

VERTEX
Securities Limited
(A subsidiary of Transwarranty Finance Limited)

24th Annual Report 2016-17

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*
U. Ramachandran	*Managing Director w.e.f. 21.05.2016*
James Pothen	
Jose Thomas Polachira	
Latha Anand	

CHIEF FINANCIAL OFFICER
George Abraham (*w.e.f. 21.05.2016*)

COMPANY SECRETARY
Pranali Kadam (*w.e.f. 21.05.2016*)

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

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NOTICE

Notice is hereby given that the 24th Annual General Meeting of Vertex Securities Limited will be held on Tuesday, 8th August, 2017 at Conference Hall of the Company at Ground Floor, Amritha Towers, Combara Junction, Market Road, Ernakulam, Kochi - 682 018 at 3.45 P.M. 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, 2017 and the Reports of the Directors and Auditors thereon.

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

3. To 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 25th 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."

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

Place : Kochi 18
Date : 25.04.2017

Pranali Kadam
Company Secretary

NOTES:

1. Additional Information required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to director seeking 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 Wednesday, 2nd August, 2017 to Tuesday, 8th August, 2017 (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 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. 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 the cut-off date i.e. 1st August, 2017 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 5th August, 2017 and will end on 7th August, 2017 at 5.00 PM. 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.

PROCEDURE FOR E-VOTING:

I. The remote e-voting period commences at 9.00 AM IST on 5th August, 2017 and will end at 5.00 PM on 7th August, 2017. 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 1st August, 2017 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 1st August, 2017.

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. 1st August, 2017 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 of 1st August, 2017 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 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 two 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.

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

Place : Kochi 18
Date : 25.04.2017

Pranali Kadam
Company Secretary

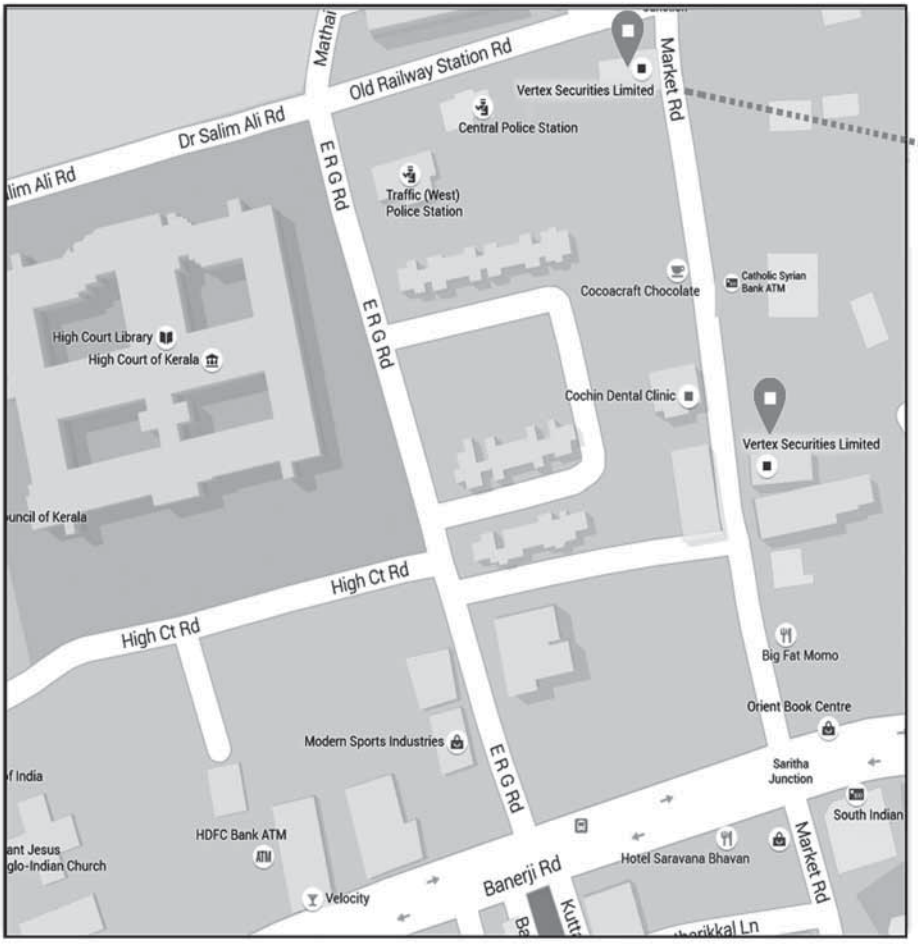
ADDITIONAL INFORMATION PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 WITH REGARD TO THE DIRECTOR SEEKING RE-APPOINTMENT AT THE 24TH ANNUAL GENERAL MEETING:

Name of Director	Mr. U Ramachandran
DIN	00493707
Date of Birth	25/11/1956
Type of Appointment	Director retiring by rotation
Date of Appointment/ Re-appointment	10/07/2009
Qualification	B. Com(Hons), F.C.A.
No. of Shares held	12,500 Equity Shares of ₹ 2 each
Experience in Specific	He is a successful Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India. He was a Senior Partner with M/s. Haridas Associates, a leading firm of Chartered Accountants in Mumbai. He has an excellent knowledge in Audit, Capital Market and Investment Banking. He is also the Director & CFO of the Holding Company,Transwarranty Finance Limited.
Directorships held in other listed companies	Transwarranty Finance Limited
Membership of Committees of other listed companies	NIL
Disclosure of relationships between directors inter-se	None of the directors are related to each other

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

Place : Kochi 18
Date : 25.04.2017

Pranali Kadam
Company Secretary





VERTEX

AGM at

Vertex Securities Limited

Ground Floor, Amritha Towers

Market Road, Cochin

Ernakulam, Kerala -682018

Ph: +91- 484 2384848

BOARD'S REPORT

To,
The Members of
Vertex Securities Limited

Your Directors are pleased to present before you the 24th Annual Report of the Company along with Audited Financial Statements, for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS:

Particulars	₹ (in lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Total Income	**659.35**	523.72
Total Expenditure	**556.20**	526.43
Profit / (Loss) from Operations before Other Income, Finance Cost & Exceptional Items	**103.15**	(2.71)
Finance Costs	**63.82**	58.33
Profit / (Loss) from Ordinary Activities after Finance Cost but before Exceptional Items	**39.33**	(61.04)
Exceptional Items Profit / (Loss)	**0.00**	0.00
Profit / (Loss) from Ordinary Activities before Tax	**39.33**	(61.04)
Total Tax	**0.00**	0.00
Net Profit / (Loss) from Ordinary Activities After Tax	**39.33**	(61.04)
Net Profit / (Loss) For the period	**39.33**	(61.04)

PERFORMANCE REVIEW:

During the year ended 31st March, 2017, your Company earned revenue of ₹ 659.35 Lakhs as compared to ₹ 523.72 Lakhs in the previous year. The operations have recorded a profit of ₹ 39.33 Lakhs as compared to a loss of ₹ 61.04 Lakhs in the previous year.

During the year ended 31st March, 2017, your Company earned consolidated revenue of ₹ 799.13 Lakhs as compared to ₹ 620.52 Lakhs in the previous year. The consolidated operations have recorded a profit of ₹ 48.34 Lakhs as compared to a loss of ₹ 60.72 Lacs in the previous year.

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

DIVIDEND:

Due to inadequacy of profits, your Directors have not recommended any dividend for the year.

CONSOLIDATED ACCOUNTS:

The Consolidated Statement of Profit and Loss for the year ended 31st March, 2017 and the Balance Sheet as on that date is also enclosed herewith.

SHARE CAPITAL STRUCTURE:

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
AUTHORISED SHARE CAPITAL:		
127,274,600 (P.Y 127,274,600) Equity Shares of ₹ 2/- each	**254,549,200**	254,549,200
27,758 (P.Y 27,758) 15% Non-Cumulative Redeemable Preference Shares of ₹ 100/- each	**2,775,800**	2,775,800
TOTAL	**257,325,000**	**257,325,000**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:		
74,012,189 (P.Y 73,753,750) Equity Shares of ₹ 2/- each fully paid up	**148,024,378**	147,507,500
27,758 (P.Y 27,758) 15% Non Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid up	**2,775,800**	2,775,800
TOTAL	**150,800,178**	**150,283,300**

During the year, the Company has allotted 2,58,439 equity shares of ₹ 2 each under the ESOP Scheme on 28.01.2017

There is no change in the Authorised Share Capital of the Company.

OPERATIONS OF SUBSIDIARY:

Vertex Commodities And Finpro Private Limited:

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

VCFPL is a member of the following commodity exchanges:

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

During the year ended 31st March, 2017, the subsidiary company, Vertex Commodities And Finpro Private Limited had total revenue of ₹ 13,977,981 and profit of ₹ 901,320 as against the total revenue of ₹ 9,683,806 and profit of ₹ 32,784 respectively in the previous year.

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

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

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

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.

Mr. Kumar Nair resigned as the Managing Director of the Company w.e.f. 21st May, 2016. However, he continues as the Chairman and Director of the Company.

Mr. U. Ramachandran (DIN 00493707) was appointed as the Managing Director and CEO of the Company pursuant to Section 196,197 and 203 of the Companies Act, 2013 by the Board of Directors on 21st May, 2016.

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

In accordance with the provisions of Section 203 of the Companies Act, 2013 and Regulation 6 of the SEBI Listing Regulations, Ms. Pranali P. Kadam, 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. 21st May, 2016.

In accordance with the provisions of Section 203 of the Companies Act, 2013, Mr. George Abraham was appointed as the Chief Financial Officer of the Company w.e.f. 21st May, 2016.

Ms. Treesa Antony, Compliance Officer – Membership Department, resigned w.e.f 12th September, 2016.

In accordance with Regulation 18A of the SEBI(Stock-brokers and Sub-brokers) Regulations, 1992, Ms. Ashmy Narayanan was appointed as the Compliance Officer –Membership Department in her place w.e.f. 12th September, 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for 2016-17, forms part of the Annual Report and is attached separately as **Annexure A.**

REPORT ON CORPORATE GOVERNANCE

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

AUDITORS' REPORT

Referring to observation given under "Basis for Qualified Opinion" in the Independent Auditors Report, it is clarified that as the Company has initiated legal actions for the recovery of the dues, it will not be prudent to make any provisions as the cases are in various stages in different Courts.

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

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company had appointed Mr. Yogesh Sharma,