



VERTEX
Securities Limited
(A subsidiary of Transwarranty Finance Limited)

23rd Annual Report 2015-16

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.



Ms. Latha Anand

Advocate and Managing Partner of the Law Firm, M/s. B.S. Krishnan Associates, she specializes in Contracts, Constitution, Arbitration, Labour and Service Laws. Standing Counsel of several Govt. Bodies and Corporate Entities, her Court cases were reported in Legal Journals. She brings to Vertex nearly 3 decades of varied legal knowledge and expertise.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kumar Nair (Chairman & Managing Director)
 U. Ramachandran
 James Pothan
 Jose Thomas Polachira
 Latha Anand

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. 91-022-6630 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 : anuradha.bekal@linkintime.co.in

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NOTICE

Notice is hereby given that the 23rd Annual General Meeting of Vertex Securities Limited will be held on Tuesday, 23rd August, 2016 at Conference Hall of the Company at Second Floor, Amritha Towers, Combara Junction, Market Road, Ernakulam, Kochi-682 018 at 4.00 PM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 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 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, 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 Accounts (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 24th 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 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 196, 197, 203 and other applicable provisions, if any, of Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, read with Schedule V of the Act, the consent of the members be and is hereby accorded to the appointment and remuneration of Mr. U. Ramachandran (DIN 00493707), as the Managing Director & CEO of the Company for a period of 5 (five) years from 21st May, 2016 to 20th May, 2021, on the terms

and conditions as detailed in the explanatory statement attached hereto.

RESOLVED FURTHER THAT the Board of Directors or Company Secretary of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

5. **Issue of Equity Shares on Preferential basis – consideration other than cash (share swap)**

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

“RESOLVED THAT pursuant to the provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), enabling provisions of the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and in accordance with the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (“SEBI ICDR Regulations”) and other applicable regulations/guidelines of SEBI, if any, and subject to such modifications considered appropriate by the Board of Directors of the Company (hereinafter referred to as “the Board” which expression shall include any committees thereof for the time being to which all or any of the powers hereby conferred on the Board by these resolution, have been delegated) and subject to such consents and approvals of SEBI, Stock Exchange, Registrar of Companies or such other bodies or authorities as may be required by law, the consent of the members of the Company be and is hereby accorded to the Board to offer, issue and allot 21,521,370 Equity Shares of face value of ₹ 2 each of the Company, fully paid up by way of preferential allotment to the below mentioned shareholders of Sharewealth Securities Limited holding 5,739,031 fully paid up Equity and Fully Convertible Preference Shares of Sharewealth Securities Limited at such price (including premium) being not less than the price determined in accordance with SEBI ICDR Regulations for issue of shares on preferential allotment basis for consideration other than cash by way of swap of shares of the Company, in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations on such terms and conditions as the Board may think fit.

Sr. No.	Name Of Shareholder	No. of equity & fully convertible preference shares in Sharewealth Securities Limited of ₹ 10 each	Proposed No. of Equity Shares in Vertex Securities Ltd. to be allotted of ₹ 2 each	Post issue percentage of shareholding
1	Mr. Ramakrishnan T B	1,143,983	4,289,936	4.50
2	Mrs. Jyothi N C	271,678	1,018,793	1.07
3	Mr. Peethambaran N C	81,620	306,075	0.32
4	Dr. Anil Menon	478,060	1,792,725	1.88
5	Mr. Anchery Ramanathan	320,650	1,202,438	1.26
6	Mr. Unnikrishnan Anchery	279,840	1,049,400	1.10
7	Mrs. Sarasa Ramanathan	27,401	102,754	0.11
8	Mrs. Saudamini Anchery	21,864	81,990	0.09
9	Mr. Chandran Anchery	18,190	68,213	0.07
10	M/s. Capvest Financial Services Ltd	691,120	2,591,700	2.72
11	Mr. Rajan T S	137,800	516,750	0.54
12	Mr. Chummar N C	209,443	785,411	0.82
13	Mr. Shibu Job C	190,804	715,515	0.75
14	Mrs. Nimmy Russal	152,597	572,239	0.60
15	Mrs. Deepa Mohandas	80,230	300,863	0.32
16	Mr. Nevin Musthafa K	160,272	601,020	0.63
17	Mr. Palamoottil Verghese Mathew	172,568	647,130	0.68
18	Mr. Mani Paul	105,894	397,103	0.42
19	Mr. Ramprasad H	139,593	523,474	0.55
20	Mr. Sameer K T	143,824	539,340	0.57
21	Mrs. Mini George	107,166	401,873	0.42
22	Mr. Anto A V	354,840	1,330,650	1.40
23	Mr. George V T	133,609	501,034	0.53
24	Mr. Surendran C G	124,863	468,236	0.49
25	Mr. Nandakumar N	52,731	197,741	0.21
26	Mr. Shoby Paul	97,846	366,923	0.39
27	Mr. Jaison T A	40,545	152,044	0.16
	Total	5,739,031	21,521,370	22.59
	Paid Up Capital	11,018,403	95,275,120	
	Percentage Of Paid Up Capital	52.09	22.59	

RESOLVED FURTHER THAT the “Relevant Date” for preferential issue, for the purpose of determining issue price is Friday, 22nd July, 2016. The Relevant Date is 30 days prior to the date of the meeting of shareholders to be held on 23rd August, 2016. As the 30th day prior to the date of declaration of results falls on a weekend, the day preceding the weekend will, as per the SEBI ICDR Regulations, be reckoned to be the relevant date.

RESOLVED FURTHER THAT the issue of equity shares shall be subject to the following terms and conditions:

- The equity shares shall be allotted within a period of 15 days from the date of shareholders approval on the preferential issue of equity shares provided that where the allotment of the said equity shares is pending on account of pendency of any approval of such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of receipt of such approval.
- The equity shares allotted shall be under lock-in for such period as may be prescribed under Chapter VII of the SEBI ICDR Regulations.
- The equity shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank paripassu with the existing shares of the Company in all respects.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution.”

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

Place : Kochi 18
Date : 18.07.2016

Pranali P. Kadam
Company Secretary

NOTES:

- 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.
- 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 August 17, 2016 to August 23, 2016 (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. 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 Registrars 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. 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 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).
8. 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.
9. The members, whose names appear in the Register of Members / list of Beneficial Owners as on 16th August, 2016 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 20th August, 2016 and will end at 5.00 pm on 22nd August, 2016. The Company has appointed Mr. Jameskutty Antony, Practising 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.

PROCEDURE FOR E-VOTING:

- I. The remote e-voting period commences at 9.00 AM IST on 20th August, 2016 and will end at 5.00 PM on 22nd August, 2016. During this period, the members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th August, 2016 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:-

- A. In case a Member receives an e-mail from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "Vertex 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 the 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 jantonyca@gmail.com with a copy marked to evoting@nsdl.co.in.
- 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**
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. 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.
- III. 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.
- IV. 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).
- V. 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 16th August, 2016
- VI. 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 16th August, 2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or secretarial@vertexbroking.com
- 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.
- VII. 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.
- VIII. 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 voting at the AGM through ballot paper.
- IX. Mr. Jameskutty Antony, Practicing Chartered Accountant (Membership No. 207803) 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.
- X. 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.
- XI. 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 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.
- XII. 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.
10. Members are requested to address all correspondences to the Registrars and Transfer Agents of the Company.
11. The Company has designated an exclusive email id viz. secretarial@vertexbroking.com to enable the investors to post their grievances and monitor its redressal.

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

The following statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice:

Item No 4:

The Board of Directors, at its meeting held on 21st May, 2016 has appointed Mr. U. Ramachandran as the Managing Director and CEO of the Company for a period of five years with effect from May 21, 2016 on the terms and conditions including remuneration as indicated below subject to the approval of the members and such other requisite approvals as may be required under the legal provisions of the Act. The main terms and conditions of appointment of Mr. U. Ramachandran are given below:

Terms of Remuneration:

1. **Salary:** Remuneration not exceeding ₹ 1,00,000/- per month including perquisites, allowances and reimbursements as may be determined by the Board of Directors or Nomination and Remuneration Committee.
2. **Perquisites (included in above salary):**
 - i. Leave Travel Allowance, Reimbursements of Medical expenses – As per the rules of the Company.
 - ii. HRA, DA, Other Allowances, Special Allowances and reimbursements – As per the rules of the Company.
 - iii. Children's education allowance: In case of children studying in or outside India, an allowance limited to maximum of ₹ 200 per month per child or actual expenses incurred, whichever is less. Such allowance is admissible upto a maximum of two children.

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.

Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. U. Ramachandran's office as Managing Director 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.

No sitting fee shall be paid to the Managing Director for attending the meetings of the Board of Directors or any committee thereof.

None of the Promoter, Director, Key Managerial Personnel of the Company or any of their relatives except Mr. U. Ramachandran and his relatives may be deemed to be concerned or interested in the appointment of Mr. U. Ramachandran as the Managing Director & CEO of the Company.

The letter of appointment of Mr. U. Ramachandran as the Managing Director will be made available for inspection on any working day between 11 A.M to 02.00 PM up to the date of Annual General Meeting of the Company and shall also be placed at the Annual General Meeting of the Company.

Item No 5:**Issue of Equity Shares on Preferential basis – consideration other than cash (share swap)**

The Company proposes to issue equity shares for consideration other than cash on a share swap basis to the shareholders of Sharewealth Securities Limited.

For this purpose, the Board of Directors has approved the execution of the Agreement with the persons who agreed to transfer/swap their shareholdings in Sharewealth Securities Limited. The agreement sets out various matters agreed between them before and after the acquisition of equity shares pursuant to obtaining all necessary approvals. According to the terms and conditions of agreement, it is proposed to issue 21,521,370 equity shares of the Company to the said shareholders of Sharewealth Securities Limited. Your Board has approved the same at its meeting held on July 18, 2016. The proposed preferential issue for consideration other than cash by way of share swap, will be subject to customary conditions including receipt of shareholders approval, compliance with the provisions of Chapter VII of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations), as amended from time to time, Listing Regulations, Memorandum and Articles of your Company and other applicable rules, Regulations of SEBI and other appropriate authorities.

The Equity shares proposed to be allotted shall rank paripassu with all other equity shares of your company in respect of all rights including dividend.

Pursuant to provisions of Section 62 (1)(c) of Companies Act, 2013 (the "Act") any preferential allotment of Securities needs to be approved by the shareholders by way of Special Resolution. Further, in terms of Chapter VII of SEBI ICDR Regulations, the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting.

The Board of Directors recommends the passing of this resolution by special resolution.

a. The objects of the preferential issue:

The proposed issue of 21,521,370 Equity Shares of ₹ 2 each on preferential allotment is being made for

consideration other than cash with the object of acquiring 52.09% issued, subscribed and paid up Share Capital of Sharewealth Securities Limited, a company registered under the Companies Act, 1956 on a share swap basis.

Subject to the necessary statutory approvals, our Company will acquire 5,739,031 equity and convertible preference shares (52.09% of the paid up capital) of Sharewealth Securities Limited from its shareholders in consideration of which preferential allotment of 21,521,370 Equity Shares of our Company would be made to the shareholders and promoters of Sharewealth Securities Limited.

Sharewealth Securities Limited, based out of Thrissur, is in the business of stock broking. The acquisition of the shares of the Company is expected to bring in positive value to our Company by enhancing its size and business creating a larger broking company.

b. Proposal of the Promoters/Directors/Key Managerial Personnel of the Company to subscribe to the offer:

Promoters/Directors/Key Managerial Personnel do not intend to subscribe the offer.

c. Relevant Date:

The relevant date as per the ICDR Regulations for the determination of issue price of the equity shares pursuant to the aforesaid preferential allotment is fixed as Friday, 22nd July, 2016. The Relevant Date is 30 days prior to the date of the meeting of the shareholders which will be held on 23rd August, 2016. As the 30th day prior to the date of meeting falls on a weekend, the day preceding the weekend will, as per the SEBI ICDR Regulations, be reckoned to be the relevant date.

d. Pricing of Preferential Issue:

The proposed preferential issue of Equity Shares of ₹ 2 each for consideration other than cash on preferential basis will be made at such price being not less than the price determined in accordance with Chapter VII of the ICDR Regulations.

Since the shares of the Company are infrequently traded, hence the price is determined in accordance with Regulation 76A of Chapter VII of the ICDR Regulations which is ₹ 4.20 per equity share.

As required under the ICDR Regulations, wherever it is required, the Company shall re-compute the issue price in accordance with the Regulations.

e. Undertaking that if the amount payable on account of re-computation of price is not paid within the limits stipulated in ICDR Regulations, the specified securities shall continue to be locked in till the time such amount is paid by allottee - Not applicable.

f. Lock in

- i. The equity shares to be allotted on a preferential basis to promoters shall be subject to lock in for a period of three years from the date of trading approval.

- ii. The equity shares to be allotted to non promoter shareholders will be subject to lock-in for a period of one year from the date of trading approval.

- iii. The entire pre-preferential shareholding of the allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of trading approval.

g. Proposed time within which the allotment shall be completed:

As required under the SEBI (ICDR) Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

h. Identity of the proposed allottees:

Sr No.	Name Of Shareholder	No of equity & fully convertible preference shares in Sharewealth Securities Limited of ₹ 10 each	Proposed No of Equity Shares in Vertex Securities Ltd. to be allotted of ₹ 2 each	Post issue percentage of shareholding
1	Mr. Ramakrishnan T B	1,143,983	4,289,936	4.50
2	Mrs. Jyothi N C	271,678	1,018,793	1.07
3	Mr. Peethambaran N C	81,620	306,075	0.32
4	Dr. Anil Menon	478,060	1,792,725	1.88
5	Mr. Anchery Ramanathan	320,650	1,202,438	1.26
6	Mr. Unnikrishnan Anchery	279,840	1,049,400	1.10
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9	Mr. Chandran Anchery	18,190	68,213	0.07
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14	Mrs. Nimmy Russal	152,597	572,239	0.60
15	Mrs. Deepa Mohandas	80,230	300,863	0.32
16	Mr. Nevin Musthafa K	160,272	601,020	0.63
17	Mr. Palamoottil Verghese Mathew	172,568	647,130	0.68
18	Mr. Mani Paul	105,894	397,103	0.42
19	Mr. Ramprasad H	139,593	523,474	0.55
20	Mr. Sameer K T	143,824	539,340	0.57
21	Mrs. Mini George	107,166	401,873	0.42
22	Mr. Anto A V	354,840	1,330,650	1.40
23	Mr. George V T	133,609	501,034	0.53
24	Mr. Surendran C G	124,863	468,236	0.49
25	Mr. Nandakumar N	52,731	197,741	0.21
26	Mr. Shoby Paul	97,846	366,923	0.39
27	Mr. Jaison T A	40,545	152,044	0.16
	Total	5,739,031	21,521,370	22.59
	Paid up Capital	11,018,403	95,275,120	
	Percentage of paid up Capital	52.09	22.59	



i. Change in control:

There will be no change in the management or control of the Company pursuant to the issue of equity shares.

j. The shareholding pattern of the Company before and after the preferential issue:

Sr No.	Category of Shareholder	Pre-preferential issue shareholding		Post preferential issue shareholding	
		No. of shares held	% of share holding	No. of shares held	% of share holding
A	Promoter & Promoter Group				
1	Indian	54,176,503	73.46	54,176,503	56.86
2	Foreign	0	0	0	0
	Total shareholding of promoter and promoter group(A)	54,176,503	73.46	54,176,503	56.86
B	Public shareholding				
1	Institutions				
a	Mutual Funds	0	0	0	0
b	Insurance Companies	0	0	0	0
c	Financial Institutions/Banks	0	0	0	0
d	Venture Capital Funds	0	0	0	0
e	Foreign Portfolio Investors/FII's	0	0	0	0
	Subtotal (B)(1)	0	0	0	0
2	Non-Institutions				
a	Bodies Corporate	2,565,996	3.48	5,157,696	5.41
b	Individuals	13,455,554	18.24	32,385,224	33.99
c	NRI	2,541,557	3.45	2,541,557	2.67
d	Qualified Foreign Investor	0	0	0	0
e	Others	1,014,140	1.37	1,014,140	1.07
	Subtotal (B)(2)	19,577,247	26.54	41,098,617	43.14
	Total Public Shareholding (B) = (B)(1) + (B)(2)	19,577,247	26.54	41,098,617	43.14
C	Shares Held by Custodians and against which Depository receipts have been issued				
a	Promoter and Promoter Group	0	0	0	0
b	Public	0	0	0	0
	Sub Total [C]	0	0	0	0
	Grand Total [A+B+C]	73,753,750	100.00	95,275,120	100

k. Auditor's Certificate:

The Certificate from M/s. Rahul Gautam Divan & Associates, Chartered Accountants being the Statutory

Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements contained in SEBI ICDR Regulations shall be placed at the Annual General Meeting of the Company and will be made available for inspection on any working day between 11 A.M to 02.00 PM up to the date of Annual General Meeting of the Company.

l. No of persons to whom allotment on preferential basis has already been made during the year in terms of number of securities as well as price:

The Company has not made any preferential allotments during the year.

m. Valuation for consideration other than cash:

It is proposed that the Consideration for the proposed preferential allotment shall be discharged by the issuance of 21,521,370 Equity Shares at a price of ₹ 4.20 per Equity Share. Independent Qualified Valuer, Mr. Gopal Rao & Associates, Chartered Accountants have valued the shares of both the companies. The Valuation Report will be made available for inspection on any working day between 11 A.M to 02.00 PM up to the date of Annual General Meeting of the Company and shall also be placed at the Annual General Meeting of the Company.

n. Justification for the allotment proposed to be made for consideration other than cash together with the Valuation Report of the Registered Valuer:

The Shares are being issued towards the Consideration payable for shares of the shareholders of Sharewealth Securities Limited. If the consideration is not received till the date of Annual General Meeting of the Company i.e. 23rd August, 2016, the shares of our Company will not be allotted to the shareholders of Sharewealth Securities Limited.

The Board believes that the proposed offer, issue and allotment will be in the interest of the Company and its shareholders.

The Board recommends passing of the aforesaid Resolution as a Special Resolution.

The Directors, Manager and Key Managerial Personnel or any of their relatives of the Company may be deemed to be concerned or interested in this resolution to the extent of their shareholdings in the Company.

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

Place : Kochi 18
Date : 18.07.2016

Pranali P. Kadam
Company Secretary