VSL/2021-22/SEC/14

2nd September, 2021

To,
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 28th Annual General Meeting (AGM) of the Members of Company will be held on Monday, 27th September, 2021 at 4.00 p.m. IST, through Video Conferencing / Other Audio Visual Means, in accordance with the relevant circulars issued by the Ministry of Corporate Affairs ('the MCA') and the Securities and Exchange Board of India ('the SEBI'), in view of the prevailing COVID -19 pandemic.

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	21st September, 2021 to 27th September, 2021 (both days inclusive)	Annual General Meeting

The notice of 28th 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

VERTEX
Securities Limited
(A Subsidiary of Transwarranty Finance Limited)
28th Annual Report 2020-21

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. Ramachandran Unnikrishnan
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 Pothen
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 Executive 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 And 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 23 years in the financial markets.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kumar Nair	Chairman
Ramachandran Unnikrishnan	Managing Director & CEO
James Pothen	Independent Director
Jose Thomas Polachira	Independent Director
Latha Anand	Independent Director
George Mampillil	Executive Director & CFO

CHIEF FINANCIAL OFFICER
George Mampillil

COMPANY SECRETARY
Pranali Kadam

AUDITORS
S S KHAN & CO
Chartered Accountants,
24, 1st Floor, 5, Malharraowadi,
Dadi Seth Agiary Lane,
Kalbadevi, Mumbai - 400002.

SECRETARIAL AUDITOR
Yogesh Sharma & Co.,
Company Secretaries
B-1, Neha Apartment,
Opp. Badwaik's Hospital,
L.B.S. Marg, Bhandup W,
Mumbai 400078

BANKERS
South Indian Bank
Axis Bank
Canara Bank
Federal Bank
HDFC Bank
ICICI Bank
State Bank of India

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
website: www.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 28th Annual General Meeting of Vertex Securities Limited will be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), on Monday, 27th September, 2021 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Ramachandran Unnikrishnan (DIN 00493707), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mr. George Mampillil, Executive Director & CFO as a Director for a period of three years w.e.f. 13th August, 2021**

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

   "RESOLVED THAT pursuant to the provisions of Section 152, 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the "Managerial Personnel Rules"), (including any statutory modification(s) or re-enactment thereof for the time being in force), as amended from time to time, read Schedule V to the Act and based on the recommendation of the Nomination, Remuneration and Compensation Committee and the approval of the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. George Mampillil (DIN 01976386) as the Executive Director & CFO of the Company for a period of three years w.e.f. 13th August, 2021 on the following terms and conditions including remuneration:

   Terms of Remuneration:

   A. **Salary:** Remuneration not exceeding ₹ 12 Lakhs per annum including perquisites, allowances as may be determined by the Board of Directors of the Company or Nomination, Remuneration and Compensation Committee.

   B. **Perquisites and other allowances:**

      i. Company provided Car with a driver

      ii. Leave Travel Allowance - As per rules of the Company.

      iii. Children's education allowance: In case of children studying in or outside India, an allowance limited to maximum of ₹ 100 per month per child or actual expenses incurred, whichever is less. Such allowance is admissible upto a maximum of two children.

      iv. HRA, DA, Other Allowances, Special Allowances and Reimbursements- As per the rules of the Company.

   The following perquisites will not be included in the computation of the ceiling of perquisites:

   (i) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service

   (ii) Encashment of leave at the end of tenure.

   (iii) Performance incentive, if any- As per the rules of the Company

   RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. George Mampillil which shall be in accordance with the prescribed provisions of the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force).

   RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. George Mampillil's office as an Executive Director, he shall be paid the above remuneration as minimum remuneration.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, to do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto."

4. **Approval for material related party transactions**

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 (the "Act") 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 committees thereof), for transactions/ contracts/arrangements already entered/to be entered into any and all transactions/contracts/arrangements with Transwarranty Finance Limited, holding company and a related party as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, inter-alia, relating to making of loans to/borrow from Transwarranty Finance Limited and/or providing/availing of any services by the Company to/from Transwarranty Finance Limited, on such terms and conditions as the Board on its absolute discretion, may deem fit, PROVIDED HOWEVER THAT the total aggregate amount/value of all such transactions/ contracts/arrangements that may be entered into by the Company with Transwarranty Finance Limited and remaining outstanding at any point of time shall not exceed ₹ 50 Crore (Rupees Fifty Crores); during a financial year.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto."

5. To approve powers of the Board U/s 180 (1) (a) of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof and subject to approval of members in Annual General Meeting, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to sell, lease or otherwise dispose off the portion of the undertaking to repay its dues/Liabilities on such terms and conditions at such time(s) and in such form and manner as deemed fit by the Board.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

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

Pranali Kadam
Company Secretary

Place: Kochi
Date: 10th August, 2021

Registered Office:
Thottathil Towers, 2nd Floor,
Market Road, Ernakulam,
Kochi 682018
CIN:L67120KL1993PLC007349
Email: secretarial@vertexbroking.com
website: www.vertexbroking.com
Tel: 0484 2384848 ; Fax: 0484 2394209

NOTES:

1. In view of the ongoing COVID-19 pandemic, social distancing is a norm to be followed and the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 02/2021 dated 13th January, 2021 read with General Circular No. 20/2020 dated 5th May, 2020, General Circular No.. 14/2020 dated 8th April,2020 and General Circular No. 17/2020 dated 13th April, 2020 (collectively referred to as "said Circulars") permitted the holding of the Annual General Meeting ("AGM"/ "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of members at a common venue. In this Annual Report, the connotation of "Members" and "Shareholders" is the same.

   Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 ("Act") read with the said Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the

Company has decided to convene its ensuing 28th AGM through VC/OAVM, and the Members can attend and participate in the ensuing AGM through VC/OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the Deemed Venue of the AGM. National Securities Depositories Limited (NSDL) will be providing the facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained in note no. 17 below and is also available on the website of the Company at www.vertexbroking.com

2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Item No. 3 to Item No. 5 of the Notice of 28th AGM, which is considered to be unavoidable by the Board of Directors of the Company, is annexed hereto. Also, relevant details in respect of Directors seeking appointment/ re-appointment at the AGM, in terms of Regulation 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.25 of Secretarial Standard- 2 on General Meetings are also annexed to this notice.

3. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 2nd Floor, Thottathil Towers, Market Road, Ernakulam , Kochi 682018, Kerala.

4. Generally, 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.

   However, since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with and in line with the Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 ("said SEBI Circulars") issued by the Securities and Exchange Board of India ("SEBI"), THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

   However, in terms of the provisions of Section 112 and 113 of the Act read with the said Circulars, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC/OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately, hereinbelow). Institutional/ Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to jantonyca@gmail.com with a copy marked to the Company at secretarial@vertexbroking.com and to its RTA at rnt.helpdesk@linkintime.co.in.

5. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In view of the continuing COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the said Circulars issued by the MCA and said SEBI Circulars, the Annual Report including Notice of the 28th AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by Email, to all the Shareholders whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes to the Shareholders and to all other persons so entitled.

   Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and said SEBI Circulars, the Annual Report including Notice of the 28th AGM of the Company will also be available on the website of the Company at www.vertexbroking.com. The same can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of NSDL i.e. www.evoting.nsdl.com.

7. Members are requested to send all their documents and communications pertaining to shares to Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent (RTA) of the Company at their address at C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra 400083, Telephone No. 022 - 4918 6000, rnt.helpdesk@linkintime.co.in, for both physical and demat segment of Equity Shares. Please quote on all such correspondence - "Unit – Vertex Securities Limited".

8. 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.

9. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

10. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at secretarial@vertexbroking.com or rnt.helpdesk@linkintime.co.in along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to secretarial@vertexbroking.com

11. The Register of Members and Share Transfer Books will remain closed from 21st September, 2021 to 27th September, 2021 (both days inclusive) for the purpose of AGM.

12. 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 the Company or 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.

13. In terms of the provisions of Regulation 40 of Listing Regulations, 2015 and various notifications issued in that regard, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not being processed from 1st April, 2019 unless the securities are held in dematerialized form with the depositories. In view of the same, Members are requested to take action to dematerialize the Equity Shares of the Company, promptly.

14. 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.

15. Members are requested:

    a. To quote their folio number/ DP ID and Client ID in all correspondence.

    b. To notify immediately change of their address and bank particulars to the RTA in case the shares are held in physical form; and in case the shares are held in dematerialized form, the information should be passed on directly to their respective Depository Participant and not to the Company / RTA, without any delay.

16. In terms of provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in dematerialized form are requested to submit the said details to their Depository Participant(s) and the

Members holding shares in physical form, are requested to submit the said details to the Company or RTA.

17. PROCEDURE FOR JOINING THE AGM THROUGH VC/ OAVM:

I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

II. For convenience of the Members and proper conduct of AGM, Members can login and join atleast 15 (fifteen) minutes before the time scheduled for the AGM and the window for login shall be kept open throughout the proceedings of the AGM. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 Members on 'first come first serve' basis. This will not include large Members (i.e. Members holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis

III. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

IV. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

V. The Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 20th September, 2021 by 5.00 p.m. through email on secretarial@vertexbroking.com. The same will be replied by / on behalf of the Company suitably. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

18. The instructions and other information relating to voting through electronic means is given hereunder:

VOTING TROUGH ELECTRONIC MEANS

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide Members with the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting. 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") as well as e-voting during the proceeding of the AGM ("e-voting at the AGM") will be provided by National Securities Depository Limited (NSDL).

II. Members who have cast their vote by remote e-Voting prior to the AGM can also attend the AGM but shall not be entitled to cast their vote again. Only those Members, who will be present at the AGM through VC / OAVM facility and who would not have cast their vote by remote e-Voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.

III. The remote e-voting period commences on Friday, 24th September, 2021 09:00 a.m. and ends on Sunday, 26th September 2021 at 5.00 p.m. During this period, the Members, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, 20th September, 2021 may cast their vote electronically by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20th September, 2021.

IV. **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: Access to NSDL e-Voting system

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL **IDeAS** facility, please visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login method for members other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 ‘Shareholder/ Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 117714 then user ID is 117714001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) 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.

   c) How to retrieve your 'initial password'?

      i. 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'.

      ii. If your email ID is not registered, please follow steps mentioned under the head **"Procedure to be followed by those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-Voting for the resolutions set out in this notice".**

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

   a) 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.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) 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 etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Procedure to be followed by those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to rnt.helpdesk@linkintime.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to rnt.helpdesk@linkintime.co.in.

   If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing the details mentioned in Point (1) or Point (2) as the case may be.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

iii. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@vertexbroking.com. The same will be replied by the company suitably.

General Guidelines for Members

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 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

V. Any person, who acquires shares of the Company and becomes Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or vishal.parad@linkintime.co.in.

VI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as e-Voting at the AGM.

VII. 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.

VIII. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by the Chairman after completion of the scrutiny of e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. 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.

IX. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for electronic inspection. Members seeking to inspect such documents can send an email to secretarial@vertexbroking.com.

19. Members of the Company had approved the appointment of M/s. S.S.Khan & Co., Chartered Accountants, as the Statutory Auditors at the 26th AGM of the Company which is valid till the 31st AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by MCA, the appointment of Statutory Auditors is not required to be ratified at every AGM.

20. Members are requested to address all correspondences to the Registrars and Transfer Agents of the Company.

21. The Company has designated an exclusive email Id viz. secretarial@vertexbroking.com to enable the investors to post their grievances and monitor its redressal.

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

Pranali Kadam
Company Secretary

Registered Office:
Thottathil Towers, 2nd Floor,
Market Road, Ernakulam,
Kochi 682018

Place: Kochi
Date: 10th August, 2021

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 APPOINTMENT/RE-APPOINTMENT AT THE 28TH ANNUAL GENERAL MEETING

Item No. 2 and 3:

Name of Director	Mr. Ramachandran Unnikrishnan	Mr. George Mampillil
DIN	00493707	01976386
Date of Birth	25/11/1956	19/04/1948
Nationality	Indian	Indian
Type of Appointment	Director retiring by rotation	Re-appointment as Executive Director & CFO
Date of first appointment on Board	10/07/2009	13/08/2018
Qualification	B. Com(Hons),F.C.A.	B.Sc.
No. of Shares held	12,500 Equity Shares of ₹ 2 each	4,30,000 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 Holding Company, Transwarranty Finance Limited and a Director of wholly owned subsidiary Vertex Commodities And Finpro Pvt. Ltd.	He has over 23 years of experience in financial markets. He was the Chief Executive Officer of Acumen Group, Cochin based Financial Services Company for 10 years.
Directorships held in other companies	1. Transwarranty Finance Limited 2. Vertex Commodities And Finpro Pvt. Ltd. 3. Transwarranty Capital Market Services Pvt. Ltd. 4. Suncem Surface Coatings Pvt. Ltd.	-
Membership of Committees of other listed public companies	Nil	Nil
Disclosure of relationships between directors inter-se	None of the directors are related to each other	None of the directors are related to each other
Justification for appointment	Excellent knowledge in Financial Services, Capital Market and Auditing	Excellent knowledge in Financial Market
No. of Board Meetings attended during the financial year 2020-21	5 out of 5	5 out of 5
Details of last remuneration drawn from the Company	₹ 14,16,250 in FY 2020-21	₹ 9,36,741 in FY 2020-21
Terms and conditions of appointment/ re-appointment	Mr. Ramachandran Unnikrishnan is proposed to be reappointed as a Director of the Company and is liable to retire by rotation.	Mr. George Mampillil is proposed to be re-appointed as Executive Director on the terms and conditions contained in the Explanatory Statement to the Notice and is liable to retire by rotation

Item No. 3

Re-appointment of Mr. George Mampillil, Director & CFO (DIN 01976386) as an Executive Director & CFO

Mr. George Mampillil, CFO was appointed as the Executive Director of the Company w.e.f. 13th August, 2018 for a period of three years upto 12th August, 2021.

The Board of Directors of the Company at their meeting held on 8th June, 2021 and after taking into consideration recommendation of the Nomination, Remuneration and Compensation Committee of the Board, have approved the re-appointment of Mr. George Mampillil as Executive Director & CFO w.e.f. from 13th August, 2021 for a further period of three years, liable to retire by rotation, subject to the approval of the Shareholders of the Company.

The Executive Director shall not be paid sitting fees for attending the meetings of the Board or any Committee thereof.

He has rich experience of around 23 years in the financial markets. Mr. George Mampillil is not related to any Director of the Company. The Nomination and Remuneration Committee and the Board, having regard to his qualification and experience, considered him to be a fit and proper person for the post of Executive Director of the Company.

A statement containing information required to be provided to the shareholders as per the provisions of Schedule V in respect of remuneration payable to Mr. George Mampillil is given below:

I. General Information:

Nature of Industry: The Company is in the business of stock broking. Besides, it is a SEBI registered Merchant Banker.

Date or expected date of commencement of commercial production: Not applicable as the company is an existing Company.

Financial performance based on given indicators:

(₹ in Lakhs)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19*
	Standalone		
Total Income	832.17	551.52	686.96
Total Expenditure (including Finance Cost, depreciation and tax and exceptional items)	791.61	892.39	670.45
Profit/(Loss) After Tax	40.56	(340.87)	16.51
Earnings per share	0.05	(0.47)	0.02

*as restated as per Ind AS

Foreign investments or collaborations: No foreign investments or collaborations

II. Information about appointee:

1. Background details: Mr. George Mampillil (DIN 01976386), aged 73, is a B.Sc. Graduate in Physics. He was earlier the Chief Executive Officer of our Company and a Director of our subsidiary Company, Vertex Commodities and 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 joined Vertex Securities Limited on 7th April, 2018. He was designated as Chief Financial Officer of the Company on 5th May, 2018. Mr. George Mampillil was appointed as the Executive Director of the Company w.e.f. 13th August, 2018 for a period of three years.

   He brings along with him rich experience of around 23 years in the financial markets.

2. Past remuneration: There has been no change in the Remuneration drawn by Mr. George Mampillil in his capacity as Executive Director & CEO during the last three is as follows:

Particulars	2020-21	2019-20	2018-19
Salary drawn (in ₹)	9,36,741	12,00,000	12,00,000

3. Recognition or awards: Nil

4. Job profile and suitability: Mr. George Mampillil is responsible for the overall management of the Company. He is a significant contributor and key management

personnel in your Company and has played an influential role in implementing the strategies of your Company. He has about 20 years of experience in the stock broking industry. His qualification, outstanding experience and general management skills are most suitable for the responsibilities shouldered by him.

5. Remuneration proposed: Details of remuneration proposed for approval of the Shareholders at this 28th Annual General Meeting of the Company are as provided in this Explanatory Statement for item No. 3 of this Notice.

6. Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration offered to Mr. George Mampillil is at par with the industry norms considering the industry, size of the Company, profile of the position and person.

7. Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel: Mr. George Mampillil is an executive director of the Company holding 4,30,000 equity shares in the Company. He has no pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration and shareholdings in the Company.

III. Other information:

(1) Reasons of loss or inadequate profits: The business of the Company and its performance is linked to capital market conditions. Uncertain conditions prevailing in the capital markets over the last few years have resulted in performance leading to inadequate profits.

(2) Steps taken or proposed to be taken for improvement: The Company has been continuously enhancing its client list. The Company has made significant strides in establishing stronger client relationships. The Company has taken various measures for achieving the aspiration and goals of the organization.

(3) Expected increase in productivity and profits in measurable terms: With better capital market conditions and increased client relationships, the Company will be committed to its vision which will increase the productivity and profitability of the Company.

The disclosures as required on elements of remuneration package, etc. have been made under "Report on Corporate Governance" forming part of the Annual Report for 2020 - 21.

Special Resolution is proposed for appointment of Mr. George Mampillil pursuant to the provisions of Section 196(3) of the Companies Act, 2013, since he has attained the age of 73 years.

Except Mr. George Mampillil and his relatives, none of the directors or Key Managerial Personnel and their relatives is interested or concerned in the resolution as set out in item No. 3 of the Notice.

Mr. George Mampillil, satisfies all the conditions as set out in Part I of Schedule V referred to in Section 196 of the Companies Act, 2013 for being eligible to be appointed as Executive Director of the Company. Mr. George Mampillil is not debarred or disqualified from continuing to act as a director of companies by SEBI, MCA or any other statutory authority.

Pursuant to provisions of Section 160 of the Companies Act, 2013 read with the relevant Rules the Company has received notice in writing from a member proposing the candidature of Mr. George Mampillil as an Executive Director of the Company.

In the opinion of the Board, the appointment of Mr. George Mampillil as Executive Director is in the best interest of the Company and accordingly, your Directors recommend the special resolution set out at item no. 3 for approval of the Members.

The letter of appointment of Mr. George Mampillil as Executive Director & CFO is available for inspection by the members of the Company through electronic mode during the normal business hours (9.00 a.m. to 5.00 p.m.) on any working day except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.

Item No. 4

Approval for material related party transactions

Pursuant to the Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the "Listing Regulations"), all related party transactions shall require prior approval of the Audit Committee. Also, all material transactions with related parties shall require approval of the members of a public listed company through an ordinary resolution and the related parties shall not vote to approve such resolutions. Additionally, as per the provisions of Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or

re-enactment(s) thereof for the time being in force), all related party transactions beyond the threshold mentioned in sub-rule (3)(a) of the said Rule 15, shall require prior approval of the members at a general meeting.

"Material Related Party Transaction" under the Listing Regulations means any transaction(s) entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a listed company as per its last audited financial statements.

The annual consolidated turnover of the Company for the financial year 2020-21 is ₹ 9.32 Crore. Accordingly, any transaction(s) by the Company with its related party exceeding ₹ 0.93 crores (being 10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, prior approval of the members will be required for the same.

The Company may lend funds in/to or borrow from its group entities from time to time as and when they require funds for their business activities/working capital needs.

Considering that the aggregate amount/value of transactions entered/ to be entered into by the Company with Transwarranty Finance Limited may exceed ₹ 0.93 Crores, it is proposed to obtain the members' approval in respect of the following transactions during the financial year:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Transactions	Amount*
1.	Transwarranty Finance Limited	Holding Company	Loans/Inter-corporate Deposits/ Investment, purchase and/or sale of securities, transfer of assets from and to, providing/availing of services, etc	Not exceeding ₹ 50 Crores

* The ceiling on the amount of transactions specified as above would mean the transactions, if any, entered into and remaining outstanding at any point of time during a financial year

The members at the Twenty Seventh AGM had accorded their approval for the Company to enter into various transactions as mentioned above with its related party, viz., Transwarranty Finance Limited for an amount of up to ₹ 50 Crore. Pursuant to the said approval, the Company has done transactions with Transwarranty Finance Limited for an amount aggregating ₹ 14.72 Crores during the financial year 2020-21. Apart from the above, no other transactions have been entered into by the Company with these companies.

Transwarranty Finance Limited is the Non-Banking Financial Company registered with the RBI as a Non-Deposit Taking NBFC. It has an established advisory business offering investment banking, corporate finance, & trade finance. The company also provides online personal loans to further financial inclusion. In addition, the company acts as the marketing and distribution arm of its subsidiary Companies Vertex Securities Limited and Vertex Commodities And Finpro Private Limited.

The above transactions, which are enabling in nature, have been approved by the Audit Committee of the Board and subsequent meetings of the Board of Directors of the Company in terms of the requirements of Regulation 23(3) of the Listing Regulations.

The approval of the shareholders is being sought by way of an ordinary resolution for the existing/proposed material related party transactions entered/to be entered during the financial year.

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. 4 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. 4.

Item No. 5

To approve powers of the Board U/s 180 (1) (a) of the Companies Act, 2013

Members of the Company are further to note that section 180 (1) (a) of the Companies Act, 2013 mandates that the Board of Directors of the Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the Company, subject to approval/ ratification of the members of the Company by way of special resolution.

Explanation (i) to section 180 (1) (a) of the Companies Act, 2013 states that the meaning of an "Undertaking" shall mean an undertaking in which the investment of the Company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent of the total income of the Company during the previous financial year. Explanation (ii) to section 180 (1) (a) of the Companies Act, 2013 states that the meaning of "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

Accordingly, pursuant to Section 180(1)(a) of the Companies Act, 2013, members of the Company are further requested to note that their consent to the Board is being sought by way of a Special Resolution to sell and transfer, the investments of the Company. The above resolution is recommended for your approval for passing this resolution at this ensuring Annual General Meeting.

The Directors, Key Managerial Personnel or their respective relatives may be deemed to be interested in the resolution to extent of their shareholding in the Company.

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

Pranali Kadam
Company Secretary

Registered Office:
Thottathil Towers, 2nd Floor,
Market Road, Ernakulam,
Kochi 682018

Place: Kochi
Date: 10th August, 2021

DIRECTORS' REPORT

To,
The Members of
Vertex Securities Limited

Your Directors are pleased to present before you the 28th Annual Report of the Company along with Audited Financial Statements, for the year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	832.17	551.52	932.19	662.82
Total Expenditure	791.61	892.39	864.78	1088.08
Profit / (Loss) before Exceptional Items and Tax	40.56	(340.87)	67.41	(425.26)
Exceptional Items	0.00	0.00	0.00	0.00
Total Tax Expenses	0.00	0.00	0.00	0.00
Profit/(Loss) for the Year	40.56	(340.87)	67.41	(425.26)
Other Comprehensive Income	(2.32)	(7.49)	(2.32)	(7.68)
Total Comprehensive Income	38.24	(348.36)	65.09	(432.94)

PERFORMANCE REVIEW:

During the year ended 31st March, 2021, your Company earned revenue of ₹ 832.17 Lakhs as compared to ₹ 551.52 Lakhs in the previous year. The operations have recorded a profit of ₹40.56 Lakhs as compared to a loss of ₹ 340.87 Lakhs in the previous year.

During the year ended 31st March, 2021, your Company earned consolidated revenue of ₹ 932.19 Lakhs as compared to ₹ 662.82 Lakhs in the previous year. The consolidated operations have recorded a profit of ₹ 67.41 Lakhs as compared to a loss of ₹ 425.26 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 Directors' 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:

The Consolidated Financial Statements of the Company are prepared in accordance with Section 129 of the Companies Act, 2013 read with relevant Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this Annual Report. Pursuant to Section 136 of the Companies Act, 2013, the standalone financial statements of the Company and the 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 at www.vertexbroking.com.

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

The proactive and continuous efforts by the Company in terms of diversifying and de-risking business primarily into product distribution are helping to build a stable revenue franchise.

The Company has strengthened its digital focus as COVID-19 pandemic pose challenge of social distancing and reduced movement. Aadhar-based digital onboarding has been launched to enable customers easily onboard and transact from

the safety of their homes. Further, to strengthen positioning as an advisory services company, portfolio analysis and financial planning applications were improved with enhanced features.

SHARE CAPITAL:

The issued, subscribed and paid-up Share Capital as on 31st March, 2021 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.

Further, the Company has not issued any convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. There has been no change in the capital structure of the Company during the year.

OPERATIONS OF SUBSIDIARY:

Vertex Commodities And Finpro Private Limited:

Vertex Commodities And Finpro Private Limited (VCFPL) is a 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. Indian Commodity Exchange of India Ltd. (ICEX)

During the year ended 31st March, 2021, the subsidiary company, Vertex Commodities And Finpro Private Limited had total revenue of ₹ 100.01 lakhs and net profit of ₹ 26.84 lakhs as against the total revenue of ₹ 111.30 lakhs and net loss of ₹ 84.40 lakhs in the previous year.

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.

Your Company has also formulated a policy for determining material subsidiaries, which is available on the website of the Company at the web link: https://www.vertexbroking.com/Vertex/CompanyPolicy.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

I. Re-appointment of Directors

Re-appointment of Mr. George Mampillil, as Executive Director & CFO

Mr. George Mampillil (DIN 01976386) was appointed as the Executive Director of the Company for a period of 3 years from 13th August, 2018 to 12th August, 2021. The Board, on recommendation of the Nomination, Remuneration and Compensation Committee and after evaluating his performance and considering the Company's growth under his leadership approved his re-appointment for a period of 3 years commencing from 13th August 2021, subject to approval of the shareholders. Accordingly, resolution seeking his re-appointment for further term of 3 years forms a part of the notice convening the 28th 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. Ramachandran Unnikrishnan, (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 2020-21, forms part of the Annual Report and is attached separately as **Annexure A.**

REPORT ON CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders. The Company has complied with the requirements and disclosures that have to be made in terms of the requirements of Corporate Governance specified in SEBI Listing Regulations.

The Report on Corporate Governance as stipulated under Regulation 27 of the Listing Regulations, 2015 forms part of this report as **Annexure B**. A certificate of Statutory Auditor confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT

The Board has adopted a Code of Conduct for Directors & Senior Management in accordance with the provisions of the Companies Act, 2013 and Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code also incorporates the duties of Independent Directors. All the Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director forms part of the Corporate Governance Report. A copy of the Code has been put on the Company's website.

SECRETARIAL AUDIT

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 under review, to conduct secretarial audit of the Company.

The Secretarial Audit Report for the year under review issued by Mr. Yogesh Sharma is annexed to this Report as **Annexure C**. With reference to the qualification regarding delay in submission of replated party transactions for the half year ended 30.09.2020, the Board noted that the said delay was due to the Pandemic situation and shut down of offices and transportation due to lockdown. Further, the Company had requested BSE Ltd for waiver of fine levied by BSE and the request for waiver of fine has been approved by BSE vide their email dated 25th June, 2021. The observations made by NSE during inspection has since been rectified by the Company and measures are taken to avoid the same in future.

Vertex Commodities And Finpro Pvt.Ltd., material subsidiary of the Company as per Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also obtained Secretarial Audit Report from Mr. Yogesh Sharma, Practicing Company Secretary. The said report also forms a part of this Annual Report as **Annexure C1**.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India, the Company has obtained the Annual Secretarial Compliance Report for the financial year ended 31st March, 2021, thereby confirming compliance of the applicable SEBI Regulations and circulars / guidelines issued thereunder, on behalf of the Company.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for the financial year ended 31st March, 2021 is uploaded on the website of the Company and can be accessed at www.vertexbroking.com.

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 OF THE BOARD AND COMMITTEES

The Board met 5 (five) times during the financial year. The details regarding the meetings 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.

AUDIT COMMITTEE

The Audit Committee is constituted with two Independent Directors and one Executive Director comprising of Mr. James Pothen, as the Chairman, Mr. Jose Thomas Polachira and Mr. Ramachandran Unnikrishnan as other Committee Members.

More details regarding the Audit Committee including composition, attendance at the meetings and brief terms of reference are given in the annexed 'Corporate Governance Report'.

NOMINATION AND REMUNERATION POLICY

The Board on the recommendation of the Nomination, Remuneration and Compensation 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 the weblink https://www.vertexbroking.com/Vertex/CompanyPolicy.

The salient features 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

The Independent Directors of the Company are persons of integrity, possessing rich experience and expertise in the field of corporate management, finance, capital market, economic and business information. The Company has issued appointment letter to the Independent Directors setting out in detail, the terms of appointment, duties, roles & responsibilities and expectations of the Independent Director. The Board of Directors has complete access to the information within the Company. Presentations are regularly made to the Board of Directors / Audit Committee / Nomination & Remuneration Committee / Stakeholders' Relationship Committee on various related matters, where Directors have interactive sessions with the Management. Further the Managing Director also holds one to one discussion with the newly appointed Director to familiarize with the Company's operations.

The details of the Company's familiarization programme for Independent Directors can be accessed at (http://www.vertexbroking.com/Investors).

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, that of board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 meeting 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 of the SEBI Listing Regulations.

In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and the SEBI Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act.

STATUTORY AUDITORS

At the 26th Annual General Meeting of the Company held in the year 2019, the Shareholders had approved the appointment of S.S.Khan & Co., Chartered Accountants, (Firm Registration No.133324W), as the Statutory Auditors of the Company for a period of five years from the conclusion of the 26th AGM till the conclusion of the 31st AGM, in terms of the applicable provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The Auditors' Report on the Financial Statements (Standalone and Consolidated) of the Company for the year under review,

"with an unmodified opinion", as given by the Statutory Auditors, is disclosed in the Financial Statements forming part of this Annual Report. The Auditors' Report is clean and there are no qualifications in their Report. Also, no frauds in terms of the provisions of Section 143(12) of the Act have been reported by the Statutory Auditors in their report for the year under review.

The Notes to the Financial Statements (Standalone and Consolidated) are self-explanatory and do not call for any further comments.

EMPLOYEE STOCK OPTION SCHEME (ESOP)

During the year under review, there has been no change in the Vertex Employee Stock Option Plan, 2010 (the 'ESOP Plan') of the Company. The ESOP Plan is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (the 'SBEB Regulations').

During the year under review, no options were granted, vested or exercised and hence the disclosure required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and Regulation 14 of the SBEB Regulations is not required to be furnished. Accordingly, your Company is also not required to obtain certificate from the Statutory Auditors in respect of implementation of the ESOP Plan for the financial year 2020-21.

The relevant details for the previous financial years are available on the website of the Company at www.vertexbroking.com

The Company has not issued any sweat equity shares or equity shares with differential rights during the year ended 31st March, 2021.

PARTICULARS OF LOANS, GUARANTEES OR INVESTEMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are separately disclosed in this Annual Report, as part of the notes to the Financial Statements.

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.

INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading and Policy on Disclosure of Material Events/ Information which is applicable to all Directors and the Designated Employees of the Company. The Code lays down the guidelines, which advices on the procedures to be followed and disclosures to be made while dealing in shares of the Company and indicate the consequences of non-compliance. A copy of the Code has been put on the Company's website.

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 from time to time and the same are disclosed in the Financial Statements of the Company for the year under review.

Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board of Directors has, on recommendation of its Audit Committee, adopted a Policy on Related Party Transactions and the said policy is available on the website of the Company i.e. https://www.vertexbroking.com/Vertex/CompanyPolicy.

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

Your Directors draw attention of the members to Note 31 to the financial statement, which sets out related party disclosures.

PUBLIC DEPOSITS

During the financial year under review 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 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time is attached herewith as **Annexure E**.

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 always leveraged technological innovations to improve its operational efficiency and satisfy and retain our customer base. Keeping in line with SEBI guidelines, the Company has been automating the customer on-boarding process. This has enabled the Company to reduce time-consuming activities and complexity of physical on-boarding of clients.

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

Earnings: Nil
Outgo - Nil

MATERIAL CHANGES AND COMMITMENTS

There has been no change in the nature of business during the year. There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

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.

Your Directors state that during the year under review, there was no complaint received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has Whistle Blower Policy encompassing vigil mechanism to report genuine concerns and grievances. The policy provides adequate safeguards against victimisation of persons who use the Whistle Blower mechanism. 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 available on the website of the Company at the weblink https://www.vertexbroking.com/Vertex/CompanyPolicy

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.

GENERAL SHAREHOLDER INFORMATION

General Shareholder Information is given in the Report on Corporate Governance forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134 (5) of 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.

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

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. No fraud was reported by auditors of the Company during the year under review.

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.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation for the co-operation and continued support received from customers, shareholders, investors, parent company, collaborators, vendors, financial institutions, banks, regulatory authorities and the society at large during the year.

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

Ramachandran Unnikrishnan	**George Mampillil**
Managing Director	Director & CFO
(DIN 00493707)	(DIN 01976386)

Place: Kochi
Date: 10th August, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Annexure A

Indian Economy Overview

COVID-19 pandemic spread rapidly throughout the world from the beginning of the financial year. The Indian economy also faced severe disruption in the wake of pandemic and the resultant lockdowns, which brought economic activity to a near standstill in the April-June period of FY 2020-21. The economy saw the worst contraction 24.4% YoY in the first quarter of FY 2020-21. Following a contraction over the previous two quarters, the Indian economy started coming back to normalcy in the second half of the year, supported by gradual removal of lockdown restrictions, strong festive-induced pent-up Demand and various support measures extended by the government, taking full year growth to -7.3%. However, the economy seem to have faltered beginning April 2021 in the wake of a second wave of COVID-19 and consequent lockdown restrictions imposed by several states.

With an aim to provide targeted liquidity support, the RBI announced a slew of measures. Some of the key measures include-

On-tap liquidity facility worth Rs. 50,000 crore for banks for on-lending, classified as Priority Sector Lending (PSL), a special three-year long-term repo operation (SLTRO) worth Rs. 10,000 crore for Small Finance Banks (SFBs) to support on lending to MSMEs, Lending by SFBs to micro-finance institutions (MFIs) for on-lending to be classified as PSL, Resolution framework 2.0 to ease debt serviceability burden on MSMEs, small businesses and individuals, And Relaxation with regard to availment of Overdraft (OD) facilities for state governments.

The fiscal stimulus under Atmanirbhar 2.0 and 3.0 schemes, increased capital outlays and the investment-enhancing proposals in the Union Budget 2021-22 will likely accelerate public and private investments & economic growth. However, worsening pandemic situation due to resurgence of second wave, localised lockdowns and slower than expected pace of vaccinations have dampened prospects of a nascent economic recovery and accentuated business uncertainty. World Bank has slashed India's GDP forecast for FY2022 to 8.3% from 11.2% predicted earlier, as the second COVID-19 wave hit India hard.

Industry Overview

The industry is showing robust growth led by various factors including policy support, improving business fundamentals, product and services innovation and target to severe under-penetrated areas. Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth in the banking sector.

Equity

Indian equity markets showed their best performance in a decade in FY 2020-21. Indian equity markets outperformed the broader EM indices, with the Nifty 50 increasing by 70.9% to 14,691 and BSE Sensex jumped by 68% to 49,509 in 12 months ending March 2021. Despite the entire FY 2020-21 being overshadowed by the COVID-19 pandemic, Indian corporates raised an all-time high amount of over Rs. 1.88 lakh crore through public equity markets. Positive global clues, stimulus measures announced by the Government, surge in trading by retail investors and Foreign Institutional Investors (FIIs) and record investments by FPIs have led a sharp rally in equity market. Indian equity markets witnessed some correction towards the end of March 2021 as a sharp surge in COVID infections and burgeoning pressure to healthcare infrastructure led to several states imposing lockdowns.

Commodity

For an emerging market like India, commodities are an important driver of the capital market and commodity derivatives have a huge potential in such a market. Multi Commodity Exchange (MCX) is the first and the largest commodity trading exchange in India. As per MCX, the commodity market is categorised into four types, such as bullion, base metals, energy products and agri commodities market. Today, 6 national level commodity derivative exchanges are functioning. The average daily turnover (ADT) and aggregate value of commodity futures on Indian exchanges posted a robust growth during the year.

Derivatives

The National Stock Exchange of India Ltd (NSE) remained the largest derivatives exchange. Volume in Options has steadily increased over the last decade and presently it contributes more than 90% of derivative turnover while rest is contributed by Futures and Cash segment. Introduction of Weekly Options since February 2020 further accelerated the share of Options in the total turnover. There was a surge in participation in the derivative market after people were forced to stay at home during the pandemic-related lockdown.

The NSE's total turnover in the derivatives segment increased significantly by 86% to Rs. 6,436 lakh crore in FY 2020-21. Savings-oriented culture, Digitization, Financial Inclusion, Aadhar linkage, growing retail participation and demand from semi-urban areas have been the main growth drivers of the Industry.

Opportunities and Threats

Opportunities:

- Long-term economic outlook positive, will lead to opportunity for financial services
- Leveraging technology to enable best practices and processes
- Licensed Merchant Banking activities
- Wealth management opportunities, particularly with growing retail participation
- Distribution of various financial products

Threats:

- Short term economic slowdown due to COVID, impacting business activities
- Exposed to systemic risks and economic risks
- Competition and 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 And Finpro Pvt. Ltd. The Company has successfully executed Merchant Banking valuation assignments during the year.

On standalone basis, revenue of the company increased by about 51% from Rs. 551.52 Lakhs in the previous year to Rs. 832.17 Lakhs during the year under review. This was mainly attributable to substantial upgradation of technology with launch of mobile App for trading including e-kyc, reorganization of branches & franchisee network and aggressive business development efforts.

The Company along with its subsidiary company achieved consolidated revenue of Rs. 932.19 Lakhs compared to Rs. 662.82 Lakhs in the previous year.

On standalone basis, Vertex Commodities And Finpro Pvt. Ltd achieved total revenue of Rs. 100.01 lakhs and net profit of Rs. 26.84 lakhs as against the total revenue of Rs. 111.30 lakhs and net loss of Rs. 84.40 lakhs in the previous year.

Outlook 2021-22

The Company expects the growth trajectory to continue in the financial year 2021-22. The revenue from broking business is expected to maintain a steady pace. There was a spurt in retail participation in the stock market, especially after sharp correction in March'20 as investors saw this as a good investing opportunity. We witnessed highest ever client acquisition in line with the industry. There has been rapid increase in number of clients and daily volume across all the branches as well as Franchisees. The introduction of mobile application, e-KYC and technology upgradation has helped further in increasing the volume of business. The distribution business of Third-Party Products including Mutual Funds, NCDs and insurance products launched earlier should begin to see results in the current year. The Company also expects increased revenue from Merchant Banking activities. With this promising trend the Company expects to achieve a modest profit for the year.

Risks & Concerns

The company is primarily exposed to credit risk, liquidity risk and operational risks. Risk management and regulatory compliance are an integral part of the business model due to the nature of the industry. 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 75 as on 31st March, 2021.

Key Ratios

Key Indicators	2020-21	2019-20
PBT/Total Income	4.6%	(0.63%)
PBT/Total Assets	1.0%	(0.14%)
RONW (Avg. Net Worth)	3.8%	(0.35%)
Debt/Equity	0.37:1	0.32:1
Interest Coverage Ratio	1.5	(6.2)
Current Ratio	1.22	0.8

During the current year all the ratios show substantial improvement due to increase in profitability and financial position. Profitability ratios for the previous year are negative due to loss for the year, which is mainly attributable to ECL Provision required under Ind AS and lower revenue.

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

Ramachandran Unnikrishnan
Managing Director
(DIN 00493707)

George Mampillil
Director & CFO
(DIN 01976386)

Place: Kochi
Date: 10th August, 2021

REPORT ON CORPORATE GOVERNANCE

Annexure B

Corporate governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically, generate long term wealth and create value for all its stakeholders. The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

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, 2021, 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.

None of the Directors are related to each other.

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 five times during the financial year 2020-21. The meetings were held on 3rd July, 2020, 28th July, 2020, 24th August, 2020, 11th November, 2020 and 9th February, 2021.

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 And Disclosure Requirements), Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 15th February, 2021 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 Director-ships in other Boards#	Chairmanship/ Membership of other Board Committees@
Kumar Nair	Chairman-Executive Director	5	Yes	4	2
Ramachandran Unnikrishnan	Managing Director	5	Yes	4	Nil
James Pothen	Independent Director	5	Yes	1	Nil
Jose Thomas Polachira	Independent Director	5	Yes	0	Nil
Latha Anand	Independent Director	3	Yes	1	Nil
George Mampillil	Director & CFO	5	Yes	0	Nil

#No. of Directorship in other Boards includes Directorship (other than the Company) 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.

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, 2021.

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 2021:

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
Ramachandran Unnikrishnan	Transwarranty Finance Limited	Director & CFO-Executive
	Vertex Securities Limited	Managing Director & CEO-Executive
James Pothen	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, 2021 are as given below:

Name	Category	Number of equity shares
Mr. Kumar Nair	Executive Director	1,41,77,543
Mr. Ramachandran Unnikrishnan	Executive Director	12,500
Mr. James Pothen	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	4,30,000

e) Re-appointment of Directors:

The Board, on recommendation of the Nomination, Remuneration and Compensation Committee and after evaluating his performance and considering the Company's growth under his leadership approved the re-appointment of Mr. George Mampillil (DIN 01976386) as Executive Director & CFO for a period of 3 years commencing from 13th August 2021, subject to approval of the shareholders.

Mr. Ramachandran Unnikrishnan, Director (DIN: 00493707) shall retire by rotation at the ensuing Annual General Meeting pursuant to Section 152 of Companies Act, 2013 and being eligible offers himself for reappointment.

The brief resume and information relating to Mr. Ramachandran Unnikrishnan and Mr. George Mampillil is furnished as part of the Notice convening the Annual General Meeting.

f) Meeting of Independent Directors:

During the year under review the Independent Directors met on 15th February, 2021 to discuss inter alia:

(i) Evaluation of performance of Non-Independent Directors and Board of Directors as a whole.

(ii) Evaluation of the performance of the Chairman of the Company.

(iii) 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 (https://www.vertexbroking.com/Vertex/CompanyPolicy.)

g) A Chart/Matrix setting out the skills/expertise/ competence of the Board of Directors:

As stipulated under Schedule V to the SEBI Listing Regulations, core skills/expertise/competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

The list of core skills/expertise/competencies identified by the Board as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Directors:

Sr. No.	List of skills/expertise/ competencies	Name of Directors having the identified skills/expertise/ competencies
1.	Management and strategy	Mr. Kumar Nair, Mr. Ramachandran Unnikrishnan and Mr. George Mampillil
2.	Human Resources and Industrial Relations	Mr. Jose Thomas Polachira and Mr. James Pothen
3.	Banking, Investment, Treasury and Forex Management	Mr. Jose Thomas Polachira and Mr. James Pothen
4.	Insurance, Mutual Fund and Financial Services	Mr. George Mampillil, Mr. Kumar Nair, Mr. Ramachandran Unnikrishnan, Mr. James Pothen, Mr. Jose Thomas Polachira and Mrs. Latha Anand
5.	Audit and Risk Management	Mr. James Pothen, Mr. Ramachandran Unnikrishnan and Mr. George Mampillil
6.	Corporate Governance and Ethics	Mr. James Pothen and Mr. Kumar Nair
7.	Global Business Leadership	Mr. Kumar Nair and Mr. Ramachandran Unnikrishnan.
8.	Law	Mrs. Latha Anand
9	Economics and Statistics	Mr. James Pothen and Mr. Kumar Nair
10.	Regulatory, Government and Security matters	Mrs. Latha Anand, Mr. Ramachandran Unnikrishnan, Mr. George Mampillil, Mr. James Pothen, Mr. Jose Thomas Polachira and Mr. Kumar Nair
11.	Academics, Education and Authorship	Mr. Jose Thomas Polachira, Mr. Ramachandran Unnikrishnan, Mr. James Pothen, Mr. Kumar Nair and Mrs. Latha Anand

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 fulfil 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 2020-21, Audit Committee met four times on 28th July, 2020, 24th August, 2020, 11th November, 2020 and 9th February, 2021.

Composition and Attendance:

Name	Category	Membership in Committee	No. of Meetings held / attended
James Pothen	Independent Director	Chairman	4/4

Name	Category	Membership in Committee	No. of Meetings held / attended
Jose Thomas Polachira	Independent Director	Member	4/4
Ramachandran Unnikrishnan	Executive Director	Member	4/4

Terms of Reference:

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

(1) 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;

(2) Recommending the Board, the appointment, re-appointment, terms of appointment and if required replacement or removal of Auditors and fixation of Audit Fees;

(3) Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors;

(4) Reviewing with management the annual financial statements and auditor's report before submission to the Board for approval, with particular reference to :

a) Matters required to be included in Directors' Responsibility statement to be included in the Board's Report,

b) Changes if any, in accounting policies and practices and reasons for the same,

c) Major accounting entries involving estimates based on the exercise of judgment by management,

d) Significant adjustments made in the financial statement arising out of audit findings,

e) Compliance with listing and other legal requirements relating to financial statements,

f) Disclosures of related party transactions,

g) Qualifications in draft Audit Report,

(5) Reviewing, with the management, the quarterly financial statement before submission to the Board for approval;

(6) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency regarding the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) Approval or any subsequent modification of transactions with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the Company, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management the performance of Statutory and Internal Auditors, adequacy of internal control systems;

(13) 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;

(14) Discussion with Internal Auditors any significant findings and follow up there on;

(15) 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;

(16) 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.

(17) 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;

(18) To review the functioning of Whistle Blower Mechanism.;

(19) Approval of appointment of Chief Financial Officer (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(20) Reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments

(21) 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 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 the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

During the financial year 2020-21, the Committee met once i.e. on 28th July, 2020.

Composition and Attendance:

Name	Category	Membership in Committee	No. of Meeting held/ attended
Jose Thomas Polachira	Independent Director	Chairman	1/1
James Pothen	Independent Director	Member	1/1
Kumar Nair	Chairman & Executive Director	Member	1/1

Terms of Reference:

1. 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 senior employees.
2. To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors
3. To devise a policy on Board Diversity
4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
7. 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. Ramachandran Unnikrishnan, 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 Committees thereof within the limits prescribed under the Companies Act, 2013.

The details of payments made during the year ended 31st March, 2021 is as follows:

Name of the Director	Salary (including allowances)	Performance Linked Incentive	Perquisites	Contribution to P.F., Superannuation and Gratuity	Sitting Fees*
Mr. Kumar Nair	Nil	Nil	Nil	Nil	Nil
Mr. Ramachandran Unnikrishnan	₹ 14,16,250	Nil	₹ 30,000	Nil	Nil
Mr. James Pothen	Nil	Nil	Nil	Nil	₹ 30,000
Mr. Jose Polachira	Nil	Nil	Nil	Nil	₹ 30,000
Mrs. Latha Anand	Nil	Nil	Nil	Nil	₹ 20,000
Mr. George Mampillil	₹ 9,36,741	Nil	₹ 25,000	Nil	Nil

* During the year 2020-21, the Independent Directors had waived off sitting fees due to the pandemic situation

No stock options have been granted or vested during the year to any of the Directors.

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. The Committee considers and resolves the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.

During the year under review, one meeting of the Committee was held on 9th February, 2021.

Composition and Attendance:

Name	Category	Membership in Committee
James Pothen	Independent Director	Chairman
Jose Thomas Polachira	Independent Director	Member
Ramachandran Unnikrishnan	Executive Director-Managing Director	Member

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

Terms of reference:

The Stakeholders' Relationship Committee reviews and redresses shareholder grievances / complaints and oversees the performance of the Registrars and Share Transfer Agents and recommends measures for overall improvement of the quality of investor services. The Committee also keeps a close watch on the performance of Link Intime India Private Limited, the Registrar & Share Transfer Agents (RTA) of the Company.

Number of Complaints:

Details of investor complaints received and redressed during the year 2020- 21 are as follows:

Opening Balance	Received	Resolved	Pending
Nil	Nil	Nil	Nil

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 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
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
2018-19	Wednesday 25/09/2019 At 4.00 p.m.	Conference Hall, Third Floor, Thotatthil Towers, Kombara Junction, Market Road, Ernakulam Kochi 682018	Yes. 1. Re-appointment of Mr. James Pothen as an independent director for a second term of five consecutive years w.e.f. 20th September, 2019 2. 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 3. Re-appointment of Mrs. Latha Anand as an independent director for a second term of five consecutive years w.e.f. 12th May, 2020
2019-20	Monday 28/09/2020 At 4.00 p.m.	Through Video Conference/ Other Audio Visual Means (Deemed Venue): Registered Office: 2nd Floor, Thotatthil Towers, Market Road, Ernakulam, Kochi 682018	Yes. 1. Re-appointment of Mr. Ramachandran Unnikrishnan as a Managing Director & CEO for three years w.e.f. 21st May, 2021.

b) Extra Ordinary General Body Meetings:

No Extra Ordinary General Body Meeting was held during the financial year ended 31st March, 2021.

c) Postal Ballot:

During the financial year ended 31st March, 2021, no resolution was passed through postal ballot.

d) No special resolution is proposed to be conducted through postal ballot.

Postal Ballot whenever conducted will be carried out as per the procedure mentioned in Rule 22 of Companies (Management and Administration) Rules, 2014, including any amendment thereof.

MEANS OF COMMUNICATION

1. Quarterly Results

The quarterly results of the Company are usually published in Deepika (Vernacular) or Chandrika (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, half yearly declaration of financial performance is not sent separately to each household of shareholders.

2. Website, where displayed:

www.vertexbroking.com

GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting:

Date	:	27th September, 2021
Day	:	Monday
Time	:	4.00 p.m.
Venue	:	Deemed to be held at the Registered Office of the Company at Thotatthil Towers, Second Floor, Kombara Junction, Market Road, Ernakulam, Kochi-682 018, Kerala.
Book closure Dates	:	21st September, 2021 to 27th September, 2021

b) Financial Year:

The Financial Year of the Company covers the financial period from 1st April, 2020 to 31st March, 2021.

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

1st Quarter Results	:	24th August, 2020
2nd Quarter Results	:	11th November, 2020
3rd Quarter Results	:	9th February, 2021
4th Quarter/Annual Results	:	8th June, 2021

For the Financial Year 2021-22, the Board Meeting for the approval of the Quarterly and Annual Financial Results will be held on the following dates:

1st Quarter Results	:	July-August 2021
2nd Quarter Results	:	October –November2021
3rd Quarter Results	:	January-February 2022
4th Quarter /Annual Results	:	April- May 2022

Tentative Date for the Annual General Meeting for the year ended 31st March, 2022	:	August/September 2022

c) Dividend Payment Date:

No dividend was declared during the financial year 2020-21.

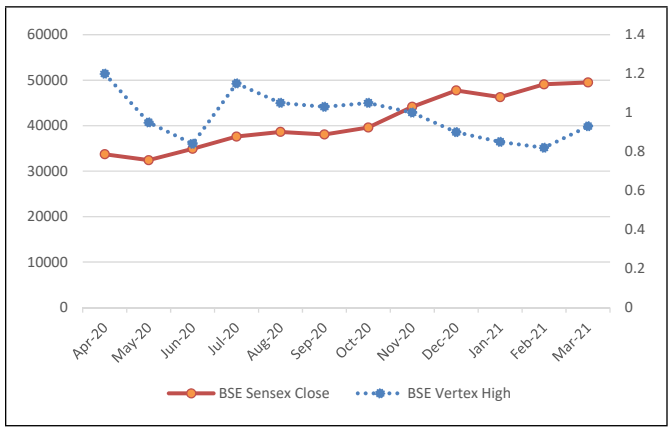
d) Listing:

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, 2021:

Month	High	Low	Volume of shares	BSE Sensex Close
April-20	1.20	0.75	25272	33717.62
May-20	0.95	0.75	43953	32424.1
June-20	0.84	0.74	59356	34915.8
July-20	1.15	0.82	152393	37606.89
August-20	1.05	0.85	52873	38628.29
September-20	1.03	0.88	62776	38067.93
October-20	1.05	0.85	99692	39614.07
November-20	1.00	0.84	150054	44149.72
December-20	0.90	0.81	114150	47751.33
January-21	0.85	0.76	105483	46285.77
February-21	0.82	0.74	69822	49099.99
March-21	0.93	0.81	123741	49509.15



f) Registrars & Transfer Agents:

M/S. LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai- 400 083		
Contact person	:	Mr. Vishal Parad
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:

Trading in Equity Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.

SEBI vide its Notification No. SEBI/LAD-NRO/ GN/2018/24 dated 8th June, 2018 and SEBI Notification No. SEBI/LAD-NRO/ GN/2018/49 dated 30th November, 2018 amended Regulation 40 of SEBI Listing Regulations which mandated transfer of securities only in dematerialised mode from 1st April, 2019. Pursuant to the above, the Company has sent letters to those shareholders holding shares in physical form advising them to dematerialise their holding.

Accordingly, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with the depository, with effect from 1st April, 2019. However, this restriction shall not be applicable to the request received for transmission or transposition of physical shares.

Members holding shares in physical form are requested to get their shares dematerialised at the earliest to avoid any inconvenience in future while transferring the shares. Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account and get their shares dematerialised or alternatively, contact the nearest office of Link Intime India Pvt. Ltd. to seek guidance about the dematerialization procedure. The Members may also visit the website of the Depositories viz. (i) National Securities Depository Limited at the web-link: https://nsdl.co.in/faqs/faq.php or (ii) Central Depository Services (India) Limited at the web-link: https://www.cdslindia.com/investors/open-demat.aspx, for further understanding about the dematerialisation process.

Securities lodged for transfer at the Registrar's Office are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Company Secretary is empowered to approve transfer of shares and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc are processed by the Registrars within 30 days.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

Pursuant to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the shares of the Company and for conducting a Secretarial Audit on a quarterly basis for reconciliation of the Share Capital of the Company. Members holding shares in Demat mode should address all their correspondence to their respective Depository Participant.

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, 2nd Floor, Market Road, Kochi, Kerala – 682 018. Phone: 91-484-2384848
Contact Person	:	Ms. Pranali Kadam, Email Id: secretarial@vertexbroking.com

DETAILS OF UNCLAIMED SHARES IN TERMS OF REGULATION 39 OF LISTING REGULATIONS, 2015

Regulation 39(4) of the Listing Regulations, 2015 read with Schedule VI pertaining to "Manner of dealing with Unclaimed Shares", which came into effect from 1st December, 2015, has directed companies to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services Limited (CDSL).

All corporate benefits on such shares viz. bonus, etc. shall be credited to the Unclaimed Suspense Account as applicable for a period of seven years and will thereafter be transferred to the Investor Education and Protection Fund in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

The Company has not transferred any shares to the Unclaimed Suspense Account during the year under review.

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 2020-21 issued by Yogesh Sharma & Co., Company Secretaries, confirming compliance with all applicable SEBI Regulations and Circulars/Guidelines issued thereunder, has been submitted to the Stock Exchanges within the prescribed timeline.

TOTAL FEES PAID TO THE STATUTORY AUDITORS AND ALL ENTITIES IN THE NETWORK FIRM/ ENTITIES

S.S.Khan & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company at the previous AGM for a period of five years from the conclusion of the 26th AGM till the conclusion of the 31st AGM.

The details of total fees for all the services paid by the Company and its group companies on a consolidated basis to S.S.Khan & Co., 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 Details	FY 2020-21
Statutory Audit	₹ 3,51,000
Quarterly Review Audit fees	₹ 70,000
Certification charges	₹ 33,500
Total	₹ 4,54,500

Shareholding:

The Equity Shareholding pattern as on 31st March, 2021 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 31.03.2021:

No. of Equity Shares held		No. of Share-holders	Percen-tage of Share-holders	Total No. of shares held	Percen-tage of Shares held
1	500	1393	44.5475	256134	0.3461
501	1000	562	17.9725	492453	0.6654
1001	2000	334	10.6812	542664	0.7332
2001	3000	203	6.4918	526812	0.7118
3001	4000	76	2.4304	273660	0.3697
4001	5000	122	3.9015	595128	0.8041
5001	10000	180	5.7563	1457032	1.9686
10001	and above	257	8.2187	69868306	94.4011
	Total	**3127**	**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, 2021 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 in the ordinary course of business and are

placed before the Audit Committee as well as the Board for approval. The Board approved policy for related party transactions has been uploaded on the website of the Company and can be accessed at https://www.vertexbroking.com/Vertex/CompanyPolicy.

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. 31 in the Notes to Financial Statements of the Company.

ii. The Board has adopted a Vigil mechanism and Whistle Blower Policy and no personnel have been denied access to the Audit Committee.

iii. 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.

iv. The policy for determining material subsidiary has been disclosed on the website of the Company at https://www.vertexbroking.com/Vertex/CompanyPolicy.

v. The policy on related party transactions has been placed on the Company's website at https://www.vertexbroking.com/Vertex/CompanyPolicy.

vi. The Board has adopted a Code of conduct for Directors and senior management. It is available on the Company's website www.vertexbroking.com/policies.

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

viii. 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.

ix. 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.

x. 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.

xi. 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 newspapers, one in Vernacular and one in English newspaper.

b. Chairman of the Board- The Company does not maintain separate office for Chairman at the Company's expenses.

c. 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

Ramachandran Unnikrishnan	**George Mampillil**
Managing Director	Director & CFO
(DIN 00493707)	(DIN 01976386)

Place: Kochi
Date: 10th August, 2021

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, 2021.

For VERTEX SECURITIES LIMITED

Ramachandran Unnikrishnan
Managing Director

Place: Kochi
Date: 8th June, 2021

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, 2021 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

Ramachandran Unnikrishnan
Chief Executive Officer

For VERTEX SECURITIES LIMITED

George Mampillil
Chief Financial Officer

Place: Kochi
Date: 8th June, 2021

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
2nd Floor Market Road
Ernakulam, Kerala 682014

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 2nd Floor Market Road Ernakulam Kerala 682014 (hereinafter referred to as 'the Company'), produced before 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 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 us by the Company & its officers, 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, 2021 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
1	MR. KUMAR NAIR	00320541
2	MR. U. RAMACHANDRAN	00493707
3	MR. JOSE THOMAS POLACHIRA	01049189
4	MR. GEORGE JOSEPH MAMPILLIL	01976386
5	MR. JAMES POTHEN	02492330
6	MRS. LATHA ANAND	06404421

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.

For YOGESH SHARMA & CO.

Yogesh M. Sharma
FCS 11305 C.P. 12366

Date: 9th August, 2021
Place: Mumbai
UDIN: F011305C000756907

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
VERTEX SECURITIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Vertex Securities Limited ("the Company") for the year ended on 31 March 2021, as stipulated in the relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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 Review of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management, as above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

For S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 10th August, 2021
UDIN: 21144212AAAADO4044

Annexure C

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
VERTEX SECURITIES LIMITED
Thottathil Tower, 41/3522 D,
2nd Floor, Market Road,
Ernakulam, Kerala 682014

We, 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 us 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 scanned copies of the documents provided by the company through e-mail, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period') has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2021 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 (Depositories and Participants) Regulations, 2018

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit period);**

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit period);**

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit period);**

(g) 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;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit period);**

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit period);**

(j) The Securities and Exchange Board of India (Listing Obligations and DisclosureRequirements) Regulations, 2015;

(k) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992

(l) SEBI (Merchant Bankers) Regulations 1992

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. Listing Agreements entered into by the Company with BSE Limited

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., except the following observations:

1) *There has been delay in submission of disclosures of related party transactions on a consolidated basis for the half year ended September, 2020 to BSE Limited pursuant to the Regulation 23(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequently, BSE has provided a waiver to the Company for the same.*

2) *National Stock Exchange of India Ltd. has levied penalty on the Company for certain observations made during the inspection conducted by NSE, which has since been rectified by the Company.*

We further report that:

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

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

All the decisions at Board Meetings and Committee Meetings are carried out by requisite majority as recorded in the minutes of the meetings of the Board of Directors or committee of the Board as the case may be.

We 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.

We further report that during the period there were no specific action/events having a major bearing on the company's affairs in above referred laws, rules, regulations, guidelines, standards, etc.

For YOGESH SHARMA & CO.

Yogesh M. Sharma
FCS: 11305 C.P:12366

Place: Mumbai
Date: 9th August, 2021
UDIN: F011305C000756830

**This Report is to be read with our 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,

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the process and practices, which we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we 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 are the responsibility of the management. Our 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.

For YOGESH SHARMA & CO.

Yogesh M. Sharma
FCS: 11305 C.P:12366

Place: Mumbai
Date: 9th August, 2021
UDIN: F011305C000756830

Annexure C1

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
VERTEX COMMODITIES AND FINPRO PRIVATE LIMITED
Thottathil Towers 41/3522 D
2ndFloor,MarketRoad,
Ernakulam,Kerala 682014

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VERTEX COMMODITIES AND FINPRO PRIVATE LIMITED (CIN - U67120KL1995PTC008610)**, (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 our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and scanned copies of the documents provided by the company through e-mail, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period') has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2021 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;

II. Securities and Exchange Board of India (Stock Brokers) Regulations, 1992

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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.

We further report that,

The Board of Directors of the Company is duly constituted. There was no change in the Composition of Board of Directors during the audit period.

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 by requisite majority as recorded in the minutes of the meetings of the Board of Directors or committee of the Board as the case may be.

We 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.

We further report that during the period there were no specific action/events having a major bearing on the company's affairs in above referred laws, rules, regulations, guidelines, standards, etc.

For YOGESH SHARMA & CO.

Yogesh M. Sharma
FCS: 11305 C.P:12366

Place: Mumbai
Date: 09/08/ 2021
UDIN: F011305C000756931

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

APPENDIX A

To,
The Members,
VERTEX COMMODITIES AND FINPRO PRIVATE LIMITED

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We 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. We believe that the process and practices, I have followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

4. Whenever required, we 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 are the responsibility of the management. Our 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.

For YOGESH SHARMA & CO.

Yogesh M. Sharma
Proprietor
ACS: 11305 C.P: 12366

Place: Mumbai
Date: 09/08/ 2021

Annexure D

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 2020-21
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Transactions for an amount of ₹ 14.72 Cr
e)	Date(s) of approval by the Board	28.07.2020, 24.08.2020, 11.11.2020, 09.02.2021
f)	Amount paid as advances, if any	Transactions for an amount of ₹ 14.72 Cr

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Vertex Commodities and Finpro Pvt. Ltd., Subsidiary Company
b)	Nature of contracts/arrangements/transactions	Inter Corporate Transactions
c)	Duration of the contracts / arrangements/transactions	FY 2020-21
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Transactions for an amount of ₹ 11.25 Cr
e)	Date(s) of approval by the Board	28.07.2020, 24.08.2020, 11.11.2020, 09.02.2021
f)	Amount paid as advances, if any	Transactions for an amount of ₹ 11.25 Cr

For and On behalf of the Board of Directors

Ramachandran Unnikrishnan
Managing Director
(DIN 00493707)

George Mampillil
Director & CFO
(DIN 01976386)

Place: Kochi
Date: 10th August, 2021

Annexure E

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 2020-21:

Name of the Director	Ratio
Mr. Ramachandran Unnikrishnan (Managing Director & CEO)	7.26:1
Mr. Kumar Nair (Executive Director)	NA
Mr. George Mampillil (Director & CFO)	4.80:1

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 Financial Year 2020-21

Sr. No.	Name of Director, CFO, CEO,Company Secretary or Manager	% Increase / (Decrease) over last F.Y
1.	Mr. Ramachandran Unnikrishnan (Managing Director & CEO)	(18%)
2.	Mr. Kumar Nair (Executive Director)	NA
3	Mr. George Mampillil (Director & Chief Financial Officer)	(19%)
4.	Ms. Pranali Kadam (Company Secretary)	0%

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 2020-21: Nil

iv. The number of permanent employees in the rolls of the Company as on 31st March, 2021: 75

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was Nil.

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

Ramachandran Unnikrishnan
Managing Director
(DIN 00493707)

George Mampillil
Director & CFO
(DIN 01976386)

Place: Kochi
Date: 10th August, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of
VERTEX SECURITIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Vertex Securities Limited ("the Company") which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss, Statement of Changes in Equity 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, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2021, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 2021. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of financial assets as at balance sheet date (expected credit losses) (Refer Note No. 5 to the standalone financial statements)	
Ind AS 109 requires the Company to provide for impairment of its financial assets using the expected credit loss (ECL) approach. The Company recognises lifetime ECL from initial recognition of trade receivables by using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. In the process, a significant degree of judgment has been applied by the Management for: • Staging of Trade Receivables [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories]; • Grouping of receivables based on homogeneity by using appropriate statistical techniques;	• Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109. • Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of receivables based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) receivables to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Evaluated the completeness, accuracy and relevance of data used in the expected credit loss model and checked the mathematical accuracy of the calculations.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of financial assets as at balance sheet date (expected credit losses) (Refer Note No. 5 to the standalone financial statements)	
• Determining macro-economic factors impacting credit quality of receivables; In view of the high degree of Management's judgment involved in estimation of ECL it is a key audit matter.	• Obtained an ageing report of trade receivables and tested the accuracy by checking the ageing of select invoices on a sample basis • Assessed the additional considerations applied by the Management for staging of receivables as SICR or default categories in view of Company's policy on receivables. • Tested assumptions used by the Management in determining the overlay for macro-economic factors.

Emphasis of Matter

We draw attention to Note No. 5 to the standalone financial statements wherein the Company has provided for impairment losses of ₹ 1,95,15,486/- on trade receivables as on 31st March 2021. Our opinion is not modified in respect of this matter.

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 Board's Report including Annexure to Board's Report but does not include the standalone financial statements and our auditors' 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 the 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 on the other information obtained prior to the date of the auditors' report, 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.

Responsibilities of Management and Those Charged with Governance 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. 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.

The 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, 2021 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, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 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) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 No. 30 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021
UDIN: 21144212AAAACU7429

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(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 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, Goods and 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, 2021 outstanding for a period of more than six months from the date they become payable.

(b) The disputed statutory dues aggregating to ₹ 8,60,261/- that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	Name of the statute	Nature of dues	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	Income Tax Act	Tax/ Penalty	1,27,290	2013-14	Commissioner of Income tax (Appeals).
3	Finance Act	Tax/ Penalty	1,10,971	2014-15	The Customs, Excise and Service tax Appellate Tribunal.

(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. 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 give 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) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021
UDIN: 21144212AAAACU7429

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 2021 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 2021. 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 S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021
UDIN: 21144212AAAACU7429

Balance sheet as at 31st March 2021

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	3	56,453,773	33,528,005
Bank Balance other than (a) above	4	82,375,000	17,900,000
Receivables	5		
(I) Trade Receivables		41,064,332	8,115,601
Loans	6	48,042,659	54,529,159
Investments	7	38,828,911	58,838,380
Other Financial assets	8	81,978,009	48,651,024
		348,742,684	**221,562,169**
Non-financial Assets			
Current tax Asset (Net)	9	4,390,882	3,497,590
Deferred tax Assets (Net)	10	599,716	599,716
Property, Plant and Equipment	11	6,778,227	7,877,975
Other Intangible assets	11	3,833,903	5,493,137
Other non-financial assets	12	6,732,007	4,291,163
		22,334,735	**21,759,581**
Total Assets		**371,077,420**	**243,321,750**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	13		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		217,237,624	94,503,530
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		33,166	620,882
Borrowings (Other than Debt Securities)	14	35,265,424	32,557,580
Subordinated Liabilities	15	2,775,800	2,775,800
Other financial liabilities	16	6,777,491	5,430,419
		262,089,505	**135,888,211**
Non-Financial Liabilities			
Provisions	17	832,119	724,568
Other non-financial liabilities	18	4,392,487	6,770,464
		5,224,606	**7,495,032**
EQUITY			
Equity Share capital	19	148,024,378	148,024,378
Other Equity	20	(44,261,069)	(48,085,871)
		103,763,309	**99,938,507**
Total Liabilities and Equity		**371,077,420**	**243,321,750**

As per our attached report of even date

For **S S KHAN & CO**
Chartered Accountants
(FRN: 133324W)

Sarfaraz khan
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021

For and on Behalf of Board of Directors

Kumar Nair
Chairmen
DIN 00320541

Ramachandran U.
Managing Director
DIN 00493707

George Mampillil
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

Place: Kochi
Date: 08 June 2021

Statement of Profit and Loss for the Period ended 31st March, 2021

Particulars	Note no.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
Sale of services	21	69,230,364	44,916,768
Total Revenue from operations		**69,230,364**	**44,916,768**
Other Income	22	13,986,953	10,235,218
Total Income		**83,217,317**	**55,151,986**
Expenses			
Finance Costs	23	7,703,706	6,241,591
Employee Benefits Expenses	24	22,688,185	25,721,045
Depreciation and amortization	25	3,389,202	3,512,912
Others expenses	26	45,379,784	53,763,316
Total Expenses		**79,160,877**	**89,238,864**
Profit / (loss) before exceptional items and tax		4,056,440	(34,086,878)
Exceptional items		-	-
Profit/(loss) before tax		**4,056,440**	**(34,086,878)**
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Profit / (loss) for the period from continuing operations		**4,056,440**	**(34,086,878)**
Profit/(loss) from discontinued operations			
Tax Expense of discontinued operations		-	-
Profit/(loss) from discontinued operations(After tax)		-	-
Profit/(loss) for the period		**4,056,440**	**(34,086,878)**
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit obligation gain / (loss)		(222,169)	(758,805)
Fair valuation on Equity instrument		(9,470)	10,037
Other Comprehensive Income (A)		**(231,639)**	**(748,768)**
Total Comprehensive Income for the period		**3,824,802**	**(34,835,646)**
Earnings per equity share			
Basic (₹)	27	0.05	(0.47)
Diluted (₹)	27	0.05	(0.47)

As per our attached report of even date
For **S S KHAN & CO**
Chartered Accountants
(FRN: 133324W)

Sarfaraz khan
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021

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Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

Place: Kochi
Date: 08 June 2021

Cash Flow Statement for the year ended 31st March, 2021

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
I.	**Cash Flows from Operating Activities:**		
	Net Profit Before Tax and Extraordinary Items	4,056,440	(34,086,878)
	Adjustments for:		
	Depreciation	3,389,202	3,512,912
	Reversal of rent expense on lease liability	(1,636,404)	(1,867,404)
	Remeasurement of the net defined benefit obligation gain / (loss)	(222,169)	(758,805)
	Interest Income	(7,053,653)	(7,702,395)
	Bad Debts written off	199,161	1,370,655
	Impairment Allowance	32,066	19,483,420
	Interest Expense	7,703,706	6,241,590
	Adjustments for Changes in Working Capital:		
	(Increase) / Decrease in Trade Receivables	(33,179,958)	34,048,608
	Increase / (Decrease) in Trade & Other Payables	122,146,378	(19,725,239)
	(Increase)/decrease in other financial assets	(44,686,501)	(5,567,296)
	(Increase)/decrease in other non-financial assets	(2,440,844)	4,622,402
	Increase / (Decrease) in other financial Liabilities	1,347,071	(216,527)
	Increase/(decrease) in provisions	107,551	137,775
	Increase / (Decrease) in non- financial Liabilities	(887,005)	(18,979)
	Income tax paid (net of refunds)	(893,292)	(786,909)
	Net Cash Flows from Operating Activities	**47,981,749**	**(1,313,071)**
II.	**Cash Flows from Investing Activities:**		
	(Purchase)/ Sale of Fixed Deposits	(64,475,000)	10,787,500
	Loans - (Given)/ Received back	6,486,500	7,414,465
	Cash inflow from interest on loans	18,413,169	13,419,187
	Purchase of Property Plant and Equipment	(967,124)	(4,817,268)
	Purchase/Sale of Intangible Assets	-	(702,369)
	Sale of Investments	20,000,000	-
	Net Cash Flows from Investing Activities	**(20,542,455)**	**26,101,515**

Cash Flow Statement for the year ended 31st March, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
III. Cash Flows from Financing Activities:		
Borrowings other than debt securities issued/ (Redeemed) (net)	2,707,844	1,710,980
Finance cost paid	(7,221,369)	(5,593,995)
Net Cash Flows from Financing Activities	**(4,513,525)**	**(3,883,015)**
Net Increase or (Decrease) in Cash and Cash Equivalents (I + II + III)	22,925,769	20,905,429
- Add: Cash and Cash Equivalents at Beginning of the year (Refer Note)	33,528,005	12,622,576
Cash and Cash Equivalents at End of the Year	**56,453,773**	**33,528,005**
Note:		
Cash and Cash Equivalents		
- Cash in Hand	209,113	297,522
- Balances with Banks		
- In Current Accounts	56,244,660	33,230,483
Total	**56,453,773**	**33,528,005**

As per our attached report of even date
For **S S KHAN & CO**
Chartered Accountants
(FRN: 133324W)

Sarfaraz khan
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021

For and on Behalf of Board of Directors

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DIN.01976386

Pranali Kadam
Company Secretary

Place: Kochi
Date: 08 June 2021

Statement of Changes in Equity

EQUITY SHARE CAPITAL

Particulars	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	148,024,378	148,024,378
Changes in equity share capital during the year	-	-
Balance at the end of the year	148,024,378	148,024,378

Other equity

For the year ended 31 March 2021

Particulars	Note No.	Retained earnings	Securities premium	Other reserves	Other Comprehensive Income - Equity Instruments	Total other equity
Balance as at 31 March 2020	**22**	**(68,314,145)**	**18,248,790**	**4,264,133**	**(2,284,650)**	**(48,085,871)**
Profit after tax		4,056,440				4,056,440
Other comprehensive income		(222,169)	-	-	(9,470)	(231,639)
		(64,479,874)	**18,248,790**	**4,264,133**	**(2,294,120)**	**(44,261,069)**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	-		-
Balance as at 31 March 2021		**(64,479,874)**	**18,248,790**	**4,264,133**	**(2,294,120)**	**(44,261,069)**

For the year ended 31 March 2020

Particulars	Note No.	Retained earnings	Securities premium	Other reserves	Other Comprehensive Income - Equity Instruments	Total other equity
Balance as at 31 March 2019		**(33,468,461)**	**18,248,790**	**4,264,133**	**(2,294,687)**	**(13,250,225)**
Profit after tax		(34,086,878)			-	(34,086,878)
Other comprehensive income		(758,805)	-	-	10,037	(748,768)
		(68,314,145)	**18,248,790**	**4,264,133**	**(2,284,650)**	**(48,085,871)**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	-		-
Balance as at 31 March 2020		**(68,314,145)**	**18,248,790**	**4,264,133**	**(2,284,650)**	**(48,085,871)**

As per our attached report of even date
For **S S KHAN & CO**
Chartered Accountants
(FRN: 133324W)

Sarfaraz khan
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021

For and on Behalf of Board of Directors

Kumar Nair
Chairmen
DIN 00320541

Ramachandran U.
Managing Director
DIN 00493707

George Mampillil
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

Place: Kochi
Date: 08 June 2021

Notes to Financial Statement for the year ended 31st March 2021

1 CORPORATE INFORMATION

VERTEX, is a premier brokerage house in India on the fast growth track. In the last one-decade, we have emerged as a powerhouse in the financial services industry. We started functioning in the stock market in 1993.

The Company's registered office is at 2nd Floor ,Thottathil Towers , Market Road Cochin - 682018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

The Company's financial statements upto and for the year ended 31 March 2019 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP".Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These standalone or separate financial statements were approved by the Company's Board of Directors and authorised for issue on 08 June 2021.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Company's functional currency.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values:

i) fair value through other comprehensive income (FVOCI) instruments,

ii) derivative financial instruments,

iii) other financial assets held for trading,

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Notes to Financial Statement for the year ended 31st March 2021

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Use of estimates and judgements and Estimation uncertainity

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively and, if material, their effects are disclosed in the notes to the financial statements.

2.6 Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets, are based on historical experience and other emerging factors on account of the pandemic which may also have an effect on the expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of delayed repayment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on trade receivables. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.

2.7 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Assets	Useful Life
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Plant & Machinery	15 years
Office equipments	5 years
Vehicles	8 to 10 years

Notes to Financial Statement for the year ended 31st March 2021

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (caculated as the differnce between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.

2.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets comprises of Membership rights of Stock Exchanges, Computer software and Software licences which is amortized over the estimated useful life. The amortization period of Stock exchange license and membership right is 10 years and computer software is 3 years which is based on management's estimates of useful life. Amortisation is calcualted using the straight line method to write down the cost of intangible assets over their estimated useful lives.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.9 Investments in subsidiaries and associates

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

2.10 Foreign exchange transactions and translations

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

c) Exchange difference

All exchange differences are accounted in the Statement of Profit and Loss.

Notes to Financial Statement for the year ended 31st March 2021

2.11 Financial instruments

a) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

b) Classification and Subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortised cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Cash and Bank balances, Loans, investment in subsidiaries, trade receivables at amortised cost.

FVOCI - equity instruments -

The Company measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains

Notes to Financial Statement for the year ended 31st March 2021

and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities -

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

d) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Notes to Financial Statement for the year ended 31st March 2021

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

e) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Impairment of financial instruments

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

The Company recognises lifetime ECL for trade and other receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that may result from all possible default events over the expected life of a financial assets.(refer Schedule on Receivables Note No 5)

For all other financial assets, the Company recognizes lifetime expected credit losses (ECL) based on the months past due when there has been a significant increase in credit risk since initial recognition and when the financial asset is credit impaired. Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which no ECL is recognized. Financial assets where there has been significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognized for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off either partially or in their entirety, when there is no realistic prospect of recovery and the company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

Without significant increase in credit risk since initial recognition (stage 1)

No ECL allowance is recognized for stage 1 financial asset as based on company's assessment there is no significant increase in credit risk. The Company has ascertained default possibilities on past behavioral trendsand other performance indicators.

Notes to Financial Statement for the year ended 31st March 2021

Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage 90 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

Contractual payments of either principal or interest are past due for more than 365 days;

The loan is otherwise considered to be in default.

Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. The Company has calculated ECL using three components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money as necessary.

* Determination of PD is covered above for each stages of ECL.

* EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

* LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value, if any,at the time it is expected to be realised.

2.12 Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

Notes to Financial Statement for the year ended 31st March 2021

2.13 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.14 Leases

With effect from 1 April 2019, the Company has applied Ind AS 116 'Leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is –

1) increased by interest on lease liability;

2) reduced by lease payments made; and

3) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Company.

2.15 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

Notes to Financial Statement for the year ended 31st March 2021

2.16 Revenue recognition :

a) Fee and commission income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due.

b) Recognition of interest income

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c) Dividend Income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

2.17 Employee benefits

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to provident fund and ESIC

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss

c) Gratuity

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Notes to Financial Statement for the year ended 31st March 2021

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

d) Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee shared based payments

Equity-settled share-based payments to employees are recognised as an expense at the fair value of stock options at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.18 Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans and overdraft facility. Finance costs are charged to the Statement of profit and loss.

2.19 Taxation - Current and deferred tax

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to Financial Statement for the year ended 31st March 2021

Deferred tax assets are generally recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Deferred tax liabilities are generally recognised for all taxable temporary differences. However, deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.21 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it can not be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

2.22 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2.23 Borrowing Cost

Borrowing cost includes interest, amoritsation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

Notes to Financial Statement for the year ended 31st March 2021

2.24 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs (""MCA"") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020. On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

• Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current. • Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period. • Specified format for disclosure of shareholding of promoters. • Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used. • Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to Financial Statement for the year ended 31st March 2021

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
NOTE '3'		
Cash and Cash Equivalent		
Cash on Hand	209,113	297,522
Balance with Banks		
In Current Account	56,244,660	33,230,483
Total	**56,453,773**	**33,528,005**
NOTE '4'		
Bank balances other than cash and cash equivalents		
Balance with Banks		
In Fixed Deposit*	82,375,000	17,900,000
Total	**82,375,000**	**17,900,000**
* Fixed Deposit of ₹ Nil- (P.Y. ₹16,900,000/-) are pledged against Bank Guarantees and ₹ 1,000,000/- (P.Y. ₹ 1,000,000/-) are pledged against Trading Guarantee for Exchange.)		
NOTE '5'		
Receivables		
(i) Trade receivables		
Trade Receivables	40,436,690	6,897,473
Trade Receivables from related parties	-	-
Trade receivable which have significant increase in credit risk	2,227,273	3,700,751
Trade receivables - credit impaired	17,915,855	17,000,797
	60,579,818	**27,599,021**
Less: Loss Allowances	(19,515,486)	(19,483,420)
Total	**41,064,332**	**8,115,601**

Includes receivables from related party ₹ 1,73,195/- (Previous year ₹ 4,12,664/-).

Notes to Financial Statement for the year ended 31st March 2021

NOTE '6'
Loans

Particulars	As at 31st March 2021			As at 31st March 2020		
	Amortised cost (₹)	At fair value through OCI	Total (₹)	Amortised cost (₹)	At fair value through OCI	Total (₹)
Loans						
Others						
Loan repayable on demand	48,000,000		48,000,000	54,500,000		54,500,000
Loans to Related Parties	-		-	-		-
Loans to Employee	42,659		42,659	29,159		29,159
Total (A) - Gross	**48,042,659**	**-**	**48,042,659**	**54,529,159**	**-**	**54,529,159**
Less: Impairment loss allowance	-		-	-		-
Total (A) - Net	**48,042,659**	**-**	**48,042,659**	**54,529,159**	**-**	**54,529,159**
(B) Out of above						
(i) Secured	-		-	-		-
Less: Impairment loss allowance	-		-	-		-
Total (i)	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Unsecured	48,042,659		48,042,659	54,529,159		54,529,159
Less: Impairment loss allowance	-		-	-		-
Total (ii)	**48,042,659**	**-**	**48,042,659**	**54,529,159**	**-**	**54,529,159**
Total (B) = (i) + (ii)	**48,042,659**	**-**	**48,042,659**	**54,529,159**	**-**	**54,529,159**
(C) Out of above						
(I) Loans in India						
(i) Public Sector	-		-	-		-
Less: Impairment loss allowance	-		-	-		-
Subtotal (i)	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Others	48,042,659		48,042,659	54,529,159		54,529,159
Less: Impairment loss allowance	-		-	-		-
Subtotal (ii)	**48,042,659**	**-**	**48,042,659**	**54,529,159**	**-**	**54,529,159**
Total (I)	**48,042,659**	**-**	**48,042,659**	**54,529,159**	**-**	**54,529,159**
(II) Loans outside India	-		-	-		-
Less: Impairment loss allowance	-		-	-		-
Total (II)	**-**	**-**	**-**	**-**	**-**	**-**
Total C(I) and C(II)	**48,042,659**	**-**	**48,042,659**	**54,529,159**	**-**	**54,529,159**

Notes to Financial Statement for the year ended 31st March 2021

NOTE '7'
Investments

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
(A) At cost		
Investment in subsidiaries		
Equity shares	38,615,330	38,615,330
Preference shares	-	20,000,000
Total (A)	**38,615,330**	**58,615,330**
(B) At fair value through other comprehensive income		
(i) In equity instruments		
Equity shares	213,581	223,050
Sub-total (i)	**213,581**	**223,050**
Total (B)	**213,581**	**223,050**
Total (A+B)	**38,828,911**	**58,838,380**
Out of the above		
In India	**38,828,911**	**58,828,343**
Outside India	**-**	**-**
Total	**38,828,911**	**58,828,343**

Detail of investments as follows:

Particulars	As at 31st March 2021		As at 31st March 2020	
	Units	Amount (₹)	Units	Amount (₹)
Equity Instruments				
Subsidiaries				
Vertex Commodities & Finpro Pvt Ltd	3,861,493	38,615,330	3,861,493	38,615,330
Others				
Un-quoted				
Cochin Stock Exchange Ltd	905	213,581	905	223,050
Sub total (i)	**3,862,398**	**38,828,911**	**3,862,398**	**38,838,380**
Preference shares				
Vertex Commodities & Finpro Pvt Ltd	-	-	200,000	20,000,000
Sub total (ii)	**-**	**-**	**200,000**	**20,000,000**
Total (i+ii)	**3,862,398**	**38,828,911**	**4,062,398**	**58,838,380**

Notes to Financial Statement for the year ended 31st March 2021

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
NOTE '8'		
Other Financial assets		
Rent Deposit	2,001,848	1,861,943
Advance Rental	93,451	142,404
Security Deposit	55,315,174	30,477,961
Accured interest receivable	4,203,441	15,562,956
Advance to creditors	364,095	605,758
Other Receivables	20,000,000	-
Total	**81,978,009**	**48,651,024**
NOTE '9'		
Current tax assets (NET)		
Advance Payment of Income Tax (Including TDS) (Net of Provisions)	4,390,882	3,497,590
Total	**4,390,882**	**3,497,590**
NOTE '10'		
Deferred tax Assets (Net)		
Deferred tax Assets	599,716	599,716
Total	**599,716**	**599,716**
Deferred tax relates to the following:		
Deferred tax assets		
Present Value of Security Deposit	646,821	646,820
Gross deferred tax assets	**646,821**	**646,820**
Deferred tax liabilities		
Other timing differences	47,104	47,104
Gross deferred tax liabilities	**47,104**	**47,104**
Deferred tax assets/(liabilities), net	**599,717**	**599,716**

NOTE '11'

Property, plant and equipment and intangible assets

For the financial Period Ended 31.03.2021

Particulars	Gross Block (₹)				Depreciation and amortisation (₹)				Net Block (₹)
	As at 1st April, 2020	Additions	Deductions/ Adjustments	As at 31st March 2021	As at 1st April, 2020	Deductions/ Adjustments	For the Year	As at 31st March 2021	As at 31st March, 2021
Property, plant and equipment									
Plant & Equipments	12,626,639	156,741		12,685,735	9,858,069		647,378	10,505,447	2,180,288
Furniture & Fittings	13,402,768	677,900		14,080,668	9,452,051		969,985	10,422,036	3,658,632
Vehicles (refer note a)	2,788,707	-		2,788,707	2,486,510		62,727	2,549,237	239,469
Computer	18,752,669	132,483		18,982,797	17,896,178		386,782	18,282,960	699,837
Sub-Total	**47,570,783**	**967,124**	**-**	**48,537,907**	**39,692,808**	**-**	**2,066,872**	**41,759,680**	**6,778,227**
Intangible Asset									
Computer Software	6,324,833			6,324,833	6,144,868		102,820	6,247,688	77,145
Lisence	8,081,512	-		8,081,512	7,577,083		32,404	7,609,487	472,025
Mumbai Stock Exchange	1,000,000			1,000,000	1,000,000			1,000,000	-
Right of Use Asset (refer note b)	6,281,168	-	592,601	5,688,567	1,472,425	255,696	1,187,106	2,403,835	3,284,732
Sub-Total	**21,687,513**	**-**	**592,601**	**21,094,912**	**16,194,376**	**255,696**	**1,322,330**	**17,261,010**	**3,833,902**
Total	**69,258,295**	**967,124**	**592,601**	**69,632,818**	**55,887,184**	**255,696**	**3,389,202**	**59,020,690**	**10,612,129**

Notes

a. Represents Right-of-use assets recognised on application of Ind AS 116 'Leases' w.e.f 1 April 2019.

For the financial year 2019-20

Particulars	Gross Block (₹)				Depreciation and amortisation (₹)				Net Block (₹)
	As at 1st April, 2019	Additions	Deductions/ Adjustments	As at 31st March, 2020	As at 1st April, 2019	Deductions/ Adjustments	For the Year	As at 31st March, 2020	As at 31st March, 2020
Property, plant and equipment									
Plant & Equipments	12,325,950	398,334		12,626,639	9,002,142		855,927	9,858,069	2,768,570
Furniture & Fittings	9,820,359	3,582,410		13,402,768	8,749,375		702,676	9,452,051	3,950,717
Vehicles (refer note a)	2,788,707	-		2,788,707	2,411,103		75,407	2,486,510	302,196
Computer	17,818,499	836,525		18,752,669	17,584,071		312,106	17,896,178	856,491
Sub-Total	**42,753,515**	**4,817,268**	**-**	**47,570,783**	**37,746,691**	**-**	**1,946,117**	**39,692,808**	**7,877,975**
Intangible Asset									
Computer Software	6,122,464	202,369		6,324,833	6,122,462		22,406	6,144,868	179,965
Lisence	7,581,512	500,000		8,081,512	7,505,118		71,965	7,577,083	504,429
Mumbai Stock Exchange	1,000,000			1,000,000	1,000,000		-	1,000,000	-
Right of Use Asset (refer note b)		6,281,168		6,281,168	-	-	1,472,425	1,472,425	4,808,743
Sub-Total	**14,703,976**	**6,983,537**	**-**	**21,687,513**	**14,627,581**	**-**	**1,566,795**	**16,194,376**	**5,493,137**
Total	**57,457,491**	**11,800,805**	**-**	**69,258,295**	**52,374,272**	**-**	**3,512,912**	**55,887,184**	**13,371,112**

Notes

a . Carrying amount of Vehicles amounting to ₹ 3,51,594 has been pledged as a security by the Company

b. Represents Right-of-use assets recognised on application of Ind AS 116 'Leases' w.e.f 1 April 2019.

Notes to Financial Statement for the year ended 31st March 2021

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
NOTE 12		
Other non-financial assets		
Capital Advances	69,898	-
Balance with tax authorities	-	-
Prepaid expense	3,710,034	922,887
Plan asset - Gratuity	327,373	771,053
Other advances	2,624,702	2,597,223
Total	**6,732,007**	**4,291,163**
NOTE '13'		
Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	217,237,624	94,503,530
Total (I)	**217,237,624**	**94,503,530**
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	33,166	620,882
Total (II)	**33,166**	**620,882**
Total (I)+(II)	**217,270,790**	**95,124,412**
NOTE 14 Borrowings (other than debt securities) and Subordinated Liabilities		
Note 14A: Borrowings (other than debt securities)		
At Amortised Cost:		
(I) In India		
(A) Term loans		
(i) from banks (refer note a)	-	12,715
(ii) from other parties-ICD	-	-
(B) Loans repayable on demand		
(a) Overdraft Facility		
(i) from banks (refer note b)	35,265,424	32,544,865
(ii) from other parties	-	-
(b) Other Loans		
(i) from other parties	-	-
Total	**35,265,424**	**32,557,580**

Notes to Financial Statement for the year ended 31st March 2021

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
(II) Out of above		
In India	35,265,424	32,557,580
Outside India	-	-
Total	**35,265,424**	**32,557,580**
(III) Out of above		
Secured	35,265,424	32,557,580
Unsecured	-	-
Total	**35,265,424**	**32,557,580**

Notes:

a Vehicle Loan taken from HDFC Bank is secured by hypothecation of Motor Car.

b Overdraft from South Indian Bank is Working Capital Facility secured against mortgage of property owned by Transwarranty Finance Limited,Corporate Guarantee of Holding Company and Personal Guarantee of the Chariman. The total limit allowed is 3.5 crores and the interest rate on the overdraft facility is 10.75% pa.

(IV) Terms of repayment of term loans and overdraft facility

Original Maturity of loan (In no. of days)	As at 31st March 2021		As at 31st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
On maturity				
Maturity between 3 to 5 years		-		-
Maturity between 1 to 3 years		-		-
Maturity within 1 year	10.75%	-	10.75%	-
Term Loan		-		12,715
Overdraft facility		35,265,424		32,544,865
Total		**35,265,424**		**32,557,580**

NOTE 15: Subordinated Liabilities

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
At Amortised Cost:		
(I) In India		
Preference Shares other than those that qualify as Equity (Refer note a)	2,775,800	2,775,800
Total	**2,775,800**	**2,775,800**
Out of above		
Secured	-	-
Unsecured	2,775,800	2,775,800

Note:

a) 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. Preference share holders are entitled to get dividend only when the company has distributable profits. In the event of winding up or repayment of capital, Preference share holders have the preferential right to be repaid the amount of capital paid up.

Notes to Financial Statement for the year ended 31st March 2021

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
NOTE '16'		
Other financial Liabilities		
Employee benefits payable	1,493,402	158,869
Security Deposit from Franchises & Advances	5,284,089	5,271,550
Total	**6,777,491**	**5,430,419**
NOTE '17'		
Provision		
Leave enchasement	832,119	724,568
Total	**832,119**	**724,568**
NOTE '18'		
Other non financial Liabilities		
Statutory dues	79,484	893,450
Lease liability	3,570,388	5,061,360
Others	742,615	815,654
Total	**4,392,487**	**6,770,464**
NOTE '19'		
Equity Share capital		
Authorised		
1) 127,274,600 Equity Shares of ₹ 2/- each (P.Y. 127,274,600 Equity Shares of ₹ 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
Total	**148,024,378**	**148,024,378**

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

A) Equity shares

Particulars	Nos.	Amount (₹)
Equity share capital issued, subscribed and fully paid up	74,012,189	148,024,378
As at 31st March 2019	**74,012,189**	**148,024,378**
As at 1 April 2019		
Equity share capital issued, subscribed and fully paid up	74,012,189	148,024,378
As at 31st March 2020	**74,012,189**	**148,024,378**
As at 1 April 2020		
Equity share capital issued, subscribed and fully paid up	74,012,189	148,024,378
As at 31st March 2021	**74,012,189**	**148,024,378**

Notes to Financial Statement for the year ended 31st March 2021

2) Terms and rights attached to 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.

3) Shares held by Holding Company- Transwarranty Finance Limited

Particulars	As at 31 March 2021		As at 31 March 2020	
	Nos.	% of Holding	Nos.	% of Holding
Transwarranty Finance Limited	39,253,950	53.04	39,253,950	53.04

4) Details of shareholders holding equity shares more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Nos.	% of Holding	Nos.	% of Holding
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

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
NOTE '20'		
Other equity		
Securities Premium		
Balance at the beginning of the year	18,248,790	18,248,790
Add: Received during the year		
Less: Share issue expense		
Balance at the end of the year	**18,248,790**	**18,248,790**
Reserve under Amalgation account		
Balance as at the beginning of the year	4,264,133	4,264,133
Add: Transferred during the year		
Balance as at the end of the year	**4,264,133**	**4,264,133**
Retained Earnings		
Balance at the beginning of the year	(68,314,145)	(33,468,461)
Profit for the year	4,056,440	(34,086,878)
Other Comprehensive Income	(222,169)	(758,805)
Effects of first time adoption of Ind AS	-	-
Balance at the end of the year	**(64,479,874)**	**(68,314,145)**

Notes to Financial Statement for the year ended 31st March 2021

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
Other Comprehensive Income - fair value on equity instruments		
Balance at the beginning of the year	(2,284,650)	(2,294,687)
Gain / (Loss) on fair valuation on equity instruments	(9,470)	10,037
Effects of first time adoption of Ind AS	-	-
Balance at the end of the year	**(2,294,119)**	**(2,284,650)**
Total	**(44,261,069)**	**(48,085,871)**

Nature and purpose of other equity

1) Securities Premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

2) Reserve under amalgamtion

The company acquired another broking company in the year 2010. The amalagamation reserve was created by vertie of merging of books of accounts of the transferor / acquiree company into the company.

3) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Particulars	For the year ended 31st March 2021 (₹)	For the year ended 31st March 2020 (₹)
NOTE 21'		
REVENUE FROM OPERATIONS		
Sale Of Services		
Fees and commission income		
- Brokerage & related income	60,561,289	35,208,002
- Other Fees	3,622,707	5,884,844
Income from DP operation	2,828,418	2,147,365
On financial assets measured at Amortised cost		
Interest on deposits with banks*	2,217,950	1,676,557
Total	**69,230,364**	**44,916,768**
* interest received on fixed deposit with bank which are pledged with exchange for margin purpose.		

Notes to Financial Statement for the year ended 31st March 2021

Particulars	For the year ended 31st March 2021 (₹)	For the year ended 31st March 2020 (₹)
Revenue from contract with customers		
Type of Service		
Fees and commission income		
- Brokerage & related income	60,561,289	35,208,002
- Other Fees	3,622,707	5,884,844
Income from DP operation	2,828,418	2,147,365
	67,012,414	**43,240,211**
Geographical market		
India	67,012,414	43,240,211
Outside India	-	-
	67,012,414	**43,240,211**
Timing of revenue recognition		
Services transferred at a point in time	67,012,414	43,240,211
Services transferred over time	-	-
	67,012,414	**43,240,211**
Contract Balances		
Gross Trade receivables (refer note 6)	60,579,818	27,599,021
	60,579,818	**27,599,021**
NOTE '22'		
Other Income		
Interest on Inter Corporate Deposits	7,053,653	7,702,395
Unwinding of discounting of deposits	47,305	55,558
Miscelleneous income	6,885,995	2,477,264
Total	**13,986,953**	**10,235,217**
NOTE '23'		
Finance Cost		
On financial liabilities measured at Amortised cost		
Interest on borrowings	7,221,369	5,593,995
Interest expense on lease liablity	482,337	647,596
Total	**7,703,706**	**6,241,591**
NOTE '24'		
Employee Benefits Expenses		
Salaries and wages	20,821,284	23,432,834
Contribution to provident fund and other funds	1,111,038	1,544,182
Staff welfare expense	755,863	744,029
Total	**22,688,185**	**25,721,045**

Notes to Financial Statement for the year ended 31st March 2021

Particulars	For the year ended 31st March 2021 (₹)	For the year ended 31st March 2020 (₹)
NOTE '25'		
Depreciation and amortisation		
Depreciation on tangible assets	2,066,872	1,946,117
Amortisation on Intangible assets	1,322,330	1,566,795
Total	**3,389,202**	**3,512,912**
NOTE '26'		
Other Expense		
AMC Charges	2,039,277	2,624,106
Connectivity Charges	3,760,904	2,764,110
Marketing fee/Commission paid	6,381,185	3,801,123
Sub Brokerage	24,261,436	13,474,298
Advertisement & Publicity Expenses	225,586	216,598
Auditors fees and expense	180,000	190,000
Communication Expenses	634,027	547,538
Insurance	17,437	5,907
Rent	566,627	760,174
Rates, taxes and energy cost	881,472	1,216,863
Printing & Stationery	185,790	250,291
Legal and professional charges	550,000	850,055
Repairs and maintainance	108,565	127,892
Directors fees	80,000	280,000
Travelling and Conveyance Expenses	133,009	721,286
Impairment Allowance	32,066	19,483,420
Bad Debts written off	199,161	1,370,655
Other miscelleanous expense	5,143,242	5,079,000
Total	**45,379,784**	**53,763,316**
(i) Payments to the auditors comprises of		
For Statutory audit	150,000	150,000
Other Services	30,000	40,000

Note '27'

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

Notes to Financial Statement for the year ended 31st March 2021

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March	
	2021 (₹)	2020 (₹)
(A) Net profit attributable to equity shareholders	3,824,802	(34,835,646)
(B) Weighted average number of equity shares for basic and diluted earnings per share	74,012,189	74,012,189
Basic earning price per share (₹) (A/B)	0.05	(0.47)
Diluted earning price per share (₹) (A/C)	0.05	(0.47)

Note '28'

Segment Information

Disclosure under Indian Accounting Standard 108 – 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. ,primarily engaged as stock and securities broker and providing the financial services. The Company conducts its business only in one Geographical Segment, viz., India. Also there are no revenue from transactions with a single external customer or counterparty amounting to 10% or more of the Company's total revenue in the year ended 31 March 2021 or 31 March 2020.

Note '29'

Employee benefits plan

Defined benefit plans

(A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below:

Particulars	As at	
	31st March, 2021 (₹)	31st March, 2020 (₹)
Defined benefit obligation as at the opening of the year	2,395,420	2,036,234
Current service cost	282,781	232,708
Interest on defined benefit obligation	158,799	152,883
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(11,607)	217,311
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	20,851	466,692
Benefits paid	(337,009)	(710,408)
Defined benefit obligation as at the end of the year	**2,509,235**	**2,395,420**

Notes to Financial Statement for the year ended 31st March 2021

Movement in Plan Assets

Particulars	As at 31st March, 2021 (₹)	As at 31st March, 2020 (₹)
Fair value of plan asset as at the beginning of the year	3,166,473	3,635,522
Adjustment to opening Fair Value of Plan Asset	-	-
Employer contributions	501	33,305
Interest on plan assets	219,568	282,856
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(212,925)	(74,802)
Benefits paid	(337,009)	(710,408)
Fair value of plan asset as at the end of the year	**2,836,608**	**3,166,473**

Reconciliation of net liability/asset

Particulars	As at 31st March, 2021 (₹)	As at 31st March, 2020 (₹)
Net defined benefit liability/(asset) as at the beginning of the year	(771,053)	(1,599,288)
Adjustment to opening balance	-	-
Expense charged to Statement of Profit and Loss	222,012	102,735
Amount recognised in other comprehensive income	222,169	758,805
Contributions Paid	(501)	(33,305)
Net defined benefit liability/(asset) as at the end of the year	**(327,373)**	**(771,053)**

Expenses charged to the Statement of Profit and Loss

Particulars	As at 31st March, 2021 (₹)	As at 31st March, 2020 (₹)
Current service Cost	282,781	232,708
Net Interest Cost	(60,769)	(129,973)
Total	**222,012**	**102,735**

Notes to Financial Statement for the year ended 31st March 2021

Remeasurement (gains)/losses in other comprehensive income

Particulars	For the year ended	
	31st March, 2021 (₹)	31st March, 2020 (₹)
Opening amount recognised in other comprehensive income	-	-
Changes in financial assumptions	(11,607)	217,311
Changes in demographic assumptions		-
Experience adjustments	20,851	466,692
Actual return on plan assets less interest on plan assets	212,925	74,802
Adjustment to recognise the effect of asset ceiling		-
Closing amount recognised outside profit or loss in other comprehensive income	222,169	758,805

Amount recognised in Balance Sheet

Particulars	As At		
	31st March, 2021 (₹)	31st March, 2020 (₹)	31st March, 2019 (₹)
Present value of funded defined benefit obligation	2,509,235	2,395,420	2,036,234
Fair value of plan assets	2,836,608	3,166,473	3,635,522
Net funded obligation	(327,373)	(771,053)	(1,599,288)
Amount not recognised due to asset limit	-	-	-
Net defined benefit liability/(assets) recognised in Balance Sheet	(327,373)	(771,053)	(1,599,288)

Key actuarial assumptions

Particulars	As At		
	31st March, 2021 (₹)	31st March, 2020 (₹)	31st March, 2019 (₹)
Discount rate (p.a.)	6.71%	6.66%	7.61%
Salary escalation rate (p.a.)	3%	3%	3%
Category of plan assets			
Insurer managed funds	100%	100%	100%

Expected Payout:

Year	31st March, 2021 PVO Payout (₹)	31st March, 2020 PVO Payout (₹)
Expected Outgo First	24,986	22,108
Expected Outgo Second	40,395	22,053
Expected Outgo Third	187,361	29,776
Expected Outgo Fourth	350,383	170,803
Expected Outgo Fifth	399,110	342,521
Expected Outgo Sixth to Tenth Years	791,946	663,628

Notes to Financial Statement for the year ended 31st March 2021

Sensitivity analysis for significant assumptions is as shown below

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
Impact of increase in 100 bps on discount rate	2,293,660	2,167,478
Impact of decrease in 100 bps on discount rate	2,758,420	2,659,958
Impact of increase in 100 bps on salary escalation rate	2,764,404	2,666,253
Impact of decrease in 100 bps on salary escalation rate	2,285,331	2,158,735

(B) Compensated Absence

Particulars	As at	
	31st March, 2021 (₹)	31st March, 2020 (₹)
Movement in defined benefit obligations		
Defined benefit obligations as the beginning of the year	724,568	586,793
Current service cost	189,304	138,955
Interest on defined benefit obligation	43,819	40,192
Remeasurement due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(3,329)	60,839
Actuarial loss/(gain) arising on account of experience changes	294,642	53,062
Actuarial loss/(gain) arising on due to Demographic Assumption	-	-
Employees contribution		
Benefits paid	(416,885)	(155,273)
Defined benefit obligation as at the end of the year	**832,119**	**724,568**

Movement in Plan Assets

Particulars	As at	
	31st March, 2021 (₹)	31st March, 2020 (₹)
Fair value of plan asset as at the beginning of the year		-
Interest on plan assets		-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets		-
Employer contribution	416,885	155,273
Employees contribution		-
Benefits paid	(416,885)	(155,273)
Fair value of plan asset as at the end of the year	**-**	**-**

Notes to Financial Statement for the year ended 31st March 2021

Reconciliation of net liability/asset

Particulars	As at	
	31st March, 2021 (₹)	31st March, 2020 (₹)
Net defined benefit liability/(asset) as at the beginning of the year	724,568	586,793
Expense charged to Statement of Profit and Loss	524,436	293,048
Employer contributions	(416,885)	(155,273)
Net defined benefit liability/(asset) as at the end of the year	**832,119**	**724,568**

Expenses charged to the Statement of Profit and Loss

Particulars	As at	
	31st March, 2021 (₹)	31st March, 2020 (₹)
Current service Cost	189,304	138,955
Interest Cost	43,819	40,192
Acturian (Gain)/ Loss recognized for the period	291,313	113,901
Total	**524,436**	**293,048**

Remeasurement (gains)/losses in other comprehensive income

Particulars	For the year ended	
	31st March, 2021 (₹)	31st March, 2020 (₹)
Opening amount recognised in other comprehensive income	-	-
Experience adjustments	-	-
Actual return on plan assets less interest on plan assets	-	-
Closing amount recognised outside profit or loss in other comprehensive income	-	-

Amount recognised in Balance Sheet

Particulars	As At		
	31st March, 2021 (₹)	31st March, 2020 (₹)	31st March, 2019 (₹)
Present value of funded defined benefit obligation	832,119	724,568	586,793
Fair value of plan assets	-	-	
Net funded obligation	832,119	724,568	586,793
Amount not recognised due to asset limit		-	
Net defined benefit liability recognised in Balance Sheet	832,119	724,568	586,793

Notes to Financial Statement for the year ended 31st March 2021

Key actuarial assumptions

Particulars	As At		
	31st March, 2021 (₹)	31st March, 2020 (₹)	31st March, 2019 (₹)
Discount rate (p.a.)	6.71%	6.66%	7.61%
Rate of increase in compensation	3.00%	3.00%	3.00%

Expected Payout:

Year	31st March, 2021 PVO Payout (₹)	31st March, 2020 PVO Payout (₹)
Expected Outgo First	211,610	133,237
Expected Outgo Second	45,941	25,908
Expected Outgo Third	49,563	18,889
Expected Outgo Fourth	68,669	40,791
Expected Outgo Fifth	74,789	64,823
Expected Outgo Sixth to Tenth Years	142,115	124,308

Sensitivity analysis for significant assumptions is as shown below

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
Impact of increase in 100 bps on discount rate	771,113	660,790
Impact of decrease in 100 bps on discount rate	904,369	800,374
Impact of increase in 100 bps on salary escalation rate	905,769	801,902
Impact of decrease in 100 bps on salary escalation rate	769,142	658,670

Note '30'

Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of

Particulars	As At	
	31st March, 2021 (₹)	31st March, 2020 (₹)
Claims against the Company not acknowledged as debts		
a. Tax demand in respect of:-		
Income Tax demand order for FY 2013-14	127,290	127,290
Service Tax orders for FY 2006-07 to 2009-10	622,000	622,000
Service Tax orders for FY 2009-10 to 2013-14	-	4,174,056
Service Tax orders for FY 2011-12 to 2013-14	-	1,086,974
Service Tax orders for FY 2014-15	110,971	110,971
Total	**860,261**	**6,121,291**

Notes to Financial Statement for the year ended 31st March 2021

(b) Capital and other commitments

Particulars	As At 31st March, 2021 (₹)	As At 31st March, 2020 (₹)
(i) Capital Commitments		
Capital expenditure contracted at the end of reporting period but not recognised as liabilities is as follows:	-	-
Counter guarantee issued in favour of the banker for guarantee given by them to NSE for margin requirement for ₹ 52.80 Mn and to BSE ₹ 2.57 Mn for Margin requirment	5,53,75,000	5,53,75,000
Corporate Guarantee given to bank on behalf of subsidiary company Vertex Commodities & Finpro (P) Limited	2,00,00,000	2,00,00,000

(C) Lease commitments

The Company has obtained office premises under operating leases. These leases are for a period ranging from 11 to 24 months and are renewable as may be mutually decided. These are generally cancellable leases and accordingly are considered short term leases.

Lease payments recognised in the Statement of Profit and Loss as 'Rent' under Note No. 26 is ₹ 5,66,627/- (P.Y. 7,60,174/-). Future minimum lease rent payable are as follows:

Particulars	As At 31st March, 2021 (₹)	As At 31st March, 2020 (₹)
Minimum lease obligations:		
Not later than one year	432,290	618,270
Later than one year but not later than five years	-	432,290
Later than five years	-	-

Note '31'

Related Parties Disclosure

31.1 Names of Related Parties & Nature of Relationship with whom the company have transaction during the year, as required by the Ind AS 24 "Related Party Disclosures" and Companies Act, 2013.

Sr.No.	Name of Related Party	Relationship
1	Transwarranty Finance Limited	Holding Company
2	Vertex Commodities and Finpro (P) Ltd. (VCFPL)	Subsidiary Company
3	Mr. Kumar Nair (Managing Director)	Key Management Personnel
4	Mr. U. Ramachandran (Director & Chief Executive officer)	Key Management Personnel
5	Mr. Goerge Mampilly (Executive Director & Chief Financial Officer)	Key Management Personnel

Notes to Financial Statement for the year ended 31st March 2021

31.2 Transactions with Related Parties

Name of Related Party and Nature of relationship		Nature of Transaction	2021 Transactional Value (₹)	2020 Transactional Value (₹)
A)	**Holding Company**			
1	Transwarranty Finance Limited	Inter corporate deposit received	73,605,476	67,276,910
		Inter corporate deposit repaid	73,605,476	52,851,369
		Current account debit	1,926,844	22,827
		Current account Credit	1,926,844	5,800
		Interest received on ICD	849,569	1,907,378
		Brokerage incentive received on share trading	26,369	1,541
		Incentive received	22,024	84,416
B)	**Subsidiary Company**			
1	Vertex Commodities and Finpro (P) Ltd. (VCFPL)	Inter corporate deposit given	55,241,805	15,522,824
		Inter corporate deposit received back	55,241,805	15,522,824
		Expense incurred on behalf of Company	2,050,225	2,344,277
C)	**Key Management Personnel's**			
1	Mr. U. Ramachandran (Director & Chief Executive officer)	Remuneration paid	14,16,250	1,800,000
2	Mr. Goerge Mampilly (Executive Director & Chief Financial Officer)	Remuneration paid	936,741	1,200,000

31.3 Balances as at the end of the year:

Name of Related Party and Nature of relationship		Nature of Transaction	31st March, 2021 (₹)	31st March, 2020 (₹)
	Receivable			
A)	**Holding Company**			
	Transwarranty Finance Limited	Current account	-	351,577
		Inter Corporate deposit	-	-
		Interest receivable	-	12,820,146
		Trading account	173,195	412,664

Notes to Financial Statement for the year ended 31st March 2021

Note 32

Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, loans, trade payables, borrowings other than debt securities and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

Fair value hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2021

Particulars	FVTPL	FVOCI	Amortised Cost	Fair value measurement using			
				Quoted prices in active markets (Level 1) (₹)	Significant observable inputs (Level 2) (₹)	Significant unobservable inputs (Level 3) (₹)	Total (₹)
Financial Asset							
Cash and cash equivalents			56,453,773	-	-	-	-
Bank balances other than cash and cash equivalents			82,375,000	-	-	-	-
Trade receivables			41,064,332	-	-	-	-
Loans			48,042,659	-	-	-	-
Investments		213,581	38,615,330	-	-	213,581	213,581
Other financial assets			81,978,009	-	-	-	-
Total	**-**	**213,581**	**348,529,104**	**-**	**-**	**213,581**	**213,581**
Financial Liabilities							
Trade payables	-	-	217,237,624	-	-	-	-
Other payables	-	-	33,166	-	-	-	-
Borrowings (other than debt securities)	-	-	35,265,424	-	-	-	-
Other financial liabilities	-	-	6,777,491	-	-	-	-
Total	**-**	**-**	**259,313,705**	**-**	**-**	**-**	**-**

Notes to Financial Statement for the year ended 31st March 2021

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2020

Particulars	FVTPL	FVOCI	Amortised Cost	Fair value measurement using			
				Quoted prices in active markets (Level 1) (₹)	Significant observable inputs (Level 2)(₹)	Significant unobservable inputs (Level 3)(₹)	Total (₹)
Financial Asset							
Cash and cash equivalents			33,528,005	-	-	-	-
Bank balances other than cash and cash equivalents			17,900,000	-	-	-	-
Trade receivables			8,115,601	-	-	-	-
Loans			54,529,159	-	-	-	-
Investments		223,050	58,615,330	-	-	223,050	223,050
Other financial assets			48,651,024	-	-	-	-
Total	**-**	**223,050**	**221,339,119**	**-**	**-**	**223,050**	**223,050**
Financial Liabilities							
Trade payables	-	-	94,503,530	-	-	-	-
Other payables	-	-	620,882	-	-	-	-
Borrowings (other than debt securities)	-	-	32,557,580	-	-	-	-
Other financial liabilities	-	-	5,430,419	-	-	-	-
Total	**-**	**-**	**133,112,411**	**-**	**-**	**-**	**-**

Note 33: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Particulars	01st April 2020 (₹)	Cash Flows (₹)	Changes in fair value (₹)	Others (₹)	31st March 2021 (₹)
Borrowings other than debt securities	32,557,580	2,707,844	-	-	35,265,424
Total liabilities from financing activities	32,557,580	2,707,844	-	-	35,265,424

Particulars	01st April 2019 (₹)	Cash Flows (₹)	Changes in fair value (₹)	Others (₹)	31st March 2020 (₹)
Borrowings other than debt securities	30,846,601	1,710,980	-	-	32,557,580
Total liabilities from financing activities	30,846,601	1,710,980	-	-	32,557,580

Note '34'

Risk management

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also has line of Inter corporate deposits available from holding company & fellow subsidiary companies within its group to meet any short term fund requirements.

Notes to Financial Statement for the year ended 31st March 2021

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 Months(₹)	After 12 Months (₹)	Total (₹)	Within 12 Months (₹)	After 12 Months (₹)	Total (₹)
Assets						
Financial assets						
Cash and cash equivalents	56,453,773		56,453,773	33,528,005		33,528,005
Bank balances other than cash and cash equivalents		82,375,000	82,375,000		17,900,000	17,900,000
Trade receivables	41,064,332		41,064,332	8,115,601		8,115,601
Loans	48,042,659		48,042,659	54,529,159		54,529,159
Other financial assets	4,567,536	57,410,473	61,978,009	16,168,715	32,482,309	48,651,024
Other Receivables	20,000,000	-	20,000,000			
Non-financial assets						
Current tax assets (net)	4,390,882		4,390,882	3,497,590		3,497,590
Deferred tax assets (net)		599,716	599,716		599,716	599,716
Property, plant and equipment		6,778,227	6,778,227		7,877,975	7,877,975
Other intangible assets		3,833,903	3,833,903		5,493,137	5,493,137
Other non-financial assets	6,334,736	327,373	6,662,109	3,520,110	771,053	4,291,163
Total	**180,853,919**	**151,324,692**	**332,178,611**	**119,359,180**	**65,124,190**	**184,483,370**
LIABILITIES						
Financial liabilities						
Trade payables	217,237,624		217,237,624	94,503,530		94,503,530
Other payables	33,166		33,166	620,882		620,882
Borrowings (other than debt securities)	35,265,424	2,775,800	38,041,224	32,557,580	2,775,800	35,333,380
Other financial liabilities	1,493,402	5,284,089	6,777,491	158,869	5,271,550	5,430,419
Non-financial liabilities						
Provisions	211,610	620,509	832,119	133,237	591,331	724,568
Other non-financial liabilities	2,577,903	1,814,584	4,392,487	3,464,908	3,305,556	6,770,464
Total	**256,819,129**	**10,494,982**	**267,314,111**	**131,439,006**	**11,944,237**	**143,383,243**

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

Interest rate risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day to- day operations. Further, certain interest bearing liabilities carry variable interest rates

The sensitivity analyses below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected.With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

Notes to Financial Statement for the year ended 31st March 2021

Average Exposure to interest rate risk

Particulars	As at 31 March 2021 (₹)	As at 31 March 2020 (₹)
Floating rate borrowings	31,539,859	23,229,009
Total Borrowings	31,539,859	23,229,009

A change of 50bps in interest rates would have following impact on profit before tax

Particulars	As at 31 March 2021 (₹)	As at 31 March 2020 (₹)
Interest rates - increase by 50 basis point (50 bps)	(157,699)	(116,145)
Interest rates - decrease by 50 basis point (50 bps)	157,699	116,145

Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial/ contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of counterparties. Inadequate collateral may also lead to financial losses in the event of default. The company has adopted a policy of dealing with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented in the financial statements.

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for receivables portfolio:

As at 31 March 2021

Particulars	Stage 1	Stage 2		Stage 3
Days past due (DPD)	0 -90 DPD (₹)	90-180 DPD (₹)	180 -365 DPD (₹)	365 DPD or more (₹)
Gross Carrying Value	40,436,690	283,295	1,943,978	17,915,855
Allowance for ECL	-	141,648	1,457,983	17,915,855
ECL Coverage ratio	-	50	75	100

As at 31 March 2020

Particulars	Stage 1	Stage 2		Stage 3
Days past due (DPD)	0 -90 DPD (₹)	90-180 DPD (₹)	180 -365 DPD (₹)	365 DPD or more (₹)
Gross Carrying Value	6,897,473	1,171,761	2,528,990	17,000,797
Allowance for ECL	-	585,880	1,896,743	17,000,797
ECL Coverage ratio	-	50	75	100

Notes to Financial Statement for the year ended 31st March 2021

Note '35'

Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or combination of short term /long term debt as may be appropriate.

Note '36'

Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

Note '37'

Covid-19 outbreak was declared as a global pandemic by World Health Organisation. Stock broking service, which constitutes the major business of the Group, had been declared as an essential service and accordingly, the Group has been in operation consistently with minimal permitted staff. Accordingly, as of 31 March 2021, based on the facts and circumstances existing as of that date, the Group does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.

As per our attached report of even date

For **S S KHAN & CO**
Chartered Accountants
(FRN: 133324W)

Sarfaraz khan
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021

For and on Behalf of Board of Directors

Kumar Nair
Chairmen
DIN 00320541

Ramachandran U.
Managing Director
DIN 00493707

George Mampillil
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

Place: Kochi
Date: 08 June 2021

INDEPENDENT AUDITORS' REPORT

To the Members of
VERTEX SECURITIES LIMITED

Report on the Audit of the Consolidated Financial Statements

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 2021, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity 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, 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 2021, its consolidated profit (including other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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 2021. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	**How our audit addressed the key audit matter**
Impairment of financial assets as at balance sheet date (expected credit losses) (Refer Note No. 5 to the consolidated financial statements)	
Ind AS 109 requires the Holding Company to provide for impairment of its financial assets using the expected credit loss (ECL) approach. The Group recognises lifetime ECL from initial recognition of trade receivables by using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. In the process, a significant degree of judgment has been applied by the Management for: • Staging of Trade Receivables [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories];	• Read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109. • Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of receivables based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) receivables to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Evaluated the completeness, accuracy and relevance of data used in the expected credit loss model and checked the mathematical accuracy of the calculations.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of financial assets as at balance sheet date (expected credit losses) (Refer Note No. 5 to the consolidated financial statements)	
• Grouping of receivables based on homogeneity by using appropriate statistical techniques; • Determining macro-economic factors impacting credit quality of receivables; In view of the high degree of Management's judgment involved in estimation of ECL it is a key audit matter.	• Obtained an ageing report of trade receivables and tested the accuracy by checking the ageing of select invoices on a sample basis • Assessed the additional considerations applied by the Management for staging of receivables as SICR or default categories in view of Company's policy on receivables. • Tested assumptions used by the Management in determining the overlay for macro-economic factors.

Emphasis of Matter

We draw attention to Note No. 5 to the consolidated financial statements wherein the Group has provided for impairment losses of ₹ 2,94,01,333/- on trade receivables as on 31st March 2021. Our opinion is not modified in respect of this matter.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include the consolidated financial statements and our auditors' 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 the 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 on the other information obtained prior to the date of the auditors' report, 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statementss

The Holding Company's Board of Directors is responsible for the preparation and presentation 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, consolidated statement of changes in equity 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. 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.

The 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, 2021 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, Consolidated Statement of Changes in Equity 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, 2021 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, 2021 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) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Holding Company and its subsidiary to its directors during the year is in accordance with the provisions of section 197 of 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 No. 29 to the consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021
UDIN: 21144212AAAACV7387

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 2021, 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 and such internal financial controls over financial reporting were operating effectively as at 31 March 2021. 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 S S KHAN & CO
Chartered Accountant
(FRN: 133324W)

SARFARAZ KHAN
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021
UDIN: 21144212AAAACV7387

Consolidated Balance sheet as at 31st March, 2021

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	3	59,923,044	34,583,817
Bank Balance other than (a) above	4	82,375,000	25,400,000
Receivables			
(I) Trade Receivables	5	47,367,493	9,311,685
Loans	6	82,192,659	87,179,159
Investments	7	213,580	223,050
Other Financial assets	8	96,631,443	63,103,440
		368,703,219	**219,801,151**
Non-financial Assets			
Current tax Asset (Net)	9	5,688,422	4,549,253
Deferred tax Assets	10	513,283	513,283
Property, Plant and Equipment	11	7,404,351	8,679,875
Goodwill On consolidation		8,154,986	8,154,986
Other Intangible assets	11	3,868,974	5,739,239
Other non-financial assets	12	7,901,203	4,800,000
		33,531,219	**32,436,636**
Total Assets		**402,234,438**	**252,237,787**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	13		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		233,112,992	112,030,037
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		138,015	759,676
Borrowings (Other than Debt Securities)	14	35,265,424	32,557,580
Subordinated Liabilities	15	22,775,800	2,775,800
Other financial liabilities	16	11,772,060	8,997,496
		303,064,291	**157,120,589**
Non-Financial Liabilities			
Provisions	17	1,073,196	937,198
Other non-financial liabilities	18	4,429,121	7,021,054
		5,502,317	**7,958,252**
EQUITY			
Equity Share capital	19	148,024,378	148,024,378
Other Equity	20	(54,356,548)	(60,865,432)
Total Equity attributable to owners of company		**93,667,830**	**87,158,946**
Non Controlling interest		-	-
Total Equity		**93,667,830**	**87,158,946**
Total Liabilities and Equity		**402,234,438**	**252,237,787**

For and on Behalf of Board of Directors

For **S S KHAN & CO**
Chartered Accountants
(FRN: 133324W)

Sarfaraz khan
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021

Kumar Nair
Chairman
DIN 00320541

George Mampillil
Director & CFO
DIN.01976386

Place: Kochi
Date: 08 June 2021

Ramachandran U.
Managing Director
DIN 00493707

Pranali Kadam
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Note no.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
Sale of services	21	74,833,788	51,781,411
Total Revenue from operations		**74,833,788**	**51,781,411**
Other Income	22	18,384,965	14,500,392
Total Income		**93,218,753**	**66,281,803**
Expenses			
Finance Costs	23	7,703,706	6,241,591
Employee Benefits Expenses	24	24,575,243	27,641,057
Depreciation and amortization	11	3,776,007	3,869,726
Others expenses	25	50,423,274	71,055,953
Total Expenses		**86,478,230**	**108,808,327**
Profit / (loss) before exceptional items and tax		6,740,522	(42,526,524)
Exceptional items		-	-
Profit/(loss) before tax		**6,740,522**	**(42,526,524)**
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Profit/(loss) for the period from continuing operations (VII-VIII)		**6,740,522**	**(42,526,524)**
Profit/(loss) from discontinued operations (After tax) (X-XI)		6,740,522	(42,526,524)
Profit/(loss) for the period		**6,740,522**	**(42,526,524)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or \loss			
Remeasurement of the net defined benefit obligation gain / (loss)		(222,169)	(777,817)
Fair valuation on Equity instrument		(9,470)	10,037
Other Comprehensive Income		**(231,639)**	**(767,780)**
Total Comprehensive Income for the period		**6,508,884**	**(43,294,304)**
Net Profit attributable to :			
Owners of equity		6,740,522	(42,526,524)
Non-controlling interest		-	-
Other Comprehensive Income attributable to:			
Owners of equity		(231,639)	(767,780)
Non-controlling interest		-	-
Total Comprehensive Income attributable to:			
Owners of equity		**6,508,884**	**(43,294,304)**
Non-controlling interest		-	-
Earnings per equity share	26		
Basic (₹)		0.09	(0.58)
Diluted (₹)		0.09	(0.58)

For and on Behalf of Board of Directors

For **S S KHAN & CO**
Chartered Accountants
(FRN: 133324W)

Sarfaraz khan
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021

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Director & CFO
DIN.01976386

Place: Kochi
Date: 08 June 2021

Ramachandran U.
Managing Director
DIN 00493707

Pranali Kadam
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2021

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
I.	**Cash Flows from Operating Activities:**		
	Net Profit Before Tax and Extraordinary Items	6,740,522	(42,526,524)
	Adjustments for:		
	Reversal of Rent Expense on Lease Liability	(1,634,996)	(1,867,404)
	Depreciation	3,776,007	3,869,726
	Remeasurement of the net defined benefit obligation gain / (loss)	(231,639)	(777,817)
	Interest Income	(13,385,172)	(7,702,395)
	Bad Debts written off	207,201	1,370,655
	Impairment Allowance	35,933	29,365,400
	Interest Expense	**7,703,706**	**6,241,591**
	Adjustments for Changes in Working Capital:		
	(Increase) / Decrease in Trade Receivables	(38,290,902)	34,331,495
	Increase / (Decrease) in Trade & Other Payables	120,461,294	(15,296,149)
	(Increase)/decrease in other financial assets	(47,718,626)	(8,130,016)
	(Increase)/decrease in other non-financial assets	(3,101,203)	4,575,136
	Increase / (Decrease) in other financial Liabilities	2,774,564	(3,255,208)
	Increase/(decrease) in provisions	135,998	184,629
	Increase / (Decrease) in non- financial Liabilities	(1,100,961)	180,032
	Income tax paid (net of refunds)	(1,139,169)	(1,140,303)
	Net Cash Flows from Operating Activities	**35,232,561**	**(577,153)**
II.	**Cash Flows from Investing Activities:**		
	(Purchase)/ Sale of Fixed Deposits	(56,975,000)	8,287,500
	Loans - (Given)/ Received back	4,986,500	7,414,465
	Cash inflow from interest on loans	27,575,795	14,628,326
	Purchase of Property Plant and Equipment	(967,124)	(4,817,268)
	Purchase of Intangible Asset	-	(702,369)
	Sale of investment	20,000,000	-
	Net Cash Flows from Investing Activities	**(5,379,829)**	**24,810,654**

Consolidated Cash Flow Statement for the year ended 31st March, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
III. Cash Flows from Financing Activities:		
Borrowings other than debt securities issued/ (Redeemed) (net)	2,707,844	1,710,980
Finance cost paid	(7,221,369)	(5,593,995)
Net Cash Flows from Financing Activities	**(4,513,525)**	**(3,883,015)**
Net Increase or (Decrease) in Cash and Cash Equivalents (I + II + III)	25,339,207	20,350,487
- Add: Cash and Cash Equivalents at Beginning of the year (Refer Note)	34,583,817	14,233,310
Cash and Cash Equivalents at End of the Year	**59,923,044**	**34,583,817**
Note:		
Cash and Cash Equivalents		
- Cash in Hand	210,305	298,714
- Balances with Banks		
- In Current Accounts	59,712,739	34,285,103
Total	**59,923,044**	**34,583,817**

For **S S KHAN & CO**
Chartered Accountants
(FRN: 133324W)

Sarfaraz khan
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021

For and on Behalf of Board of Directors

Kumar Nair
Chairman
DIN 00320541

Ramachandran U.
Managing Director
DIN 00493707

George Mampillil
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

Place: Kochi
Date: 08 June 2021

Consolidated Notes to Financial Statement for the year ended 31st March 2021

STATEMENT OF CHANGES IN EQUITY
EQUITY SHARE CAPITAL

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	19	148,024,378	148,024,378
Changes in equity share capital during the year		-	-
Balance at the end of the year		148,024,378	148,024,378

Other equity
For the year ended 31 March 2021

Particulars	Note No.	Retained earnings	Securities premium	Other reserves	Other Comprehensive Income - Equity Instruments	Attributable to owner of equity	Non Controlling Interest	Total other equity
Balance as at 31 March 2020	**22**	**(81,093,706)**	**18,248,790**	**4,264,133**	**(2,284,650)**	**(60,865,432)**	**-**	**(60,865,432)**
Profit / (Loss) after tax		6,740,522				6,740,522	-	6,740,522
Other comprehensive income		(222,169)	-	-	(9,470)	(231,639)	-	(231,639)
		(74,575,353)	**18,248,790**	**4,264,133**	**(2,294,119)**	**(54,356,549)**	**-**	**(54,356,549)**
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	-		-		-
Balance as at 31 March 2021		**(74,575,353)**	**18,248,790**	**4,264,133**	**(2,294,119)**	**(54,356,549)**	**-**	**(54,356,549)**

For the year ended 31 March 2020

Particulars	Note No.	Retained earnings	Securities premium	Other reserves	Other Comprehensive Income - Equity Instruments	Attributable to owner of equity	Non Controlling Interest	Total
Balance as at 31 March 2019	**20**	**(37,789,569)**	**18,248,790**	**4,264,133**	**(2,294,687)**	**(17,571,333)**	**205**	**(17,571,128)**
Profit / (Loss) after tax		(42,526,524)				(42,526,524)	-	(42,526,524)
Other comprehensive income		(777,817)	-	-	10,037	(767,780)	-	(767,780)
Change in Non Controlling interest		**205**	**-**	**-**	**-**	**205**	**(205)**	**-**
		(81,093,706)	18,248,790	4,264,133	(2,284,650)	(60,865,432)	-	(60,865,432)
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	-		-		-
Balance as at 31 March 2020		**(81,093,706)**	**18,248,790**	**4,264,133**	**(2,284,650)**	**(60,865,432)**	**-**	**(60,865,432)**

For **S S KHAN & CO**
Chartered Accountants
(FRN: 133324W)

Sarfaraz khan
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021

For and on Behalf of Board of Directors

Kumar Nair
Chairman
DIN 00320541

Ramachandran U.
Managing Director
DIN 00493707

George Mampillil
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

Place: Kochi
Date: 08 June 2021

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

1 CORPORATE INFORMATION

Vertex Securities Limited ('the Parent Company') is a company limited by shares, incorporated on 25 March 1987 and domiciled in India.The Parent Company together with its subsidiary (hereinafter collectively referred to as the 'Group') is a premier brokerage house in India on the fast growth track. In the last one-decade, we have emerged as a powerhouse in the financial services industry. We started functioning in the stock market in 1993.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis for preparation and presentation of Consolidated financial statements

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

The Consolidated financial statements upto and for the year ended 31 March 2020 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP".Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These Consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 8th June 2021.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Company's functional currency.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values:

i) fair value through other comprehensive income (FVOCI) instruments,

ii) derivative financial instruments,

iii) other financial assets held for trading,

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Use of estimates and judgements and Estimation uncertainity

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively and, if material, their effects are disclosed in the notes to the financial statements.

2.6 Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets, are based on historical experience and other emerging factors on account of the pandemic which may also have an effect on the expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of delayed repayment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on trade receivables. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.

2.7 Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The list of Subsidiaries considered for consolidation, and the Company's holdings therein are as under:

Name of the Entity	Country of Incorporation	Consolidated as	Percentage of Voting Power as at 31st March, 2021	Percentage of Voting Power as at 31st March, 2020
Vertex Commodities and Finpro (P) Limited	India	Subsidiary	100%	100%

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

(ii) Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries .

Name of the Entities	31st March, 2021							
	Net Assets (Total Assets - Total Liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹
Parent								
Vertex Securities Limited	121.34	103,763,308	60.18	4,056,439	100.00	(231,639)	58.76	3,824,800
Subsidiaries								
Vertex Commodities and Finpro (P) Limited	(21.34)	(18,250,134)	39.82	2,684,083	-	-	41.24	2,684,083
Minority Interest	-	-	-	-	-	-		-
Total	**100.00**	**85,513,174**	**100.00**	**6,740,522**	**100.00**	**(231,639.00)**	**100.00**	**6,508,883**

Name of the Entities	31st March, 2020							
	Net Assets (Total Assets - Total Liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹	As a % of consolidated net assets	Amount ₹
Parent								
Vertex Securities Limited	116.87	99,938,507	(505.70)	(34,086,878)	323.25	(748,768)	(535.20)	(34,835,646)
Subsidiaries								
Vertex Commodities and Finpro (P) Limited	(24.48)	(20,934,217)	(125.21)	(8,439,629)	8.21	(19,012)	(129.96)	(8,458,641)
Minority Interest	0.00	188	(0.00)	(17)	-	-		(17)
Total	**92.39**	**79,004,479**	**(630.91)**	**(42,526,524)**	**331.46**	**(767,780)**	**(665.16)**	**(43,294,304)**

2.8 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Assets	Useful Life
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Plant & Machinery	15 years
Office equipments	5 years
Vehicles	8 to 10 years

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (caculated as the differnce between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.

2.9 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets comprises of Membership rights of Stock Exchanges, Computer software and Software licences which is amortized over the estimated useful life. The amortization period of Stock exchange license and membership right is 10 years and computer software is 3 years which is based on management's estimates of useful life. Amortisation is calcualted using the straight line method to write down the cost of intangible assets over their estimated useful lives.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.10 Investments in subsidiaries and associates

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

2.11 Foreign exchange transactions and translations

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

c) Exchange difference

All exchange differences are accounted in the Statement of Profit and Loss.

2.12 Financial instruments

a) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

b) Classification and Subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortised cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Cash and Bank balances, Loans, investment in subsidiaries, trade receivables at amortised cost.

FVOCI - equity instruments -

The Company measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities -

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

d) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

e) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Impairment of financial instruments

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

The Company recognises lifetime ECL for trade and other receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that may result from all possible default events over the expected life of a financial assets.(refer Note No 5 on "Receivables ")

For all other financial assets, the Company recognizes lifetime expected credit losses (ECL) based on the months past due when there has been a significant increase in credit risk since initial recognition and when the financial asset is credit impaired. Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which no ECL is recognized. Financial assets where there has been significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognized for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off either partially or in their entirety, when there is no realistic prospect of recovery and the company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

Without significant increase in credit risk since initial recognition (stage 1)

No ECL allowance is recognized for stage 1 financial asset as based on company's assessment there is no significant increase in credit risk. The Company has ascertained default possibilities on past behavioral trendsand other performance indicators.

Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage 90 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

Contractual payments of either principal or interest are past due for more than 365 days;

The loan is otherwise considered to be in default.

Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. The Company has calculated ECL using three components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money as necessary.

* Determination of PD is covered above for each stages of ECL.

* EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

* LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value, if any,at the time it is expected to be realised.

2.13 Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

2.14 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.15 Leases

With effect from 1 April 2019, the Company has applied Ind AS 116 'Leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is –

1) increased by interest on lease liability;

2) reduced by lease payments made; and

3) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Company.

2.16 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.17 Revenue recognition :

a) Fee and commission income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due.

b) Recognition of interest income

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c) Dividend Income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

2.18 Employee benefits

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

b) Contribution to provident fund and ESIC

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss

c) Gratuity

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

d) Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee shared based payments

Equity-settled share-based payments to employees are recognised as an expense at the fair value of stock options at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.19 Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans and overdraft facility. Finance costs are charged to the Statement of profit and loss.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

2.20 Taxation - Current and deferred tax

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are generally recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Deferred tax liabilities are generally recognised for all taxable temporary differences. However, deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.21 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.22 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it can not be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

2.23 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2.24 Borrowing Cost

Borrowing cost includes interest, amoritsation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

2.25 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs (""MCA"") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020. On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

• Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current. • Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period. • Specified format for disclosure of shareholding of promoters. • Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used. • Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
NOTE '3'		
Cash and Cash Equivalent		
Cash on Hand	210,305	298,714
Balance with Banks		
In Current Account	59,712,739	34,285,103
Total	**59,923,044**	**34,583,817**
NOTE '4'		
Bank balances other than cash and cash equivalents		
Balance with Banks		
In Fixed Deposit	82,375,000	25,400,000
Total	**82,375,000**	**25,400,000**
* Fixed Deposit of ₹ Nil (P.Y. ₹ 2,44,00,000/-) are pledged against Bank Guarantees and ₹ 10,00,000/- (P.Y. ₹ 10,00,000/-) are pledged against Trading Guarantee for Exchange.)		
NOTE '5'		
Receivables		
(i) Trade receivables		
Trade Receivables	41,813,000	7,924,944
Trade Receivables from related parties	-	-
Trade receivable which have significant increase in credit risk	7,533,070	4,171,090
Trade receivables - credit impaired	27,422,756	26,581,051
	76,768,826	**38,677,084**
Less: Impairment Allowance	(29,401,333)	(29,365,400)
Total	**47,367,493**	**9,311,685**

Includes receivables from related party ₹ 1,73,195/- (Previous year ₹ 4,12,664/-).

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

NOTE '6'
Loans

Particulars	As at 31st March 2021			As at 31st March 2020		
	Amortised cost (₹)	At fair value through OCI	Total (₹)	Amortised cost (₹)	At fair value through OCI	Total (₹)
(A) Loans						
Others						
Loan repayable on demand	82,150,000		82,150,000	87,150,000		87,150,000
Loans to Related Parties	-		-	-		-
Loans to Employee	42,659		42,659	29,159		29,159
Total (A) - Gross	**82,192,659**	**-**	**82,192,659**	**87,179,159**	**-**	**87,179,159**
Less: Impairment loss allowance	-	-	-	-	-	-
Total (A) - Net	**82,192,659**	**-**	**82,192,659**	**87,179,159**	**-**	**87,179,159**
(B) Out of above						
(i) Secured	-	-	-	-	-	-
Less: Impairment loss allowance			-			-
Total (i)	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Unsecured	82,192,659	-	82,192,659	87,179,159	-	87,179,159
Less: Impairment loss allowance			-			-
Total (ii)	**82,192,659**	**-**	**82,192,659**	**87,179,159**	**-**	**87,179,159**
Total (B) = (i) + (ii)	**82,192,659**	**-**	**82,192,659**	**87,179,159**	**-**	**87,179,159**
(C) Out of above						
(I) Loans in India						
(i) Public Sector	-		-	-		-
Less: Impairment loss allowance	-		-	-		-
Subtotal (i)	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Others	82,192,659	-	82,192,659	87,179,159	-	87,179,159
Less: Impairment loss allowance			-			-
Subtotal (ii)	**82,192,659**	**-**	**82,192,659**	**87,179,159**	**-**	**87,179,159**
Total (I)	**82,192,659**	**-**	**82,192,659**	**87,179,159**	**-**	**87,179,159**
(II) Loans outside India						
Less: Impairment loss allowance			-			-
Total (II)	**-**	**-**	**-**	**-**	**-**	**-**
Total C(I) and C(II)	**82,192,659**	**-**	**82,192,659**	**87,179,159**	**-**	**87,179,159**

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

NOTE '7'
Investments

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
At fair value through other comprehensive income		
(i) In equity instruments		
Investment in others	223,050	213,013
Add: Fair Value gain/(losses)	(9,470)	10,037
Total	**213,580**	**223,050**
Out of the above		
In India	213,580	223,050
Outside India	-	-
Total	**213,580**	**223,050**

Detail of investments as follows:

Particulars	As at 31st March 2021		As at 31st March 2020	
	Units	Amount (₹)	Units	Amount (₹)
Others				
Un-quoted				
Cochin Stock Exchange Ltd	905	213,580	905	223,050
Total	**905**	**213,580**	**905**	**223,050**

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
NOTE '8'		
Other Financial assets		
Rent Deposit	2,001,848	1,861,943
Security Deposit	68,853,119	41,010,970
Advance Rental	93,451	142,404
Accured interest receivable	5,060,117	19,250,739
Advance to creditors	622,907	837,383
Other Receivables	20,000,000	-
Total	**96,631,442**	**63,103,440**

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
NOTE '9'		
Current tax assets (NET)		
Advance Payment of Income Tax (Including TDS)(Net of Provisions)	5,688,422	4,549,253
Total	**5,688,422**	**4,549,253**
NOTE '10'		
Deferred tax Asset/Deferred tax liabililites		
Depreciation and Amortisation	513,283	513,283
Total	**513,283**	**513,283**
Deferred tax assets recorded in Balance Sheet		
Deferred tax relates to the following:		
Deferred tax assets		
Present Value of Security Deposit	646,820	646,820
Provision of Employee benefits	43,102	43,102
Gross deferred tax assets	**689,922**	**689,922**
Deferred tax liabilities		
Other timing differences	47,104	47,104
Depreciation and amortiastion on Property, Plant & Equipment	129,535	129,535
Gross deferred tax liabilities	**176,640**	**176,640**
Deferred tax assets/(liabilities), net	**513,283**	**513,283**

NOTE '11'

Property, plant and equipment and intangible assets

For the financial Period Ended 31.03.2021

Particulars	Gross Block (₹)				Depreciation and amortisation (₹)				Net Block (₹)
	As at 1st April, 2020	Additions	Deductions/ Adjustments	As at 31st March 2021	As at 1st April, 2020	Deductions/ Adjustments	For the Year	As at 31st March 2021	As at 31st March, 2021
Property, plant and equipment									
Plant & Equipments	14,655,973	156,741	-	14,715,069	11,393,242	-	750,380	12,143,621	2,571,448
Furniture & Fittings	13,972,926	677,900	-	14,650,826	9,717,449	-	1,039,781	10,757,229	3,893,596
Vehicles (refer note a)	2,788,707	-	-	2,788,707	2,486,510	-	62,727	2,549,237	239,470
Computer	21,730,981	132,483	-	21,961,109	20,871,511	-	389,761	21,261,273	699,837
Sub-Total	**53,148,587**	**967,124**	**-**	**54,115,711**	**44,468,712**	**-**	**2,242,649**	**46,711,360**	**7,404,351**
Intangible Asset									
Computer Software	6,324,833	-	-	6,324,833	6,144,868	-	102,820	6,247,688	77,145
Lisence	12,326,335	-	-	12,326,335	11,597,927	-	221,309	11,819,237	507,098
Right of Use Asset (refer note b)	6,281,168	-	592,601	5,688,567	1,472,425	255,696	1,187,106	2,403,836	3,284,731
Membership in NMCE	100,000	-	-	100,000	100,000	-	-	100,000	-
Membership in MCX	251,000	-	-	251,000	251,000	-	-	251,000	-
Membership in NCDEX	500,000	-	-	500,000	500,000	-	-	500,000	-
Membership in NSEL	250,000	-	-	250,000	227,877	-	22,123	250,000	-
Mumbai Stock Exchange	1,000,000	-	-	1,000,000	1,000,000	-	-	1,000,000	-
Sub-Total	**27,033,336**	**-**	**592,601**	**26,440,735**	**21,294,097**	**255,696**	**1,533,358**	**22,571,761**	**3,868,974**
Total	**80,181,923**	**967,124**	**592,601**	**80,556,446**	**65,762,809**	**255,696**	**3,776,007**	**69,283,121**	**11,273,325**

Notes

a. Represents Right-of-use assets recognised on application of Ind AS 116 'Leases' w.e.f 1 April 2019.

For the financial year 2019-20

Particulars	Gross Block (₹)				Depreciation and amortisation (₹)				Net Block (₹)
	As at 1st April, 2019	Additions	Deductions/ Adjustments	As at 31st March, 2020	As at 1st April, 2019	Deductions/ Adjustments	For the Year	As at 31st March, 2020	As at 31st March, 2020
Property, plant and equipment									
Plant & Equipments	14,355,285	398,334		14,655,973	10,434,313		958,929	11,393,242	3,262,732
Furniture & Fittings	10,390,516	3,582,410		13,972,926	8,978,419		739,030	9,717,449	4,255,477
Vehicles (refer note a)	2,788,707	-		2,788,707	2,411,103		75,407	2,486,510	302,196
Computer	20,796,812	836,525		21,730,981	20,555,851		315,660	20,871,511	859,470
Sub-Total	**48,331,319**	**4,817,268**	**-**	**53,148,587**	**42,379,686**	**-**	**2,089,026**	**44,468,712**	**8,679,875**
Intangible Asset									
Computer Software	6,122,464	202,369		6,324,833	6,122,462		22,406	6,144,868	179,965
Lisence	11,826,335	500,000		12,326,335	11,337,058		260,870	11,597,927	728,408
Right of Use Asset (refer note b)	-	6,281,168		6,281,168	-		1,472,425	1,472,425	4,808,743
Membership in NMCE	100,000	-		100,000	100,000			100,000	-
Membership in MCX	251,000	-		251,000	251,000			251,000	-
Membership in NCDEX	500,000	-		500,000	500,000			500,000	-
Membership in NSEL	250,000	-		250,000	202,877		25,000	227,877	22,123
Mumbai Stock Exchange	1,000,000	-		1,000,000	1,000,000		-	1,000,000	-
Sub-Total	**20,049,799**	**6,983,537**	**-**	**27,033,336**	**19,513,397**	**-**	**1,780,700**	**21,294,097**	**5,739,239**
Total	**68,381,118**	**11,800,805**	**-**	**80,181,923**	**61,893,083**	**-**	**3,869,726**	**65,762,809**	**14,419,114**

Notes

a . Carrying amount of Vehicles amounting to ₹ 2,82,375 has been pledged as a security by the Company.

b. Represents Right-of-use assets recognised on application of Ind AS 116 'Leases' w.e.f 1 April 2019.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
NOTE 12		
Other non-financial assets		
Capital Advances	69,898	-
Balance with tax authorities	214,479	300,241
Prepaid expense	4,661,230	1,127,963
Plan asset - Gratuity	327,373	771,053
Other advances	2,628,223	2,600,744
Total	**7,901,203**	**4,800,000**
NOTE '13'		
Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	233,112,992	112,030,037
Total (I)	**233,112,992**	**112,030,037**
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	138,015	759,676
Total (II)	**138,015**	**759,676**
Total (I)+(II)	**233,251,007**	**112,789,713**
NOTE '14'		
Borrowings (other than debt securities)		
At Amortised Cost:		
(I) In India		
(A) Term loans		
(i) from banks (refer note a)	-	12,715
(B) Loans repayable on demand		
(a) Overdraft Facility		
(i) from banks	35,265,424	32,544,865
Total	**35,265,424**	**32,557,580**
(II) Outside india		
In India	35,265,424	32,557,580
Outside India		
Total	**35,265,424**	**32,557,580**
(III) Out of above		
Secured	35,265,424	32,557,580
Unsecured	-	-
Total	**35,265,424**	**32,557,580**

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Notes:

a Vehicle Loan taken from HDFC Bank is secured by hypothecation of Motor Car.

b Overdraft from South Indian Bank is Working Capital Facility secured against mortgage of property owned by Transwarranty Finance Limited,Corporate Guarantee of Holding Company and Personal Guarantee of the Chariman. The total limit allowed is 3.5 crores and the interest rate on the overdraft facility is 10.75% pa.

(IV) Terms of repayment of term loans and overdraft facility

Original Maturity of loan (In no. of days)	As at 31st March 2021		As at 31st March 2020	
	Interest range	Amount (₹)	Interest range	Amount (₹)
On maturity				
Maturity between 3 to 5 years		-		-
Maturity between 1 to 3 years		-		-
Maturity within 1 year	10.75%	-	10.75%	-
Term Loan		-		12,715
Overdraft facility		35,265,424		32,544,865
Total		**35,265,424**		**32,557,580**

NOTE 15: Subordinated Liabilities

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
At Amortised Cost:		
(I) In India		
Preference Shares other than those that qualify as Equity (Refer note a)	2,27,75,800	2,775,800
Total	**2,27,75,800**	**2,775,800**
Out of above		
Secured	22,775,800	2,775,800
Unsecured		
Total	**22,775,800**	**2,775,800**

Note:

a 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. Preference share holders are entitled to get dividend only when the company has distributable profits. In the event of winding up or repayment of capital, Preference share holders have the preferential right to be repaid the amount of capital paid up.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
NOTE '16'		
Other financial Liabilities		
Employee benefits payable	1,493,402	158,870
Security Deposit from Franchises & Advances	6,728,764	6,645,005
Book Overdraft	3,422,692	1,965,069
Others	127,202	228,552
Total	**11,772,060**	**8,997,496**
NOTE '17'		
Provision		
Leave enchasement	893,146	782,554
Gratuity	180,050	154,644
Total	**1,073,196**	**937,198**
NOTE '18'		
Other non financial Liabilities		
Statutory dues	116,118	1,144,039
Lease liability	3,570,388	5,061,360
Others	742,615	815,654
Total	**4,429,121**	**7,021,054**
NOTE '19'		
Equity Share capital		
Authorised		
1) 127,274,600 Equity Shares of ₹ 2/- each (P.Y. 127,274,600 Equity Shares of ₹ 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
Total	**148,024,378**	**148,024,378**

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

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

A) Equity shares

Particulars	Nos.	Amount (₹)
Equity share capital issued, subscribed and fully paid up	74,012,189	148,024,378
As at 31st March 2019	**74,012,189**	**148,024,378**
As at 1 April 2019		
Equity share capital issued, subscribed and fully paid up	74,012,189	148,024,378
As at 31st March 2020	**74,012,189**	**148,024,378**
As at 1 April 2020		
Equity share capital issued, subscribed and fully paid up	74,012,189	148,024,378
As at 31st March 2021	**74,012,189**	**148,024,378**

2) Terms and rights attached to 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.

3) Shares held by Holding Company- Transwarranty Finance Limited

Particulars	As at 31 March 2021		As at 31 March 2020	
	Nos.	% of Holding	Nos.	% of Holding
Transwarranty Finance Limited	39,253,950	53.04	39,253,950	53.04

4) Details of shareholders holding equity shares more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Nos.	% of Holding	Nos.	% of Holding
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 Consolidated Financial Statement for the year ended 31st March, 2021

Particulars	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
NOTE '20'		
Other equity		
Securities Premium		
Balance at the beginning of the year	18,248,790	18,248,790
Add: Received during the year	-	-
Less: Share issue expense	-	-
Balance at the end of the year	**18,248,790**	**18,248,790**
Retained Earnings		
Balance at the beginning of the year	(81,093,706)	(37,789,570)
Profit / (Loss) for the year	6,740,522	(42,526,524)
Other comprehensive income	(222,169)	(777,817)
Effects of first time adoption of Ind AS	-	-
Change in Non Controlling interest		205.00
Balance at the end of the year	**(74,575,353)**	**(81,093,706)**
Other Comprehensive Income - fair value on equity instruments		
Balance at the beginning of the year	(2,284,650)	(2,294,687)
Gain / (Loss) on fair valuation on equity instruments	(9,470)	10,037
Effects of first time adoption of Ind AS	-	-
Balance at the end of the year	**(2,294,119)**	**(2,284,650)**
Reserve under Amalgation account		
Balance as at the beginning of the year	4,264,133	4,264,133
Add: Transferred during the year	-	-
Balance as at the end of the year	**4,264,133**	**4,264,133**
Total	**(54,356,548)**	**(60,865,432)**

Nature and purpose of other equity

(i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) Reserve under amalgamtion

The company acquired another broking company in the year 2010. The Reserve under Amalagamation was created by virtue of Scheme of Amalgamation on the difference between the value of shares issued to the shareholders and the value of net assets of the transferor / acquiree company .

(iii) Securities Premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Particulars	For the year ended 31st March 2021 (₹)	For the year ended 31st March 2020 (₹)
NOTE 21'		
REVENUE FROM OPERATIONS		
Sale Of Services		
Fees and commission income		
- Brokerage & related income	65,713,345	41,166,783
- Other Fees	3,940,943	6,301,070
Income from DP operation	2,828,418	2,147,365
On financial assets measured at Amortised cost		
Interest on Fixed Deposits & Others*	2,351,082	2,166,193
Total	**74,833,788**	**51,781,411**
NOTE '21.1'		
Revenue from contract with customers		
Type of Service		
Fees and commission income		
- Brokerage & related income	65,713,345	41,166,783
- Other Fees	3,940,943	6,301,070
Income from DP operation	2,828,418	2,147,365
	72,482,706	**49,615,218**
Geographical market		
India	72,482,706	49,615,218
Outside India	-	-
	72,482,706	**49,615,218**
Timing of revenue recognition		
Services transferred at a point in time	72,482,706	49,615,218
Services transferred over time	-	-
	72,482,706	**49,615,218**
Contract Balances		
Gross Trade receivables (refer note 5)	76,768,826	38,677,084
	76,768,826	**38,677,084**

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Particulars	For the year ended 31st March 2021 (₹)	For the year ended 31st March 2020 (₹)
NOTE '22'		
Other Income		
Interest on Inter Corporate Deposits	7,053,653	7,702,395
Unwinding of discounting of deposits	47,305	55,558
Other interest income	3,980,437	3,759,226
Miscelleneous income	7,303,570	2,983,213
Total	**18,384,965**	**14,500,392**
NOTE '23'		
Finance Cost		
Interest expense on lease liablity	482,337	647,596
Interest on borrowings	7,221,369	5,593,995
Total	**7,703,706**	**6,241,591**
NOTE '24'		
Employee Benefits Expenses		
Salaries and wages	22,531,568	25,168,637
Contribution to provident fund and other funds	1,287,812	1,728,391
Staff welfare expense	755,863	744,029
Total	**24,575,243**	**27,641,057**
NOTE '25'		
Depreciation and amortisation		
Depreciation on tangible assets	2,242,649	2,089,026
Amortisation on Intangible assets	1,533,358	1,780,700
Total	**3,776,007**	**3,869,726**
NOTE '26'		
Other Expense		
AMC Charges	2,039,277	2,624,106
Connectivity Charges	3,772,987	4,052,813
Marketing fee/Commission paid	9,102,920	7,224,815
Sub Brokerage	24,261,436	13,474,298
Advertisement & Publicity Expenses	225,586	216,598
Auditors fees and expense	205,000	230,000
Communication Expenses	634,027	547,538
Insurance	17,437	5,907
Rent	566,627	760,174
Rates, taxes and energy cost	881,472	1,216,863
Annual Subscription	1,120,769	1,134,500

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Particulars	For the year ended 31st March 2021 (₹)	For the year ended 31st March 2020 (₹)
Client Meeting Expenses and Business Promotion	145,727	320,739
Stock Exchange Charges	192,046	205,698
Printing & Stationery	185,790	250,291
Legal and professional charges	943,111	1,344,361
Repairs and maintainance	108,565	127,892
Directors fees	80,000	280,000
Travelling and Conveyance Expenses	163,009	998,962
Impairment Allowance	35,933	29,365,400
Bad debts written off	207,201	1,370,655
Other miscelleanous expense	5,534,354	5,304,343
	50,423,274	**71,055,953**
(i) Payments to the auditors comprises of		
For Statutory audit	175,000	175,000
Other Services	30,000	40,000

Note '27'

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March	
	2021 (₹)	2020 (₹)
(A) Net profit attributable to equity shareholders	6,508,884	(43,294,304)
(B) Weighted average number of equity shares for basic and diluted earnings per share	74,012,189	74,012,189
Basic earning price per share (₹) (A/B)	0.09	(0.58)
Diluted earning price per share (₹) (A/B)	0.09	(0.58)

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Note '28'

Segment Information

Disclosure under Indian Accounting Standard 108 – 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. ,primarily engaged as stock and securities broker and providing the financial services. The Company conducts its business only in one Geographical Segment, viz., India. Also there are no revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2021 or 31 March 2020.

Note '29'

Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of

Particulars	As At	
	31st March, 2021 (₹)	31st March, 2020 (₹)
Claims against the Company not acknowledged as debts		
a. Tax demand in respect of:-		
Income Tax demand order for FY 2013-14	127,290	127,290
Service Tax orders for FY 2006-07 to 2009-10	622,000	622,000
Service Tax orders for FY 2008-09 to 2012-13	882,042	882,042
Service Tax orders for FY 2009-10 to 2013-14	-	4,174,056
Service Tax orders for FY 2011-12 to 2013-14	-	1,086,974
Service Tax orders for FY 2013-14	54,560	54,560
Service Tax orders for FY 2014-15	110,971	110,971
Total	**1,796,863**	**7,057,893**

(b) Capital and other commitments

Particulars	As At	
	31st March, 2021 (₹)	31st March, 2020 (₹)
(i) Capital Commitments	-	-
(ii) Other Commitments		
Counter guarantee issued in favour of the banker for guarantee given by them to NSE for margin requirement for INR 52.80 Mn and to BSE INR 2.57 Mn for Margin requirment	55,375,000	55,375,000
Corporate Guarantee given to bank on behalf of subsidiary company Vertex Commodities & Finpro (P) Limited	20,000,000	20,000,000
Counter guarantee issues in favour of the banker for guarantee given by them to MCX for margin requirement	-	2,500,000

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

(c) Lease commitments

The Company has obtained office premises under operating leases. These leases are for a period ranging from 11 to 24 months and are renewable as may be mutually decided. These are generally cancellable leases and accordingly are considered low value and short term leases.

Lease payments recognised in the Statement of Profit and Loss as 'Rent' under Note No. 26 is INR .5,66,627/- (P.Y. 7,60,174/-). Future minimum lease rent payable are as follows:"

Particulars	As At	
	31st March, 2021 (₹)	31st March, 2020 (₹)
Minimum lease obligations:		
Not later than one year	432,290	1,766,784
Later than one year but not later than five years	-	2,776,187
Later than five years	-	720,000

Note '30'

Related Parties Disclosure

30.1 Names of Related Parties & Nature of Relationship with whom the company have transaction during the year, as required by the Ind AS 24 "Related Party Disclosures" and Companies Act, 2013.

Sr.No.	Name of Related Party	Relationship
1	Transwarranty Finance Limited	Holding
2	Vertex Commodities and Finpro (P) Ltd. (VCFPL)	Subsidiary
3	Mr. Kumar Nair (Managing Director)	Key Management Personnel's
4	Mr. U. Ramachandran (Director & Chief Executive officer)	Key Management Personnel's
5	Mr. Goerge Mampilly (Executive Director & Chief Financial Officer)	Key Management Personnel's

30.2 Transactions with Related Parties

Name of Related Party and Nature of relationship		Nature of Transaction	2021 Transactional Value (₹)	2020 Transactional Value (₹)
A)	**Holding Company**			
1	Transwarranty Finance Limited	Inter corporate deposit received	73,605,476	67,276,910
		Inter corporate deposit repaid	73,605,476	52,851,369
		Current account debit	1,926,844	22,827
		Current account Credit	1,926,844	5,800
		Interest received on ICD	849,569	1,907,378
		Brokerage incentive received on share trading	26,369	1,541
		Incentive received	22,024	84,416

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Name of Related Party and Nature of relationship		Nature of Transaction	2021 Transactional Value (₹)	2020 Transactional Value (₹)
B)	**Key Management Personnel's**			
1	Mr. U. Ramachandran (Director & Chief Executive officer)	Remuneration paid	14,16,250	1,800,000
2	Mr. Goerge Mampilly (Executive Director & Chief Financial Officer)	Remuneration paid	936,741	1,200,000

31.3 Balances as at the end of the year:

Name of Related Party and Nature of relationship		Nature of Transaction	31st March, 2021 (₹)	31st March, 2020 (₹)
	Receivable			
A)	**Holding Company**			
	Transwarranty Finance Limited	Current account	-	351,577
		Inter Corporate deposit	-	-
		Interest receivable	-	12,820,146
		Trading account	173,195	412,664
	Payables			
B)	**Key Management Personnel's**			
	Kumar Nair	Trading account	-	-

Note 31

Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, loans, trade payables, borrowings other than debt securities and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

Fair value hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2021

Particulars	FVTPL	FVOCI	Amortised Cost	Fair value measurement using			
				Quoted prices in active markets (Level 1) (₹)	Significant observable inputs (Level 2) (₹)	Significant unobservable inputs (Level 3) (₹)	Total (₹)
Financial Asset							
Cash and cash equivalents			59,923,044	-	-	-	-
Bank balances other than cash and cash equivalents			82,375,000	-	-	-	-
Trade receivables			47,367,493	-	-	-	-
Loans			82,192,659	-	-	-	-
Investments		213,580	-	-	-	213,580	213,580
Other financial assets			96,631,443	-	-	-	-
Total	**-**	**213,580**	**368,489,639**	**-**	**-**	**213,580**	**213,580**
Financial Liabilities							
Trade payables	-	-	233,112,992	-	-	-	-
Other payables	-	-	138,015	-	-	-	-
Borrowings (other than debt securities)	-	-	35,265,424	-	-	-	-
Subordinated Liabilities	-	-	22,775,800	-	-	-	-
Other financial liabilities	-	-	11,772,060	-	-	-	-
Total	**-**	**-**	**303,064,291**	**-**	**-**	**-**	**-**

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2020

Particulars	FVTPL	FVOCI	Amortised Cost	Fair value measurement using			
				Quoted prices in active markets (Level 1) (₹)	Significant observable inputs (Level 2)(₹)	Significant unobservable inputs (Level 3)(₹)	Total (₹)
Financial Asset							
Cash and cash equivalents			34,583,817	-	-	-	-
Bank balances other than cash and cash equivalents			25,400,000	-	-	-	-
Trade receivables			9,311,685	-	-	-	-
Loans			87,179,159	-	-	-	-
Investments		223,050	-	-	-	223,050	223,050
Other financial assets			63,103,440	-	-	-	-
Total	**-**	**223,050**	**219,578,101**	**-**	**-**	**223,050**	**223,050**
Financial Liabilities							
Trade payables	-	-	112,030,037	-	-	-	-
Other payables	-	-	759,676	-	-	-	-
Borrowings (other than debt securities)	-	-	32,557,580	-	-	-	-
Subordinated Liabilities	-	-	2,775,800	-	-	-	-
Other financial liabilities	-	-	8,997,496	-	-	-	-
Total	**-**	**-**	**157,120,589**	**-**	**-**	**-**	**-**

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Note 32: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Particulars	01st April 2020 (₹)	Cash Flows (₹)	Changes in fair value (₹)	Others (₹)	31st March 2021 (₹)
Borrowings other than debt securities	32,557,581	2,707,844	-	-	35,265,425
Total liabilities from financing activities	32,557,581	2,707,844	-	-	35,265,425

Particulars	01st April 2019 (₹)	Cash Flows (₹)	Changes in fair value (₹)	Others (₹)	31st March 2020 (₹)
Borrowings other than debt securities	30,846,601	1,710,980	-	-	32,557,581
Total liabilities from financing activities	30,846,601	1,710,980	-	-	32,557,581

Note '33'

Risk management

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also has Inter corporate deposits line available from holding company & fellow subsidiary companies within its group to meet any short term fund requirements.

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 Months (₹)	After 12 Months (₹)	Total (₹)	Within 12 Months (₹)	After 12 Months (₹)	Total (₹)
Assets						
Financial assets						
Cash and cash equivalents	59,923,044		59,923,044	34,583,817		34,583,817
Bank balances other than cash and cash equivalents		82,375,000	82,375,000		25,400,000	25,400,000
Trade receivables	47,367,493		47,367,493	9,311,685		9,311,685
Loans	82,192,659		82,192,659	87,179,159		87,179,159
Other financial assets	4,826,348	71,805,094	76,631,442	16,400,339	46,703,101	63,103,440
Other Receivables	20,000,000	-	20,000,000			
Non-financial assets						
Current tax assets (net)	5,688,422		5,688,422	4,549,253		4,549,253
Deferred tax assets		513,283	513,283		513,283	513,283
Property, plant and equipment		7,404,351	7,404,351		8,679,875	8,679,875
Other intangible assets		3,868,974	3,868,974		5,739,239	5,739,239
Other non-financial assets	7,500,411	330,894	7,831,305	4,025,426	774,574	4,800,000
Total	**227,498,377**	**166,297,596**	**393,795,973**	**156,049,679**	**87,810,072**	**243,859,751**

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 Months (₹)	After 12 Months (₹)	Total (₹)	Within 12 Months (₹)	After 12 Months (₹)	Total (₹)
LIABILITIES						
Financial liabilities						
Trade payables	233,112,992		233,112,992	112,030,037		112,030,037
Other payables	138,016		138,016	759,676		759,676
Borrowings (other than debt securities)	38,815,318	2,775,800	41,591,118	32,557,580	-	32,557,580
Subordinated Liabilities		20,000,000	20,000,000		2,775,800	2,775,800
Other financial liabilities	5,043,296	6,728,764	11,772,060	2,352,491	6,645,005	8,997,496
Non-financial liabilities						
Provisions	212,978	860,218	1,073,196	134,474	802,724	937,198
Other non-financial liabilities	2,614,537	1,814,584	4,429,121	3,715,497	3,305,556	7,021,054
Total	**279,937,137**	**32,179,366**	**312,116,503**	**151,549,755**	**13,529,085**	**165,078,841**

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

Interest rate risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day to- day operations. Further, certain interest bearing liabilities carry variable interest rates

The sensitivity analyses below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected.With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

Average Exposure to interest rate risk

Particulars	As at 31 March 2021 (₹)	As at 31 March 2020 (₹)
Floating rate borrowings	31,539,859	23,229,009
Total Borrowings	31,539,859	23,229,009

A change of 50bps in interest rates would have following impact on profit before tax

Particulars	As at 31 March 2021 (₹)	As at 31 March 2020 (₹)
Interest rates - increase by 50 basis point (50 bps)	(157,699)	(116,145)
Interest rates - decrease by 50 basis point (50 bps)	157,699	116,145

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial/ contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of counterparties. Inadequate collateral may also lead to financial losses in the event of default. The company has adopted a policy of dealing with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented in the financial statements.

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for receivables portfolio:

As at 31 March 2021

Particulars	Stage 1	Stage 2		Stage 3
Days past due (DPD)	**0 -90 DPD (₹)**	**90-180 DPD (₹)**	**180 -365 DPD (₹)**	**365 DPD or more (₹)**
Gross Carrying Value	41,812,999	430,699	7,102,371	27,422,756
Allowance for ECL	-	215,350	1,763,227	27,422,756
ECL Coverage ratio	-	50	25	100

As at 31 March 2020

Particulars	Stage 1	Stage 2		Stage 3
Days past due (DPD)	**0 -90 DPD (₹)**	**90-180 DPD (₹)**	**180 -365 DPD (₹)**	**365 DPD or more (₹)**
Gross Carrying Value	7,294,944	1,375,981	2,795,219	16,562,339
Allowance for ECL		687,935	2,096,415	26,581,051
ECL Coverage ratio	-	50	75	160

Note '34'

Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or combination of short term /long term debt as may be appropriate.

Note '35'

Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

Notes to Consolidated Financial Statement for the year ended 31st March, 2021

Note '36'

Covid-19 outbreak was declared as a global pandemic by World Health Organisation. Stock broking service, which constitutes the major business of the Group, had been declared as an essential service and accordingly, the Group has been in operation consistently with minimal permitted staff. Accordingly, as of 31 March 2021, based on the facts and circumstances existing as of that date, the Group does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.

As per our attached report of even date
For **S S KHAN & CO**
Chartered Accountants
(FRN: 133324W)

Sarfaraz khan
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021

For and on Behalf of Board of Directors

Kumar Nair
Chairman
DIN 00320541

Ramachandran U.
Managing Director
DIN 00493707

George Mampillil
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

Place: Kochi
Date: 08 June 2021

FORM NO. AOC-1

(Pursuant to first proviso to sub-section (3) of section129 read with rule5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ Associate companies/ Joint ventures.

Part- A Subsidiaries

(Amount in ₹)

S.No.	Particulars	
1	Serial Number	1
2	Name of the Subsidiary	Vertex Commodities And Finpro Private Limited
3	The date since when subsidiary was acquired	18.07.2008
4	Reporting Period for the subsidiary concerned, if different from the Holding Company's reporting period	01/04/2020 to 31/03/2021
5	Reporting Currency & Exchange Rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
6	Share Capital	38,615,000
7	Reserves & Surplus	(18,250,134)
7	Total Assets	61,703,796
8	Total Liabilities	61,703,796
9	Investments	-
10	Turnover	10,001,435
11	Profit/(Loss) before Taxation	2,684,083
12	Provision For Taxation	-
13	Profit / (Loss) after Taxation	2,684,083
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 **S S KHAN & CO**
Chartered Accountants
(FRN: 133324W)

Sarfaraz khan
Proprietor
Membership No.: 144212

Place: Mumbai
Date: 08 June 2021

For and on Behalf of Board of Directors

Kumar Nair
Chairman
DIN 00320541

Ramachandran U.
Managing Director
DIN 00493707

George Mampillil
Director & CFO
DIN.01976386

Pranali Kadam
Company Secretary

Place: Kochi
Date: 08 June 2021

NOTES

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 Indian Commodity Exchange Ltd. (ICEX)

- 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

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