



**Securities Limited**  
(A Subsidiary of Transwarranty Finance Limited)

## 25<sup>th</sup> Annual Report 2017-18



# Board of Directors



## **Mr. Kumar Nair**

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

---

## **Mr. U. Ramachandran**

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

---



## **Mr. Jose Thomas Polachira**

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

---

## **Mr. James Pothan**

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

---



## **Mrs. Latha Anand**

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

---

## **Mr. George Mampillil**

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

---



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Kumar Nair	Chairman
U. Ramachandran	Managing Director & CEO
James Pothan	Independent Director
Jose Thomas Polachira	Independent Director
Latha Anand	Independent Director
George Mampillil	Additional Director (w.e.f. 13.08.2018)

### CHIEF FINANCIAL OFFICER

George Abraham	(upto 07.04.2018)
George Mampillil	(w.e.f. 05.05.2018)

### COMPANY SECRETARY

Pranali Kadam

### AUDITORS

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

### BANKERS

Axis Bank  
Bank of Baroda  
Canara Bank  
Federal Bank  
HDFC Bank  
ICICI Bank  
South Indian Bank  
State Bank of India  
State Bank of Travancore

### REGISTERED OFFICE

CIN: L67120KL1993PLC007349  
Thottathil Towers, 2nd Floor, Market Road,  
Ernakulam, Kochi - 682 018  
Tel. No. 0484-2384848  
Fax No. 0484-2394209  
e-mail id : secretarial@vertexbroking.com

### CORPORATE OFFICE

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

### REGISTRAR & TRANSFER AGENTS

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

## Contents

Corporate Information .....	1
Notice .....	2
Board's Report .....	14
Management Discussion and Analysis .....	20
Report on Corporate Governance .....	21
Independent Auditors' Report .....	49
Balance Sheet .....	56
Statement of Profit & Loss .....	57
Cash Flow Statement .....	58
Notes to the Financial Statements .....	59
Consolidated Financial Statements .....	76
Statement Pursuant to Section 129(3) of the Companies Act, 2013 .....	102



## NOTICE

**Notice** is hereby given that the 25<sup>th</sup> Annual General Meeting of Vertex Securities Limited will be held on Monday, 24<sup>th</sup> September, 2018 at Conference Hall of the Company at Ground Floor, Amrutha Towers, Kombara Junction, Market Road, Ernakulam, Kochi-682 018 at 4.00 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31<sup>st</sup> March, 2018 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kumar Nair (DIN-00320541), who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s Rahul Gautam Divan & Associates, Chartered Accountants (Firm Registration No. 120294W) as Statutory Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, 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, as amended from time to time and other applicable rules, if any, the Company hereby ratifies the appointment of M/s. Rahul Gautam Divan & Associates, Chartered Accountants (Firm Registration No. 120294W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company or any Committee thereof.”

### SPECIAL BUSINESS:

4. To consider and approve the revision in remuneration of Mr. U. Ramachandran, Managing Director & CEO

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

**“RESOLVED THAT** in partial modification of resolution passed at the twenty-third Annual General Meeting of the Company held on 23<sup>rd</sup> August, 2016 and subject to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with Schedule V to the Act and

the Rules made thereunder, consent of the Company be and is hereby accorded for increase in remuneration of Mr. U. Ramachandran as Managing Director and Chief Executive Officer of the Company, by way of change in existing remuneration payable to him with effect from 13<sup>th</sup> August, 2018 for remainder period of tenure of his office, as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to vary the terms and conditions of appointment including remuneration payable to Mr. U. Ramachandran, provided that the remuneration payable to him shall not exceed the maximum limits as applicable for the payment of such managerial remuneration specified in the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board or the Company Secretary be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Act read with the Appointment and Qualification Rules, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Mr. George Mampillil (DIN 01976386), who was appointed as an additional director of the Company by the Board of Directors at the meeting held on 13<sup>th</sup> August, 2018 and who holds office in terms of Section 161(1) of the Companies Act, 2013 (“Act”) upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Act proposing his candidature to the office of director, be and is hereby appointed as a director of the Company.

**RESOLVED FURTHER THAT** the Board or the Company Secretary of the Company be and is hereby authorized to file necessary forms with the ROC in this regard.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 of the Act read with Schedule V and other applicable provisions of the Act and read with the 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), approval of the Company be and is hereby accorded to the appointment of Mr. George Mampillil (DIN 01976386) as the Executive Director and Chief Financial Officer of the Company for a period of 3 (three) years w.e.f. 13<sup>th</sup> August, 2018 at the remuneration and on the terms and conditions as are set out in the explanatory statement annexed to the Notice convening this Meeting.

**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 during the aforesaid period, the Company shall pay Mr. George Mampillil remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V and Section 197 of the Act as may be decided by the Board, subject to necessary sanctions and approvals.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, 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."

7. 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)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") to borrow, from time to time, any sum or sums of money, in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount so borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 150 Crores (Rupees One Hundred and Fifty Crores Only) over and above the aggregate of the paid up capital and free reserves of the Company."

8. Approval for material related party transaction

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

**"RESOLVED THAT** pursuant to the provisions of the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the members of the Company be and is hereby accorded to the Board of Directors (including its committee thereof), to ratify/ approve all existing contracts / arrangements /agreements entered into/to be entered by the Company with the Directors/ KMP/Companies in which some of the Directors and their relatives are interested, and hence related parties within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, by an amount not exceeding Rs. 60 Crores (Rupees Sixty Crores); as per the details mentioned in the Explanatory Statement annexed hereto.

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

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

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

**Pranali Kadam  
Company Secretary**

**Registered Office:**

Thothatthil Towers, 2<sup>nd</sup> Floor,  
Market Road, Ernakulam,  
Kochi 682018

**Place : Kochi**

**Date : 13 August, 2018**



## NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto. Additional Information required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with regard to director seeking appointment/re-appointment at the Annual General Meeting (AGM) is annexed hereto.

2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the company.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. 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 Tuesday, 18<sup>th</sup> September, 2018 to Monday, 24<sup>th</sup> September, 2018 (both days inclusive).
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](mailto: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. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agents (RTA), Link Intime India Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.

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

7. 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. SEBI has decided that securities of listed companies can be transferred only in dematerialized form from 5<sup>th</sup> December, 2018. **In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.**
8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide the remote e-voting facility to Members to exercise

their right to vote by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

9. The facility for voting through polling paper/ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
10. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on the cut-off date i.e. 17<sup>th</sup> September, 2018 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on 20<sup>th</sup> September, 2018 and will end on 23<sup>rd</sup> September, 2018 at 5.00 p.m. The Company has appointed Mr. Jameskutty Antony, Practicing Chartered Accountant, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

#### 11. STEPS FOR REMOTE E-VOTING :-

- I. The remote e-voting period commences at 9.00 a.m. IST on 20<sup>th</sup> September, 2018 will end at 5.00 p.m. on 23<sup>rd</sup> September, 2018. During this period, the members of the Company holding shares in either in physical form or in dematerialized form, as on the cut-off date of 17<sup>th</sup> September, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

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

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

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

**Details on Step 1 is mentioned below:**

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

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

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

#### **4. Your User ID details are given below :**

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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 Forexample 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 109192 then user ID is 109192001***

5. Your password details 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, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - 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](http://www.evoting.nsdl.com).
  - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
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
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [jantonyca@gmail.com](mailto:jantonyca@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- II. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- III. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date of 17<sup>th</sup> September, 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

#### Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

- IV. Mr. Jameskutty Antony, Practicing Chartered Accountant has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- V. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VI. The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- VII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.vertexbroking.com](http://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.
12. Members are requested to address all correspondences to the Registrars and Transfer Agents of the Company.
13. The Company has designated an exclusive email Id viz. [secretarial@vertexbroking.com](mailto: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:**

Thothatthil Towers, 2<sup>nd</sup> Floor,  
Market Road, Ernakulam,  
Kochi 682018

**Place : Kochi**

**Date : 13 August, 2018**



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4

Mr. U. Ramachandran was appointed as the Managing Director & CEO of the Company w.e.f 21<sup>st</sup> May, 2016.

The Board of Directors at their meeting held on 13<sup>th</sup> August, 2018 have passed a resolution for upward revision of the remuneration payable to Mr. U. Ramachandran effective from 13<sup>th</sup> August, 2018 benchmarking it to the remuneration paid to the CEOs placed in the similar industry, subject to the approval of the Shareholders of the Company, after taking into consideration recommendation of the Nomination, Remuneration & Compensation Committee of the Board of Directors of the Company.

It is proposed to increase the existing remuneration payable to Mr. U. Ramachandran as follows with effect from 13<sup>th</sup> August, 2018 for the remainder period of his term i.e. up to 20<sup>th</sup> May, 2021, subject to the approval of the Shareholders of the Company:-

#### A. Salary:

Remuneration not exceeding ₹ 18,00,000 per annum including perquisites and other allowances as may be determined by the Board of Directors of the Company or Nomination, Remuneration & Compensation Committee from time to time.

#### B. Perquisites & Allowances

The Managing Director shall be entitled to the following perquisites and benefits:

- Children's education allowance: In case 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.

- Leave Travel Concession: Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.

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

- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- Encashment of leave at the end of tenure.
- Performance incentive- As per the rules of the Company

#### C. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where, in any financial year during the currency of the tenure of Mr. U. Ramachandran, the Company has no profits or its profits are inadequate, the remuneration set out above be paid or granted to Mr. U. Ramachandran as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in the Schedule V to the Companies Act, 2013 or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactments thereof.

#### D. Sitting Fees:

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

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. U. Ramachandran 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:

(₹)

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
	Standalone		
Total Income	7,65,02,367	6,59,35,299	5,23,72,436
Total Expenditure (including Finance Cost, depreciation and tax and exceptional items)	6,87,70,313	6,20,02,320	5,84,76,889
Profit/(Loss) After Tax	77,32,054	39,32,979	(61,04,453)
Earnings per share	0.10	0.05	(0.08)