



VERTEX
Securities Limited
(A subsidiary of Transwarranty Finance Limited)

22nd Annual Report 2014-15

Board of Directors



Mr. Kumar Nair

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

Mr. U. Ramachandran

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



Mr. Jose Thomas Polachira

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

Mr. James Pothen

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



CORPORATE INFORMATION

BOARD OF DIRECTORS

Kumar Nair (Chairman & Managing Director)

James Pothen

Jose Thomas Polachira

U. Ramachandran

Company Secretary

Aswathi C Madhavadas

AUDITORS

Rahul Gautam Divan & Associates

Chartered Accountants,

134, Mittal Tower, C Wing,

Nariman Point, Mumbai - 400 021

BANKERS

Axis Bank

Bank of Baroda

Canara Bank

Federal Bank

HDFC Bank

ICICI Bank

South Indian Bank

State Bank of India

State Bank of Travancore

REGISTERED OFFICE

CIN: L67120KL1993PLC007349

Thottathil Towers, 2nd Floor,

Market Road, Ernakulam,

Kochi - 682 018

Tel. No. 0484-2384848

Fax No. 0484-2394209

e-mail id : vsl@vertexbroking.com

CORPORATE OFFICE

403, Regent Chambers

Nariman Point, Mumbai 400 021

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

Fax No. 91-022-66306655

e-mail id : vsl@vertexbroking.com

REGISTRAR & TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd

C-13, Pannalal Silk Mills Compound

LBS Marg, Bhandup (West),

Mumbai 400 078

Tel. No. 022-2596 3838

Fax No. 022-2592 6969

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

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NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

Place : Cochin 18
Date : 27.07.2015

Aswathi C Madhavadas
Company Secretary

NOTES:

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

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

PROCEDURE FOR E-VOTING:

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Item No 4:

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

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

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

Item No 5:

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

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

Item No 6:

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

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

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

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

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

Place : Cochin 18
Date : 27.07.2015

Aswathi C Madhavadas
Company Secretary



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

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

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

Place : Cochin 18
Date : 27.07.2015

Aswathi C Madhavadas
Company Secretary

DIRECTORS' REPORT

To,
The Members of
Vertex Securities Limited

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

FINANCIAL HIGHLIGHTS:

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

SHARE CAPITAL STRUCTURE:

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

PERFORMANCE REVIEW:

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

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

DIVIDEND:

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

CONSOLIDATED ACCOUNTS:

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

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

OPERATIONS OF SUBSIDIARY:

Vertex Commodities and Finpro Private Limited:

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



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

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

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

LISTING ON STOCK EXCHANGE

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

DIRECTORS AND KMP:

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

REPORT ON CORPORATE GOVERNANCE

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

AUDITORS' REPORT

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

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

SECRETARIAL AUDIT

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

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

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

EXTRACT OF ANNUAL RETURN

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

BOARD COMMITTEES:

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

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