018 (by Registered Post), to dematerialise their physical holding for any further transfer.

In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized

form. Shareholders can contact the Company or RTA for assistance in this regard.

11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime India Pvt. Ltd., for consolidation into a single folio.

12. Members/proxies are requested to bring the attendance slip/proxy form duly filled and signed for attending the meeting. Proxies are requested to bring their ID proof at the meeting for the purpose of identification.

In case of joint holders attending the meeting, only such joint holder whose name appears first in the order of names will be entitled to vote at the meeting.

13. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide the remote e-voting facility to Members to exercise their right to vote by electronic means. 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).

14. The facility for voting through polling paper/ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

15. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on the cut-off date i.e. 18th September, 2019 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 remote e-voting period will commence at 9.00 a.m. on 21st September, 2019 and will end on 24th September, 2019 at 5.00 p.m. The Company has appointed Mr. Jameskutty Antony, Practicing Chartered Accountant, 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.

16. STEPS FOR REMOTE E-VOTING :-

- I. The remote e-voting period commences at 9.00 a.m. IST on 21st September, 2019 will end at 5.00 p.m. on 24th September, 2019. During this period, the members of the Company holding shares in either in physical form or in dematerialized form, as on the cut-off date of 18th September, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.



4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|--|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 111909 then user ID is 111909001***. |

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the OTP(One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jantonyca@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
 - II. 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.
 - III. 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 18th September, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - IV. Mr. Jameskutty Antony, Practicing Chartered Accountant has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - V. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - VI. The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty-eight hours 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.
 - VII. 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 resolutions at the AGM of the Company after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchange.
17. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Link Intime India Pvt. Ltd. having their office at C-101, 247 Park, LBS Road, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. Both the forms are also available on the website of the Registrar and Share Transfer Agents of Company at the weblink: <https://linkintime.co.in/downloads.html>
18. Members are requested to address all correspondences, including dividend matters to the Registrars and Transfer Agents of the Company.
19. The Company has designated an exclusive email Id viz. secretarial@vertexbroking.com to enable the investors to post their grievances and monitor its redressal.

For VERTEX SECURITIES LIMITED

Pranali Kadam
Company Secretary

Registered Office:

Thothathil Towers, 2nd Floor,
Market Road, Ernakulam,
Kochi 682018

Place: Kochi

Date: 27 August, 2019



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 & ADDITIONAL INFORMATION PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 WITH REGARD TO THE DIRECTOR SEEKING APOINTMENT/RE-APPOINTMENT AT THE 26TH ANNUAL GENERAL MEETING

Item No. 2:

Re-appointment of Mr. U. Ramachandran (DIN 00493707)

| | |
|--|--|
| Name of Director | Mr. U Ramachandran |
| DIN | 00493707 |
| Date of Birth | 25/11/1956 |
| Type of Appointment | Director retiring by rotation |
| Date of first appointment by the Board | 10/07/2009 |
| Qualification | B. Com(Hons), F.C.A. |
| No. of Shares held | 12,500 Equity Shares of ₹ 2 each |
| Experience in Specific | He is a successful Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India. He was a Senior Partner with M/s. Haridas Associates, a leading firm of Chartered Accountants in Mumbai. He has an excellent knowledge in Audit, Capital Market and Investment Banking. He is also the Director & CFO of the subsidiary Company, Transwarranty Finance Limited and a Director of wholly owned subsidiary Vertex Commodities And Finpro Pvt. Ltd. |
| Directorships held in other companies | 1. Transwarranty Finance Limited 2. Vertex Commodities & Finpro Pvt. Ltd. 3. Transwarranty Capital Market Services Pvt. Ltd. 4. Welworth Sales & Services Pvt. Ltd. 5. Suncem Surface Coatings Pvt. Ltd. |
| Membership of Committees of other listed public companies | - |
| Disclosure of relationships between directors inter-se | None of the directors are related to each other |
| Justification for appointment | Excellent knowledge in Audit and accounting profession, Financial Services and Capital Market. |

Item No. 3

Appointment of Auditors

The Members of the Company at the 22nd Annual General Meeting ('AGM') held on 7th September, 2015 approved the appointment of M/s. Rahul Gautam Divan & Associates, Chartered Accounts, as the Auditors of the Company for a period of four years from the conclusion of the said AGM. The said auditors will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. The present remuneration of M/s. Rahul Gautam Divan & Associates is ₹ 1,90,000 to conduct statutory audit including Limited Reviews for the financial year 2018-19 plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred and excluding the tax audit fees of ₹ 30,000.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'),

recommended for the approval of the Members, the appointment of S. S. Khan & Co, Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 31st AGM, subject to his Peer review certification. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of ₹ 1,90,000 for the financial year 2019-20 as set out in the Resolution relating to their appointment.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, clientele served, technical knowledge etc., and found S. S. Khan & Co, Chartered Accountants to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

S S Khan & Co (Firm Registration No.: 133324W), ("the Audit Firm") is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was

established in the year 2012 and is a proprietary firm having its registered office in Mumbai, India. The Audit Firm primarily renders audit and assurance services to its clients engaged in Financial Services, Hospitality Services and Business Management Services

S.S.Khan & Co. have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

Item 4,5 & 6

Re-appointment of Independent Directors

Section 149 of the Act requires every listed company to have one-third of the total number of directors as independent directors. Accordingly, on the recommendations of Nomination and Remuneration Committee, the Board of Directors, had appointed Mr. James Pothan and Mr. Jose Thomas Polachira as independent directors of the Company for a first term of five consecutive years commencing from 20th September 2014 up to 19th September, 2019. These appointments were also approved by the members at twenty first AGM of the Company held on 20th September 2014.

Mrs. Latha Anand was appointed as an independent director for a first term of five consecutive years with effect from 12th May, 2015 up to 11th May, 2020. Her appointment was also approved by the members at twenty second AGM of the Company held on 7th September 2015.

Since the first term of these independent directors was due for expiry, based on the recommendation of the Nomination and Remuneration Committee, considering the skills, experience, knowledge they possess and the report of performance evaluation of these independent directors for the year 2018-19, the Board, at its meeting held on 27th August 2019, recommended for the approval of the members, re-appointment of Mr. James Pothan and Mr. Jose Thomas Polachira for a second term of five consecutive years with effect from 20th September 2019 up to 19th September, 2024; and Mrs. Latha Anand for a second term of five consecutive years with effect from 12th May, 2020 up to 11th May, 2025 in terms of Section 149 read with Schedule IV to the Act and the Listing Regulations including any amendment thereto or modification thereof.

In accordance with section 149(10) and (11) of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's

report. The aforementioned directors fulfil the requirements of an independent director as laid down under Section 149(6) of the Act and Regulation 16 of the Listing Regulations.

In respect of the appointments of the aforesaid directors, notice in writing in the prescribed manner as required by section 160 of the Act and rules made thereunder, has been received by the Company, regarding candidature of each of these directors for the office of the director.

The aforementioned directors have accorded their consent to act as directors and have also submitted the declaration of independence, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and regulation 16 of Listing Regulations and are not disqualified from being appointed as a director in terms of section 164 of the Act.

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office and at the corporate office of the Company by any member from Monday to Friday during 10.00 a.m. to 12.30 p.m., except holidays, and the same shall also be available on the Company's website <http://www.vertexbroking.com/Investorrelation.aspx?page=Polices>

The Board is of the opinion that these directors possess requisite skills, experience and knowledge relevant to the Company's business.

Mr. James Pothan, Mr. Jose Thomas Polachira and Mrs. Latha Anand are not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by listed companies, and have given their consent in writing to act as Directors of the Company.

Pursuant to section 152 read with Schedule IV to the Act, in the opinion of the Board, the proposed re-appointments fulfil the conditions specified under the Act and the rules made thereunder and the applicable provisions of Listing Regulations and are independent of the Management.

None of the directors are related to each other

None of the directors, other than the directors proposed to be re-appointed, (in their respective resolutions of re-appointment) key managerial personnel of the Company and their relatives are, directly or indirectly concerned or interested, financially or otherwise in these resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends passing of the special resolutions set out in items nos. 4, 5 and 6 of this notice.



Information about the appointees is given below:-

| | | | |
|--|---|--|--|
| Name of Director | Mr. James Pothan | Mr. Jose Thomas Polachira | Mrs. Latha Anand |
| DIN | 02492330 | 01049189 | 06404421 |
| Date of Birth | 26/11/1951 | 01/06/1951 | 26/04/1965 |
| Type of Appointment | Re-appointment as Independent Director | Re-appointment as Independent Director | Re-appointment as Independent Director |
| Date of first appointment on the Board | 10/01/2009 | 10/01/2009 | 12/05/2015 |
| Qualification | <ul style="list-style-type: none"> - M.Sc. - Post Graduate Certificate in Personnel Management and Organisational Behaviour - Post Graduate Certificate in Programme Evaluation and Rating Techniques - Certificate in Director's Course in Corporate Governance from the - Commonwealth Secretariat and Commonwealth Association for Corporate Governance, London | B.Com., CAIIB, Post Graduate, Diploma in Banking, Industrial Relations and Personnel Management | -LLB |
| Brief Resume | Mr. James Pothan is a post graduate in Science with various specialized qualifications in management and banking. He had been with the Reserve Bank of India for over 26 years in various management positions and has many years of director-level experience in Scheduled Commercial Banks. He has been associated with the Company since 2009. | Mr. Jose Thomas Polachira is B.Com., CAIIB, Post Graduate Diploma in Banking, Industrial Relations and Personnel Management. He is an experienced banking professional with over three decades of experience in various aspects of banking and finance. He was also responsible for setting up of HDFC Bank in Kerala. | Mrs. Latha Anand is a Graduate in law. She is a Managing Partner of Law Firm M/s B.S. Krishnan Associates. She specializes in Contracts, Constitution, Arbitration, Labour and Service Laws. She is practicing before the Hon'ble High Court of Kerala and is the Standing Counsel for various companies including Central and State Government Companies. She has nearly three decades of varied legal knowledge and expertise. |
| No. of Shares held | 10,000 Equity Shares of ₹ 2 each | Nil | Nil |
| Experience in Specific | Having close to 3 decades of experience in Senior capacities in Reserve Bank of India. | He has over 3 decades of experience in various aspects of banking and finance | She is practicing before the Hon'ble High Court of Kerala and is the Standing Counsel for various companies including Central and State Government Companies. She has nearly three decades of varied legal knowledge and expertise. |
| Directorships held in other companies | Vertex Commodities And Finpro Pvt. Ltd. | 1. Bristo Foods Pvt. Ltd. 2. Fuel Picture Company Pvt. Ltd. | Socius Legal Solutions Pvt. Ltd. |
| Membership of Committees of other listed public companies | Nil | Nil | Nil |
| Details of sitting fees paid during FY 2018-19 | ₹ 1,10,000 | Rs.1,10,000 | ₹ 60,000 |
| Justification for appointment | Excellent knowledge in Financial Services, and Banking Sector. | Excellent knowledge in banking and finance sector | Excellent Legal Knowledge |

Item No. 7**Approval for material related party transaction**

Pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meeting of Board and its powers) Rules, 2014 the Company is required to obtain consent of the Board and approval of the members by special resolution in case certain Related Party Transactions exceed such sum as is specified in the rules which are not in the ordinary course of business and not on an arm's length basis.

However, pursuant to regulation 23(4) of SEBI LODR, 2015, approval of the shareholders through Ordinary Resolution is required for all 'material' related party transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Pursuant to the said Regulation, all material related party transactions require approval of the members through an ordinary resolution and all related parties shall abstain from voting on such resolutions. However, the said requirement for approval of the shareholders is not applicable for transactions entered into between a holding company and its wholly-owned subsidiary whose accounts are consolidated with the holding company.

Going forward and in the ordinary course of business, the Company may enter into new transactions inter alia in relation to lending/ borrowing, providing and receiving corporate guarantee(s) and security(ies) for existing/ new credit facility(ies), with Transwarranty Finance Limited., holding company and related party of the Company, which may exceed the threshold for material related party transactions by an amount not exceeding an aggregate value of ₹ 50 crore, individually and/ or collectively.

Since some of the above transactions are not fixed for any particular term, it is not possible for the Company to ascribe an explicit monetary value to such transactions. However, approval of the Audit Committee and/ or Board, wherever required, shall be obtained in terms of the provisions of the Companies Act, 2013 and Listing Regulations.

The approval of the shareholders is being sought by way of an ordinary resolution for the proposed material related party transactions. Approval of the shareholders is also sought to ratify/approve all existing contracts/arrangements/agreements entered into by the Company with the Directors/Companies in which some of the Directors and their relatives are interested, and hence related parties within the meaning of the aforesaid law.

The contracts/ arrangements/ transactions with the above entities are necessary in the ordinary course and have a significant role in the Company's operations. Therefore, the Board of Directors commends the resolution as set-out at item no. 7 for approval of the shareholders as an Ordinary Resolution.

The Directors, Key Managerial Personnel or their respective relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution set-out at item no. 7.

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

**Pranali Kadam
Company Secretary**

Registered Office:

Thothatthil Towers, 2nd Floor,
Market Road, Ernakulam,
Kochi 682018

Place: Kochi

Date: 27 August, 2019



BOARD'S REPORT

To,
The Members of
Vertex Securities Limited

Your Directors are pleased to present before you the 26th Annual Report of the Company along with Audited Financial Statements, for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS (Standalone):

(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2019 | Year ended 31 st March, 2018 |
|--|---|---|
| Total Income | 686.33 | 765.02 |
| Total Expenditure | 608.93 | 622.21 |
| Profit / (Loss) from Operations before Other Income, Finance Cost & Exceptional Items | 77.40 | 142.81 |
| Finance Costs | 59.32 | 65.49 |
| Profit / (Loss) from Ordinary Activities after Finance Cost but before Exceptional Items | 18.08 | 77.32 |
| Exceptional Items | 0.00 | 0.00 |
| Profit / (Loss) from Ordinary Activities before Tax | 18.08 | 77.32 |
| Tax Expenses | 0.00 | 0.00 |
| Net Profit / (Loss) after Tax | 84.08 | 77.32 |

PERFORMANCE REVIEW:

During the year ended 31st March, 2019, your Company earned revenue of ₹686.33 Lakhs as compared to ₹ 765.02 Lakhs in the previous year. The operations have recorded a profit of ₹ 18.08 Lakhs as compared to a profit of ₹ 77.32 Lakhs in the previous year.

During the year ended 31st March, 2019, your Company earned consolidated revenue of ₹ 795.42 Lakhs as compared to ₹ 875.75 Lakhs in the previous year. The consolidated operations have recorded a profit of ₹ 32.85 Lakhs as compared to a profit of ₹ 74.58 Lakhs in the previous year.

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 Board's Report.

DIVIDEND:

Due to inadequacy of profits and in order to consolidate the financial position of the Company, your Directors have not recommended any dividend for the year.

CONSOLIDATED ACCOUNTS:

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

SHARE CAPITAL:

The issued, subscribed and paid-up Equity Share Capital as on 31st March, 2019 was ₹ 15.08 Crores, comprising of 74,012,189 Equity Shares of the face value of ₹ 2 each, fully paid-up and 27,758 15% Non—cumulative Redeemable Preference shares of ₹ 100 each fully paid up.

OPERATIONS OF SUBSIDIARY:

Vertex Commodities And Finpro Private Limited:

Vertex Commodities And Finpro Private Limited (VCFPL) is wholly owned subsidiary of the Company engaged in commodity broking business.

VCFPL is a member of the following commodity exchanges:

1. Multi Commodity Exchange of India Ltd. (MCX)
2. National Commodity and Derivatives Exchange Ltd. (NCDEX)
3. National Multi Commodity Exchange of India Ltd. (NMCE)

During the year ended 31st March, 2019, the subsidiary company, Vertex Commodities And Finpro Private Limited had total revenue of ₹ 109.09 lakhs and net profit of ₹ 14.78 lakhs as against the total revenue of ₹ 110.73 lakhs and net loss of ₹ 2.74 lakhs in the previous year.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, (including the consolidated financial statements and related information of the Company and audited accounts of its subsidiaries), are available on our website www.vertexbroking.com. These documents will also be available for inspection during business hours at our registered office.

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

I. Re-appointment of independent directors:

The Board, at its meeting held on 27th August, 2019,

considering the report of performance evaluation and based on the recommendation of Nomination and Remuneration Committee, re-appointed the following independent directors for a second term as given below:

| Sr. No. | Name of independent director | Tenue of second term |
|---------|------------------------------|--|
| 1. | Mr. James Pothen | Five years w.e.f. 20 th September, 2019 |
| 2. | Mr. Jose Thomas Polachira | Five years w.e.f. 20 th September, 2019 |
| 3. | Mrs. Latha Anand | Five years w.e.f. 12 th May, 2020 |

Accordingly, resolutions seeking approval of the members for the aforementioned re-appointments forms part of notice convening the 26th AGM.

Necessary details regarding their re-appointment as required under the Act and the Listing Regulations are given in the notice of AGM.

II. Retirement by Rotation

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.

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements), 2015, [Listing Regulations] brief resume of the Directors proposed for appointment/re-appointment has been given in the statement annexed to the Notice convening the Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for 2018-19, 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 SEBI Listing Regulations forms an integral part of this Annual Report. The Report on Corporate Governance is provided as **Annexure B**.

AUDITOR'S REPORT

Referring to observation given under "Basis for Qualified Opinion" in the Independent Auditors Report, it is clarified that

as the Company has initiated legal actions for the recovery of the dues, it will not be prudent to make any provisions as the cases are in various stages in different Courts.

The Statement on Impact of Audit Qualification submitted to the stock exchange pursuant to SEBI Listing Regulations for modified opinion in Audit Report for both standalone and consolidated accounts is appended to this report as **Annexure C-1 & C-2** respectively.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company had appointed Mr. Yogesh Sharma, Practicing Company Secretary, as the Secretarial Auditor of the Company for the year 2018-19 to conduct secretarial audit and to ensure compliance by the Company with various Acts applicable to the Company. The Secretarial Audit Report for the financial year 2018-19 issued by Mr. Yogesh Sharma is annexed to this Report as **Annexure D**. There are no qualifications or adverse remarks in the Report.

EXTRACT OF ANNUAL RETURN

An extract of annual return as provided under Section 92(3) of the Companies Act, 2013, in the prescribed form in Form MGT-9 is annexed to this report as **Annexure E** and is also hosted on the Company's website <https://www.vertexbroking.com/website/aboutus.aspx?tpe=IR>

BOARD COMMITTEES:

The Board of Directors of the Company has constituted various Committees in compliance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, such as Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders' Relationship Committee.

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 Board on the recommendation of the Nomination and Remuneration Committee has adopted a policy for selection,



appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. The said policy is available on our website at www.vertexbroking.com.

The details of the Policy are provided in the Corporate Governance Report.

RISK MANAGEMENT

The Company has in place a Risk Management Policy, to identify and evaluate the various elements of risk, which may pose a threat to the business and existence of the Company. After identifying the risk and assessing the level of impact, controls are put in place to mitigate the risk. The policy has different risk models, which help in identifying risks trend, exposure and potential impact analysis at a Company Level.

FAMILIARIZATION PROGRAMME FOR DIRECTORS

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

The Board of Directors has complete access to the information within the Company. Presentations are regularly made to the Board of Directors and various Committees of the Board. The details of the Company's familiarization programme for Independent Directors can be accessed at (<http://www.vertexbroking.com/Investors>).

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS

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

The evaluation was done on various parameters like vision and strategy, Board participation, quality of contribution to Board discussions and decisions, disclosure of interest, strategic insights or inputs regarding future growth of the Company and its performance, ability to challenge views in a constructive manner, knowledge acquired with regard to the Company's business/ activities, leadership skills, marketing and corporate communications etc.

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

board processes, information and functioning, etc.

Further the Independent Directors, at their meetings held during the year, reviewed the performance of the Board, the non-Independent Directors and the Chairman.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of the Company have furnished necessary declarations to the Company under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed for independent directors under Section 149(6) of the Act and Regulation 16(b) of the SEBI Listing Regulations.

During the year under review a meeting of Independent Directors was held on 05.02.2019.

AUDITORS

The Company's Auditors, M/s. Rahul Gautam Divan and Associates, Chartered Accountants, who were appointed as statutory auditors of the Company at the 22nd AGM of the Company held on 7th September, 2015 for a period of four years, will complete their present term on conclusion of the ensuing 26th AGM of the Company.

The Board, on the recommendation of the Audit Committee, recommended for the approval of the Members, the appointment of S.S.Khan & Co., Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of the ensuing 26th AGM till the conclusion of the 31st AGM. On the recommendation of the Audit Committee, the Board also recommended for the approval of the Members, the remuneration of ₹ 1,90,000 to conduct statutory audit including Limited Reviews for the financial year for the financial year 2019-20. Appropriate resolution seeking your approval to the appointment and remuneration of S.S.Khan & Co as the Statutory Auditors is appearing in the Notice convening the 26th AGM of the Company.

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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statements provided in this Annual Report.

INTERNAL CONTROL SYSTEM

The Company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

The Company's Board & Audit Committee reviews adherence to internal control systems, internal audit reports and legal compliances. The Audit Committee reviews all quarterly and yearly financial results of the Company and recommends the same to Board for its approval.

RELATED PARTY TRANSACTIONS

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

The disclosure on the Related Party Transactions in Form AOC-2 is provided as **Annexure G** to the Board's Report.

PUBLIC DEPOSITS

During the financial year under report the Company has not accepted deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

SECRETARIAL STANDARDS OF ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no employees drawing a monthly or yearly remuneration in excess of the limits specified under Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendments thereof.

The information containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time is attached herewith as **Annexure H**.

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

The company ensures optimized and efficient consumption

of energy in all the offices/branches of the Company located across India. With the implementation of its digital initiatives the company has also substantially reduced its paper consumption.

The Company has been at the forefront of using technology absorption and has always leveraged technological innovations to improve our operational efficiency and satisfy and retain our customer base.

The details regarding foreign exchange earnings and outgo are given below:

Earnings: - Nil

Outgo - Nil

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.

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

WHISTLE BLOWER POLICY

The Company has Whistle Blower Policy as part of vigil mechanism to report genuine concerns and grievances. It provides appropriate avenues to the employees to bring to the attention of the management any issue, which is perceived to be in violation or in conflict with the fundamental business of the Company. The employees are encouraged to voice their concerns by way of whistle blower policy and have been given access to the Audit Committee. The policy is uploaded in the website of the Company.

SIGNIFICANT AND MATERIAL ORDERS IMPACTING GOING CONCERN STATUS

No significant or material orders were passed by the regulators or Courts or tribunals which impact the going concern status and Company's operation in future.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, wherever necessary.



- b) 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 of profit of the Company for that period.
 - c) 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.
 - d) the Directors have prepared the annual accounts on an ongoing concern basis.
 - e) 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.
 - f) 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.
- b. Issue of shares (including sweat equity shares) to employees of the company under any scheme save and except ESOS referred to in this report.
 - c. Provisions related to Corporate Social Responsibility is not applicable to the Company.
 - d. Pursuant to the provisions of the Act, no fraud was reported by auditors of the Company during FY 2019.
 - e. The provision of section 148 of the Act are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under section 148(1) of the Act.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential right as to dividend, voting or otherwise

ACKNOWLEDGEMENT

Your Directors would like to express their gratitude to the officials of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, 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 to its progress.

For and On behalf of the Board of Directors

Place: Kochi
Date: 27 August, 2019

Kumar Nair
Chairman
(DIN 00320541)

MANAGEMENT DISCUSSION AND ANALYSIS

Economy Overview

The year started on a high GDP growth of about 8% driven by optimistic strong performance by manufacturing, construction and agriculture sectors. However, in the subsequent quarters, the growth started decelerating mainly due to the NBFC crisis, weak growth of bank credit to services and fiscal constraints faced by the government. As a result, year ended with an estimated Gross Domestic Product (GDP) growth of 6.8% as per the Central Statistics Office's (CSO).

Industry Overview

The industry broking volumes (average daily turnover excluding-proprietary) were up by 51% Y-o-Y. However, equity delivery ADTO contribution decreased to 26%. Derivative ADTO grew by 55%. In Futures segment, volume growth was moderate at 5.5%, in line with cash market. There has been slowdown in number of new retail investors entering the equity market. Further, despite the high competition, the brokerage industry over the years has consolidated in favour of larger brokers.

Post demonetization, there has been a continued shift from savings in physical to financial assets, which is reflected in the strong domestic inflows in markets. While this has helped distribution of Retail Financial Products, particularly increasing penetration of financial products, especially in the smaller cities and towns, the market saw emergence of the new age fintech distribution channels creating an increased outreach, low-cost investment options and an improved investment experience. Mutual Funds witnessed substantial growth in Average Assets under Management (AAUM) in FY2019 primarily due to persistent SIP inflows. In the life insurance space as well as in the Health Insurance space, premiums have shown a modest growth.

Opportunities and Threats

Opportunities:

- Wealth management
- Distribution of various financial products
- Use of technology for scaling up
- Licensed Merchant Banking activities

Threats:

- Exposed to systemic risks like political and economic risks
- Margin pressure from discount brokers

Segment-wise or Product wise performance

The Company has only one segment of activity namely, stock broking.

Review of Operations

The Company currently provides brokerage services in equity, equity derivatives and currency derivative segments through its network of branches and franchisees. The company also provides commodity broking services through its subsidiary company, Vertex Commodities & Finpro Pvt. Ltd. The company has successfully executed Merchant Banking valuation assignments during the year. Due to general economic slowdown & tight liquidity conditions, there has been some reduction in the number of clients. The company is taking all the steps to improve the outreach by providing mobile & fintech applications.

The Company along with its subsidiary company achieved consolidated revenue of ₹ 795.42 Lakhs compared to ₹ 875.75 Lakhs in the previous year.

On standalone basis, Vertex Securities Limited achieved revenue of ₹ 686.33 Lakhs compared to ₹ 765.02 Lakhs in the previous year.

On standalone basis, Vertex Commodities & Finpro Pvt. Ltd achieved revenue of ₹ 109.09 Lakhs compared to ₹ 110.73 Lakhs in the previous year.

Outlook 2019-20

The company expects improved Revenue from broking business with gradual increase in number of clients and introduction of mobile application for the clients. The distribution business of Third Party Products including Mutual Funds, Tax Free/ Infra Bonds, NCDs, Corporate FDs and insurance products launched earlier should begin to see results in the current year. The company also expects increased revenue from Merchant Banking activities.

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 maintains adequate internal control systems commensurate with the nature of business, size, and complexity of its operations. The Company has a system of continuous review of internal control policies and systems. The Internal Auditor's reports are reviewed regularly by the Audit Committee and the Board.

**Human Resources**

Human resources are a focus area for the company. Effective utilization of the human resources is done through reward and recognition of talent and rationalization of non-performers. Our employee strength was 71 as on 31st March, 2019.

Key Ratios

| Key Indicators | 2018-19 | 2017-18 |
|-----------------------|---------|---------|
| PBT/Total Income | 2.63% | 10.11% |
| PBT/Total Assets | 0.62% | 2.79% |
| RONW (Avg. Net Worth) | 1.30% | 5.62% |
| Debt/Equity | 0.24:1 | 0.24:1 |

There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios.

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.

For and On behalf of the Board of Directors

Place: Kochi
Date: 27 August, 2019

Kumar Nair
Chairman
(DIN 00320541)

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.

BOARD OF DIRECTORS

a) Composition of the Board:

As on 31st March, 2019, the Company's Board consisted of six Directors including one woman director having considerable professional experience in their respective fields. Out of the six Directors, one is a Managing Director, two are Executive Directors and three are Independent Directors.

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) Board Meetings:

The Board of Directors met four times during the financial year 2018-19. The meetings were held on 5th May, 2018, 13th August, 2018, 13th November, 2018 and 5th February, 2019.

Pursuant to Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act and Regulation 25 of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 5th February, 2019 to review the performance of Non-Independent Directors of the Company and the Board as a whole.

c) Record of Attendance of Directors and other details:

| Name of the Director | Category/ Designation | Board Meeting Attended | Whether attended last AGM | No. of Directorships in other Boards [#] | Chairmanship/ Membership of other Board Committees [@] |
|-----------------------|-----------------------------|------------------------|---------------------------|---|---|
| Kumar Nair | Chairman-Executive Director | 4 | Yes | 5 | 2 |
| U. Ramachandran | Managing Director | 4 | Yes | 5 | Nil |
| James Pothen | Independent Director | 4 | Yes | 1 | Nil |
| Jose Thomas Polachira | Independent Director | 4 | Yes | 2 | Nil |
| Latha Anand | Independent Director | 3 | Yes | 1 | Nil |
| George Mampillil* | Director & CFO | 3 | Yes | 0 | Nil |

[#]No. of Directorship in other Boards includes Directorship in Public Companies, Private Companies and Section 8 Companies but excludes Foreign Companies.

[@]Only chairmanship/membership of Audit Committee and Stakeholders' Relationship Committee of Listed and Public Limited Company has been considered.

*Mr. George Mampillil was appointed as an Director of the Company w.e.f. 13th August, 2018

None of the Directors on the Board hold directorships in more than twenty companies at the same time. None of them has directorships in more than ten public limited companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director.

The necessary disclosure regarding Directorships and Committee positions have been made by the Directors who are on the Board of the Company as on 31st March, 2019.

As per the declaration received from the directors, none of the directors of the Company is an independent director in more than seven equity listed companies or in more than three equity listed companies in case he is a whole-time director in any listed company.

None of the directors are related to each other.

Directorship in equity listed companies:

Name of equity listed entities where directors of the Company held directorships as on 31st March 2019:



| Name of the director | Name of the listed entity | Category |
|-----------------------|-------------------------------|--|
| Kumar Nair | Transwarranty Finance Limited | Chairman, Managing Director & CEO- Executive |
| | Vertex Securities Limited | Chairman – Executive Director |
| U. Ramachandran | Transwarranty Finance Limited | Director & CFO- Executive |
| | Vertex Securities Limited | Managing Director & CEO- Executive |
| James Pothan | Vertex Securities Limited | Independent Director- Non-executive |
| Jose Thomas Polachira | Vertex Securities Limited | Independent Director- Non-executive |
| Latha Anand | Vertex Securities Limited | Independent Director- Non-executive |
| George Mampillil | Vertex Securities Limited | Executive Director & CFO |

d) Details of equity shares held by the Directors as on 31st March, 2019 are as given below:

| Name | Category | Number of equity shares |
|---------------------------|--------------------------------------|-------------------------|
| Mr. Kumar Nair | Executive Director | 1,41,77,543 |
| Mr. U. Ramachandran | Executive Director | 12,500 |
| Mr. James Pothan | Non-Executive – Independent Director | 10,000 |
| Mr. Jose Thomas Polachira | Non-Executive – Independent Director | Nil |
| Mrs. Latha Anand | Non-Executive– Independent Director | Nil |
| Mr. George Mampillil | Executive Director & CFO | 1,14,793 |

e) Appointment of Directors:

The Board appointed Mr. George Mampillil (DIN 01976386), Chief Financial Officer of the Company, as

an Executive Director of the Company w.e.f. 13th August, 2018, duly approved by the shareholders.

f) Meeting of Independent Directors:

During the year under review the Independent Directors met on 5th February, 2019 to discuss inter alia:

- Evaluation of performance of Non-Independent Directors and Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The details of the familiarisation programme of the Independent Directors are available on the website of the Company (<http://www.vertexbroking.com/Investors>).

g) Core skills/expertise/competencies:

| Sr. No. | Core skills/expertise/competencies |
|---------|--|
| 1. | Management and strategy |
| 2. | Human Resources and Industrial Relations |
| 3. | Banking, Investment, Treasury and Forex Management |
| 4. | Insurance, Mutual Fund and Financial Services |
| 5. | Audit and Risk Management |
| 6. | Corporate Governance and Ethics |
| 7. | Global Business Leadership |
| 8. | Law |
| 9. | Economics and Statistics |
| 10. | Regulatory, Government and Security matters |
| 11. | Academics, Education and Authorship |

h) Confirmation regarding independence of Independent Directors:

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Rules framed thereunder, and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the disclosures received from all the Independent Directors, the Board is of the opinion that the Independent

Directors fulfill the conditions specified in Section 149 of the Act and the Listing Regulations and are independent of the Management.

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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015[Listing Regulations].

a) Audit Committee

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, 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 2018-19, Audit Committee met four times on 5th May, 2018, 13th August, 2018, 13th November, 2018 and 5th February, 2019.

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 | Executive Director | Member | 4/4 |

Terms of Reference:

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

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Recommending the Board, the appointment, re-appointment, terms of appointment and if required replacement or removal of Auditors and fixation of Audit Fees.
- (c) Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors.
- (d) Reviewing with management the annual financial statements and auditor's report before submission to the Board for approval, with particular reference to :
 - Matters required to be included in Directors' Responsibility statement to be included in the Board's Report.
 - Changes if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statement arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosures of related party transactions.
 - Qualifications in draft Audit Report.
- (e) Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.
- (f) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- (g) Approval or any subsequent modification of transactions with related parties.
- (h) Scrutiny of inter-corporate loans and investments
- (i) Reviewing, with the management the performance of Statutory and Internal Auditors, adequacy of internal control systems.
- (j) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and the seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- (k) Discussion with Internal Auditors any significant findings and follow up there on.
- (l) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- (m) Discussion with the Statutory Auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.



- (n) To look into the reasons for the substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (o) To review the functioning of Whistle Blower Mechanism.
- (p) Carrying out any other function as is mentioned in the terms of reference of Audit Committee.

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

Whistle Blower Policy

Pursuant to Section 177 (9) and (10) of the Companies Act 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for visual mechanism for Directors and Employees to report to the Management about the unethical behavior, fraud or violation of code of conduct. The mechanism provides for adequate safeguards against victimization of Employees and Directors who use such mechanism and makes provisions for direct access to the Chairperson of Audit Committee. None of the Personnel has been denied access to the Audit Committee.

b) Nomination, Remuneration and Compensation Committee:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, the Board has constituted the Nomination, Remuneration and Compensation Committee with three members.

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.

During the financial year 2018-19, the Committee met twice i.e. on 5th May, 2018 and 13th August, 2018.

Composition and Attendance:

| Name | Category | Membership in Committee | No. of Meeting held/ attended |
|-----------------------|-------------------------------|--------------------------------|--------------------------------------|
| Jose Thomas Polachira | Independent Director | Chairman | 2/2 |
| James Pothen | Independent Director | Member | 2/2 |
| Kumar Nair | Chairman & Executive Director | Member | 2/2 |

Terms of Reference:

- To recommend to the Board composition of the Board and its committees
- 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.
- To formulate the criteria for evaluation of performance of Independent Directors and the Board
- To recommend to the Board the appointment or reappointment of directors.
- To recommend to the Board appointment of Key Managerial Personnel.
- To carry out evaluation of every Director's performance
- Performing such other duties and responsibilities as may be required

Remuneration of Directors:

The Company's Nomination & Remuneration Policy aims to pay equitable remuneration to all the Directors, Key Managerial Personnel and employees of the Company to harmonize the aspirations of human resources consistent with the goals of the Company. The Remuneration Policy is designed to attract talented personnel and remunerate them fairly and reasonably.

The Remuneration paid to Mr. U. Ramachandran, Managing Director and Mr. George Mampillil, Director & CFO is subject to the limit laid down under Section 197 and Schedule V to the Companies Act, 2013, and in accordance with the terms of appointment approved by the Shareholders of the Company. The remuneration of the Executive Directors is determined by the Nomination, Remuneration and Compensation Committee based on factors such as the Company's performance and performance/track record of the Executive Directors. The remuneration consists of Salary, Company's contribution to Provident Fund, House Rent Allowance (HRA), Leave Travel Allowance (LTA) and other perquisites and allowances in accordance with the rules of the Company, applicable from time to time.

Mr. Kumar Nair, Chairman is not paid any remuneration.

The Executive Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

The Non-executive Directors are paid sitting fees for attending the meetings of the Board or Committee thereof within the limits prescribed under the Companies Act, 2013.

The details of payments made during the year ended 31st March, 2019 is as follows:

| Name of the Director | Salary (including allowances) | Perfor- mance Linked Incen- tive | Perqui- sites | Contri- bution to P.F., Super- annu- ation and Gratu- ity | Sitting Fees* | Stock Op- tions |
|-----------------------|-------------------------------|--|------------------|---|------------------|-----------------------|
| Mr. Kumar Nair | Nil | Nil | Nil | Nil | Nil | Nil |
| Mr. U. Ramachandran | ₹15,51,277 | Nil | ₹30,000 | Nil | Nil | Nil |
| Mr. James Pothen | Nil | Nil | Nil | Nil | ₹1,10,000 | Nil |
| Mr. Jose Polachira | Nil | Nil | Nil | Nil | ₹1,10,000 | Nil |
| Mrs. Latha Anand | Nil | Nil | Nil | Nil | ₹60,000 | Nil |
| Mr. George Mamapillil | ₹11,87,325 | Nil | Nil | Nil | Nil | Nil |

Performance evaluation criteria for Independent Directors

Performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. The evaluation of performance is carried out by considering the factors such as experience and skills, participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality.

c) Stakeholders' Relationship Committee:

The Board has constituted a Stakeholders' Relationship Committee which is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations.

The Committee consists 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.

No committee meeting was held during the year.

Composition and Attendance:

| Name | Category | Membership in Committee |
|-----------------------|----------------------|-------------------------|
| James Pothen | Independent Director | Chairman |
| Jose Thomas Polachira | Independent Director | Member |
| U. Ramachandran | Managing Director | Member |

Ms. Pranali Kadam, Company Secretary has been designated as Compliance Officer. The investors may register their complaints at the email-id : secretarial@vertexbroking.com.

Number of Complaints:

Details of investor complaints received and redressed during the year 2018- 19 are as follows:

| Opening Balance | Received | Resolved | Pending |
|-----------------|----------|----------|---------|
| Nil | Nil | Nil | Nil |

Terms of Reference:

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

- 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.
- To approve or deal with all the matters related to dematerialization or re-materialization of shares, change in the beneficial holders of demat shares and granting of necessary approvals wherever required.
- 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 |
|----------------|--|--|---|
| 2015-16 | Tuesday 23/08/2016 at 04.00 P.M. | Conference Hall, Amrutha Towers, Kombara Junction, Market Road, Ernakulam, Kochi-682 018 | Yes Issue of equity shares on preferential basis-consideration other than cash |
| 2016-17 | Tuesday 8/08/2017 At 3.45 P.M. | Conference Hall, Amrutha Towers, Kombara Junction, Market Road, Ernakulam, Kochi-682 018 | No |
| 2017-18 | Monday 24/09/2018 At 4.00 P.M. | Conference Hall, Amrutha Towers, Kombara Junction, Market Road, Ernakulam, Kochi-682 018 | Yes 1. Appointment of George Mampillil as Executive Director & CFO for a period of three years. 2. To approve the borrowing power in excess of the paid up capital and free reserves of the Company |

b) Extra Ordinary General Body Meetings:

No Extra Ordinary General Body Meeting was held during the financial year ended 31st March, 2019.

c) Postal Ballot:

During the financial year ended 31st March, 2019, no resolution was passed through postal ballot.

d) No special resolution is proposed to be conducted through postal ballot.
e) Procedure for Postal Ballot:

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company provided electronic voting(e-voting) facility to all its members. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

Your Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the Register of Members /list of beneficiaries as on cut – off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with the depository participants / Company's Registrar & Share Transfer Agents. The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Companies Act, 2013 and the Rules issued thereunder.

Voting rights are reckoned on the paid up value of shares of your Company in the names of the shareholders as on the cut– off date. Members desiring to vote through physical ballot are requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman /authorized officials of the Company. The results are displayed on the website of your Company (www.vertexbroking.com), besides being communicated to the Stock Exchanges.

MEANS OF COMMUNICATION
1. Quarterly Results

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. As the financial results of the Company are published in the Newspapers and also displayed on the Company's website, a separately half yearly declaration of financial performance is not sent to each household of shareholders.

2. Website, where displayed:

www.vertexbroking.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS FROM PRACTICING COMPANY SECRETARY

A certificate issued by CS Yogesh Sharma, Company Secretary, pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or

continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India, or any such Statutory Authority is attached at the end of the Corporate Governance Report.

GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting:

| | |
|-------|--|
| Date | : 25 th September, 2019 |
| Day | : Wednesday |
| Time | : 4.00 p.m. |
| Venue | : The Conference Hall, Thotatthil Towers, Third Floor, Kombara Junction, Market Road, Ernakulam, Kochi-682 018, Kerala. |

b) Financial Year:

The Financial Year of the Company covers the financial period from 1st April, 2018 to 31st March, 2019.

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:

| | |
|--|-----------------------------------|
| 1 st Quarter Results | : 13 th August, 2018 |
| 2 nd Quarter Results | : 13 th November, 2018 |
| 3 rd Quarter Results | : 5 th February, 2019 |
| 4 th Quarter/Annual Results | : 8 th May, 2019 |

For the Financial Year 2018-19, the Board Meeting for the approval of the Quarterly and Annual Financial Results will be held on the following dates:

| | |
|---|--------------------------|
| 1 st Quarter Results | : July-August 2019 |
| 2 nd Quarter Results | : October –November 2019 |
| 3 rd Quarter Results | : January-February 2020 |
| 4 th Quarter /Annual Results | : April- May 2020 |

| | |
|---|-------------------------|
| Tentative Date for the Annual General Meeting for the year ended 31 st March, 2020 | : August/September 2020 |
|---|-------------------------|

c) Dividend Payment Date:

No dividend was declared during the financial year 2018-19.

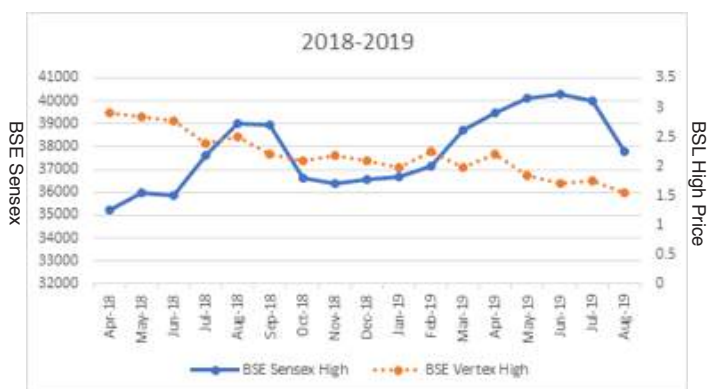
d) Listing:

| | |
|----------------------------|--|
| Stock Exchange Address | : The BSE Limited Phirozee Jeejeeboy Towers, Dalal Street, Mumbai 400 001 |
| Stock Code | : 531950 |
| Payment of Listing Fees | : Paid for the year |
| Demat ISIN for NSDL & CDSL | : INE316D01024 |

e) Stock Performance:

Market Price Data –BSE during the year ended 31st March, 2019:

| Month | High | Low | Volume of shares | BSE Sensex Close |
|--------------|------|------|------------------|------------------|
| April-18 | 2.90 | 1.98 | 5,00,927 | 35160.36 |
| May-18 | 2.84 | 2.11 | 2,40,064 | 35322.38 |
| June-18 | 2.78 | 1.95 | 2,10,448 | 35423.48 |
| July-18 | 2.38 | 1.75 | 2,33,828 | 37606.58 |
| August-18 | 2.50 | 1.74 | 2,95,397 | 38645.07 |
| September-18 | 2.20 | 1.76 | 1,79,262 | 36227.14 |
| October-18 | 2.09 | 1.65 | 1,74,639 | 34442.05 |
| November-18 | 2.18 | 1.54 | 2,03,658 | 36194.30 |
| December-18 | 2.10 | 1.62 | 1,18,715 | 36068.33 |
| January-19 | 1.97 | 1.70 | 7,95,178 | 36256.69 |
| February-19 | 2.25 | 1.50 | 4,09,243 | 35867.44 |
| March-19 | 1.97 | 1.51 | 2,72,690 | 38672.91 |




f) Registrars & Transfer Agents:

| | |
|---|--|
| M/S. LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai- 400 083 | |
| Contact person | : Ms. Rima Shah |
| Contact No. | : +91 22-49186270 |
| Fax No. | : +91 22-49186060 |
| E-Mail Id | : rnt.helpdesk@linkintime.co.in |
| Website: | : www.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 | : No convertible shares are outstanding. |
| Plant location | : Not applicable |
| Address for Correspondence | : VERTEX SECURITIES LIMITED Thottathil Towers, 2 nd Floor, Market Road, Kochi, Kerala – 682 018. Phone: 91-484-2384848 |
| Contact Person | : Ms. Pranali Kadam, Email Id: secretarial@vertexbroking.com |

Reconciliation of Share Capital Audit:

Pursuant to Regulation 40(9) of the Listing Regulations certificates have been issued on a half-yearly basis, by a qualified Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company.

A qualified practicing Company Secretary has carried out Secretarial Audit every quarter to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that total issued / paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Annual Secretarial Compliance Report:

Pursuant to SEBI Circular dated 8th February, 2019, the Annual Secretarial Compliance Report for the financial year 2018-19 issued by M.P. Sharma & Co., Company Secretaries, confirming compliance with all applicable SEBI Regulations and Circulars/ Guidelines issued thereunder, has been submitted to the Stock Exchanges within 60 days of the end of the financial year.

Total fees paid to the Statutory Auditors and all entities in the network firm/ entities

The details of total fees for all the services paid by the Company and its Subsidiaries on a consolidated basis to M/s. Rahul Gautam Divan & Associates, Chartered Accountants, Statutory Auditors and all entities in the network firm/ network entity of which the Statutory Auditors are a part, are given below:

| Payment to Statutory Auditors | FY 2018-19 |
|--------------------------------------|-------------------|
| Statutory Audit Fees | ₹ 3,51,000 |
| Quarterly Review Audits Fees | ₹ 80,000 |
| Income Tax Audit Fees | ₹ 75,000 |
| Total | ₹ 5,06,000 |

Shareholding:

The Equity Shareholding pattern as on 31st March, 2019 is as follows:

| Category | No. of Shares | % |
|------------------------------|----------------------|---------------|
| Promoters and Promoter Group | 5,43,31,503 | 73.41 |
| Public | 1,96,80,686 | 26.59 |
| Total | 7,40,12,189 | 100.00 |

Distribution of Shareholding as on 31.03.2019:

| No. of Equity Shares held | | No. of Shareholders | Percentage of Shareholders | Total No. of shares held | Percentage of Shares held |
|---------------------------|-----------|---------------------|----------------------------|--------------------------|---------------------------|
| 1 | 500 | 1423 | 44.3855 | 273423 | 0.3694 |
| 501 | 1000 | 589 | 18.3718 | 520615 | 0.7034 |
| 1001 | 2000 | 345 | 10.7611 | 564970 | 0.7633 |
| 2001 | 3000 | 203 | 6.3319 | 532084 | 0.7189 |
| 3001 | 4000 | 73 | 2.2770 | 260990 | 0.3526 |
| 4001 | 5000 | 126 | 3.9301 | 614488 | 0.8303 |
| 5001 | 10000 | 186 | 5.8016 | 1512859 | 2.0441 |
| 10001 | and above | 261 | 8.1410 | 69732760 | 94.2179 |
| Total | | 3142 | 100 | 74012189 | 100.0000 |

Commodity price risk or foreign exchange risk and hedging activities : Not applicable

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, 2019 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 Note No. 25 in the 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. The Company has complied with the applicable mandatory requirements. Non-mandatory requirements as stipulated in Part E of Schedule II of the SEBI Listing Regulations have been adopted to the extent as applicable and possible.
- v. The policy for determining material subsidiary has been disclosed on the website of the Company at www.vertexbroking.com/policies.
- vi. The policy on related party transactions has been placed on the Company's website at www.vertexbroking.com/policies.
- vii. The Board has adopted a Code of conduct for directors and senior management. It is available on the Company's website www.vertexbroking.com

- viii. Disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.

- ix. Directors would like to state that the provisions of Section 135 of the Companies Act 2013 is at present not applicable to the Company. Therefore, Corporate Social Responsibility (CSR) Committee has not been formed.

- x. The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed by Accounting Standard.

- xi. During the year under review, your Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the Listing Regulations.

- xii. The Company has duly fulfilled the following discretionary requirements as prescribed in Part E of Schedule II of the SEBI Listing Regulations:

- a. Shareholder Right – The Company has not sent half yearly financial performance including summary of the significant events to each household of the shareholders, since the results were published in 2 news papers, one in Vernacular and one in English newspaper.
- b. Audit qualification- During the year under review, auditor's have qualified the standalone and consolidated financial statements which has been replied by the Director's in the Board's Report. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- c. Chairman of the Board- The Company does not maintain separate office for Chairman at the Company's expenses.
- d. Reporting of Internal Auditor- The Internal Auditor attends Audit Committee meeting every quarter and reports to Audit Committee.

For and On behalf of the Board of Directors

Place: Kochi
Date: 27 August, 2019

Kumar Nair
Chairman
(DIN 00320541)



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct and Ethics during the financial year ended March 31, 2019.

For VERTEX SECURITIES LIMITED

U. RAMACHANDRAN
Managing Director

Place: Kochi
Date: 8 May, 2019

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 ended 31st March, 2019 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 for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting 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

For Vertex securities Limited

U. RAMACHANDRAN
Chief Executive Officer

GEORGE MAMPILLIL
Chief Financial Officer

Place: Kochi
Date: 8 May, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Vertex Securities Limited
Thottathil Towers 41/3522 D
II Floor Market Road
Ernakulam, Kerala 682014

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Vertex Securities Limited** having **CIN L67120KL1993PLC007349** and having registered office at Thottathil Towers 41/3522 D II Floor Market Road Ernakulam Kerala 682014 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or by any other regulatory authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|-----------------------------|----------|--------------------------------|
| 1 | MR. KUMAR NAIR | 00320541 | 31/07/2008 |
| 2 | MR. U. RAMACHANDRAN | 00493707 | 10/01/2009 |
| 3 | MR. JOSE THOMAS POLACHIRA | 01049189 | 10/01/2009 |
| 4 | MR. GEORGE JOSEPH MAMPILLIL | 01976386 | 13/08/2018 |
| 5 | MR. JAMES POTHEN | 02492330 | 10/01/2009 |
| 6 | MRS. LATHA ANAND | 06404421 | 12/05/2015 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Yogesh M. Sharma

Company Secretary in whole time practice
ACS 33235
C.P. 12366

Place: Mumbai

Date: 26th August, 2019



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF

VERTEX SECURITIES LIMITED

1. The Corporate Governance Report prepared by Vertex Securities Limited (hereinafter the "Company"), contains details as stipulated at Para C of Schedule V in terms of regulations 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") with respect to Corporate Governance for the year ended 31 March 2019.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key

procedures performed include:

- i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
- ii. Obtained and verified that the composition of the Board of Directors with regards to executive and non-executive directors has been met throughout the reporting period;
- iii. Obtained and read the Directors Register as on 31 March 2019 and verified that at least one women director was on the Board during the year;
- iv. Obtained and read the minutes of the following meetings held from 1 April 2018 to 31 March 2019:
 - (a) Board of Directors meeting;
 - (b) Audit Committee;
 - (c) Annual General meeting;
 - (d) Nomination, Remuneration & Compensation Committee;
 - (e) Independent Directors Committee;
 - (f) Stakeholder Relationship Committee
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31 March 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability

of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants
(Firm's Registration Number: 120294W)

RAHUL DIVAN
Partner
Membership Number: 100733

Place : Mumbai
Date : 27 August, 2019



**Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2019
(Standalone Accounts)**

[As per Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

| [As per Regulation 36 of the SEBI (LOD) (Amendment) Regulations, 2019] | | | | |
|--|--|---|---|---|
| I. | Sl. No. | Particulars | Audited Figures(as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
| | 1 | Turnover / Total income | 6,86,33,109 | Not applicable. Refer Item No. II.d. below. |
| | 2 | Total Expenditure | 6,68,25,501 | |
| | 3 | Net Profit/(Loss) | 18,07,608 | |
| | 4 | Earnings Per Share | 0.02 | |
| | 5 | Total Assets | 29,10,54,760 | |
| | 6 | Total Liabilities | 29,10,54,760 | |
| | 7 | Net Worth | 13,92,68,798 | |
| | 8 | Any other financial item(s) (as felt appropriate by the management) | Nil | Nil |
| II. | Audit Qualification (each audit qualification separately): | | | |
| | a. | Details of Audit Qualification: | Sundry debtors under the head current assets include old outstanding dues. The sundry debtors outstanding for more than six months amount to ₹ 197,76,143. Further, out of total sundry debtors, for a sum of ₹ 45,55,551, 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 | |
| | b. | Type of Audit Qualification : | Qualified Opinion | |
| | c. | Frequency of qualification: | Repetitive since 31/03/2002 | |
| | d. | For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: | Not applicable | |
| | e. | For Audit Qualification(s) where the impact is not quantified by the auditor: | | |
| | | (i) Management's estimation on the impact of audit qualification: | Not ascertainable | |
| | | (ii) If management is unable to estimate the impact, reasons for the same: | As the Company has initiated legal actions for recovery of dues, it will not be prudent to make any provisions as the cases are in various stages in different Courts. | |
| | | (iii) Auditors' Comments on (i) or (ii) above: | No comments further to details in Audit Qualification in II(a) above | |
| III. | Signatories: | | | |
| CEO/Managing Director | | | U. Ramachandran | |
| CFO | | | George Mampillil | |
| Audit Committee Chairman | | | James Pothen | |
| Place: Kochi | | | | |
| Date: 08 May, 2019 | | | | |
| Statutory Auditor | | | Rahul Divan Partner Membership No.100733 Rahul Gautam Divan & Associates Firm Registration Number 120294W | |
| Place: Mumbai | | | | |
| Date: 08 May, 2019 | | | | |

Annexure C-2

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

(Consolidated Accounts)

[As per Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

| I. | Sl. No. | Particulars | Audited Figures(as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
|--|---------|---|--|---|
| | 1 | Turnover / Total income | 79,542,321 | Not applicable. Refer Item No. II.d. below. |
| | 2 | Total Expenditure | 76,17,0399 | |
| | 3 | Net Profit/(Loss) | 3,285,489 | |
| | 4 | Earnings Per Share | 0.04 | |
| | 5 | Total Assets | 306,799,742 | |
| | 6 | Total Liabilities | 306,799,742 | |
| | 7 | Net Worth | 134,947,691 | |
| | 8 | Any other financial item(s) (as felt appropriate by the management) | Nil | Nil |
| II. Audit Qualification (each audit qualification separately): | | | | |
| | a. | Details of Audit Qualification: | Sundry debtors under the head current assets include old outstanding dues. The sundry debtors outstanding for more than six months amount to ₹ 29484287. Further, out of total sundry debtors, for a sum of ₹ 95,50,724, 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 | |
| | b. | Type of Audit Qualification : | Qualified Opinion | |
| | c. | Frequency of qualification: | Repetitive since 31/03/2002 | |
| | d. | For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: | Not applicable | |
| | e. | For Audit Qualification(s) where the impact is not quantified by the auditor: | | |
| | (i) | Management's estimation on the impact of audit qualification: | Not ascertainable | |
| | (ii) | If management is unable to estimate the impact, reasons for the same: | As the Company has initiated legal actions for recovery of dues, it will not be prudent to make any provisions as the cases are in various stages in different Courts. | |
| | (iii) | Auditors' Comments on (i) or (ii) above: | No comments further to details in Audit Qualification in II(a) above | |
| III. Signatories: | | | | |
| CEO/Managing Director | | | U. Ramachandran | |
| CFO | | | George Mampillil | |
| Audit Committee Chairman | | | James Pothen | |
| Place: Kochi | | | | |
| Date: 08 May, 2019 | | | | |
| Statutory Auditor | | | Rahul Divan Partner Membership No.100733 Rahul Gautam Divan & Associates Firm Registration Number 120294W | |
| Place: Mumbai | | | | |
| Date: 08 May, 2019 | | | | |



**Form No. MR-3
SECRETARIAL AUDIT**

REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019**

To,
The Members,
VERTEX SECURITIES LIMITED,
Thottathil Towers 41/3522 D-II Floor,
Market Road, Ernakulam,
Kerala 68201

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VERTEX SECURITIES LIMITED (CIN - L67120KL1993PLC007349)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ('Audit Period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit period)

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit period);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")
- (j) SEBI (Stock Brokers & Sub Brokers) Regulations 1992;
- (k) SEBI (Merchant Bankers) Regulations 1992;

- VI. The other laws as may be applicable to the Company are based on the Compliance Certificates issued by the Management and submitted to the Board of Directors of the Company. As per the Compliance Certificate, I report that the Company has generally complied with the provisions of those laws that are applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE

During the period under review and as per representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I 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 the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committee of the Board as the case may be.

I further report that 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.

I further report that during the audit period the Company has not taken any actions or entered into events having a major bearing on the company's affairs in above referred laws, rules, regulations, guidelines, standards, etc.

Place: Mumbai

Date: 26th August 2019

YOGESH M. SHARMA

ACS: 33235

C. P: 12366

** This Report is to be read with my letter of even date which is annexed as Appendix A and forms an integral part of this report.*



APPENDIX A

To,
The Members,
VERTEX SECURITIES LIMITED,

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was one on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I have followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

4. Whenever required, I have obtained the Management Representation about the Compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

Date: 26th August 2019

YOGESH M. SHARMA

ACS: 33235

C. P: 12366

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:

| | |
|---|---|
| CIN | L67120KL1993PLC007349 |
| 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 Tel: 0484 -2384848 |
| Whether listed company | Yes |
| Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s. Link Intime India Private Limited, C-101,247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083 Tel No: 91-22-49186000, Fax No. – 91-49186060 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|----------------|---|---|---|
| | Broking Services | 66120 | 92.91% |

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. | L65920MH1994PLC080220 | Holding Company | 53.04 | 2(46) |
| 2 | Vertex Commodities and Finpro Private Limited Thottathil Towers, II nd Floor, Market Road, Ernakulam, Kochi Pin: 682018 | U67120KL1995PTC008610 | Subsidiary Company | 100 | 2(87) |


IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
A) Category-wise Share Holding-

| Sr. No. | Category of Shareholders | Shareholding at the beginning of the year as on 01.04.2018 | | | | Shareholding at the end of the year as on 31.03.2019 | | | | % Change during the year |
|------------|---|--|----------|-----------------|-------------------|--|----------|-----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 15077553 | 0 | 15077553 | 20.3717 | 14427543 | 0 | 14427543 | 19.4935 | -0.8782 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Bodies Corporate | 39253950 | 0 | 39253950 | 53.0371 | 39253950 | 0 | 39253950 | 53.0371 | 0 |
| | Sub Total (A)(1) | 54331503 | 0 | 54331503 | 73.4089 | 53681493 | 0 | 53681493 | 72.5306 | -0.8783 |
| [2] | Foreign | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | 0 | 650010 | 0 | 650010 | 0.8782 | 0.8782 |
| (b) | Government | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub Total (A)(2) | 0 | 0 | 0 | 0 | 650010 | 0 | 650010 | 0.8782 | 0.8782 |
| | Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2) | 54331503 | 0 | 54331503 | 73.4089 | 54331503 | 0 | 54331503 | 73.4089 | 0.0000 |
| (B) | Public Shareholding | | | | | | | | | |
| [1] | Institutions | | | | | | | | | |
| (a) | Mutual Funds / UTI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) | Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (g) | Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|------|--|-----------------|--------------|-----------------|------------------|-----------------|--------------|-----------------|------------------|----------------|
| (h) | Provident Funds/ Pension Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) | Any Other (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [2] | Central Government/ State Government(s)/ President of India | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto ₹ 1 lakh. | 7730841 | 93825 | 7824666 | ‘10.5721 | 7641023 | 91325 | 7732348 | ‘10.4474 | ‘-0.1247 |
| (ii) | Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 6226075 | 0 | 6226075 | ‘8.4122 | 6497183 | 0 | 6497183 | ‘8.7785 | ‘0.3663 |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0 | 2990 | 0 | 2990 | ‘0.0040 | ‘0.0040 |
| (c) | Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Overseas Depositories(holding DRs) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Hindu Undivided Family | 714608 | 0 | 714608 | ‘0.9655 | 736329 | 0 | 736329 | ‘0.9949 | ‘0.0294 |
| | Non Resident Indians (Non Repat) | 1510 | 0 | 1510 | ‘0.0020 | 14276 | 0 | 14276 | ‘0.0193 | ‘0.0173 |
| | Non Resident Indians (Repat) | 2261297 | 0 | 2261297 | ‘3.0553 | 2237982 | 0 | 2237982 | ‘3.0238 | ‘-0.0315 |
| | Office Bearers | 237885 | 0 | 237885 | ‘0.3214 | 197179 | 0 | 197179 | ‘0.2664 | ‘-0.0550 |
| | Clearing Member | 246118 | 0 | 246118 | ‘0.3325 | 196780 | 0 | 196780 | ‘0.2659 | ‘-0.0666 |
| | Bodies Corporate | 2168027 | 500 | 2168527 | ‘2.9300 | 2065119 | 500 | 2065619 | ‘2.7909 | ‘-0.1391 |
| | Sub Total (B)(3) | 19586361 | 94325 | 19680686 | ‘26.5911 | 19588861 | 91825 | 19680686 | ‘26.5911 | ‘0.0000 |
| | Total Public Shareholding(B)=(B) (1)+(B)(2) | 19586361 | 94325 | 19680686 | ‘26.5911 | 19588861 | 91825 | 19680686 | ‘26.5911 | ‘0.0000 |
| | Total (A)+(B) | 73917864 | 94325 | 74012189 | ‘100.0000 | 73920364 | 91825 | 74012189 | ‘100.0000 | ‘0.0000 |
| (C) | Non Promoter - Non Public | | | | | | | | | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (A)+(B)+(C) | 73917864 | 94325 | 74012189 | ‘100.0000 | 73920364 | 91825 | 74012189 | ‘100.0000 | |


B) Shareholding of Promoters-

| Sr No | Shareholder's Name | Shareholding at the beginning of the year as on 01.04.2018 | | | Shareholding at the end of the year as on 31.03.2019 | | | % change in shareholding during the year |
|-------|---------------------------|--|----------------------------------|--|--|-----------------------------------|---|--|
| | | No. of Shares Held | % of total Shares of the company | % of Shares Pledged /encumbered tototal shares | No. of Shares Held | % of total Shares of the Com-pany | % of Shares Pledged/ encumbered to total shares | |
| 1 | Transwarranty Finance Ltd | 39253950 | 53.0371 | 0 | 39253950 | 53.0371 | 0 | 0 |
| 2 | Kumar Nair | 14177543 | 19.1557 | 0 | 14177543 | 19.1557 | 0 | 0 |
| 3 | Leena Kumar Nair | 650010 | 0.8782 | 0 | 650010 | 0.8782 | 0 | 0 |
| 4 | C.D. Padmini Devi | 250000 | 0.3378 | 0 | 250000 | 0.3378 | 0 | 0 |
| | Total | 54331503 | 73.4089 | 0 | 54331503 | 73.4089 | 0 | 0 |

C) Change in Promoters' Shareholding –

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year as on 01.04.2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year as on 31.03.2019 | |
|--------|----------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of S Shares Held | % of total Shares of the Company | Date of Transaction | No. of Shares | No. of Shares Held | % of Total Shares of the Company |
| 1 | Transwarranty Finance Ltd | 39253950 | 53.0371 | - | - | 39253950 | 53.0371 |
| | At the end of the year | | | | | 39253950 | 53.0371 |
| 2 | Kumar Nair | 14177543 | 19.1557 | - | - | 14177543 | 19.1557 |
| | At the end of the year | | | | | 14177543 | 19.1557 |
| 3 | Nair Leena Kumar | 650010 | 0.8782 | - | - | 650010 | 0.8782 |
| | At the end of the year | | | | | 650010 | 0.8782 |
| 4 | C.D. Padmini Devi | 250000 | 0.3378 | - | - | 250000 | 0.3378 |
| | At the end of the year | | | | | 250000 | 0.3378 |

D) Shareholding Pattern of top ten Shareholders:

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|--------|----------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | NO.OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | DATE OF TRANSACTION | NO. OF SHARES | NO OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| 1 | PRAVIN DHAIRYASHIL KHATAU | 2096850 | 2.833 | | | 2096850 | 2.833 |
| | AT THE END OF THE YEAR | | | | | 2096850 | 2.833 |
| 2 | VIMAL FINSTOCK PVT LTD | 1046098 | 1.413 | | | 1046098 | 1.413 |
| | AT THE END OF THE YEAR | | | | | 1046098 | 1.413 |
| 3 | RAUNAK RAMACHANDRAN | 700000 | 0.946 | | | 700000 | 0.946 |
| | AT THE END OF THE YEAR | | | | | 700000 | 0.946 |
| 4 | GLOBE FINCAP LIMITED | 346819 | 0.469 | | | 346819 | 0.469 |
| | AT THE END OF THE YEAR | | | | | 346819 | 0.469 |
| 5 | AKSHAYKUMAR RAJNIKANT SHAH | 250000 | 0.338 | | | 250000 | 0.338 |
| | MARKET PURCHASE | | | 18 May 2018 | 1436 | 251436 | 0.340 |
| | MARKET PURCHASE | | | 05 Oct 2018 | 18564 | 270000 | 0.365 |
| | MARKET PURCHASE | | | 26 Oct 2018 | 2000 | 272000 | 0.368 |
| | MARKET PURCHASE | | | 23 Nov 2018 | 486 | 272486 | 0.368 |
| | MARKET PURCHASE | | | 30 Nov 2018 | 1657 | 274143 | 0.370 |
| | MARKET PURCHASE | | | 28 Dec 2018 | 231 | 274374 | 0.371 |
| | MARKET PURCHASE | | | 04 Jan 2019 | 1769 | 276143 | 0.373 |
| | MARKET PURCHASE | | | 25 Jan 2019 | 305 | 276448 | 0.374 |
| | MARKET PURCHASE | | | 01 Feb 2019 | 1329 | 277777 | 0.375 |
| | MARKET PURCHASE | | | 15 Feb 2019 | 3659 | 281436 | 0.380 |
| | MARKET PURCHASE | | | 01 Mar 2019 | 1015 | 282451 | 0.382 |
| | MARKET PURCHASE | | | 08 Mar 2019 | 1692 | 284143 | 0.384 |
| | MARKET PURCHASE | | | 30 Mar 2019 | 111 | 284254 | 0.384 |
| | AT THE END OF THE YEAR | | | | | 284254 | 0.384 |
| 6 | JYOTI RAMACHANDRAN | 275000 | 0.372 | | | 275000 | 0.372 |
| | AT THE END OF THE YEAR | | | | | 275000 | 0.372 |
| 7 | RAJESH T. R. | 250000 | 0.338 | | | 250000 | 0.338 |
| | AT THE END OF THE YEAR | | | | | 250000 | 0.338 |
| 8 | JOSEY JOLLY | 0 | 0 | | | 0 | 0.000 |
| | MARKET PURCHASE | | | 27 Apr 2018 | 13000 | 13000 | 0.018 |
| | MARKET PURCHASE | | | 15 Feb 2019 | 114361 | 127361 | 0.172 |
| | MARKET PURCHASE | | | 22 Feb 2019 | 98745 | 226106 | 0.306 |
| | MARKET PURCHASE | | | 15 Mar 2019 | 17705 | 243811 | 0.329 |
| | AT THE END OF THE YEAR | | | | | 243811 | 0.329 |
| 9 | USHA JAIN | 213201 | 0.288 | | | 213201 | 0.288 |
| | AT THE END OF THE YEAR | | | | | 213201 | 0.288 |
| 10 | ANOOP JAIN | 210000 | 0.284 | | | 210000 | 0.284 |
| | AT THE END OF THE YEAR | | | | | 210000 | 0.284 |
| 11 | P K SUDHISH KUMAR | 205913 | 0.278 | | | 205913 | 0.278 |
| | AT THE END OF THE YEAR | | | | | 205913 | 0.278 |


E) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of the Shareholder | Shareholding at the beginning of the year as on 01.04.2018 | | Cumulative Shareholding at the end of the year as on 31.03.2019 | |
|---------|--------------------------------------|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Kumar Nair | 1,41,77,543 | 19.16 | 1,41,77,543 | 19.16 |
| 2. | U. Ramachandran | 12,500 | 0.02 | 12,500 | 0.02 |
| 3. | James Pothan | 10,000 | 0.01 | 10,000 | 0.01 |
| 4. | George Mampillil* (as on 05.05.2018) | 49205 | 0.07 | 1,14,793 | 0.16 |

* Mr. George Mampillil was appointed as the CFO of the Company w.e.f. 05.05.2018 and as Executive Director w.e.f. 13.08.2018.

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

(₹ In Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 309.64 | 53.00 | - | 362.64 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 309.64 | 53.00 | - | 362.64 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 0.24 | 0.50 | - | 0.74 |
| * Reduction | 1.42 | - | - | 1.42 |
| Net Change | (1.18) | 0.50 | - | (0.68) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 308.46 | 53.50 | - | 361.96 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 308.46 | 53.50 | - | 361.96 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

| Sl No | Particulars of Remuneration | Name of MD/WT/ Manager | | | Total Amount |
|-------|---|------------------------|-----------------|-------------------|--------------|
| | | Mr. Kumar Nair | U. Ramachandran | George Mampillil* | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil | 15.51 | 11.87 | 27.38 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | 0.30 | Nil | 0.30 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | Nil | Nil | Nil | Nil |
| 2 | Stock Option | Nil | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil | Nil |
| 4 | Commission - as % of profit - others, specify | Nil | Nil | Nil | Nil |
| 5 | Others, Sitting fees and professional fees | Nil | Nil | Nil | Nil |
| | Total (A) | Nil | 15.81 | 11.87 | 27.68 |
| | Ceiling as per the Act | | | | 84.00 |

* Mr. George Mampillil appointed as Director w.e.f. 13.08.2019

B. Remuneration to other directors-

(₹ in Lakhs)

| Sl No | Particulars of Remuneration | Name of Directors | | | Total Amount |
|-------|---|-------------------|-----------------------|-------------|--------------|
| | | James Pothen | Jose Thomas Polachira | Latha Anand | |
| 1. | Independent Directors | | | | |
| | Fee for attending Board/ Committee meetings | 1.10 | 1.10 | 0.60 | 2.80 |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (1) | 1.10 | 1.10 | 0.60 | 2.80 |
| 2. | Other Non-Executive Directors | | | | |
| | Fee for attending Board/ Committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B)=(1+2) | 1.10 | 1.10 | 0.60 | 2.80 |
| | Total Managerial Remuneration(A+B)* | | | | 27.68 |
| | Overall Ceiling as per the Act | | | | 84.00 |

* Setting Fees are not included in the calculation of managerial remuneration


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

(₹ in Lakhs)

| Sl No | Particulars of Remuneration | Key Managerial Personnel | | |
|-------|---|--------------------------|------------------------------|--------------|
| | | CS Ms. Pranali Kadam | CFO* Mr. George Mampillil | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 4.85 | 11.87 | 16.72 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.06 | - | 0.06 |
| | (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, Incentive | 0.21 | - | 0.21 |
| | Total | 5.12 | 11.87 | 16.99 |

* Mr. George Mampillil was appointed as the Chief Financial Officer on 05.05.2018.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments, compounding of offences under the Companies Act, 2013 for the year ended 31st March, 2019.

For and On behalf of the Board of Directors
Kumar Nair

Place: Kochi
Date: 27 August, 2019

Chairman
(DIN 00320541)

Annexure F

DISCLOSURES ON EMPLOYEES' STOCK OPTION SCHEME

| Sl. No | Particulars | Details |
|--------|--|--|
| 1 | Options granted during the year | No options have been granted during the year |
| 2 | Pricing formula | As approved by the shareholders in the Annual General Meeting held on 7th September, 2015, the exercise price for unvested ESOPs is ₹ 2 per share |
| 3 | Options vested during the year | Nil |
| 4 | Options exercised during the year | Nil |
| 5 | The total number of shares arising as a result of exercise of Option | Nil |
| 6 | Options lapsed during the year | Nil |
| 7 | Options forfeited during the year | Nil |
| 8 | Exercise price | Nil |
| 9 | Variation of Terms of Options | The exercise price of the unvested ESOPs was fixed at par, i.e. ₹ 2 at the Annual General Meeting held on 7 th September, 2015 |
| 10 | Money realised by exercise of options | Nil |
| 11 | Total number of Options in force | Nil |
| 12 | Employee wise details of Options Granted to:- | |
| | i. Key Managerial Personnel | Nil |
| | ii. 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 | Nil |
| | iii. 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 | Nil |
| 13 | Diluted Earnings per share(EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS)20 | ₹ 0.02 |
| 14 | Difference between employee compensation cost calculated as per intrinsic value of stock options and fair value of the options. | Not Applicable |
| 15 | Impact of the difference on profits and EPS. | Profit after tax: ₹ 18.08 Lakhs Less: additional employee compensation based on fair value (net of tax): Nil Adjusted Profit After tax: ₹ 18.08 Lakhs Adjusted EPS (diluted) : 0.02 per share |
| 16 | Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock : -Weighted average price (₹) -Weighted average Fair Value | Not Applicable |
| 17 | A description of the method and significant assumptions used during the year to estimate the fair values of options | Since no options have been granted during the year, hence not applicable |

For and On behalf of the Board of Directors

Place: Kochi
Date: 27 August, 2019

Kumar Nair
Chairman
(DIN 00320541)



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 transactions 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 and nature of relationship | Nil |
| b) | Nature of contracts/arrangements/transactions | Nil |
| c) | Duration of the contracts / arrangements/transactions | Nil |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Nil |
| e) | Justification for entering into such contracts or arrangements or transactions | Nil |
| f) | Date(s) 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 material contracts or arrangement or transactions at arm's length basis:

| Sl. No. | Particulars | Details |
|---------|--|--|
| a) | Name(s) of the related party and nature of relationship | Transwarranty Finance Limited, Holding Company |
| b) | Nature of contracts/arrangements/transactions | Inter Corporate Transactions |
| c) | Duration of the contracts / arrangements/transactions | FY 2018-19 |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Transactions for an amount of ₹ 16 Cr |
| e) | Date(s) of approval by the Board | 05.05.2018, 13.08.2018, 13.11.2018, 05.02.2019 |
| f) | Amount paid as advances, if any | Transactions for an amount of ₹ 16 Cr |

| Sl. No. | Particulars | Details |
|---------|--|--|
| a) | Name(s) of the related party and nature of relationship | Vertex Commodities and Finpro Pvt. Ltd., wholly owned Subsidiary Company |
| b) | Nature of contracts/arrangements/transactions | Inter Corporate Transactions |
| c) | Duration of the contracts / arrangements/transactions | FY 2018-19 |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Transactions for an amount of ₹ 4.12 Cr |
| e) | Date(s) of approval by the Board | 05.05.2018, 13.08.2018, 13.11.2018, 05.02.2019 |
| f) | Amount paid as advances, if any | Transactions for an amount of ₹ 4.12 Cr |

For and on behalf of the Board of Directors
Kumar Nair

Place: Kochi
Date: 27 August,2019

Chairman
(DIN 00320541)

Annexure H

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 2018-19:

| Name of the Director | Ratio |
|--|--------|
| Mr. U. Ramachandran (Managing Director & CEO) | 8.48:1 |
| Mr. Kumar Nair (Executive Director) | NA |
| Mr. George Mampillil (Director & CFO) | 5.46:1 |

Mr. Kumar Nair, Executive Director is not paid any remuneration. Other Non-executive directors of the Company are paid only sitting fees which are not considered as remuneration

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the in the Financial Year 2018-19

| Sr. No. | Name of Director, CFO, CEO, Company Secretary or Manager | % Increase over last F.Y |
|---------|--|--------------------------|
| 1. | Mr. U. Ramachandran (Managing Director & CEO) | 50% |
| 2. | Mr. Kumar Nair (Executive Director) | NA |
| 3 | Mr. George Mampillil* (Director & CFO) | NA |
| 4. | Ms. Pranali Kadam (Company Secretary) | 40% |

*Mr. George Mampillil was appointed as the CFO w.e.f 05.05.2018 and Director w.e.f.13.08.2018.

Other Non-executive directors of the Company are paid only sitting fees which are not considered as remuneration.

- iii. The percentage increase in median remuneration of employees in the Financial Year 2018-19: 10%
- iv. The number of permanent employees in the rolls of the Company as on 31st March, 2019: 71
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 10%. The increase in remuneration is based on the performance by the employees of the Company.

- vi. Affirmation that the remuneration is as per the Remuneration Policy of the Company: The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

- vii. The names of the top ten employees in terms of remuneration drawn and the name of every employee who :

- a) If employed throughout the financial year, was in receipt of remuneration for that year in which, in the aggregate, was not less than one crore and two lakhs rupees- Not applicable
- b) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month- Not applicable
- c) If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or alongwith his spouse and dependent children, not less than two percent of the equity shares of the company - Not applicable

For and On behalf of the Board of Directors
Kumar Nair

Place: Kochi
Date: 27 August, 2019

Chairman
(DIN 00320541)



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
VERTEX SECURITIES LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of Vertex Securities Limited ("the Company") which comprise the Balance Sheet as at 31 March 2019, 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.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("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 2019, its profits and its cash flows for the year ended on that date.

Basis for Qualified Opinion

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 ₹ 1,97,76,143/-. Further out of the total sundry debtors, for a sum of ₹ 45,55,551/-, 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.

We conducted our audit in accordance with the Standards

on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| Litigations and claims (Refer to note 22 to the standalone financial statements) The cases are pending with tax authorities like Income Tax and service tax. In normal course of business, financial exposures may arise from pending proceedings. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the financial statements, is inherently subjective. | Principal Audit Procedures: <ul style="list-style-type: none"> • Evaluation of management's judgment of tax risks, estimates of tax exposures and contingencies. Past and current experience with the tax authorities were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. • Discussing selected matters with the entity's management. • Critically assessing the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation. |

We have considered litigations as Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.

Conclusion:

Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation & disclosure on the subject matter in the financial statements.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2018-19, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("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', 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 the 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/provided by the Holding Company to their directors in accordance with the provision of section 197 read with Schedule V to the Act.
- (h) 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 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)

RAHUL DIVAN

Partner

Membership Number: 100733

Place: Mumbai

Date: 08 May 2019

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

- (i) (a) In our opinion, the Company has maintained proper

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

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.
- (c) The Company did not own any immovable property during the year. Accordingly paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company is a service company, primarily rendering share broking services. Accordingly, it does not hold any physical inventory. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loan, to a company covered in the register maintained under Section 189 of the Companies Act, 2013.
- (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
- (b) The borrower company, listed in the register maintained under section 189 of the Act, has been regular in the payment of the principal and interest as stipulated.
- (c) There are no overdue amounts in respect of the loan granted to the company listed in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and

explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit attracting the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder. Thus, paragraph 3(v) of the Order is not applicable to the Company.
- (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, 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, 2019 outstanding for a period of more than six months from the date they become payable.
- (b) The disputed statutory dues aggregating to ₹ 61,21,291/- that have not been deposited on account of matters pending before the appropriate authority are as under:
- (viii) Based on our audit procedures and according to the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions.

| Sr. No. | Name of the statute | Nature of dues | Amount (₹) | Period to which the amount relates | Forum where dispute is pending |
|---------|---------------------|----------------|-------------|------------------------------------|---|
| 1 | Finance Act | Tax/Penalty | 6,22,000 | 2006-07 to 2009-10 | The Customs, Excise and Service tax Appellate Tribunal. |
| 2 | Finance Act | Tax/Penalty | 41,74,056 | 2009-10 to 2013-14 | The Customs, Excise and Service tax Appellate Tribunal. |
| 3 | Finance Act | Tax/Penalty | 10,86,974 | 2011-12 to 2013-14 | The Customs, Excise and Service tax Appellate Tribunal. |
| 4 | Income Tax Act | Tax/Penalty | 1,27,290 | 2013-14 | Commissioner of Income tax (Appeals). |
| 5 | Finance Act | Tax/Penalty | 1,10,971 | 2014-15 | The Customs, Excise and Service tax Appellate Tribunal. |



The Company did not have any outstanding loans or borrowings from government or dues to debenture holders.

- (ix) According to the information and explanations given to us, term loan taken by the Company was applied for the purpose for which it was raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) 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.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial

statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants
(Firm's Registration Number: 120294W)

RAHUL DIVAN
Partner
Membership Number: 100733
Place: Mumbai
Date: 08 May 2019

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Vertex Securities Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019. However, the Company is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants
(Firm's Registration Number: 120294W)

RAHUL DIVAN
Partner
Membership Number: 100733
Place: Mumbai
Date: 08 May 2019


BALANCE SHEET AS AT 31ST MARCH, 2019

| Particulars | Note No. | As At 31 March 2019 | | As At 31 March 2018 | |
|--------------------------------------|----------|---------------------|--------------------|---------------------|--------------------|
| | | ₹ | ₹ | ₹ | ₹ |
| I EQUITY AND LIABILITIES | | | | | |
| (1) Shareholders Funds | | | | | |
| (a) Share Capital | 2 | 150,800,178 | | 150,800,178 | |
| (b) Reserves and Surplus | 3 | (11,531,380) | 139,268,798 | (13,338,987) | 137,461,191 |
| (2) Non - Current Liabilities | | | | | |
| (a) Long Term Borrowings | 4 | 5,362,930 | | 5,455,024 | |
| (b) Other Long Term Liabilities | 5 | 8,042,967 | | 7,481,993 | |
| | | | 13,405,897 | | 12,937,017 |
| (3) Current Liabilities | | | | | |
| (a) Short Term Borrowings | 6 | 30,691,825 | | 30,680,964 | |
| (b) Trade Payables | 7 | 103,479,963 | | 89,859,175 | |
| (c) Other Current Liabilities | 8 | 3,201,987 | | 4,283,915 | |
| (d) Short Term Provisions | 9 | 1,006,290 | 138,380,065 | 1,423,906 | 126,247,960 |
| Total Equity And Liabilities | | | 291,054,760 | | 276,646,168 |
| II ASSETS | | | | | |
| (4) Non Current Assets | | | | | |
| (a) Property, Plant and Equipment | | | | | |
| (i) Tangible Assets | 10 | 5,006,823 | | 5,698,080 | |
| (ii) Intangible Assets | 11 | 76,395 | | 184,018 | |
| (b) Non Current Investments | 12 | 61,123,030 | 66,206,248 | 61,123,030 | 67,005,128 |
| (5) Current Assets | | | | | |
| (a) Trade Receivables | 13 | 63,018,287 | | 60,506,157 | |
| (b) Cash and Cash Equivalents | 14 | 41,310,076 | | 39,564,160 | |
| (c) Short Term Loans and Advances | 15 | 99,240,401 | | 93,034,788 | |
| (d) Other Current Assets | 16 | 21,279,748 | 224,848,512 | 16,535,935 | 209,641,040 |
| Total Assets | | | 291,054,760 | | 276,646,168 |

The Note No.1 to 34 are integral part of these Financial Statements

As per our attached report of even date
For Rahul Gautam Divan & Associates
Chartered Accountants

For and on behalf of Board of Directors

Rahul Divan
Partner

Kumar Nair
Chairman
DIN.00320541

U. Ramachandran
Managing Director
DIN.00493707

Jose Thomas Polachira
Director
DIN.01049189

James Pothen
Director
DIN.02492330

Latha Anand
Director
DIN.06404421

George Mampilly
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

08th May, 2019
Mumbai

08th May, 2019
Kochi-18

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

| Particulars | Note No. | For the Year Ended 31st March, 2019 ₹ | For the Year Ended 31st March, 2018 ₹ |
|---|----------|---|---|
| REVENUE | | | |
| Revenue From Operations | 17 | 49,174,298 | 58,014,152 |
| Other Income | 18 | 19,458,811 | 18,488,215 |
| Total Revenue | | 68,633,109 | 76,502,367 |
| EXPENSES | | | |
| Employee Benefits Expense | 19 | 22,724,768 | 19,414,725 |
| Finance Costs | 20 | 5,931,504 | 6,549,363 |
| Depreciation and Amortisation Expense | 10 & 11 | 1,666,671 | 2,010,328 |
| Other Expenses | 21 | 36,502,558 | 40,795,897 |
| Total Expenses | | 66,825,501 | 68,770,313 |
| Profit Before Exceptional and Extra ordinary items and Tax | | 1,807,608 | 7,732,054 |
| Exceptional Items:- | | - | - |
| Profit Before Extra ordinary items and Tax | | 1,807,608 | 7,732,054 |
| Extraordinary Items | | - | - |
| Profit Before Tax | | 1,807,608 | 7,732,054 |
| Tax Expense | | | |
| Current Tax | | - | - |
| Profit for the year from Continuing Operations | | 1,807,608 | 7,732,054 |
| Profit from Discontinuing Operations | | - | - |
| Tax Expenses of Discontinuing Operations | | - | - |
| Profit from Discontinuing Operations After Tax | | - | - |
| Profit for the year | | 1,807,608 | 7,732,054 |
| Basic Earning Per Share of ₹ 2/- each (In Rupees) | 23 | 0.02 | 0.10 |
| Diluted Earning Per Share of ₹ 2/- each (In Rupees) | | 0.02 | 0.10 |
| The Note No.1 to 34 are integral part of these Financial Statements | | | |

As per our attached report of even date
For Rahul Gautam Divan & Associates
Chartered Accountants

For and on behalf of Board of Directors

Rahul Divan
Partner

Kumar Nair
Chairman
DIN.00320541

U. Ramachandran
Managing Director
DIN.00493707

Jose Thomas Polachira
Director
DIN.01049189

James Pothen
Director
DIN.02492330

Latha Anand
Director
DIN.06404421

George Mampilly
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

08th May, 2019
Mumbai

08th May, 2019
Kochi-18


Cash Flow Statement for the Year Ended 31st March, 2019

| Particulars | 2018-19 (₹) | 2017-18 (₹) |
|---|--------------------|------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit Before Taxation | 1,807,608 | 7,732,054 |
| Adjustments for: | | |
| Add/(Less): | | |
| Depreciation/Amortisation | 1,666,671 | 2,010,328 |
| (Profit)/Loss on assets sold/written off | 41,565 | 50,470 |
| Interest Paid & Bank Guarantee Expense | 5,931,504 | 6,549,363 |
| Profit on Sale on Investments - Shares | - | - |
| Interest Received | (9,026,166) | (7,595,727) |
| Sundry Credit Balances Written back | - | - |
| Operating Profit/(Loss) before working Capital Changes | 421,182 | 8,746,487 |
| Adjustments for Changes in Working Capital:- | | |
| Trade & Other Receivable-Decrease/(Increase) | (2,512,131) | (4,408,857) |
| Loans & Advances(Net)-Decrease/(Increase) | (15,419,143) | 10,806,634 |
| Trade payables-(Decrease)/Increase | 13,136,183 | (16,115,012) |
| Other payables-(Decrease)/Increase | (417,616) | 156,617 |
| Cash Generated from operations | (4,791,524) | (814,132) |
| Income Tax Refund/ (Paid) | (286,470) | (45,683) |
| Net Cash flow from Operating Activities (A) | (5,077,994) | (859,815) |
| B. Cash Flow from Investing Activities | | |
| Purchase of Property, plant and equipment | (1,024,613) | (548,904) |
| Sale of Property, plant and equipment | 115,256 | 23,000 |
| Interest Received | 4,282,353 | 6,144,980 |
| Sale of Investments | - | - |
| Issue of Equity Shares at Premium | - | - |
| Net Cash used in Investing Activities (B) | 3,372,996 | 5,619,076 |

Cash Flow Statement for the Year Ended 31st March, 2019

| Particulars | 2018-19 (₹) | 2017-18 (₹) |
|--|-------------------|-------------------|
| C. Cash Flow from Financing Activities: | | |
| Interest Paid & Bank Guarantee Expense | (5,931,504) | (6,549,363) |
| Bank Overdraft | 10,861 | 11,876,727 |
| Repayment of Car Loan | (128,443) | (115,976) |
| Inter Corporate Deposit | 9,500,000 | 4,350,027 |
| Net Cash used in Financing Activities (C) | 3,450,914 | 9,561,415 |
| Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C) | 1,745,916 | 14,320,677 |
| Cash & Cash Equivalents as at the beginning of the year | 39,564,160 | 25,243,484 |
| Cash & Cash Equivalents as at the end of the year | 41,310,076 | 39,564,160 |

As per our attached report of even date
For Rahul Gautam Divan & Associates
Chartered Accountants

For and on behalf of Board of Directors

Rahul Divan
Partner

Kumar Nair
Chairman
DIN.00320541

U. Ramachandran
Managing Director
DIN.00493707

Jose Thomas Polachira
Director
DIN.01049189

James Pothen
Director
DIN.02492330

Latha Anand
Director
DIN.06404421

George Mampilly
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

08th May, 2019
Mumbai

08th May, 2019
Kochi-18



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

(ALL AMOUNTS ARE MENTIONED 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) Property, Plant and Equipment and Depreciation:

- i) Property, plant and equipment 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 property, plant and equipment 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 YEAR ENDED 31ST MARCH 2019.
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 YEAR ENDED 31ST MARCH 2019.

| Particulars | As at 31st March, 2019 (₹) | As at 31st March, 2018 (₹) |
|--|----------------------------------|----------------------------------|
| 2. SHARE CAPITAL | | |
| Authorised Capital | | |
| 1) 127,274,600 Equity Shares of Rs 2/- each (P.Y. 127,274,600 Equity Shares of Rs 2/- each) | 254,549,200 | 254,549,200 |
| 2) 27,758 15% Non-Cumulative Redeemable Preference shares of ₹ 100/- each (P.Y. 27,758 15% Non-Cumulative Redeemable Preference shares of ₹ 100/- each) | 2,775,800 | 2,775,800 |
| | 257,325,000 | 257,325,000 |
| Issued, Subscribed and Paid Up : | | |
| 7,40,12,189 (P.Y 7,40,12,189) Equity Shares of ₹ 2/- each fully paid up | 148,024,378 | 148,024,378 |
| 27,758 (P.Y. 27,758) 15% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up. | 2,775,800 | 2,775,800 |
| | 150,800,178 | 150,800,178 |

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

| Particulars | 2018-19 | | 2017-18 | |
|--|-------------------|--------------------|-------------------|--------------------|
| | No of Shares | (₹) | No of Shares | (₹) |
| At the beginning of the year | 74,012,189 | 148,024,378 | 74,012,189 | 148,024,378 |
| Add/(Less): Issued / Buy Back during the year | - | - | - | - |
| Total No of Shares Outstanding at the end of the year | 74,012,189 | 148,024,378 | 74,012,189 | 148,024,378 |

B) 15 % Non-Cumulative Redeemable Preference Shares

| Particulars | 2018-19 | | 2017-18 | |
|---|---------------|------------------|---------------|------------------|
| | No of Shares | (₹) | No of Shares | (₹) |
| At the beginning of the year | 27,758 | 2,775,800 | 27,758 | 2,775,800 |
| Add:- Issued during the year | - | - | - | - |
| Less:- Redeemed during the year | - | - | - | - |
| Outstanding at the end of the year | 27,758 | 2,775,800 | 27,758 | 2,775,800 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

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) 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 | 31st March, 2019 (₹) | 31st March, 2018 (₹) |
|--|-------------------------|-------------------------|
| Equity Shares | | |
| Equity shares @ ₹ 2/- each Fully Paid | 39,253,950 | 39,253,950 |
| Preference Shares | | |
| 15 % Non - Cumulative Redeemable Preference Shares of ₹ 100/- each | 27,758 | 27,758 |

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 |
|--|-----------------|----------------------|
| 15% Non Cumulative Redeemable Preference Shares of Rs 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 |
| 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 shareholders holding more than 5% shares in the Company.

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

| Particulars | 31 st March 2019 | | 31 st March 2018 | |
|-------------------------------|-----------------------------|------------------|-----------------------------|------------------|
| | Number | % of Holdings | Number | % of Holdings |
| Transwarranty Finance Limited | 39,253,950 | 53.04 | 39,253,950 | 53.04 |
| Kumar Nair | 14,177,543 | 19.16 | 14,177,543 | 19.16 |


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.
B) 15% Non-Cumulative Redeemable Preference shares of ₹ 100/- fully paid up.

| Particulars | 31 st March 2019 | | 31 st March 2018 | |
|-------------------------------|-----------------------------|---------------|-----------------------------|---------------|
| | Number | % of Holdings | Number | % of Holdings |
| Transwarranty Finance Limited | 27,758 | 100.00 | 27,758 | 100.00 |

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 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 (₹) | Re pricing of the options done on 07-09-2015 (₹) |
|------------|--|-------------------------|---|---|--|
| Grant -I | 462,500 | 69.00 | 2,312,500 | 13.80 | 2.00 |
| Grant -II | 50,000 | 145.50 | 250,000 | 29.10 | 2.00 |
| Grant -III | 17,500 | 145.50 | 87,500 | 29.10 | 2.00 |
| Grant-IV | 25,000 | 145.50 | 125,000 | 29.10 | 2.00 |
| Grant-V | 100,000 | 145.50 | 500,000 | 29.10 | 2.00 |
| Grant-VI | - | - | 1,013,750 | 29.10 | 2.00 |
| Grant-VII | - | - | 200,000 | 5.46 | 2.00 |
| Grant-VIII | - | - | 1,875,000 | 5.46 | 2.00 |

- 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | As at 31st March, 2019 Nos | As at 31st March, 2018 Nos |
|---|----------------------------------|----------------------------------|
| Options outstanding at the beginning of the year (Face Value of ₹ 2/- (P.Y. ₹ 2/-)) | - | 88,125 |
| Prior Period Adjustment | - | - |
| Options granted during the year | - | - |
| Options vested during the year | - | 30,375 |
| Options exercised during the year | - | - |
| Options forfeited during the year | - | 3,750 |
| Options lapsed /surrendered during the year | - | 54,000 |
| Options outstanding at the end of the year | - | - |

- i) Had fair value method been used , the compensation cost would have been higher by ₹ Nil (Previous Year ₹ Nil) Profit after tax would have been Lower by ₹ Nil (Previous year ₹ Nil) and Basic EPS would have been ₹ 0.02 Per share (Previous Year ₹ 0.10 Per share) and Diluted EPS would have been ₹ 0.02 (Previous Year ₹ 0.10)

| Particulars | As at 1st April, 2018 (₹) | Additions/ Created During the Year (₹) | Deductions During the Year (₹) | As at 31st March, 2019 (₹) |
|---|---------------------------------|---|---|-------------------------------------|
| 3 RESERVES AND SURPLUS | | | | |
| Reserve on Amalgamation Account | 4,264,133 | - | - | 4,264,133 |
| Securities Premium | 18,248,790 | - | - | 18,248,790 |
| Deficit as per Statement of Profit and Loss (Refer Note below) | (35,851,911) | 1,807,608 | - | (34,044,303) |
| Total Reserves and Surplus | (13,338,987) | 1,807,608 | | (11,531,380) |

| Particulars | As at 1st April, 2017 (₹) | Additions/ Created During the Year (₹) | Deductions During the Year (₹) | As at 31st March, 2018 (₹) |
|---|---------------------------------|---|---|-------------------------------------|
| RESERVES AND SURPLUS | | | | |
| Reserve on Amalgamation Account | 4,264,133 | - | - | 4,264,133 |
| Securities Premium | 18,248,790 | - | - | 18,248,790 |
| Deficit as per Statement of Profit and Loss (Refer Note below) | (43,583,965) | 7,732,054 | - | (35,851,911) |
| Total Reserves and Surplus | (21,071,041) | 7,732,054 | - | (13,338,987) |


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Note-1 | 2018-2019 | 2017-2018 |
|-------------------------|------------------|------------------|
| 1) Profit for the Year | 1,807,608 | 7,732,054 |
| Less:- | | |
| Appropriations | - | - |
| | <u>1,807,608</u> | <u>7,732,054</u> |

| Particulars | As at 31st March, 2019 (₹) | As at 31st March, 2018 (₹) |
|---|----------------------------------|----------------------------------|
| NON - CURRENT LIABILITIES | | |
| 4 LONG TERM BORROWINGS | | |
| A) SECURED | | |
| Term Loans From Banks:- | | |
| -Vehicle Loan from HDFC Bank (Secured by hypothecation of Motor Car) | 12,525 | 154,776 |
| B) UNSECURED | | |
| a) Other Loans and Advances | | |
| -Security Deposit from Franchises & Advances | 5,350,406 | 5,300,248 |
| | 5,362,930 | 5,455,024 |
| Note: | | |
| Terms of Vehicle Loan | | |
| 1) Vehicle loan from HDFC Bank was sanctioned on 05/05/2015 for a period of 5 years. EMI per month is ₹ 12,630/-. | | |
| 5 OTHER LONG TERM LIABILITIES | | |
| a) Trade Payables | | |
| Amount due to Clients | 7,364,311 | 6,803,295 |
| b) Others | | |
| Other Creditors | 678,656 | 678,699 |
| | 8,042,967 | 7,481,994 |
| CURRENT LIABILITIES | | |
| 6 SHORT TERM BORROWINGS | | |
| A) From Banks | | |
| SECURED | | |
| Overdraft Account - Axis Bank | 30,691,825 | 30,680,964 |
| (Overdraft from Axis bank is Working Capital Facility secured against mortgage of property owned by Transwarranty Finance Limited - ₹ 25,000,000/- (P.Y. 25,000,000/-), Corporate Guarantee of Holding Company and Personal Guarantee of the Chairman. Limits shall be renewed before the expiry of the sanctioned period of 1 year. Current interest rate is 11.00%) | | |
| | 30,691,825 | 30,680,964 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | As at 31st March, 2019 (₹) | As at 31st March, 2018 (₹) |
|--|----------------------------------|----------------------------------|
| 7 TRADE PAYABLES | | |
| a) Amount due to Micro, Small and Medium Enterprises | - | - |
| b) Other Creditors | | |
| - Amount due to Clients and Exchanges | 103,479,963 | 89,859,175 |
| | 103,479,963 | 89,859,175 |
| 8 OTHER CURRENT LIABILITIES | | |
| a) Current Maturities of Long Term Debt | 142,251 | 128,443 |
| b) Other Payables | | |
| - Statutory Payables (Net) | 1,234,025 | 1,614,616 |
| - Creditors For Expenses | 1,825,711 | 2,540,855 |
| | 3,201,987 | 4,283,915 |
| 9 SHORT TERM PROVISION | | |
| a) Provision For Employee Benefits | | |
| - Provision for Leave Encashment | 586,793 | 360,560 |
| b) Others | | |
| - Other Provision | 419,497 | 1,063,346 |
| | 1,006,290 | 1,423,906 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.
10. PROPERTY, PLANT AND EQUIPMENT - TANGIBLE

| | | GROSS BLOCK/ COST/BOOK VALUE | | | | | DEPRECIATION /AMORTISATION | | | | NET BLOCK | |
|---------|----------------------|------------------------------|--|--|---|-----------------------|----------------------------|--------------------------|---|-----------------------|-----------------|-----------------|
| Sr. No. | Description | Total As at 01-Apr-18 | Additions/ Adjustments During the Year | Re- classification of Assets During the Year * | Deductions/ Adjustments During the Year | Total As at 31-Mar-19 | Total As at 01-Apr-18 | Provided during the Year | Deductions/ Adjustments During the Year | Total As at 31-Mar-19 | As at 31-Mar-19 | As at 31-Mar-18 |
| | | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) |
| 1 | Plant & Equipments | 1,21,52,411 | 5,11,184 | (97,645) | 2,40,000 | 1,23,25,950 | 82,33,941 | 9,09,468 | 1,41,268 | 90,02,142 | 33,23,809 | 39,18,470 |
| 2 | Furniture & Fittings | 99,78,065 | 3,14,510 | | 4,72,217 | 98,20,359 | 87,34,061 | 4,29,442 | 4,14,128 | 87,49,375 | 10,70,983 | 12,44,004 |
| 3 | Vehicles | 27,59,707 | 29,000 | | - | 27,88,707 | 23,21,066 | 90,037 | - | 24,11,104 | 3,77,603 | 4,38,640 |
| 4 | Computer | 1,75,50,935 | 1,69,919 | 97,645 | - | 1,78,18,499 | 1,74,53,971 | 1,30,101 | - | 1,75,84,072 | 2,34,427 | 96,965 |
| | Total | 4,24,41,119 | 10,24,613 | - | 7,12,217 | 4,27,53,515 | 3,67,43,039 | 15,59,049 | 5,55,396 | 3,77,46,692 | 50,06,822 | 56,98,079 |
| | Previous Year(1718) | 4,23,64,170 | 5,22,654 | - | 4,45,705 | 4,24,41,119 | 3,53,33,740 | 17,81,533 | 3,72,235 | 3,67,43,039 | 56,98,079 | 70,30,429 |

* Re-classification of assets during the year comprises of ₹ 97,645 regrouped from Plant & Equipments to Computer.

11. PROPERTY, PLANT AND EQUIPMENT - INTANGIBLE

| | | GROSS BLOCK/ COST/BOOK VALUE | | | | | DEPRECIATION /AMORTISATION | | | | NET BLOCK | |
|---------|-----------------------|------------------------------|--|--|---|-----------------------|----------------------------|--------------------------|---|-----------------------|-----------------|-----------------|
| Sr. No. | Description | Total As at 01-Apr-18 | Additions/ Adjustments During the Year | Re- classification of Assets During the Year * | Deductions/ Adjustments During the Year | Total As at 31-Mar-19 | Total As at 01-Apr-18 | Provided during the Year | Deductions/ Adjustments During the Year | Total As at 31-Mar-19 | As at 31-Mar-19 | As at 31-Mar-18 |
| | | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) |
| 1 | Computer Software | 61,22,464 | - | - | - | 61,22,464 | 60,95,786 | 26,676 | - | 61,22,462 | 2 | 26,678 |
| 2 | Lisence | 75,81,512 | - | - | - | 75,81,512 | 74,24,172 | 80,947 | - | 75,05,118 | 76,394 | 1,57,340 |
| 3 | Mumbai Stock Exchange | 10,00,000 | - | - | - | 10,00,000 | 10,00,000 | - | - | 10,00,000 | 0 | - |
| | Total | 1,47,03,976 | - | - | - | 1,47,03,976 | 1,45,19,958 | 1,07,623 | - | 1,46,27,581 | 76,395 | 1,84,018 |
| | Previous Year(1718) | 1,46,77,726 | 26,250 | - | - | 1,47,03,976 | 1,42,91,164 | 2,28,794 | - | 1,45,19,958 | 1,84,018 | 3,86,562 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | | As at 31st March, 2019 (₹) | As at 31st March, 2018 (₹) |
|--|--|----------------------------------|----------------------------------|
| 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 |
| | | 2,806 | 2,806 |
| Less: Diminution in the value of shares | | 2,806 | 2,806 |
| | | - | - |
| Market Value of Quoted Investments (See Note 32) | | - | - |
| B) Un Quoted | | | |
| i) Subsidiaries | | | |
| Vertex Commodities & Finpro Pvt Ltd | | | |
| 3,861,493 (P.Y. 3,861,493) Equity Shares @ ₹ 10/- each. | | 3,86,15,330 | 3,86,15,330 |
| ii) Others | | | |
| Cochin Stock Exchange Ltd (905 Equity Shares @ Rs10/- each fully paid) | | 25,07,700 | 25,07,700 |
| 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. | | 2,00,00,000 | 2,00,00,000 |
| | | 6,11,23,030 | 6,11,23,030 |
| CURRENT ASSETS | | | |
| 13 TRADE RECEIVABLES | | | |
| Unsecured Considered Good | | | |
| - Debts outstanding for a period exceeding six months | | 1,97,76,143 | 1,88,53,641 |
| - Other Debts | | 4,32,42,144 | 4,16,52,516 |
| | | 6,30,18,287 | 6,05,06,157 |


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | As at 31st March, 2019 (₹) | As at 31st March, 2018 (₹) |
|--|----------------------------------|----------------------------------|
| 14 Cash & Cash Equivalents | | |
| Balance with Banks | | |
| - In Current Accounts | 1,24,76,417 | 1,34,04,167 |
| - In Deposits Accounts | | |
| Less Than 12 Months Maturity | 2,86,87,500 | 2,60,00,000 |
| (Fixed Deposit of ₹ 276,87,500/- (P.Y. ₹ 250,00,000/-) are pledged against Bank Guarantees and ₹ 1,000,000/- (P.Y. ₹ 1,000,000/-) are pledged against Trading Guarantee for Exchange.) | | |
| Cash in Hand | 1,46,159 | 1,59,993 |
| | 4,13,10,076 | 3,95,64,160 |
| 15 SHORT TERM LOANS & ADVANCES | | |
| Unsecured Considered Good | | |
| Loans and Advances to Related Parties | | |
| Advance to Holding Company | 1,44,25,541 | - |
| Others | | |
| Inter Corporate Deposits | 4,75,00,000 | 5,70,00,000 |
| Advance Receivable | 87,56,802 | 56,11,733 |
| Advance Income Tax (Net of Provision) | 26,85,707 | 23,99,237 |
| Deposits | 2,58,72,351 | 2,80,23,818 |
| | 9,92,40,401 | 9,30,34,788 |
| 16 OTHER CURRENT ASSETS | | |
| Interest Receivable on Fixed Deposits | 82,52,242 | 64,59,456 |
| Interest Receivable on ICD - Holding Company | 1,09,22,768 | 99,31,985 |
| Interest Receivable on ICD - Other | 21,04,738 | 1,44,494 |
| | 2,12,79,748 | 1,65,35,935 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | Figures for the Year ended 31st March 2019 (₹) | Figures for the Year ended 31st March 2018 (₹) |
|--|---|---|
| 17 REVENUE FROM OPERATIONS | | |
| Sale Of Services | | |
| Brokerage Income | 4,56,84,906 | 5,50,43,963 |
| Income from Merchant Banking | 16,00,000 | 7,50,000 |
| Income from DP Operations | 18,89,391 | 22,20,189 |
| | 4,91,74,298 | 5,80,14,152 |
| 18 OTHER INCOME | | |
| a) Interest Income | | |
| - Interest on Inter Corporate Deposits | 68,16,179 | 57,25,546 |
| - Interest on Fixed Deposits & Others | 22,09,987 | 18,70,181 |
| b) Net Gain / Loss on Investments | - | - |
| c) Other Non Operating Incomes: | | |
| - Late Payment Charges | 47,36,234 | 54,72,796 |
| - Software & AMC Charges Recovered | 2,39,500 | 2,14,000 |
| - Miscellaneous Income | 54,56,912 | 52,05,692 |
| | 1,94,58,812 | 1,84,88,215 |
| 19 EMPLOYEES BENEFIT EXPENSES | | |
| Salaries & Allowances | 2,04,96,301 | 1,70,19,124 |
| Contribution to Provident Fund & Other Funds | 11,95,045 | 12,93,655 |
| Staff Welfare Expenses | 10,33,423 | 11,01,946 |
| | 2,27,24,768 | 1,94,14,725 |
| 20 FINANCE COST | | |
| a) Interest Expense | 51,66,012 | 60,91,363 |
| b) Other Borrowing Costs: | | |
| - Bank Charges | 1,99,107 | 1,05,479 |
| - Bank Guarantee Expenses | 5,66,385 | 3,52,521 |
| | 59,31,504 | 65,49,363 |


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | | Figures for the Year ended 31st March 2019 (₹) | Figures for the Year ended 31st March 2018 (₹) |
|--------------------|--|---|---|
| 21 | OTHER EXPENSES | | |
| | Annual Fee to Depository / Exchanges | 2,75,943 | 3,06,690 |
| | AMC Charges | 7,07,975 | 8,23,094 |
| | Clients Meet & Business Promotion Expenses | 3,41,131 | 4,91,191 |
| | Consultation fee | 6,40,690 | 6,24,879 |
| | Connectivity Charges | 24,85,946 | 22,41,907 |
| | Depository Charges | 6,33,463 | 8,76,064 |
| | Investor Protection Fund | 21 | 86 |
| | Marketing fee/Commission paid | 50,35,849 | 55,95,917 |
| | Sub Brokerage | 1,62,09,263 | 2,01,78,680 |
| | SEBI Turnover Charges | 6,38,520 | 6,24,651 |
| | Stock Exchange Charges | 3,55,623 | 1,07,461 |
| | VSAT Charges | 3,35,130 | 3,13,411 |
| | Advertisement & Publicity Expenses | 2,76,141 | 1,15,422 |
| | Auditor's Remuneration | | |
| | - Statutory Audit Fees | 1,50,000 | 1,50,000 |
| | - Income Tax Audit Fees | 30,000 | 30,000 |
| | - Other Services | 40,000 | 40,000 |
| | Books & Periodicals | 39,210 | 37,328 |
| | Communication Expenses | 6,14,034 | 7,51,120 |
| | Insurance Premium | 15,862 | 26,105 |
| | Legal Expenses and Filing Fees | 6,950 | 7,200 |
| | Listing Fee | 2,50,000 | 2,49,998 |
| | Loss on Sale of Assets | 41,565 | 50,470 |
| | Miscellaneous Charges & Expenses | 29,977 | 27,238 |
| | Office Maintenance | 6,36,915 | 7,68,910 |
| | Postage & Courier Charges | 1,48,179 | 1,70,096 |
| | Power Charges | 9,10,190 | 8,55,843 |
| | Printing & Stationery | 4,03,500 | 3,75,925 |
| | Professional and Legal Fees | 13,90,710 | 16,62,618 |
| | Rates and Taxes | 7,146 | 15,588 |
| | Rent | 21,53,540 | 20,46,109 |
| | Repairs & Maintenance | 2,12,465 | 2,47,870 |
| | Sitting Fees to Directors | 2,80,000 | 2,15,556 |
| | Training & Conference Expense | 1,71,674 | 1,42,997 |
| | Travelling and Conveyance Expenses | 8,73,175 | 5,10,389 |
| | Vehicle Running and Maintenance Expenses | 1,61,771 | 1,15,086 |
| | TOTAL | 3,65,02,558 | 4,07,95,898 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | Figures as at 31st March 2019 (₹) | Figures as at 31st March 2018 (₹) |
|--|---|---|
| 22 Contingent Liabilities | | |
| 1. Counter guarantee issued in favour of the banker for guarantee given by them to NSE for margin requirement for ₹ 52.80 Mn. (P.Y. ₹ 49.80 Mn) and to BSE ₹ 2.57 Mn (₹ P.Y. 0.20 Mn) for Margin requirement | 5,53,75,000 | 5,00,00,000 |
| 2. Corporate Guarantee given to bank on behalf of subsidiary company Vertex Commodities & Finpro (P) Limited | 2,00,00,000 | 2,00,00,000 |
| 3. Claims against the company not acknowledged as debts:- | | |
| a. Tax demand in respect of:- | | |
| - Income Tax demand order for FY 2013-14 | 1,27,290 | 1,27,290 |
| - Service Tax orders for FY 2006-07 to 2009-10 | 6,22,000 | 6,22,000 |
| - Service Tax orders for FY 2009-10 to 2013-14 | 41,74,056 | 41,74,056 |
| - Service Tax orders for FY 2011-12 to 2013-14 | 10,86,974 | 10,86,974 |
| - Service Tax orders for FY 2014-15 | 1,10,971 | 1,10,971 |
| | 8,14,96,291 | 7,61,21,291 |

| Particulars | Figures for the Year ended 31st March 2019 (₹) | Figures for the Year ended 31st March 2018 (₹) |
|---|---|---|
| 23 Earnings Per Share | | |
| I. Profit after tax as per Statement of Profit and Loss | 18,07,608 | 77,32,054 |
| II. Weighted Average number of equity shares for Earnings per share computation | | |
| A) For Basic Earnings per share of ₹ 2/- each (No's) | 7,40,12,189 | 7,40,12,189 |
| B) For Diluted Earnings per share of ₹ 2/- each (No's) | | |
| No of Shares for Basic EPS as per II A (No's) | 7,40,12,189 | 7,40,12,189 |
| Add:- Weighted Average for convertible preference shares | - | - |
| No of shares for Diluted Earnings per Share of ₹ 2/- Each | 7,40,12,189 | 7,40,12,189 |
| III. Earnings Per Share (Face Value of ₹ 2/- each) | | |
| Basic (Rs) | 0.02 | 0.10 |
| Diluted (Rs) | 0.02 | 0.10 |


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

24. Disclosure as required under Accounts Standard 15 on Employee Benefits for gratuity and leave encashment is as under:

| Particulars | Gratuity | | Leave Encashment (Unfunded) | |
|--|--------------------|--------------------|-----------------------------|-----------------|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Change in the benefit Obligations: | | | | |
| Present value of obligations as on 01.04.2018 | 19,92,473 | 18,06,705 | 3,60,560 | 3,46,788 |
| Current Service Cost | 2,17,258 | 1,93,617 | 3,05,864 | 2,80,906 |
| Past Service Cost | - | - | - | - |
| Interest Cost | 1,51,174 | 1,19,661 | 28,524 | 23,260 |
| Actuarial (Gain)/Loss on obligation | (1,61,604) | (11,426) | (1,08,155) | (2,76,646) |
| Benefits Paid | (1,63,067) | (1,16,084) | - | (13,748) |
| Present value of obligations as on 31.03.2019 | 20,36,234 | 19,92,473 | 5,86,793 | 3,60,560 |
| Change in Plan Assets: | | | | |
| Fair Value of Plan Assets as on 01.04.2018 | 34,69,478 | 29,62,680 | - | - |
| Adjustment to the opening balance | 63,362 | (25,110) | - | - |
| Expected Return on Plan Assets | 2,88,447 | 2,57,141 | - | - |
| Employer's Contributions | 6,302 | 4,00,000 | - | 13,748 |
| Benefits Paid | (1,63,067) | (1,16,084) | - | (13,748) |
| Actuarial Gain/(Loss) on Plan Assets | (17,040) | (9,149) | - | - |
| Fair Value of plan assets as on 31.03.2019 | 36,47,482 | 34,69,478 | - | - |
| Net (Asset) Liability (i) - (ii) : | (16,11,248) | (14,77,005) | 5,86,793 | 3,60,560 |
| Net Cost for the year ended 31.03.2018 | | | | |
| Current Service Cost | 2,17,258 | 1,93,617 | 3,05,864 | 2,80,906 |
| Past Service Cost | - | - | - | - |
| Interest Cost | 1,51,174 | 1,19,661 | 28,524 | 23,260 |
| Expected Return on plan Assets | (2,88,447) | (2,57,141) | - | - |
| Actuarial (Gain)/ Loss recognised during the year | (1,44,564) | (2,277) | (1,08,155) | (2,76,646) |
| Net Cost | (64,579) | 53,860 | 2,26,233 | 27,520 |
| Amount recognised in the Balance sheet (Asset) / Liability | (16,11,248) | (14,77,005) | 5,86,793 | 3,60,560 |
| Amount recognised in the Profit and Loss Account(Gain)/ Loss | (64,579) | 53,860 | 2,26,233 | 27,520 |
| Principal actuarial Assumptions:- | | | | |
| Discount rate | 7.91% | 7.91% | 7.91% | 7.91% |
| Expected Return on plan assets | 8.35% | 8.35% | - | - |
| Salary Escalation Rate | 3.00% | 3.00% | 3.00% | 3.00% |
| Attrition Rate | 10.00% | 10.00% | 10.00% | 10.00% |

Demographic Assumptions:

| | |
|----------------|-----------------------------|
| Retirement age | 58 Year |
| Mortality rate | IALM (2006-08) Unlimited |

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:-

(I) List of Related Parties

| | |
|------------------------------|--|
| a) Holding Company | : Transwarranty Finance Limited (TFL) |
| b) Subsidiary of the Company | : Vertex Commodities and Finpro Pvt. Ltd. (VCFPL) |
| c) Key Management Personnel | : Kumar Nair (Chairman & Director) U.Ramachandran (Managing Director & Chief Executive Officer) George Mampilly (Director & Chief Financial Officer) |

(II) Summary of Transactions :

| Particulars | 2018-19 (₹) | 2017-18 (₹) |
|---|----------------|----------------|
| 1) Inter Corporate Deposits Received - Holding Company | | |
| Transwarranty Finance Limited * | 5,02,00,000 | 6,61,86,762 |
| 2) Inter Corporate Deposits Repaid - Holding Company | | |
| Transwarranty Finance Limited | 6,46,25,541 | 46,06,735 |
| 3) Incentive Received - Holding Company | | |
| Transwarranty Finance Limited | 22,275 | - |
| 4) Current Account Debits - Holding Company | | |
| Transwarranty Finance Limited | 62,092 | 1,06,190 |
| 5) Current Account Credits - Holding Company | | |
| Transwarranty Finance Limited | 400 | 3,263 |
| 6) Interest Received on ICD - Holding Company | | |
| Transwarranty Finance Limited | 11,00,870 | 55,28,765 |
| 7) Brokerage Received on Share Trading - Holding Company | | |
| Transwarranty Finance Limited | 43,461 | 1,15,177 |
| 8) Inter Corporate Deposits Given - Subsidiary Company | | |
| Vertex Commodities and Finpro (P) Limited | 2,04,22,806 | 1,09,37,886 |
| 9) Inter Corporate Deposits Received Back - Subsidiary Company | | |
| Vertex Commodities and Finpro (P) Limited | 2,04,22,806 | 1,09,37,886 |
| 10) Expenses incurred on behalf of - Subsidiary Company | | |
| Vertex Commodities and Finpro (P) Limited | 3,08,334 | 3,52,080 |
| 11) Margin Received - Key Management Person | | |
| Kumar Nair | - | 1,10,000 |
| 12) Margin Returned - Key Management Person | | |
| Kumar Nair | - | 1,71,72,980 |
| 13) Interest paid on Margin Money received - Key Management Person | | |
| Kumar Nair | - | 8,04,422 |
| 14) Remuneration Paid - Key Management Person | | |
| U Ramachandran | 15,81,277 | 12,00,004 |
| Geroge Mampilly | 11,87,325 | - |


Closing Balances As on 31/03/2019 [Debit / (Credit)]

| | | |
|--|-------------|-----------|
| 1) Inter Corporate Deposit - Holding Company | | |
| Transwarranty Finance Limited | 1,44,25,541 | - |
| 2) Interest Receivable on ICD - Holding Company | | |
| Transwarranty Finance Limited | 1,09,22,768 | 99,31,985 |
| 3) Current Account - Holding Company | | |
| Transwarranty Finance Limited | 3,34,550 | 2,72,858 |
| 4) Trading Account - Holding Company | | |
| Transwarranty Finance Limited | 3,02,018 | 4,79,289 |
| 5) Trading Account - Key management Person | | |
| Kumar Nair - Trading Account | (734) | (734) |

* As a consequence of the Scheme of Amalgamation during Financial Year 2017-18 involving Transwarranty Finance Limited (the Holding Company).

- 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 ₹ 21,53,540/- (P.Y. 20,46,109/-). Future minimum lease rent payable are as follows:

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| Not later than one year | 19,62,669 | 17,26,650 |
| Later than one year but not later than five years | 61,80,375 | 12,52,172 |
| Later than five years | 8,64,000 | 13,81,020 |

- 27** Sundry debtors include old outstanding debts amounting to ₹ 45,55,551/- (P.Y. ₹ .47,55,551) 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 ₹ 2,76,87,500/- (P.Y ₹ 2,50,00,000/-) 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 ₹ 10,00,000/- (P.Y. ₹ 10,00,000/-) 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 i)** 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.
- ii)** 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/Units | Market Price per share as at 31.03.2019 | Market Value as at 31.03.2019 |
|-------------------------------------|------------------------|---|-------------------------------|
| Atlos Ltd. | 100 | Not Available | Not Available |
| Apple Credit Corp. Ltd. | 100 | Not Available | Not Available |
| Arihant Cotsyn Ltd. | 50 | Not Available | Not Available |
| Cauvery Software Engg. Systems Ltd. | 100 | Not Available | Not Available |
| Classic Diamond India Ltd. | 100 | Not Available | Not Available |
| Computer Power | 5,00,000 | Not Available | Not Available |
| Dunlop Ltd. | 100 | Not Available | Not Available |
| Femnor Mineral | 100 | Not Available | Not Available |
| Goldstone Infrastech Ltd | 100 | Not Available | Not Available |
| Indo French Biotech Enterprise Ltd. | 1,000 | Not Available | Not Available |
| Kerala Ayurveda Ltd. | 100 | 66.80 | 6,680 |
| Kitex Garments Ltd. | 700 | 102.20 | 71,540 |
| Koluthara Exports | 4,900 | Not Available | Not Available |
| MOH Ltd. | 20,000 | Not Available | Not Available |
| Nagarjuna Finance Ltd. | 200 | Not Available | Not Available |
| Superstar Distillaries & Foods Ltd. | 2,600 | Not Available | Not Available |
| Synthetics & Chemicals Ltd. | 100 | Not Available | Not Available |
| TISCO SPN | 15 | Not Available | Not Available |
| Trend Design | 800 | Not Available | Not Available |
| TTK Health Care | 100 | 678.65 | 67,865 |
| 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 | Not Available | Not Available |
| TOTAL | 5,47,315 | | 1,46,085 |

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.

34 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

For and on behalf of Board of Directors

Rahul Divan
Partner

Kumar Nair
Chairman
DIN.00320541

U. Ramachandran
Managing Director
DIN.00493707

Jose Thomas Polachira
Director
DIN.01049189

James Pothen
Director
DIN.02492330

Latha Anand
Director
DIN.06404421

George Mampilly
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

08th May, 2019
Mumbai

08th May, 2019
Kochi-18



CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To The Members of
VERTEX SECURITIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Vertex Securities Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2019, 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").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group as at 31st March 2019, their consolidated profits and their consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

As stated in Note 29 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 ₹ 2,94,84,287/-. Further out of the total sundry debtors, for a sum of ₹ 95,50,724/-, the Group has initiated legal and recovery actions, the proceedings of which are in different stages.

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

We have determined that there are no other key audit matters to communicate in our report.



| Key Audit Matter | How our audit addressed the key audit matter |
|---|--|
| Litigations and claims (Refer to note 23 to the consolidated financial statements) The cases are pending with tax authorities like Income Tax and service tax. In normal course of business, financial exposures may arise from pending proceedings. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the financial statements, is inherently subjective. We have considered litigations as Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty. | Principal Audit Procedures: <ul style="list-style-type: none"> • Evaluation of management's judgment of tax risks, estimates of tax exposures and contingencies. Past and current experience with the tax authorities were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. • Discussing selected matters with the entity's management. • Critically assessing the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation. Conclusion: Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation & disclosure on the subject matter in the financial statements |

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2018-19, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Company's ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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.
 - (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, 2019 taken on record by the Board of Directors of the Holding Company and its subsidiary company, incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/provided by the Holding Company to their directors in accordance with the provision of section 197 read with Schedule V to the Act.
- (h) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 22 to the consolidated 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 Holding Company and subsidiary company incorporated in India.

For RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants
(Firm's Registration Number: 120294W)

RAHUL DIVAN
Partner
Membership Number: 100733
Place: Mumbai
Date: 08 May 2019

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Vertex Securities Limited ("the Holding Company") and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March 2019. However, the Group is in the process of establishing the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants
(Firm's Registration Number: 120294W)

RAHUL DIVAN
Partner
Membership Number: 100733
Place: Mumbai
Date: 08 May 2019


BALANCE SHEET AS AT 31ST MARCH, 2019

| Particulars | Note No. | As At 31 March 2019 | | As At 31 March 2018 | |
|--------------------------------------|----------|---------------------|---------------------|---------------------|---------------------|
| | | ₹ | ₹ | ₹ | ₹ |
| I EQUITY AND LIABILITIES | | | | | |
| (1) Shareholders Funds | | | | | |
| (a) Share Capital | 2 | 150,800,178 | | 15,08,00,178 | |
| (b) Reserves and Surplus | 3 | (1,58,52,487) | 13,49,47,691 | (1,91,37,975) | 13,16,62,203 |
| (2) Minority Interest | | | 205 | | 205 |
| (3) Non - Current Liabilities | | | | | |
| (a) Long Term Borrowings | 4 | 66,68,999 | | 67,86,092 | |
| (b) Deferred Tax Liabilities (Net) | 5 | 86,433 | | - | |
| (c) Other Long Term Liabilities | 6 | 1,24,97,228 | 1,92,52,659 | 1,19,34,958 | 1,87,21,050 |
| (4) Current Liabilities | | | | | |
| (a) Short Term Borrowings | 7 | 3,06,91,825 | | 3,06,80,964 | |
| (b) Trade Payables | 8 | 11,07,65,295 | | 10,34,94,327 | |
| (c) Other Current Liabilities | 9 | 97,65,812 | | 79,12,183 | |
| (d) Short Term Provisions | 10 | 13,76,255 | 15,25,99,187 | 17,59,728 | 14,38,47,202 |
| Total Equity And Liabilities | | | 30,67,99,742 | | 29,42,30,660 |
| II ASSETS | | | | | |
| (5) Non Current Assets | | | | | |
| (a) Property, Plant and Equipment | | | | | |
| (i) Tangible Assets | 11 | 59,51,632 | | 64,48,303 | |
| (ii) Intangible Assets | 12 | 5,36,402 | | 8,73,655 | |
| (b) Goodwill on Consolidation | | 81,54,986 | | 81,54,986 | |
| (c) Non Current Investments | 13 | 25,07,700 | 1,71,50,720 | 25,07,700 | 1,79,84,644 |
| (6) Current Assets | | | | | |
| (a) Inventories | 14 | 7,43,79,259 | | 7,24,26,179 | |
| (b) Cash and Cash Equivalents | 15 | 4,79,20,810 | | 4,58,07,936 | |
| (c) Short Term Loans and Advances | 16 | 14,11,72,283 | | 14,02,11,754 | |
| (d) Other Current Assets | 17 | 2,61,76,670 | 28,96,49,022 | 1,78,00,147 | 27,62,46,016 |
| Total Assets | | | 30,67,99,742 | | 29,42,30,660 |

The Note No.1 to 37 are integral part of these Financial Statements

As per our attached report of even date
For Rahul Gautam Divan & Associates
Chartered Accountants

For and on behalf of Board of Directors

Rahul Divan
Partner

Kumar Nair
Chairman
DIN.00320541

U. Ramachandran
Managing Director
DIN.00493707

Jose Thomas Polachira
Director
DIN.01049189

James Pothen
Director
DIN.02492330

Latha Anand
Director
DIN.06404421

George Mampilly
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

08th May, 2019
Mumbai

08th May, 2019
Kochi-18

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

| Particulars | Note No. | For the Year Ended 31st March, 2019 ₹ | For the Year Ended 31st March, 2018 ₹ |
|---|----------|---|---|
| REVENUE | | | |
| Revenue From Operations | 18 | 5,54,13,572 | 6,76,95,027 |
| Other Income | 19 | 2,41,28,749 | 1,98,80,295 |
| Total Revenue | | 7,95,42,321 | 8,75,75,321 |
| EXPENSES | | | |
| Employee Benefits Expense | 20 | 2,46,49,745 | 2,09,99,251 |
| Finance Costs | 21 | 61,80,236 | 67,14,963 |
| Depreciation and Amortisation Expense | 11 & 12 | 20,37,320 | 25,25,616 |
| Other Expenses | 22 | 4,33,03,098 | 4,98,77,306 |
| Total Expenses | | 7,61,70,399 | 8,01,17,136 |
| Profit Before Exceptional and Extra ordinary items and Tax | | 33,71,922 | 74,58,185 |
| Exceptional Items:- | | - | - |
| Profit Before Extra ordinary items and Tax | | 33,71,922 | 74,58,185 |
| Extraordinary Items | | - | - |
| Profit Before Tax | | 33,71,922 | 74,58,185 |
| Tax Expense | | | |
| Current Tax | | - | - |
| Deferred Tax | | (86,433) | - |
| Profit for the year from Continuing Operations | | 32,85,489 | 74,58,185 |
| Profit from Discontinuing Operations | | - | - |
| Tax Expenses of Discontinuing Operations | | - | - |
| Profit from Discontinuing Operations After Tax | | - | - |
| Profit for the year | | 32,85,489 | 74,58,185 |
| Basic Earning Per Share of ₹ 2/- each (In Rupees) | 24 | 0.04 | 0.10 |
| Diluted Earning Per Share of ₹ 2/- each (In Rupees) | | 0.04 | 0.10 |
| Notes 1 to 37 form an integral part of the Financial Statements. | | | |

As per our attached report of even date
For Rahul Gautam Divan & Associates
Chartered Accountants

For and on behalf of Board of Directors

Rahul Divan
Partner

Kumar Nair
Chairman
DIN.00320541

U. Ramachandran
Managing Director
DIN.00493707

Jose Thomas Polachira
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Latha Anand
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George Mampilly
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

08th May, 2019
Mumbai

08th May, 2019
Kochi-18


Cash Flow Statement for the Year Ended 31st March, 2019

| Particulars | 2018-19 Amount (₹) | 2017-18 Amount (₹) |
|---|-----------------------|-----------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit Before Taxation | 33,71,922 | 7,458,185 |
| Adjustments for: | | |
| Add/(Less): | | |
| Depreciation/Amortisation | 20,37,320 | 25,25,616 |
| (Profit)/Loss on assets sold/written off | 41,565 | 50,470 |
| Interest Paid & Bank Guarantee Expense | 61,80,236 | 67,14,963 |
| Interest Received | (1,32,83,923) | (84,35,193) |
| Profit on Sale on Investments - Shares | - | - |
| Sundry Credit Balances Written back | - | - |
| Operating Profit/(Loss) before working Capital Changes | (16,52,880) | 83,14,041 |
| Adjustments for Changes in Working Capital:- | | |
| Trade & Other Receivable-Decrease/(Increase) | (19,53,080) | (57,18,753) |
| Trade Other payables-(Decrease)/Increase | 64,11,503 | (1,67,24,576) |
| Other payables-(Decrease)/Increase | (3,83,473) | 2,10,352 |
| Loans & Advances(Net)-Decrease/(Increase) | (98,15,986) | 1,21,64,437 |
| Cash Generated from operations | (73,93,916) | (17,54,499) |
| Income Tax Refund/ (Paid) | (6,44,543) | 1,15,227 |
| Net Cash flow from Operating Activities (A) | (80,38,459) | (16,39,272) |
| B. Cash Flow from Investing Activities | | |
| Purchase of Property, plant and equipment | (13,60,218) | (5,96,136) |
| Sale of Property, plant and equipment | 1,15,256 | 23,000 |
| Interest Received Less Accrued | 49,07,400 | 66,62,448 |
| Net Cash used in Investing Activities (B) | 36,62,438 | 60,89,312 |

Cash Flow Statement for the Year Ended 31st March, 2019

| Particulars | 2018-19 Amount (₹) | 2017-18 Amount(₹) |
|--|-----------------------|----------------------|
| C. Cash Flow from Financing Activities: | | |
| Bank Overdraft | 32,97,574 | 1,36,85,513 |
| Interest Paid & Bank Guarantee Expense | (61,80,236) | (67,14,963) |
| Intercompany Deposit | 95,00,000 | 44,00,027 |
| Repayment of Car Loan | (1,28,443) | (1,15,976) |
| Net Cash used in Financing Activities (C) | 64,88,895 | 1,12,54,601 |
| Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C) | 21,12,874 | 1,57,04,641 |
| Cash & Cash Equivalents as at the beginning of the year | 4,58,07,936 | 3,01,03,295 |
| Cash & Cash Equivalents as at the end of the year | 4,79,20,810 | 4,58,07,936 |

As per our attached report of even date
For Rahul Gautam Divan & Associates
Chartered Accountants

For and on behalf of Board of Directors

Rahul Divan
Partner

Kumar Nair
Chairman
DIN.00320541

U. Ramachandran
Managing Director
DIN.00493707

Jose Thomas Polachira
Director
DIN.01049189

James Pothen
Director
DIN.02492330

Latha Anand
Director
DIN.06404421

George Mampilly
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

08th May, 2019
Mumbai

08th May, 2019
Kochi-18


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

(ALL AMOUNTS ARE MENTIONED IN RUPEES)

1. Significant Accounting Policies

- Investments other than in Subsidiaries have been accounted as per Accounting Standard-13 "Accounting for Investments."
- Other Significant Accounting Policies are set out under "Significant Accounting Policies" as given in the standalone financial statements of the parent company.

| Particulars | As at 31st March, 2019 (₹) | As at 31st March, 2018 (₹) |
|---|----------------------------------|----------------------------------|
| 2. SHARE CAPITAL | | |
| Authorised Capital | | |
| 1) 127,274,600 (P.Y. 127,274,600 Equity Shares of Rs 2/- each) | 25,45,49,200 | 25,45,49,200 |
| 2) 27,758 (P.Y. 27,758 15% Non-Cumulative Redeemable Preference shares of ₹ 100/- each) | 2,775,800 | 2,775,800 |
| | 257,325,000 | 257,325,000 |
| Issued, Subscribed and Paid Up : | | |
| 7,40,12,189 (P.Y. 7,40,12,189) Equity Shares of ₹ 2/- each fully paid up | 148,024,378 | 148,024,378 |
| 27,758 (P.Y. 27,758) 15% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up. | 2,775,800 | 2,775,800 |
| | 150,800,178 | 150,800,178 |

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

| Particulars | 2018-19 | | 2017-18 | |
|--|-------------------|--------------------|-------------------|--------------------|
| | No of Shares | (₹) | No of Shares | (₹) |
| At the beginning of the year | 74,012,189 | 148,024,378 | 74,012,189 | 148,024,378 |
| Add/(Less): Issued / Buy Back during the year | - | - | - | - |
| Total No of Shares Outstanding at the end of the year | 74,012,189 | 148,024,378 | 74,012,189 | 148,024,378 |

B) 15 % Non-Cumulative Redeemable Preference Shares

| Particulars | 2018-19 | | 2017-18 | |
|---|---------------|------------------|---------------|------------------|
| | No of Shares | (₹) | No of Shares | (₹) |
| At the beginning of the year | 27,758 | 2,775,800 | 27,758 | 2,775,800 |
| Add:- Issued during the year | - | - | - | - |
| Less:- Redeemed during the year | - | - | - | - |
| Outstanding at the end of the year | 27,758 | 2,775,800 | 27,758 | 2,775,800 |

2) Terms and rights attached to Shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

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) 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 | 31st March, 2019 (₹) | 31st March, 2018 (₹) |
|--|-------------------------|-------------------------|
| Equity Shares | | |
| Equity shares @ ₹ 2/- each Fully Paid | 39,253,950 | 39,253,950 |
| Preference Shares | | |
| 15 % Non - Cumulative Redeemable Preference Shares of ₹ 100/- each | 27,758 | 27,758 |

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 |
|--|-----------------|----------------------|
| 15% Non Cumulative Redeemable Preference Shares of Rs 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 |
| 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 shareholders holding more than 5% shares in the Company.**A) Equity shares of ₹ 2/- fully paid up.**

| Particulars | 2018-19 | | 2017-18 | |
|-------------------------------|------------|------------------|------------|------------------|
| | Number | % of Holdings | Number | % of Holdings |
| Transwarranty Finance Limited | 39,253,950 | 53.04 | 39,253,950 | 53.04 |
| Kumar Nair | 14,177,543 | 19.16 | 14,177,543 | 19.16 |


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.
B) 15% Non-Cumulative Redeemable Preference shares of ₹ 100/- fully paid up.

| Particulars | 2018-19 | | 2017-18 | |
|-------------------------------|---------|---------------|---------|---------------|
| | Number | % of Holdings | Number | % of Holdings |
| Transwarranty Finance Limited | 27,758 | 100.00 | 27,758 | 100.00 |

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 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 (₹) | Re pricing of the options done on 07-09-2015 (₹) |
|------------|--|----------------------------|---|---|--|
| Grant -I | 462,500 | 69.00 | 2,312,500 | 13.80 | 2.00 |
| Grant -II | 50,000 | 145.50 | 250,000 | 29.10 | 2.00 |
| Grant -III | 17,500 | 145.50 | 87,500 | 29.10 | 2.00 |
| Grant-IV | 25,000 | 145.50 | 125,000 | 29.10 | 2.00 |
| Grant-V | 100,000 | 145.50 | 500,000 | 29.10 | 2.00 |
| Grant-VI | - | - | 1,013,750 | 29.10 | 2.00 |
| Grant-VII | - | - | 200,000 | 5.46 | 2.00 |
| Grant-VIII | - | - | 1,875,000 | 5.46 | 2.00 |

- 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | As at 31st March, 2019 Nos | As at 31st March, 2018 Nos |
|---|----------------------------------|----------------------------------|
| Options outstanding at the beginning of the year (Face Value of ₹ 2/- (P.Y. ₹ 2/-)) | - | 88,125 |
| Prior Period Adjustment | - | - |
| Options granted during the year | - | - |
| Options vested during the year | - | 30,375 |
| Options exercised during the year | - | - |
| Options forfeited during the year | - | 3,750 |
| Options lapsed /surrendered during the year | - | 54,000 |
| Options outstanding at the end of the year | - | - |

- i) Had fair value method been used , the compensation cost would have been higher by ₹ Nil (Previous Year ₹ Nil) Profit after tax would have been Higher by ₹ Nil (Previous year ₹ Nil) and Basic EPS would have been ₹ 0.05 Per share (Previous Year ₹ 0.10 Per share) and Diluted EPS would have been ₹ 0.05 (Previous Year ₹ 0.10)

| Particulars | As at 1st April, 2018 (₹) | Additions/ Created During the Year (₹) | Deductions During the Year (₹) | As at 31st March, 2019 (₹) |
|---|---------------------------------|---|--------------------------------------|----------------------------------|
| 3 RESERVES AND SURPLUS | | | | |
| Reserve on Amalgamation Account | 4,264,133 | - | - | 4,264,133 |
| Securities Premium | 18,248,790 | - | - | 18,248,790 |
| Deficit as per Statement of Profit and Loss (Refer Note below) | (4,16,50,899) | 32,85,488 | - | (3,83,65,411) |
| Total Reserves and Surplus | (1,91,37,975) | 32,85,488 | - | (1,58,52,487) |

| Particulars | As at 1st April, 2017 (₹) | Additions/ Created During the Year (₹) | Deductions During the Year (₹) | As at 31st March, 2018 (₹) |
|---|---------------------------------|---|--------------------------------------|----------------------------------|
| RESERVES AND SURPLUS | | | | |
| Reserve on Amalgamation Account | 4,264,133 | - | - | 4,264,133 |
| Securities Premium | 18,248,790 | - | - | 18,248,790 |
| Deficit as per Statement of Profit and Loss (Refer Note below) | (4,91,09,083) | 74,58,184 | - | (4,16,50,899) |
| Total Reserves and Surplus | (2,65,96,160) | 74,58,184 | - | (1,91,37,975) |


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Note-1 | 31st March 2019 | 31st March 2018 |
|-------------------------|------------------|------------------|
| 1) Profit for the Year | 32,85,489 | 74,58,185 |
| Less:- | | |
| Minority Share | 1 | 1 |
| | 1 | 1 |
| | <u>32,85,488</u> | <u>74,58,184</u> |

| Particulars | As at 31st March, 2019 (₹) | As at 31st March, 2018 (₹) |
|---|----------------------------------|----------------------------------|
| NON- CURRENT LIABILITIES | | |
| 4 LONG TERM BORROWINGS | | |
| A) SECURED | | |
| Term Loans From Banks:- | | |
| -Vehicle Loan from HDFC Bank (Secured by hypothecation of Motor Car) | 12,525 | 154,776 |
| B) UNSECURED | | |
| a) Other Loans and Advances | | |
| -Security Deposit from Franchises | 66,56,474 | 66,31,317 |
| | 66,68,999 | 67,86,092 |
| Note: | | |
| Terms of Vehicle Loan | | |
| 1) Vehicle loan from HDFC Bank was sanctioned on 05/05/2015 for a period of 5 years. EMI per month is ₹ 12,630/-. | | |
| 5 DEFERRED TAX | | |
| Deferred Tax Liability:- | | |
| - On Depreciation | 1,29,535 | - |
| - Others | - | - |
| Less: Deferred tax Asset: | | |
| - On Depreciation | - | - |
| - Others | 43,102 | - |
| Deferred Tax Liabilities (Net) | 86,433 | - |
| 6 OTHER LONG TERM LIABILITIES | | |
| a) Trade Payables | | |
| Amount due to Clients | 1,17,54,019 | 1,11,46,445 |
| b) Others | | |
| Other Creditors | 7,43,208 | 7,88,512 |
| | 1,24,97,227 | 1,19,34,958 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | As at 31st March, 2019 (₹) | As at 31st March, 2018 (₹) |
|--|----------------------------------|----------------------------------|
| 7 CURRENT LIABILITIES | | |
| SHORT TERM BORROWINGS | | |
| A) From Banks | | |
| Secured | | |
| Overdraft Account- Axis Bank | | |
| (Overdraft from Axis bank is Working Capital Facility secured against mortgage of property owned by Transwarranty Finance Limited - ₹ 25,000,000/- (P.Y. 25,000,000/-) , Corporate Guarantee of Holding Company and Personal Guarantee of the Chairman. Limits shall be renewed before the expiry of the sanctioned period of 1 year. Current interest rate is 11.00%) | 3,06,91,825 | 3,06,80,964 |
| | 3,06,91,825 | 3,06,80,964 |
| 8 TRADE PAYABLES | | |
| a) Amount due to Micro, Small & Medium Enterprises | - | - |
| b) Other Creditors: | | |
| - Amount due to Clients | 11,07,65,295 | 10,34,94,327 |
| | 11,07,65,295 | 10,34,94,327 |
| 9 OTHER CURRENT LIABILITIES | | |
| a) Current Maturities of Long Term Debt | 1,42,251 | 1,28,443 |
| b) Other Payables | | |
| - Statutory Payables (Net) | 12,85,604 | 17,54,455 |
| - Book Overdraft | 50,95,500 | 18,08,786 |
| - Creditors for Expenses | 32,42,457 | 42,20,498 |
| | 97,65,811 | 79,12,183 |
| 10 SHORT TERM PROVISION | | |
| a) Provision For Employee Benefits | | |
| Provision for Gratuity | 1,14,128 | 88,702 |
| - Provision for Leave Encashment | 6,38,441 | 4,04,812 |
| b) Others | | |
| - Other Provision | 6,23,686 | 12,66,214 |
| | 13,76,255 | 17,59,728 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.
11. PROPERTY, PLANT AND EQUIPMENT -TANGIBLE

| Sr. No. | Description | GROSS BLOCK/ COST/BOOK VALUE | | | | DEPRECIATION /AMORTISATION | | | | NET BLOCK | |
|---------|----------------------------|------------------------------|---|---|---|----------------------------|-----------------------|--------------------------|---|-----------------------|------------------|
| | | Total As at 01-Apr-18 | Additions / Adjustments During the Year | Re-classification of Assets During the Year * | Deductions/ Adjustments During the Year | Total As at 31-Mar-19 | Total As at 01-Apr-18 | Provided during the Year | Deductions/ Adjustments During the Year | Total As at 31-Mar-19 | As at 31-Mar-18 |
| | | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) |
| 1 | Plant & Equipments | 1,41,81,745 | 5,11,184 | (97,645) | 2,40,000 | 1,44,52,929 | 95,36,238 | 10,39,343 | 1,41,268 | 1,04,34,313 | 46,45,507 |
| 2 | Furniture & Fittings | 1,02,12,618 | 6,50,115 | - | 4,72,217 | 1,03,90,516 | 89,59,753 | 4,32,794 | 4,14,128 | 89,78,419 | 12,52,865 |
| 3 | Vehicles | 27,59,707 | 29,000 | - | - | 27,88,707 | 23,21,066 | 90,037 | - | 24,11,104 | 4,38,640 |
| 4 | Computer | 2,05,29,248 | 1,69,919 | 97,645 | - | 2,06,99,167 | 2,04,17,958 | 1,37,893 | - | 2,05,55,852 | 1,11,290 |
| | Total | 4,76,83,318 | 13,60,218 | - | 7,12,217 | 4,83,31,319 | 4,12,35,015 | 17,00,067 | 5,55,396 | 4,23,79,687 | 64,48,303 |
| | Previous Year(1718) | 4,75,59,137 | 5,69,886 | - | 4,45,705 | 4,76,83,318 | 3,75,52,605 | 19,63,991 | 3,72,235 | 4,12,35,015 | 79,15,876 |

* Re-classification of assets during the year comprises of ₹ 97,645 regrouped from Plant & Equipments to Computer.

12. PROPERTY, PLANT AND EQUIPMENT - INTANGIBLE

| Sr. No. | Description | GROSS BLOCK/ COST/BOOK VALUE | | | | DEPRECIATION /AMORTISATION | | | | NET BLOCK | |
|---------|----------------------------|------------------------------|---|---|---|----------------------------|-----------------------|--------------------------|---|-----------------------|------------------|
| | | Total As at 01-Apr-18 | Additions / Adjustments During the Year | Re-classification of Assets During the Year * | Deductions/ Adjustments During the Year | Total As at 31-Mar-19 | Total As at 01-Apr-18 | Provided during the Year | Deductions/ Adjustments During the Year | Total As at 31-Mar-19 | As at 31-Mar-18 |
| | | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) |
| 1 | Computer Software | 61,22,464 | - | - | - | 61,22,464 | 60,95,786 | 26,676 | - | 61,22,462 | 26,678 |
| 2 | Lisence | 1,18,26,335 | - | - | - | 1,18,26,335 | 1,10,51,481 | 2,85,577 | - | 1,13,37,058 | 7,74,854 |
| 3 | Mumbai Stock Exchange | 10,00,000 | - | - | - | 10,00,000 | 10,00,000 | - | - | 10,00,000 | - |
| 4 | Membership in NMCE | 1,00,000 | - | - | - | 1,00,000 | 1,00,000 | - | - | 1,00,000 | - |
| 5 | Membership in MCX | 2,51,000 | - | - | - | 2,51,000 | 2,51,000 | - | - | 2,51,000 | - |
| 6 | Membership in NCDEX | 5,00,000 | - | - | - | 5,00,000 | 5,00,000 | - | - | 5,00,000 | - |
| 7 | Membership in NSEL | 2,50,000 | - | - | - | 2,50,000 | 1,77,877 | 25,000 | - | 2,02,877 | 72,123 |
| | Total | 2,00,49,799 | - | - | - | 2,00,49,799 | 1,91,76,144 | 3,37,253 | - | 1,95,13,397 | 8,73,655 |
| | Previous Year(1718) | 2,00,23,549 | 26,250 | - | - | 200,49,799 | 186,14,519 | 561,625 | - | 1,91,76,144 | 14,09,030 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | As at 31st March, 2019 (₹) | As at 31st March, 2018 (₹) |
|--|----------------------------------|----------------------------------|
| NON -CURRENT ASSETS | | |
| 13 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 |
| Total | 2,806 | 2,806 |
| Less: Diminution in the value of shares | 2,806 | 2,806 |
| | - | - |
| Market Value of Quoted Investments (See Note 34) | Nil | Nil |
| B) Un Quoted | | |
| Cochin Stock Exchange Ltd (905 Equity Shares @ Rs10/- each fully paid) | 25,07,700 | 25,07,700 |
| | 25,07,700 | 25,07,700 |
| CURRENT ASSETS | | |
| 14 TRADE RECEIVABLES | | |
| Unsecured Considered Good | | |
| - Debts outstanding for a period exceeding six months | 2,94,84,287 | 2,84,95,349 |
| - Other Debts | 4,48,94,972 | 4,39,30,830 |
| | 7,43,79,259 | 7,24,26,179 |
| 15 Cash & Cash Equivalents | | |
| Balance with Banks | | |
| - In Current Accounts | 1,40,86,138 | 1,46,47,599 |
| - In Deposits Accounts | | |
| Less Than 12 Months Maturity | 3,36,87,500 | 3,10,00,000 |
| (Fixed Deposit of ₹ 32,687,500/- (P.Y. ₹ 30,000,000/-) are pledged against Bank Guarantees and ₹ 1,000,000/- (P.Y. ₹ 1,000,000/-) are pledged against Trading Guarantee for Exchange.) | | |
| Cash in Hand | 1,47,172 | 1,60,337 |
| | 4,79,20,810 | 4,58,07,936 |


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | As at 31st March, 2019 (₹) | As at 31st March, 2018 (₹) |
|--|----------------------------------|----------------------------------|
| 16 SHORT TERM LOANS & ADVANCES | | |
| Unsecured Considered Good | | |
| Loans and Advances to Related Parties | | |
| Advance to Holding Company | 1,44,25,541 | - |
| Others | | |
| Inter Corporate Deposits | 8,01,50,000 | 8,96,50,000 |
| Advance Receivable | 94,11,278 | 61,25,919 |
| Advance Income Tax (Including TDS) | 33,83,976 | 27,39,433 |
| Deposits | 3,38,01,488 | 4,16,96,402 |
| | 14,11,72,283 | 14,02,11,754 |
| 17 OTHER CURRENT ASSETS | | |
| Interest Receivable on Fixed Deposits | 98,36,266 | 76,51,121 |
| Interest Receivable on ICD - Holding Company | 1,09,22,768 | 99,31,985 |
| Interest Receivable on ICD - Other | 54,17,636 | 2,17,041 |
| | 2,61,76,670 | 17,80,014 |

| Particulars | Figures for the Year ended 31st March 2019 (₹) | Figures for the Year ended 31st March 2018 (₹) |
|--|---|---|
| 18 REVENUE FROM OPERATIONS | | |
| Brokerage Income | 5,19,24,181 | 6,47,24,838 |
| Income from Merchant Banking | 16,00,000 | 7,50,000 |
| Income from DP Operations | 18,89,391 | 22,20,189 |
| | 5,54,13,572 | 6,76,95,027 |
| 19 OTHER INCOME | | |
| a) Interest Income | | |
| - Interest on Inter Corporate Deposits | 1,04,97,178 | 57,25,546 |
| - Interest on Fixed Deposits & Others | 27,86,745 | 27,09,647 |
| b) Net Gain / Loss on Investments | - | - |
| c) Other Non Operating Incomes: | | |
| - Late Payment Charges | 48,79,298 | 56,07,509 |
| - Software & AMC Charges Recovered | 2,70,000 | 2,73,000 |
| - Miscellaneous Income | 56,95,528 | 55,64,593 |
| | 2,41,28,749 | 1,98,80,295 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | Figures for the Year ended 31st March 2019 (₹) | Figures for the Year ended 31st March 2018 (₹) |
|---|---|---|
| 20 EMPLOYEES BENEFIT EXPENSES | | |
| Salaries Bonus & Allowances | 2,22,65,906 | 1,84,83,085 |
| Contribution to Provident Fund & Other Funds | 13,50,417 | 14,14,220 |
| Staff Welfare Expenses | 10,33,423 | 11,01,946 |
| | 2,46,49,745 | 2,09,99,251 |
| 21 FINANCE COST | | |
| a) Interest Expense | 51,69,628 | 61,04,595 |
| b) Other Borrowing Costs: | | |
| - Bank Charges | 2,33,370 | 1,34,718 |
| - Bank Guarantee Expenses | 7,77,238 | 4,75,650 |
| | 61,80,236 | 67,14,963 |
| 22 OTHER EXPENSES | | |
| Annual Fee to Depository / Exchanges | 5,23,542 | 4,42,898 |
| AMC Charges | 8,04,431 | 9,85,755 |
| Clients Meet & Business Promotion Expenses | 6,41,753 | 9,35,540 |
| Consultation Fee | 6,40,690 | 6,24,879 |
| Connectivity Charges | 37,07,117 | 31,95,971 |
| Depository Charges | 6,33,463 | 8,76,064 |
| Investor Protection Fund | 21 | 86 |
| Marketing fee/Commission paid | 83,14,569 | 1,06,13,192 |
| Sub Brokerage | 1,62,09,263 | 2,01,78,680 |
| SEBI Turnover Charges | 6,38,520 | 6,24,651 |
| Stock Exchange Charges | 4,73,191 | 6,60,727 |
| VSAT Charges | 3,35,130 | 3,13,411 |
| Advertisement, Publicity and Business Promotion | 2,76,141 | 1,15,422 |
| Auditor's Remuneration | | |
| -Statutory Audit Fees | 1,75,000 | 1,75,000 |
| - Income Tax Audit Fees | 45,000 | 45,000 |
| - Other Services | 40,000 | 40,000 |
| Books & Periodicals | 39,210 | 37,328 |
| Communication Expenses | 6,37,085 | 7,87,799 |
| Insurance Premium | 15,862 | 26,105 |
| Legal Expenses and Filing Fees | 6,950 | 7,200 |
| Listing Fee | 2,50,000 | 2,49,998 |
| Misc. Charges & Expenses | 29,977 | 27,238 |
| Office Maintenance | 6,97,345 | 8,20,306 |
| Postage & Courier Charges | 1,49,864 | 1,70,356 |


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| | | |
|--|--------------------|--------------------|
| Power Charges | 11,26,905 | 11,74,098 |
| Printing & Stationery | 4,09,329 | 3,78,396 |
| Professional and Legal Fees | 18,39,902 | 22,57,113 |
| Rates and Taxes | 7,146 | 15,588 |
| Rent | 26,26,995 | 25,85,689 |
| Repairs & Maintenance | 2,14,678 | 2,55,434 |
| Sitting Fees to Directors | 2,80,000 | 2,15,556 |
| Training & Conference Expense | 1,71,674 | 1,42,997 |
| Travelling and Conveyance Expenses | 11,39,010 | 7,33,273 |
| Vehicle Running and Maintenance Expenses | 1,61,771 | 1,15,086 |
| Loss on Sale of Assets | 41,565 | 50,470 |
| TOTAL | 4,33,03,098 | 4,98,77,306 |

| Particulars | Figures as at 31st March 2019 (₹) | Figures as at 31st March 2018 (₹) |
|--|---|---|
| 23 Contingent Liabilities | | |
| 1. Counter guarantee issued in favour of the banker for guarantee given by then to NSE/NCDEX for margin requirement. | 5,53,75,000 | 5,00,00,000 |
| 2. Guarantee given on behalf of subsidiary company Vertex Commodities & Finpro (P) Limited | 2,00,00,000 | 2,00,00,000 |
| 3. Counter guarantee issued in favour of the banker for guarantee given by them to MCX for margin requirement | 25,00,000 | 25,00,000 |
| 4. Claims against the company not acknowledged as debts:- | | |
| a. Tax demand in respect of which:- | | |
| - Income Tax demand order for FY 2013-14 | 1,27,290 | 1,27,290 |
| - Service Tax orders for FY 2006-07 to 2009-10 | 6,22,000 | 6,22,000 |
| - Service Tax orders for FY 2009-10 to 2013-14 | 41,74,056 | 41,74,056 |
| - Service Tax orders for FY 2011-12 to 2013-14 | 10,86,974 | 10,86,974 |
| - Service Tax orders for FY 2014-15 | 1,10,971 | 1,10,971 |
| - Service Tax orders for FY 2008-09 to 2012-13 | 8,82,042 | 8,82,042 |
| - Service Tax orders for FY 2013-14 | 54,560 | 54,560 |
| | 8,49,32,893 | 7,95,57,893 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| Particulars | Figures for the Year ended 31st March 2019 (₹) | Figures for the Year ended 31st March 2018 (₹) |
|---|---|---|
| 24 Earnings Per Share | | |
| I. Profit after tax as per Statement of Profit and Loss | 32,85,489 | 74,58,185 |
| II. Weighted Average number of equity shares for Earnings per share computation | | |
| A) For Basic Earnings per share of ₹ 2/- each (No's) | 7,40,12,189 | 7,40,12,189 |
| B) For Diluted Earnings per share of ₹ 2/- each (No's) | | |
| No of Shares for Basic EPS as per II A (No's) | 7,40,12,189 | 7,40,12,189 |
| Add:- Weighted Average for convertible preference shares | - | - |
| No of shares for Diluted Earnings per Share of ₹ 2/- Each | 7,40,12,189 | 7,40,12,189 |
| III. Earnings Per Share (Face Value of ₹ 2/- each) | | |
| Basic (Rs) | 0.04 | 0.10 |
| Diluted (Rs) | 0.04 | 0.10 |

25 . Disclosure as required under Accounts Standard 15 on employee benefits for gratuity and leave encashment is as under

| Particulars | Gratuity | | Leave Encashment (Unfunded) | |
|--|--------------------|--------------------|-----------------------------|-----------------|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Change in the benefit Obligations: | | | | |
| Present value of obligations as on 01. 04. 2018 | 20,81,175 | 18,78,554 | 4,04,812 | 3,85,526 |
| Current Service Cost | 2,35,377 | 2,04,282 | 3,08,776 | 2,81,291 |
| Past Service Cost | - | - | - | - |
| Interest Cost | 1,58,031 | 1,24,578 | 31,946 | 25,911 |
| Actuarial (Gain)/Loss on obligation | (1,61,154) | (10,155) | (1,07,093) | (2,74,168) |
| Benefits Paid | (1,63,067) | (1,16,084) | - | (13,748) |
| Present value of obligations as on 31.03.2019 | 21,50,362 | 20,81,175 | 6,38,441 | 4,04,812 |
| Change in Plan Assets: | | | | |
| Fair Value of Plan Assets as on 01.04.2018 | 34,69,478 | 29,62,680 | - | - |
| Adjustment to the opening balance | 63,362 | (25,110) | - | - |
| Expected Return on Plan Assets | 2,88,447 | 2,57,141 | - | - |
| Employer's Contributions | 6,302 | 4,00,000 | - | 13,748 |
| Benefits Paid | (1,63,067) | (1,16,084) | - | (13,748) |
| Actuarial Gain/(Loss) on Plan Assets | (17,040) | (9,149) | - | - |
| Fair Value of plan assets as on 31.03.2019 | 36,47,482 | 34,69,478 | - | - |
| Net (Asset) Liability (i) - (ii) : | (14,97,120) | (13,88,303) | 5,86,793 | 4,04,812 |
| Net Cost for the year ended 31.03.2019 | | | | |
| Current Service Cost | 2,35,377 | 2,04,282 | 3,08,776 | 2,81,291 |
| Past Service Cost | - | - | - | - |
| Interest Cost | 1,58,031 | 1,24,578 | 31,946 | 25,911 |
| Expected Return on plan Assets | (2,87,997) | (2,57,141) | - | - |


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| | | | | |
|--|-----------------|---------------|-----------------|---------------|
| Actuarial (Gain)/ Loss recognised during the year | (1,44,564) | (1,006) | (1,07,093) | (2,74,168) |
| Adjustment (Gain) to opening value of planned assets | - | - | - | - |
| Net Cost | (39,153) | 70,713 | 2,33,629 | 33,034 |
| Amount recognised in the Balance sheet (Asset) / Liability | (15,22,546) | (13,88,303) | 6,31,045 | 4,04,812 |
| Amount recognised in the Profit and Loss Account(Gain)/ Loss | (47,726) | 70,713 | 2,33,629 | 33,034 |
| Principal actuarial Assumptions:- | | | | |
| Discount rate | 7.91% | 7.91% | 7.91% | 7.91% |
| Expected Return on plan assets | 8.35% | 8.35% | - | - |
| Salary Escalation Rate | 3.00% | 3.00% | 3.00% | 3.00% |
| Attrition Rate | 10.00% | 10.00% | 10.00% | 10.00% |

Demographic Assumptions:

| | |
|----------------|-----------------------------|
| Retirement age | 58 Year |
| Mortality rate | IALM (2006-08) Unlimited |

26 RELATED PARTY DISCLOSURES

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

(I) List of Related Parties

| | |
|-----------------------------|--|
| a) Holding Company | : Transwarranty Finance Limited |
| b) Key Management Personnel | : Kumar Nair (Chairman & Director) U.Ramachandran (Managing Director & Chief Executive Officer) George Mampilly (Director & Chief Financial Officer) |

(II) Summary of Transactions :

| Particulars | 2018-19 (₹) | 2017-18 (₹) |
|---|----------------|----------------|
| 1) Inter Corporate Deposits Received - Holding Company | | |
| Transwarranty Finance Limited * | 5,02,00,000 | 9,88,86,762 |
| 2) Inter Corporate Deposits Repaid - Holding Company | | |
| Transwarranty Finance Limited | 6,46,25,541 | 46,06,735 |
| 3) Incentive Received - Holding Company | | |
| Transwarranty Finance Limited | 22,275 | - |
| 4) Current Account Debits - Holding Company | | |
| Transwarranty Finance Limited | 62,092 | 1,06,190 |
| 5) Current Account Credits - Holding Company | | |
| Transwarranty Finance Limited | 400 | 3,263 |
| 6) Interest Received on Inter Corporate Deposits - Holding Company | | |
| Transwarranty Finance Limited | 11,00,870 | 55,28,765 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.

| | | |
|--|-------------|-------------|
| 7) Brokerage Received on Share Trading - Holding Company | | |
| Transwarrantty Finance Limited | 43,461 | 1,15,177 |
| 8) Margin Received - Key Management Personnel | | |
| Kumar Nair | - | 1,10,000 |
| 9) Margin Returned - Key Management Personnel | | |
| Kumar Nair | - | 1,71,72,980 |
| 10) Interest paid on Margin Money received - Key Management Personnel | | |
| Kumar Nair | - | 8,04,422 |
| 11) Remuneration Paid - Key Management Personnel | | |
| U Ramachandran | 15,81,277 | 12,00,004 |
| Geroqe Mampilly | 11,87,325 | - |
| Closing Balances As on 31/03/2019 [Debit/ (Credit)] | | |
| 1) Inter Corporate Deposit - Holding Company | | |
| Transwarrantty Finance Limited | 1,44,25,541 | - |
| 2) Interest Receivable on ICD - Holding Company | | |
| Transwarrantty Finance Limited | 1,09,22,768 | 99,31,985 |
| 3) Current Account - Holding Company | | |
| Transwarrantty Finance Limited | 3,34,550 | 2,72,858 |
| 4) Trading Account - Holding Company | | |
| Transwarrantty Finance Limited | 3,02,018 | 4,79,289 |
| 5) Trading Account - Key Management Personnel | | |
| Kumar Nair - Trading Account | (734) | (734) |

* As a consequence of the Scheme of Amalgamation during Financial Year 2017-18 involving Transwarrantty Finance Limited (the Holding Company).


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019.
27 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 2019.

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.

28 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 | 100%(P.Y. 99.9998%) | Vertex Securities Limited |

29 Sundry debtors include old outstanding debts amounting to ₹ 95,50,724/- (₹ 97,50,724/-) in respect of which Group 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.

30 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.

31 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.

32 Lien has been marked in favour of Axis bank in respect of Bank Deposits worth ₹ 3,26,87,500/- (P.Y ₹ 2,00,00,000/-) 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 ₹ 10,00,000 /- (P.Y. ₹ 10,00,000 /-) together with accumulated interest thereon.

33 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.

34 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 YEAR ENDED 31ST MARCH 2019.

| Investments in Equity Instruments | Number of Shares/Units | Market Price per share as at 31.03.2019 | Market Value as at 31.03.2019 |
|-------------------------------------|------------------------|---|-------------------------------|
| Atlos Ltd. | 100 | Not Available | Not Available |
| Apple Credit Corp. Ltd. | 100 | Not Available | Not Available |
| Arihant Cotsyn Ltd. | 50 | Not Available | Not Available |
| Cauvery Software Engg. Systems Ltd. | 100 | Not Available | Not Available |
| Classic Diamond India Ltd. | 100 | Not Available | Not Available |
| Computer Power | 5,00,000 | Not Available | Not Available |
| Dunlop Ltd. | 100 | Not Available | Not Available |
| Femnor Mineral | 100 | Not Available | Not Available |
| Goldstone Infrastech Ltd | 100 | Not Available | Not Available |
| Indo French Biotech Enterprise Ltd. | 1,000 | Not Available | Not Available |
| Kerala Ayurveda Ltd. | 100 | 66.80 | 6,680 |
| Kitex Garments Ltd. | 700 | 102.20 | 71,540 |
| Koluthara Exports | 4,900 | Not Available | Not Available |
| MOH Ltd. | 20,000 | Not Available | Not Available |
| Nagarjuna Finance Ltd. | 200 | Not Available | Not Available |
| Superstar Distillaries & Foods Ltd. | 2,600 | Not Available | Not Available |
| Synthetics & Chemicals Ltd. | 100 | Not Available | Not Available |
| TISCO SPN | 15 | Not Available | Not Available |
| Trend Design | 800 | Not Available | Not Available |
| TTK Health Care | 100 | 678.65 | 67,865 |
| 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 | Not Available | Not Available |
| TOTAL | 5,47,315 | | 1,46,085 |

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

- 35 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.
- 36 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.
- 37 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. 22 is ₹ 2,626,995 (P.Y. 2,585,689/-).



Future minimum lease rent payable are as follows:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Not later than one year | 19,62,669 | 17,26,650 |
| Later than one year but not later than five year | 61,80,375 | 12,52,172 |
| Later than five year | 8,64,000 | 13,81,020 |

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

For and on behalf of Board of Directors

Rahul Divan

Partner

Kumar Nair

Chairman

DIN.00320541

U. Ramachandran

Managing Director

DIN.00493707

Jose Thomas Polachira

Director

DIN.01049189

James Pothan

Director

DIN.02492330

Latha Anand

Director

DIN.06404421

George Mampilly

Director & CFO

DIN.01976386

Pranali Kadam

Company Secretary

08th May, 2019

Mumbai

08th May, 2019

Kochi-18

| DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND JOINT VENTURE COMPANIES: | | | | | | | |
|--|---|-------------|---|-------------|---------------------------------------|-----------------|-------------------------|
| Name of the Company | Net Assets (Total Assets minus Total Liabilities) | | Net Assets (Total Assets minus Total Liabilities) | | Share in Profit or Loss | | Share in Profit or Loss |
| | 2018-19 | | 2017-18 | | 2018-19 | | |
| | As % of Consoli- dated Net Assets | Net Assets | As % of Consoli- dated Net Assets | Net Assets | As % of Consol- idated Profit or Loss | Profit / (Loss) | |
| Parent Company | | | | | | | |
| Vertex Securities Limited | 63.61 | 80,653,468 | 63.84 | 78,845,861 | 55.02 | 1,807,608 | 103.67 |
| Indian Subsidiaries: | | | | | | | |
| Direct Subsidiaries | | | | | | | |
| 1. Vertex Commodities & Finpro (P) Ltd | 36.39 | 46,139,442 | 36.16 | 44,661,561 | 44.98 | 1,477,880 | (3.67) |
| Minority Interest in All Subsidiaries: | - | 205 | | | - | - | |
| Joint Venture Companies | | Nil | | Nil | | Nil | Nil |
| TOTAL | 100 | 126,793,115 | 100 | 123,507,627 | 100 | 3,285,488 | 100 |
| | | | | | | | 7,458,185 |

Note:- The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2019.

As per our attached report of even date

For Rahul Gautam Divan & Associates
Chartered Accountants

Rahul Divan
Partner

Mumbai
8-May-19

For and on behalf of Board of Directors

Kumar Nair **U.Ramachandran** **Jose Thomas Polachira**
Chairman Managing Director Director
DIN 00320541 DIN 00493707 DIN 01049189

James Pothen **Latha Anand** **George Mamipilly** **Pranali Kadam**
Director Director Director & CFO Company Secretary
DIN 02492330 DIN 06404421 DIN 01976386

8-May-19
Kochi-18


FORM NO. 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 the financial statement of subsidiaries/ Associate companies/ Joint ventures.

Part- A Subsidiaries

| S.No. | Particulars | (Amount in ₹) |
|-------|------------------------------------|---|
| 1 | Serial Number | 1 |
| 2 | Name of the Subsidiary | Vertex Commodities & Finpro Private Limited |
| 3 | Reporting Period of the Subsidiary | 01/04/2018 to 31/03/2019 |
| 4 | Reporting Currency & Exchange Rate | INR ₹ 1/- |
| 5 | Share Capital | 5,86,15,000 |
| 6 | Reserves & Surplus | (1,24,75,559) |
| 7 | Total Assets | 6,62,05,326 |
| 8 | Total Liabilities | 6,62,05,326 |
| 9 | Investments | - |
| 10 | Turnover | 1,09,09,211 |
| 11 | Profit/(Loss) before Taxation | 15,64,313 |
| 12 | Provision For Taxation | (86,433) |
| 13 | Profit / (Loss) after Taxation | 14,77,880 |
| 14 | Proposed Dividend | Nil |
| 15 | % of Share Holding | 100% |

Notes:-

- 1) There are no subsidiaries which are yet to commence operations
- 2) There are no subsidiaries which have been liquidated or sold during the Year
- 3) The company has no Associates Companies and Joint Ventures.

As per our attached report of even date

For Rahul Gautam Divan & Associates
Chartered Accountants

Rahul Divan
Partner

Mumbai
8-May-19

For and on behalf of Board of Directors

Kumar Nair

Chairman
DIN 00320541

U.Ramachandran

Managing Director
DIN 00493707

Jose Thomas Polachira

Director
DIN 01049189

James Pothan
Director

DIN 02492330

8-May-19
Kochi-18

Latha Anand
Director

DIN 06404421

George Mamipilly
Director & CFO

DIN 01976386

Pranali Kadam
Company Secretary

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

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]

| |
|---|
| 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:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held at Conference Hall of the Company at Third Floor, Thotatthil Towers, Kombara Junction, Market Road, Ernakulam, Kochi-682 018, on 25th September, 2019 at 4.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions | Optional | |
|----------------|---|----------|----------|
| | | *For | *Against |
| 1. | To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31 st March, 2019 and the Reports of the Directors and Auditors thereon. | | |
| 2. | To appoint a Director in place of Mr. U. Ramachandran (DIN-00493707), who retires by rotation and being eligible offers himself for re-appointment. | | |
| 3. | To approve the appointment of S.S. Khan & Co., Chartered Accountants (Firm Registration No. 133324W) as Statutory Auditors and to fix their remuneration | | |
| | Special Business | | |
| 4. | To approve the re-appointment of Mr. James Pothan as Independent Director of the Company for a period of five years | | |
| 5. | To approve the re-appointment of Mr. Jose Thomas Polachira as Independent Director of the Company for a period of five years | | |
| 6. | To approve the re-appointment of Mrs. Latha Anand as Independent Director of the Company for a period of five years | | |
| 7. | Approval for material related party transactions | | |

Signed this day of 2019.

Signature of shareholder

Signature of Proxy holder(s)

Note:

- 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.
 - 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.

Affix
revenue
Stamp
of Re.1/-



Vertex Securities Limited

CIN : L67120KL1993PLC007349

Regd Office: Thottathil Towers, II Floor, Market Road, Ernakulam, Kochi 682018.

Tel: 02484-2384848 | **Fax:** 0484-2394209 | **Email:** secretarial@vertexbroking.com | www.vertexbroking.com

ATTENDANCE SLIP

| | |
|------------------------------|--|
| Name: | |
| Address: | |
| Regd .Folio No./ Client ID : | |
| No. of shares: | |

I hereby record my presence at the 26TH ANNUAL GENERAL MEETING of the Company at Conference Hall of the Company at Third Floor, Thotatthiil Towers, Kombara Junction, Market Road, Ernakulam, Kochi-682 018 at 4.00 p.m. on Wednesday, September 25th, 2019.

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

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

Notes:

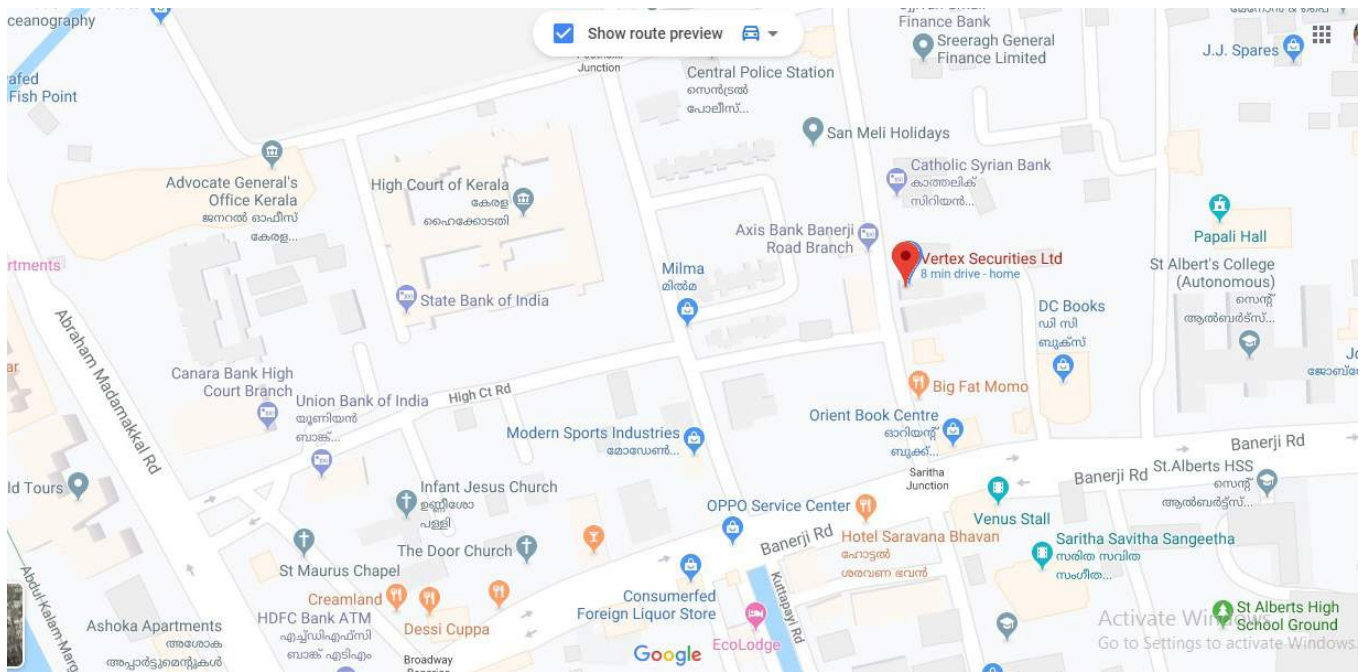
1. Members/proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
2. Members are requested to bring their copy of the Annual Report to the Meeting.

| ELECTRONIC VOTING PARTICULARS | | |
|-------------------------------|---------|--------------|
| Remote e-Voting Event Number | USER ID | PASSWORD/PIN |
| 111909 | | |

Note: Please read Notes on Procedure for e-voting mentioned in the Notice of 26th Annual General Meeting of the Company

ROUTE MAP FOR AGM

Venue Address: Third Floor, Thotatthil Towers, Kombara Junction, Market Road, Ernakulam, Kochi- 682 018.



TRANSWARRANTY FINANCE LIMITED (Holding Company)

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

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

Trade Finance

- LC Bills Discounting
- Clean Bills Discounting
- Inter Corporate Deposits
- Unsecured Working Capital Loan
- Import and Export Finance (Supplier's / Buyer's Credit)

Project Finance

- Financial Structuring
- Project Report and Financial Feasibility Study
- Raising Project Equity
- Raising Project Loans both in Rupee and Foreign Currency

Gold Loan

Online Personal Loans

Online Consumer Loans

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

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 AND 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) and National Multi Commodity Exchange of India Limited (NMCE).

- Retail Commodities Broking
- Corporate Agency for comprehensive insurance products

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
- 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

Regd. Office:

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