



VLS

XXVIII ANNUAL REPORT 2014-2015

VLS FINANCE LTD.

Regd Office : 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065
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NOTICE

28TH ANNUAL GENERAL MEETING OF MEMBERS OF THE COMPANY WILL BE HELD AT

The Auditorium, Sri Sathya Sai International Centre,
Institutional Area, Lodhi Road
Pragati Vihar, New Delhi - 110 003
at 3:30 P.M.
on Thursday,
the 24th day of September, 2015

SHARE TRANSFER & INVESTOR SERVICES

M/s RCMC Share Registry Pvt. Ltd.
Unit: VLS Finance Ltd.
B-25/1, 1st Floor, Okhla Industrial Area, Phase-II,
New Delhi-110020

Our e-mail address :

✉ For investor services : hconsul@vlsfinance.com

✉ Other than above : vls@vsnl.com
visit us at www.vlsfinance.com

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BOARD OF DIRECTORS :

Shri Ajit Kumar Chairman
Shri S.K. Agarwal Managing Director
Shri Somesh Mehrotra
Shri B.M. Oza
Dr. S. Ramesh
Shri K. K. Soni Director-Finance & CFO
Dr. (Mrs.) Neeraj Arora

COMPANY SECRETARY

Shri H. Consul

AUDITORS

M/s. Agiwal & Associates
Chartered Accountants,
3830, Lal Kothi, 2nd Floor,
Pataudi House Road,
Above Bank of Baroda,
Darya Ganj, New Delhi-110002

BANKERS

HDFC Bank
UCO Bank

EQUITY SHARES LISTED AT :

THE NATIONAL STOCK EXCHANGE OF INDIA LTD.

Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai-400051.

BSE LTD. (formerly THE BOMBAY STOCK EXCHANGE),

25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

THE MADRAS STOCK EXCHANGE LTD.

Exchange Building, Post Box No. 183,
30, Second Line Beach, Chennai-600 001.

THE CALCUTTA STOCK EXCHANGE LTD.

7, Lyons Range, Kolkata-700 001.

Attention Members

In order to improve investor services, we request you to update / register your postal and email address with Company in case of holding in physical form. The holders in demat (electronic) form may register the same with concerned depository participant.

N.B. : Members/Proxy are requested to bring their copy of Annual Report at the Meeting as extra copies have not been printed due to high cost of paper.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors are pleased to present the 28th Annual Report of the Company together with the audited statement of accounts for the year ended 31st March, 2015.

1. Financial Results (Rs. in Lakhs)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014*
Gross Receipts	462348.96	381636.53
Profit before Interest & Depreciation	799.38	459.53
Less: Interest & Finance Charges	23.04	1.97
Profit before Depreciation	776.33	457.56
Less: Depreciation	47.64	41.98
Profit before Tax	728.69	415.58
Less: Provision for Taxation/(Credits)	(80.68)	67.37
Profit after Tax	648.01	348.21
Surplus brought forward from previous year	2495.28	2260.37
Previous year adjustments/other adjustment@	0.00	(113.30)
Less: Adjustment on account of transitional Provision effect for depreciation	1.16	0.00
Add: Transfer from Statutory Reserve (Under RBI Act, 1934)	1302.13	0.00
Available for Appropriation	4444.25	2495.28
Appropriations:		
To General Reserve	0.00	0.00
Surplus c/f	4444.25	2495.28

* (Figures have been regrouped/recast to conform to current year's methodology)

@ Transferred to Capital Redemption Reserve A/c.

2. Management Discussion and Analysis

Financial Review

During the year under review, the gross receipts increased to Rs.462348.96 lacs from Rs. 381636.53 lacs in the previous year. The profit before tax for the year under review stood at Rs. 728.69 lacs as compared to Rs. 415.58 lacs of the previous year. The profit after tax for the year was Rs. 648.01 lacs as compared to profit after tax of Rs. 348.21 lacs of the previous year.

Industry Structure and Development

The global economy in financial year 2014-2015 showed some improvement though slowly. Due to sluggish growth, many developing economies experienced general slowdown. The world economy growth was at 3.6% though expected to improve in the current fiscal. Among the Asian economies, deceleration in industrial output and exports weakened India's economic growth. The depreciation of Indian Rupee vis-à-vis U.S. dollar was a significant factor affecting India's GDP growth which fell below 5%. The continuing tightening measures by Reserve Bank of India to curb inflation leading to high cost of funds adversely affected India's industrial growth. As a result of various measures taken by the Government the value of rupee stabilized vis-à-vis other international currencies during the later half of the fiscal year under review.

Outlook, Risks and Concerns

The Company's operations during the year under review, continued to be capital/commodity market centric. Your Company has been making use of available avenues in the capital market and the commodities

market for its operations. The Company's registration as Non banking Finance Company was surrendered w.e.f. 29/01/2014. The Company immediately thereafter applied for trading membership of BSE Ltd. which was accepted vide letter dated 14/05/2014 of BSE Ltd. The Company got the certificate of registration from SEBI effective from 01/10/2014. The commencement of operations as Stock Broker is under process.

Your Company's performance is closely linked to those of the stock and commodities markets. Consequently, the growth prospects for 2015-16 are likely to be broadly reflective of those trends. In the projected scenario of low to moderate growth, continuing inflation and high interest rates, your Company will continue to strive for meaningful growth, focusing as always on a balanced portfolio mix and efficient cost management, in order to sustain profitability.

The Company is exposed to normal industry risks such as credit, interest rate, economic, political, market and operational risks. The Company views risk management as integral to its business for creating and maintaining best practices in business operations and administration.

Opportunities and Threats

With the coming into power of the new Government with focus on development the infrastructure and allied sectors are expected to perform better giving an impetus to the economy. The Company shall strive to take advantage of the emerging opportunities. The Company shall also focus on permitted avenues as member of Stock Exchange including, corporate advisory services.

Adequacy of Internal Financial Control Systems

The Company has an independent Internal Audit system to carry out extensive audits throughout the year covering all areas of Company's significant operations. The Audit Committee regularly reviews adequacy and effectiveness of the Company's internal financial control environment and monitors implementation of audit recommendations.

The Company has proper and adequate system of internal controls to monitor proper recording of transactions according to policies and procedures laid down by the Company in compliance with applicable regulations. The Company ensures that the regulatory guidelines are complied with at various levels. The internal audit reports are regularly monitored by the Audit Committee.

Segment wise Performance

Accounting Standard (AS-17) relating to "Segment Reporting" has been complied with. The gross operating income and profit from the other segment is below the norms prescribed in AS-17, hence separate disclosure has not been made.

Cautionary Statement

The statements in the above analysis, describing the Company's projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable Securities Laws and Regulations. The actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in government regulations, tax regimes, economic developments within the country and abroad, and other related factors.

3. Dividend

With a view to conserve resources, no dividend is recommended.

4. Reserve

No amount was proposed to be transferred to the reserve during the year under review.

5. Change in Nature of Business

Your company has received registration certificate as a stock broker of BSE Ltd. from SEBI vide their letter dated 09.10.2014 effective from 01.10.2014. The same had been informed to all the exchanges in which the securities of the Company are listed.

Directors/ Key Managerial Personnel (KMP)

Following changes have occurred during the relevant year till the date of this report in the composition of Board of Directors/ Key Managerial Personnel of your Company:

Directors:

Shri M.P. Mehrotra	- Resigned as Non-Executive/Non Independent Director w.e.f. 04.09.2014.
Shri B.B. Tandon	- Resigned as Independent Director w.e.f. 26.09.2014.
Shri A. K. Puri	- Resigned as Director w.e.f. 14.11.2014.
Shri Gian Vijeshwar	- Resigned as Independent Director w.e.f. 01.12.2014
Shri M.G. Diwan	- Resigned as Independent Director w.e.f. 30.03.2015
Dr. (Mrs.) Sushma Mehrotra	- Appointed as Director on 14.11.2014 in casual vacancy caused by the resignation of Shri M.P. Mehrotra, in the category of Non-Executive and Non-Independent Director. She ceased to be the Director on 09.04.2015 due to her demise.
Dr. (Mrs.) Neeraj Arora	- Appointed as an Additional Director in the category of Non-Executive and Non-Independent Director w.e.f. 30.05.2015.

In accordance with the provisions of Article 89 of the Articles of Association of the Company, Shri S. K. Agarwal- Managing Director will retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-election.

Key Managerial Personnel (KMP):

There has been no change in the KMPs of your Company during the year under review.

7. Evaluation criteria of Directors/Independent Directors by nomination and remuneration committee

The Independent Directors of your company have complied with the relevant provisions of the law relating to their declaration served to the Company and they continue to comply with the provisions of the applicable laws & listing agreement.

8. Annual Return Extract (MGT-9)

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-A**.

9. Contracts with Related Party

Your Company has sold 17,11,289 equity shares, constituting 42.78% holding in South Asian Enterprises Limited, constituent of Promoter Group to VLS Capital Limited, also a constituent of promoter group. In respect to the aforesaid, the transaction being in ordinary course of business and on arm's length basis no approval of the Board was required although approval of the Audit Committee was obtained and all the necessary disclosures under the relevant Act and regulations were duly made to the requisite authorities in time.

It is proposed to allow usage of office of your company in Mumbai by its subsidiary VLS Securities Ltd. for its operations on such terms and conditions as may be agreed between the Companies upon obtaining requisite approvals.

The disclosure in prescribed Form AOC-2 is enclosed as **Annexure-B**.

10. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3) of the Companies Act, 2013, the Directors hereby confirm:

- a. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. that they have prepared the Annual Accounts for the financial year ended 31st March, 2015 on a 'going concern' basis.
- e. that they have laid down Internal Financial controls to be followed by the Company and that such Internal Financial Controls are adequate and effective.
- f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

11. Evaluation of Board/Committees/Individual Directors- criteria by Nomination and Remuneration Committee

The aim of the Board's evaluation was to assess the effectiveness of the Board's/Committees' processes, composition and arrangement and to identify any actions required to improve effectiveness. The review thus focused on following associated areas; structure, leadership, strategy, risks, decision making and development.

The evaluation process comprised:

- Review of Board, Committee and management information and other relevant documentation
- Meetings with key individuals within the organization.
- Discussions with all directors on the Board, Committee members focusing on aspects of the Board's and Committees' composition; strategy, risk and controls; decision-making, roles and performance of the Chairman, independent directors, executive directors and other non-executive directors.

The evaluation concluded that the Board and its Committees were overall effective and recommendations were provided to ensure the Board and its Committees remained fully effective.

Given the experience and qualifications of the Board members, the Board did not consider it necessary to engage external persons to facilitate the evaluation process. Most directors have rich experience of a corporate environment and so they are accustomed to having their performance regularly evaluated.

Board conducts on an annual basis an evaluation of the performance of the directors by making an annual assessment of whether each director has sufficient time to discharge his/her responsibilities, taking into consideration multiple Board representations and other principal commitments.

12. Proper systems to ensure compliances were adequate and effective

Your Company takes the compliance issues seriously, it investigates each one, and if need be revisits operational controls. Its professional conduct sets expectations that all employees will comply with all laws and regulations governing company's behavior. Information is reported upwards internally within the organization to senior management and, as appropriate, also shared with the Board of Directors and/or the external auditors. Information is reported externally in public filings, if it meets the criteria for requiring public disclosure.

13. Number of meetings

During the financial year ended on 31st March, 2015, the Board met 5 times. The meetings were held on 26/05/2014, 11/08/2014, 29/08/2014, 14/11/2014 and 13/02/2015.

14. Corporate Social Responsibility

With the enactment of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 read with various

clarifications issued by the Ministry of Corporate Affairs, every company having net worth of Rs. 500 crores or more or turnover of Rs. 1000 crores or more or net profit of Rs 5 crores or more during any financial year have to spend atleast 2% of average net profit of the company made during the three immediately preceding financial years.

Accordingly, the company has to do a CSR activity for an amount of Rs. 4,98,534/- lacs based on the average profits of the three preceding financial years. This being the first year after the new CSR provisions were notified, certain preparatory work had to be done before starting the CSR projects. The Company has not been able to short list any CSR activity covered under Schedule VII of the Companies Act, 2013 for a time being which can be undertaken by the Company on sustained basis. Accordingly, the entire amount shall be spent by the Company in future.

Pursuant to section 135 of Companies Act, 2013, the relevant rules and regulations, the report on Corporate Social Responsibility Activities is enclosed as **Annexure-C**.

15. Policies

Your Company has formulated following policies to better perform its functions and deliver results.

A. Corporate Social Responsibility Policy

Primer

VLS Finance Limited (VLSF) is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Companies Act, 2013 and related Rules, as amended.

VLSF believes that development has to be all-encompassing and every community has to be responsible for the development of an impartial and benevolent society. VLSF commits itself to add to the society in ways possible for the organization.

Intention & Purpose

- Strategy is to develop a long-term vision for VLSF CSR goals.
- Outline of activities to be embarked upon, in line with the CSR policy and Schedule VII of the Companies Act, 2013, as amended.
- VLSF shall promote projects that are sustainable and create a long term value for the society;
- Have specific and measurable goals in alliance with VLSF beliefs;
- To establish a mechanism for the implementation and monitoring of the CSR activities.

Committee Composition

The CSR Committee of the Board shall be composed of at least three (3) Directors. The CSR Committee shall include one (1) independent director effectively within the time period prescribed under law. Members of the CSR Committee may be replaced by any other member of the Board.

Committee Meetings

The CSR Committee shall meet as often as its members deem necessary to perform its duties responsibly.

Duties & Responsibilities of CSR Committee

- i) Formulate and recommend to the Board the CSR activities/ programs to be undertaken by VLSF. The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Companies Act, 2013.
- ii) Recommend the CSR expenditure to be incurred on the CSR activities.
- iii) Institute a transparent mechanism for implementation of the CSR projects and effective monitoring tools of such projects.
- iv) Preparation of annualized reports of the CSR activities undertaken and submission of the same to the Board.

Responsibilities of the Board

- i) Approve the CSR Policy and expenditure on CSR initiatives after taking into consideration the recommendations made by the CSR committee.
- ii) Ensure the CSR spending in every financial year is in accordance with statutory provisions as applicable from time to time.
- iii) Ensure that the CSR activities included in the policy are undertaken by the Company and are in conformity to the activities as outlined in Schedule VII of the Companies Act.
- iv) Ensure disclosure of the contents of the CSR Policy and CSR Committee in its report to the members and put the policy on the Company's website.

CSR Expenditure

- i) CSR expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to activities as approved by the Board on the recommendation of its CSR committee including contribution to corpus relating to CSR activities and it shall not include expenditure on an item not in conformity with the CSR policy and Schedule VII of the Companies Act, 2013.
- ii) The surplus arising out of the CSR activities or projects shall not form part of the business profit of the Company.

CSR Activities – Projects

- i) The Company may undertake one or more CSR activities in line with Schedule VII of the Companies Act, 2013.
- ii) The Company shall give preference to the local area(s) around which it operates while considering the CSR activities to be undertaken. However, it may be guided by the requirements of the specific CSR activity in other locations within India.

Implementing CSR Activities

- i) The Company shall undertake the CSR activities directly and also through various implementing agencies within the group or outside such as, non-profit organizations, etc. Such outside implementing agencies shall have an established track record as prescribed under the relevant law.
- ii) The initiatives so undertaken may be communicated to the employees through specific awareness campaigns, so as to enable maximum participation.
- iii) The Company may collaborate with other companies for undertaking CSR projects or programs provided separate reporting mechanisms are in place and are in accordance with Companies Act, 2013 and rules thereunder, as amended.

Assessment

The CSR committee shall be apprised on the implementation of the CSR activities and the progress shall be monitored on regular basis.

The Company shall through its internal controls, monitoring and evaluation systems, implement, assess, document and report the impact of its CSR activities.

General

Any term or aspect not specifically defined or set out in this policy shall be construed to mean what is laid down in respect thereof under the Act or CSR Rules.

Amendments

This Policy may be reviewed and amended from time to time.

B. Related Party Transaction

The detailed policy may be accessed at www.vlsfinance.com

The Board of Directors (the "Board") of VLS Finance Limited (the

“Company”) has adopted this Policy. The said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement of the Stock Exchanges in India.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

C. Board diversity

The detailed policy may be accessed at www.vlsfinance.com

VLS Finance Ltd. recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry knowledge and experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible would be balanced appropriately. All Board appointments shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

D. Risk Management

The detailed policy may be accessed at www.vlsfinance.com

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has formed Risk Management Policy to ensure appropriate risk management within its systems and culture. The Company operates in a competitive environment and is generally exposed to various risks at different times such as technological risks, business risks, operational risks, financial risks, etc. The Board of Directors and the Audit Committee of the Company shall periodically review the Risk Management Policy of the Company so that the Management controls the risk through properly defined network.

The Company has a system based approach to business risk management backed by strong internal control systems. A strong independent Internal Audit Function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk managements processes may need to be improved. The Board reviews internal audit findings, and provided strategic guidance on internal controls, monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented.

The combination of policies and procedures adequately addresses the various risks associated with your Company's businesses.

E. Anti-sexual harassment mechanism

The detailed mechanism may be accessed at www.vlsfinance.com

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All women employees interalia (permanent, contractual, temporary, trainees) are covered under this policy.

The Internal Complaints Committee is headed by the Woman Director on the Board. There were no complaints received from

any employee during the year under review and no complaints were pending as on 31/03/2015.

F. Nomination and Remuneration Policy

TITLE:

This Policy shall be called ‘**VLSF Nomination and Remuneration Policy.**’

OBJECTIVE:

The provisions in the Companies Act, 2013 and corresponding provisions in the revamped Clause 49 of the Listing Agreement have ushered Indian corporate system in to a new era of Corporate Governance placing onerous governance responsibilities on the shoulders of the Board of Directors and Key Managerial Personnel of the Companies.

Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement provide the necessary legal impetus for companies to have a policy and criteria for various matters like the remuneration of directors, key managerial persons and other employees, training of Independent Directors and performance evaluation of directors.

Considering this it is necessary to ensure quality of persons on the Board of Directors of the Company as well as in the Key Managerial personnel, as these are the persons who are entrusted with the responsibility of policy formulation for, direction to and execution of the business and operations of the Company.

DEFINITIONS:

Board means the Board of Directors of **VLS FINANCE LIMITED.**

Company means **VLS Finance LIMITED.**

Committee means Nomination and Remuneration Committee of Board of Directors

Director means a person who has been appointed as such on the Board of the Company and includes Executive as well as Non-Executive Directors.

Executive Director means a Director who is in the whole time employment of the Company and includes a Managing Director as well as a Whole time Director and Manager, if member of the Board.

Government includes Central Government as well as any of the State Governments, any statutory authority, tribunal, board or a governmental or semi-governmental authority or any authority or agency recognized by the Government.

HR Department means the Human Resource Department of the Company.

HR Policy means the Policy of the Company defining the criteria and process for the recruitment, training, appraisal etc. and dealing with other matters concerning the employees of the Company.

Key Managerial Person means a person appointed as such by the Board under Section 203 of the Companies Act, 2013.

Nomination & Remuneration Committee means the Committee of the Board constituted as such under the provisions of Section 178 of the Companies Act, 2013.

Non-Executive Director means a Director who is not in the whole time employment of the Company and includes an Independent Director, Promoter Director and Nominee Director.

Policy means this policy, as amended from time to time.

CONTENTS OF THE POLICY:

This Policy contains following:

- a) Process for the selection and appointment of Directors and Key Managerial Personnel;
- b) Criteria for determining remuneration of the Directors, Key Managerial Personnel and other employees of the Company;
- c) Training of Independent Directors.

(I) SELECTION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In case of Executive Directors and Key Managerial Personnel, the selection can be made in either of the ways given below:

- a) by way of recruitment from outside;
- b) from within the Company hierarchy; or
- c) Upon recommendation by the Chairman or other Director.

The appointment may be made either to fill up a vacancy caused by retirement, resignation, death or removal of an existing Executive Director or it may be a fresh appointment.

In case of Non-Executive Directors the selection can be made in either of the ways given below:

- a) by way of selection from the data bank of Independent Directors maintained by the Government.
- b) Upon recommendation by Chairman or other Director.

The appointment may be made either to fill up a vacancy caused by resignation, death or removal of an existing Non-Executive Director or it may be appointment as an additional director or an alternate director.

(II) QUALIFICATIONS, EXPERIENCE AND POSITIVE ATTRIBUTES OF DIRECTORS

- a) While appointing a Director, it shall always be ensured that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.
- b) In case of appointment as an Executive Director, the candidate must have the relevant technical or professional qualifications and experience as are considered necessary based on the job description of the position. In case no specific qualification or experience is prescribed or thought necessary for the position then, while recommending the appointment, the HR Department shall provide the job description to the Committee and justify that the qualifications, experience and expertise of the recommended candidate are satisfactory for the relevant appointment. In such circumstances, the Committee may, if considered necessary, call for an expert opinion on the appropriateness of the qualifications and experience of the candidate for the position of the Executive Director.
- c) In case of appointment as a Non-Executive Director, the candidate must be a graduate or possess diploma or a professional qualification in the field of his practice / profession / service and shall have not less than five years of working experience in such field as a professional in practice, advisor, consultant or as an employee, provided that the Board may waive the requirements of qualification and /or experience under this paragraph for a deserving candidate.
- d) The Board, while making the appointment of a Director, shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and open mind.

(III) PROCESS FOR APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- (A) Process for the appointment of Executive Directors and Key

Managerial Personnel:

- a) A proposal for the appointment of an Executive Director / Key Managerial Personnel with such details as may be prescribed shall be submitted for the consideration of the Committee. The proposal with recommendation of committee will be placed before the Board.
- b) The Board shall, based on the information available in the proposal and recommendation of committee deliberate upon the necessity for appointment, expertise, skill and knowledge of the candidate and reasonableness of the remuneration.
- c) The Board may call and seek the help of any other Company Official including the recommender or a Key Managerial Personnel while finalizing the appointment. The recommender shall not take part in the discussion or voting on the appointment of a Key Managerial Personnel.

(B) Process for the appointment of Non- Executive Directors:

- a) A proposal for the appointment of a Non-Executive Director with such details as may be prescribed shall be submitted for the consideration of the committee. The proposal with recommendation of committee will be placed before the Board.
- b) The Board, based on the information available in the proposal, shall deliberate upon the necessity for appointment, integrity, qualifications, expertise, skill and knowledge of the candidate.

(IV) REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

- a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:
 - i) Criteria / norms for determining the remuneration of such employees prescribed in applicable statutory provisions and Company's internal criteria for remuneration.
 - ii) Existing remuneration drawn.
 - iii) Industry standards, if the data in this regard is available.
 - iv) The job description.
 - v) Qualifications and experience levels of the candidate,
 - vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.
 - vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.
- b) The determination of remuneration for other employees shall be governed by the HR Policy.
- c) The proposal for the appointment of an Executive Director / Key Managerial Personnel shall provide necessary information in this regard including recommendation of Committee to the Board in arriving at the conclusion as to whether or not the remuneration offered to the candidate is appropriate, reasonable and balanced as to the fixed and variable portions (including the commission).
- d) The remuneration payable to the Executive Directors, including the Commission and value of the perquisites, shall not exceed the permissible limits as are mentioned within the provisions of the Companies Act, 2013.
- e) The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof.
- f) The Non-Executive Directors shall not be eligible to receive any remuneration / salary from the Company. However, the Non-

Executive Directors shall be paid sitting fees for attending the meeting of the Board or committees thereof and commission, as may be decided by the Board / shareholders from time to time.

The Non-Executive Directors shall also be eligible to receive reimbursement of reasonable out-of-pocket expenses incurred by them for attending the meetings of the Board, committees or shareholders, including travelling and lodging & boarding expenses or such other expense incurred by them regarding the affairs of the Company on an actual basis.

- g) The amount of sitting fee and commission payable to Non-Executive Directors shall not exceed the limits prescribed therefor under the provisions of the Companies Act, 2013.

Explanation: For the purposes of this Policy, Remuneration shall mean the Cost to the Company and shall include the salary, allowances, perquisites, performance incentive and any other facility provided or payment made to the employee.

(V) **TRAINING OF INDEPENDENT DIRECTORS**

The Company shall arrange to provide training to Independent Directors to familiarize them with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

The training may be provided in any of the ways given below:

- a) By providing reading material to the Independent Director(s) giving all relevant information about the Company, industry and the role of Independent Directors.
- b) An induction program devised for the Independent Director(s) wherein structured training is provided to the Independent Director(s) either exclusively or with other officials of the Company who are due for such induction / training.
- c) Such other manner as may be prescribed by applicable law or decided by the Board.

INTERPRETATION:

- a) Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company.
- b) The reference to the male gender in the Policy shall be deemed to include a reference to female gender.
- c) In case of any dispute or difference upon the meaning / interpretation of any word or provision in this Policy, the same shall be referred to the Committee and the decision of the Committee in such a case shall be final. In interpreting such term / provision, the Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

AMENDMENTS:

The Board of Directors shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provisions or replace this Policy entirely with a new Policy.

G. Vigil Mechanism /Whistle Blower

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. Vigil (whistleblower) mechanism provides a channel to the employees and directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policy. The mechanism provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The detailed policy may be accessed at www.vlsfinance.com.

16. Corporate Governance and Compliance Certificate

We have reported in **Annexure-D** to this report, the extent of compliance of Corporate Governance practices in accordance with Clause 49 of Listing Agreement.

17. Auditors

The Auditors, M/s. Agiwal & Associates, Chartered Accountants, will retire at the forthcoming Annual General Meeting. The Company has received a certificate from the Auditors that they are qualified under Section 139 of the Companies Act, 2013 to act as the Auditors of the Company, if appointed. Concurring to the recommendation of the Audit Committee, the Board of Directors recommends their appointment. The Board may also be authorised to fix their remuneration. In terms of Section 139 (2) read with Rule 6 of Companies (Audit and Auditors) Rules, 2014, the present auditors can be appointed for two consecutive terms of one year each starting from present proposal before being subjected to compulsory rotation of Auditors.

18. Auditors' Report

The observations made by the Auditors, with reference to notes on accounts for the year under report, have been adequately dealt with in the relevant Notes forming part of Financial Statements and need no further comments from Directors.

19. Secretarial Audit Report

According to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report as **Annexure-E**.

20. Statutory Information

During the year under review, the Company did not absorb any new technology or carried out any R&D related activity for this purpose. However, use of energy efficient devices, wherever possible, in conducting business of Company is part of administration policies. The detailed disclosure is enclosed as **Annexure- F** to this report.

- The shares of the Company are presently listed at BSE Ltd. (formerly, The Bombay Stock Exchange, Mumbai), The National Stock Exchange of India Ltd., Mumbai, The Calcutta Stock Exchange Ltd., Kolkata and The Madras Stock Exchange Ltd., Chennai.
- The Company has paid the Annual Listing fees for the year 2015-2016 to all the aforesaid Stock Exchanges except Madras Stock Exchange Ltd., Chennai which reportedly is in process of closing down. Further, no demand has been made from the said exchange for listing fee till date.
- Your company's principle business is acquisition of securities; hence Section 186 of the Act is not applicable.
- Your Company has not issued equity shares with differential voting rights, ESOP in terms of section 43 and section 62 of the Companies Act, 2013, during the year under review.
- No revision of financial statements or boards report has been made in terms of Section 131 of the Companies Act, 2013, during the year under review.
- Six Independent Directors have been appointed by an ordinary resolution by the Company in terms of Section 149 of the Companies Act, 2013. No Independent Director was reappointed through special resolution during the year under review.
- Disclosure relating to ratio of the remuneration of each director to the median employee's remuneration in terms of Section 197(12) of the Companies Act, 2013 is enclosed as **Annexure-G** to this report.

- The managing director and whole time director (Director-Finance & CFO) of your company are not in receipt of any remuneration or commission from any of subsidiary company in terms of Section 197(14) of the Companies Act, 2013.
- There were no orders passed by the regulators against the Company.
- Senior Management have made all the disclosures to the Board relating to all material financial and commercial transactions, if any.

21. Fixed Deposits

The Company has not accepted any fixed deposit during the year under review. The Company has no plans to accept any deposits from the public in the current year.

22. Human Resources

Employee relations continued to be cordial during the year. The number of employees stood at 30. The Directors place on record their appreciation of the devoted service of the employees at all levels. In terms of the provisions of Section 197 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there was no employee during the year drawing remuneration more than the stipulated amount in the said rules. Your company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of section 67(3)(b) of the Companies Act, 2013 during the year under review.

23. Green initiative in Corporate Governance

As a continuing endeavor towards the Go Green initiative, the Company proposes to send future correspondences and documents like the notice calling the general meeting, audited financial statements, directors' report, and auditors' reports etc. in the electronic form, to the email addresses provided by the Members and made available to us by the Depositories. Members who hold shares in the physical form are requested to register their e-mail addresses and intimate any changes in their e-mail id, with the Company or with the Registrar & Share Transfer Agents, RCMC Share Registry Pvt. Ltd. In respect of electronic holdings, members are requested to register their e-mail addresses with the Depository through their concerned Depository Participants. However, in case you desire to receive Company's communication and documents in physical form, you are requested to intimate us through email at hconsul@vlsfinance.com. You may kindly note that as a Member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition

from you, at any time.

24. Subsidiary Companies

Statement pursuant to Section 129 (3) of the Companies Act, 2013 for the financial year ended 31/3/2015 in respect of the Subsidiary Companies, is enclosed with Annual Accounts of the Company.

After coming into effect of the Companies Act, 2013, the definition of "Associate" covers a Company or Companies in which the Company holds not less than 20% of the Total Share Capital of that company or those companies irrespective of whether they are in the same group or not. Hence, Sunair Hotels Ltd. and BMS IT Institute Private Ltd which are presently not in the same group, have been considered as Associate. Even though the Company is in litigation with these companies, in the opinion of the Company, there is no adverse impact of such litigation on investments/advances made by it in these associates.

South Asian Enterprises Ltd. ceased to be associate of the Company upon sale of about 42% stake in said Company to VLS Capital Ltd. during the year under review.

Separate section on performance and financial position of subsidiary and associate companies have been provided as Note No. 23 sub-note 17(a) and 17(b) of Notes forming part of Consolidated Financial Statement in the Annual Report for the year under review.

25. Consolidated Financial Statements

In compliance of Clause 41 of the Listing agreement, the Consolidated Financial Statements in accordance with the prescribed Accounting Standards are annexed to the Audited Annual Accounts for the year under review.

26. Acknowledgements

Your Directors wish to place on record their sincere appreciation and gratitude to the Company's business associates, customers, Bankers, the Securities & Exchange Board of India, Stock Exchanges and the Reserve Bank of India for their continued support and assistance and also to the esteemed shareholders of the Company, for their valuable support and patronage.

For and on behalf of the Board of Directors

Place : New Delhi

S.K. Agarwal

K.K. Soni

Date : 11/8/2015

Managing Director

Director-Finance & CFO

DIN: 00106763

DIN: 00106037

Annexure A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	CIN : L65910DL1986PLC023129
ii	Registration Date	20/01/1986
iii	Name of the Company	VLS FINANCE LIMITED
iv	Category/Sub-category of the Company	Public Limited Company
v	Address of the Registered office & contact details	2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065 Phone Nos. 011-46656666 Fax : 011-46656699
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. RCMC Share Registry Pvt. Ltd., B-25/1 First Floor, Okhla Industrial Area Phase-II, New Delhi-110020 Phone Nos. 011 – 26387320 Fax 011-26387322

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Investment	9999999	99

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	VLS Securities Ltd. 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065	U74899DL1994PLC062123	Subsidiary	99.67	2(87)
2	VLS Asset Management Ltd. 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065	U74899DL1995PLC065812	Subsidiary	99.15	2(87)
3	VLS Capital Ltd. C-561, Defence Colony, New Delhi- 110024	U67190DL1985PLC022302	Associate	34.50	2(46)
4	Sunair Hotels Ltd. A-7, 1st Floor, Geetanjali Enclave New Delhi-110017	U74899DL1977PLC008495	Associate	24.14	2(46)
5	BMS IT Institute Pvt. Ltd. 56, Novjeevan Vihar New Delhi- 110017	U80301DL2005PTC139764	Associate	28.24	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	3472115	0	3472115	8.98%	3472115	0	3472115	8.98%	0.00%
b) Central Govt.or State Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corporates	12581827	29300	12611127	32.62%	13686138	29300	13715438	35.48%	2.86%
d) Bank/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL:(A) (1)	16053942	29300	16083242	41.60%	17158253	29300	17187553	44.46%	2.86%
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other...	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	16053942	29300	16083242	41.60%	17158253	29300	17187553	44.46%	2.86%
B PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	100	100	0.00%	0	100	100	0.00%	0.00%
b) Banks/FI	9000	500	9500	0.02%	9000	500	9500	0.02%	0.00%
c) Central govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Fund	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIIS	0	300	300	0.00%	0	300	300	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (B)(1):	9000	900	9900	0.03%	9000	900	9900	0.03%	0.00%

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	1585381	131500	1716881	4.44%	1834042	131500	1965542	5.08%	0.64%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	12225910	3786972	16012882	41.42%	10790205	3665672	14455877	37.39%	-4.03%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	4354837	40000	4394837	11.37%	4711363	40000	4751363	12.29%	0.92%
c) Others (specify)									
a) NRI / OCB	249610	2800	252410	0.65%	107648	2800	110448	0.29%	-0.37%
b) Foreign National	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Clearing Member	161865	0	161865	0.42%	177834	0	177834	0.46%	0.04%
d) LLP	0	0	0	0.00%	3500	0	3500	0.01%	0.01%
e) Trust	30000	0	30000	0.08%	0	0	0	0.00%	-0.08%
SUB TOTAL (B)(2):	18607603	3961272	22568875	58.37%	17624592	3839972	21464564	55.52%	-2.86%
Total Public Shareholding (B)= (B)(1)+(B)(2)	18616603	3962172	22578775	58.40%	17633592	3840872	21474464	55.54%	-2.86%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	34670545	3991472	38662017	100.00%	34791845	3870172	38662017	100.00%	0.00%

(ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Shri M. P. Mehrotra	285	0.00%	0.00	285	0.00%	0.00	0.00%
2	VLS Commodities Pvt. Ltd.	267400	0.69%	0.00	377400	0.98%	0.00	0.28%
3	Dr. (Mrs) Sushma Mehrotra	470500	1.22%	0.00	470500	1.22%	0.00	0.00%
4	Shri Somesh Mehrotra	884691	2.29%	0.00	884691	2.29%	0.00	0.00%
5	Vikas Mehrotra	486006	1.26%	0.00	486006	1.26%	0.00	0.00%
6	Ms. Divya Mehrotra	1041871	2.69%	0.00	1041871	2.69%	0.00	0.00%
7	M. P. Mehrotra (HUF)	510025	1.32%	0.00	510025	1.32%	0.00	0.00%
8	M. P. Mehrotra (HUF)	78737	0.20%	0.00	78737	0.20%	0.00	0.00%
9	VLS Capital Ltd.	12342227	31.92%	0.00	13336538	34.50%	0.00	2.57%
10	South Asian Enterprises Ltd.	1500	0.00%	0.00	1500	0.00%	0.00	0.00%
11	Pragati Moulders Ltd.	0	0.00%	0.00	0	0.00%	0.00	0.00%
12	Mrs. Sadhana Mehrotra	0	0.00%	0.00	0	0.00%	0.00	0.00%
13	Ms. Daya Mehrotra	0	0.00%	0.00	0	0.00%	0.00	0.00%
14	Shri Ramji Mehrotra	0	0.00%	0.00	0	0.00%	0.00	0.00%
15	Mrs. Sushma Mehrotra	0	0.00%	0.00	0	0.00%	0.00	0.00%
	Total	16083242	41.60%	0.00	17187553	44.46%	0.00	2.86%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)

S.No	Shareholder's Name	Date	Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares the Company	% of total shares of	No. of Shares the Company	% of total shares of
1	VLS Capital Limited At the beginning of the year	01/04/2014	12342227	0.00%	12342227	0.00%
		12/06/2014	9782	0.03%	12352009	0.03%
		12/06/2014	11000	0.03%	12363009	0.05%
		13/6/2014	32661	0.08%	12395670	0.14%
		13/6/2014	34147	0.09%	12429817	0.23%
		16/6/2014	22992	0.06%	12452809	0.29%
		16/6/2014	2900	0.01%	12455709	0.29%
		17/6/2014	56151	0.15%	12511860	0.44%
		18/6/2014	54373	0.14%	12566233	0.58%
		18/6/2014	11406	0.03%	12577639	0.61%
		24/6/2014	6624	0.02%	12584263	0.63%
		24/6/2014	3838	0.01%	12588101	0.64%
		25/6/2014	43367	0.11%	12631468	0.75%
		25/6/2014	10133	0.03%	12641601	0.77%
		26/6/2014	54350	0.14%	12695951	0.91%
		26/6/2014	1000	0.00%	12696951	0.92%
		27/6/2014	21017	0.05%	12717968	0.97%
		27/6/2014	1153	0.00%	12719121	0.97%
		01/7/2014	41105	0.11%	12760226	1.08%
		01/7/2014	19400	0.05%	12779626	1.13%
		03/7/2014	14449	0.04%	12794075	1.17%
		03/7/2014	2000	0.01%	12796075	1.17%
		03/7/2014	-203	0.00%	12795872	1.17%
		11/7/2014	19000	0.05%	12814872	1.22%
		11/7/2014	13000	0.03%	12827872	1.26%
		14/7/2014	2106	0.01%	12829978	1.26%
		14/7/2014	1979	0.01%	12831957	1.27%
		15/7/2014	2500	0.01%	12834457	1.27%
		15/7/2014	6701	0.02%	12841158	1.29%
		17/7/2014	10701	0.03%	12851859	1.32%
		17/7/2014	5975	0.02%	12857834	1.33%
		18/7/2014	7346	0.02%	12865180	1.35%
		18/7/2014	16376	0.04%	12881556	1.39%
		21/7/2014	1105	0.00%	12882661	1.40%
		21/7/2014	3540	0.01%	12886201	1.41%
		22/7/2014	9076	0.02%	12895277	1.43%
		22/7/2014	16876	0.04%	12912153	1.47%
		23/7/2014	24900	0.06%	12937053	1.54%
		23/7/2014	4215	0.01%	12941268	1.55%
		24/7/2014	5000	0.01%	12946268	1.56%
		24/7/2014	265	0.00%	12946533	1.56%
		25/7/2014	23600	0.06%	12970133	1.62%

S.No	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Share holding during the year	
		Date	No. of Shares the Company	% of total shares of	No. of Shares the Company	% of total shares of
		25/7/2014	16000	0.04%	12986133	1.67%
		28/7/2014	11010	0.03%	12997143	1.69%
		28/7/2014	5091	0.01%	13002234	1.71%
		30/7/2014	25308	0.07%	13027542	1.77%
		30/7/2014	3352	0.01%	13030894	1.78%
		31/7/2014	9000	0.02%	13039894	1.80%
		31/7/2014	549	0.00%	13040443	1.81%
		14/8/2014	4700	0.01%	13045143	1.82%
		09/09/2014	11740	0.03%	13056883	1.85%
		09/10/2014	48	0.00%	13056931	1.85%
		16/9/2014	11866	0.03%	13068797	1.88%
		16/9/2014	3371	0.01%	13072168	1.89%
		17/9/2014	7837	0.02%	13080005	1.91%
		17/9/2014	1315	0.00%	13081320	1.91%
		05/01/2015	6087	0.02%	13087407	1.93%
		05/01/2015	5687	0.01%	13093094	1.94%
		06/01/2015	40170	0.10%	13133264	2.05%
		06/01/2015	13033	0.03%	13146297	2.08%
		07/01/2015	12417	0.03%	13158714	2.11%
		07/01/2015	2721	0.01%	13161435	2.12%
		09/01/2015	49885	0.13%	13211320	2.25%
		09/01/2015	20000	0.05%	13231320	2.30%
		26/02/2015	-10729	-0.03%	13220591	2.27%
		26/02/2015	-7177	-0.02%	13213414	2.25%
		03/03/2015	-24062	-0.06%	13189352	2.19%
		03/03/2015	-22400	-0.06%	13166952	2.13%
		04/03/2015	-13000	-0.03%	13153952	2.10%
		04/03/2015	-4500	-0.01%	13149452	2.09%
		10/03/2015	-14600	-0.04%	13134852	2.05%
		17/3/2015	10440	0.03%	13145292	2.08%
		17/3/2015	30500	0.08%	13175792	2.16%
		18/3/2015	26859	0.07%	13202651	2.23%
		18/3/2015	10892	0.03%	13213543	2.25%
		19/3/2015	21000	0.05%	13234543	2.31%
		19/3/2015	17000	0.04%	13251543	2.35%
		20/3/2015	32813	0.08%	13284356	2.44%
		20/3/2015	11600	0.03%	13295956	2.47%
		23/3/2015	20673	0.05%	13316629	2.52%
		23/3/2015	19909	0.05%	13336538	2.57%
	At the end of the year	31/03/2015	13336538	34.50%	13336538	34.50%
2	VLS Commodities Pvt. Limited	01/04/2014	267400	0.69%	267400	0.69%
	At the beginning of the year	24/03/2015	43038	0.11%	310438	0.80%
		25/03/2015	37514	0.10%	347952	0.90%
		27/03/2015	29448	0.08%	377400	0.98%
	At the end of the year	31/03/2015	377400	0.98%	377400	0.98%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	THE DHAMPUR SUGAR MILLS LTD					
	At the beginning of the year		263142	0.68	263142	0.68
	At the end of the year				263142	0.68
2	KABIR MULJI					
	At the beginning of the year		260700	0.67	260700	0.67
	11/04/2014	Transfer	20000	0.05	280700	0.73
	30/06/2014	Transfer	39300	0.1	320000	0.83
	At the end of the year				320000	0.83
3	ANURAG JAIN					
	At the beginning of the year		224071	0.58	224071	0.58
	29/08/2014	Transfer	-452	0	223619	0.58
	05/09/2014	Transfer	2452	0.01	226071	0.58
	27/02/2015	Transfer	1000	0	227071	0.59
	06/03/2015	Transfer	3610	0.01	230681	0.6
	31/03/2015	Transfer	15000	0.04	245681	0.64
	At the end of the year				245681	0.64
4	RENU KABRA					
	At the beginning of the year		177583	0.46	177583	0.46
	04/04/2014	Transfer	-47075	-0.12	130508	0.34
	11/04/2014	Transfer	56226	0.15	186734	0.48
	23/05/2014	Transfer	4462	0.01	191196	0.49
	04/07/2014	Transfer	500	0	191696	0.5
	10/10/2014	Transfer	12600	0.03	204296	0.53
	21/11/2014	Transfer	4000	0.01	208296	0.54
	28/11/2014	Transfer	20658	0.05	228954	0.59
	05/12/2014	Transfer	16027	0.04	244981	0.63
	12/12/2014	Transfer	9458	0.02	254439	0.66
	19/12/2014	Transfer	9000	0.02	263439	0.68
	31/12/2014	Transfer	16762	0.04	280201	0.72
	02/01/2015	Transfer	3751	0.01	283952	0.73
	16/01/2015	Transfer	-10000	-0.03	273952	0.71
	23/01/2015	Transfer	-20000	-0.05	253952	0.66
	13/03/2015	Transfer	250	0	254202	0.66
At the end of the year				254202	0.66	
5	ASHWINI NIKHIL RANE					
	At the beginning of the year		163012	0.42	163012	0.42
	At the end of the year				163012	0.42
6	UMA PATI KESHARI					
	At the beginning of the year		148050	0.38	148050	0.38
	04/04/2014	Transfer	350	0	148400	0.38
	11/04/2014	Transfer	-350	0	148050	0.38
	18/04/2014	Transfer	-2000	-0.01	146050	0.38
	25/04/2014	Transfer	150	0	146200	0.38
	23/05/2014	Transfer	1500	0	147700	0.38
	13/06/2014	Transfer	1200	0	148900	0.39
	11/07/2014	Transfer	-500	0	148400	0.38
	08/08/2014	Transfer	1300	0	149700	0.39
	15/08/2014	Transfer	700	0	150400	0.39
	22/08/2014	Transfer	-200	0	150200	0.39
	05/09/2014	Transfer	6800	0.02	157000	0.41
	30/09/2014	Transfer	-15600	-0.04	141400	0.37
03/10/2014	Transfer	-5464	-0.01	135936	0.35	

S.No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	07/11/2014	Transfer	-161	0	135775	0.35
	05/12/2014	Transfer	625	0	136400	0.35
	12/12/2014	Transfer	3641	0.01	140041	0.36
	31/12/2014	Transfer	85	0	140126	0.36
	16/01/2015	Transfer	-4726	-0.01	135400	0.35
	31/03/2015	Transfer	-1688	0	133712	0.35
	At the end of the year				133712	0.35
7	SAVITA BANSAL					
	At the beginning of the year		117493	0.3	117493	0.3
	11/04/2014	Transfer	2652	0.01	120145	0.31
	06/06/2014	Transfer	27846	0.07	147991	0.38
	30/06/2014	Transfer	13400	0.03	161391	0.42
	25/07/2014	Transfer	3541	0.01	164932	0.43
	05/09/2014	Transfer	1000	0	165932	0.43
	12/09/2014	Transfer	2000	0.01	167932	0.43
	30/09/2014	Transfer	12000	0.03	179932	0.47
	17/10/2014	Transfer	22555	0.06	202487	0.52
	07/11/2014	Transfer	200	0	202687	0.52
	27/02/2015	Transfer	3000	0.01	205687	0.53
	At the end of the year				205687	0.53
8	ANUP KUMAR BAJPAI					
	At the beginning of the year		115910	0.3	115910	0.3
	04/04/2014	Transfer	-50510	-0.13	65400	0.17
	11/04/2014	Transfer	50510	0.13	115910	0.3
	At the end of the year				115910	0.3
9	MASTER CAPITAL SERVICES LTD					
	At the beginning of the year		106415	0.28	106415	0.28
	04/04/2014	Transfer	8201	0.02	114616	0.3
	11/04/2014	Transfer	11881	0.03	126497	0.33
	18/04/2014	Transfer	-1804	0	124693	0.32
	25/04/2014	Transfer	-502	0	124191	0.32
	02/05/2014	Transfer	-18734	-0.05	105457	0.27
	09/05/2014	Transfer	-1741	0	103716	0.27
	16/05/2014	Transfer	3100	0.01	106816	0.28
	23/05/2014	Transfer	973	0	107789	0.28
	30/05/2014	Transfer	-5291	-0.01	102498	0.27
	06/06/2014	Transfer	-2310	-0.01	100188	0.26
	13/06/2014	Transfer	76	0	100264	0.26
	20/06/2014	Transfer	3875	0.01	104139	0.27
	30/06/2014	Transfer	4579	0.01	108718	0.28
	04/07/2014	Transfer	830	0	109548	0.28
	11/07/2014	Transfer	200	0	109748	0.28
	25/07/2014	Transfer	-339	0	109409	0.28
	01/08/2014	Transfer	-11319	-0.03	98090	0.25
	08/08/2014	Transfer	1831	0	99921	0.26
	15/08/2014	Transfer	-142	0	99779	0.26
	22/08/2014	Transfer	-1500	0	98279	0.25
	29/08/2014	Transfer	92	0	98371	0.25
	05/09/2014	Transfer	98	0	98469	0.25
	12/09/2014	Transfer	-1987	-0.01	96482	0.25
	19/09/2014	Transfer	-4600	-0.01	91882	0.24
	30/09/2014	Transfer	2548	0.01	94430	0.24
	10/10/2014	Transfer	650	0	95080	0.25

S.No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	17/10/2014	Transfer	-3870	-0.01	91210	0.24
	24/10/2014	Transfer	300	0	91510	0.24
	31/10/2014	Transfer	450	0	91960	0.24
	07/11/2014	Transfer	-7225	-0.02	84735	0.22
	21/11/2014	Transfer	-18420	-0.05	66315	0.17
	28/11/2014	Transfer	100	0	66415	0.17
	12/12/2014	Transfer	895	0	67310	0.17
	19/12/2014	Transfer	-201	0	67109	0.17
	31/12/2014	Transfer	-56634	-0.15	10475	0.03
	09/01/2015	Transfer	-917	0	9558	0.02
	16/01/2015	Transfer	4289	0.01	13847	0.04
	23/01/2015	Transfer	-2139	-0.01	11708	0.03
	30/01/2015	Transfer	924	0	12632	0.03
	06/02/2015	Transfer	2800	0.01	15432	0.04
	13/02/2015	Transfer	3016	0.01	18448	0.05
	20/02/2015	Transfer	-3175	-0.01	15273	0.04
	27/02/2015	Transfer	5015	0.01	20288	0.05
	06/03/2015	Transfer	524	0	20812	0.05
	13/03/2015	Transfer	-151	0	20661	0.05
	20/03/2015	Transfer	-641	0	20020	0.05
	27/03/2015	Transfer	-825	0	19195	0.05
	31/03/2015	Transfer	-100	0	19095	0.05
	At the end of the year				19095	0.05
10	ASHA DEVI					
	At the beginning of the year		94005	0.24	94005	0.24
	04/04/2014	Transfer	-1962	-0.01	92043	0.24
	11/04/2014	Transfer	2462	0.01	94505	0.24
	25/04/2014	Transfer	8500	0.02	103005	0.27
	09/05/2014	Transfer	5500	0.01	108505	0.28
	16/05/2014	Transfer	1000	0	109505	0.28
	06/06/2014	Transfer	1200	0	110705	0.29
	30/06/2014	Transfer	-3775	-0.01	106930	0.28
	25/07/2014	Transfer	4493	0.01	111423	0.29
	08/08/2014	Transfer	-1918	0	109505	0.28
	29/08/2014	Transfer	-3216	-0.01	106289	0.27
	12/09/2014	Transfer	-3484	-0.01	102805	0.27
	19/09/2014	Transfer	-1113	0	101692	0.26
	30/09/2014	Transfer	1100	0	102792	0.27
	17/10/2014	Transfer	-2000	-0.01	100792	0.26
	31/10/2014	Transfer	2700	0.01	103492	0.27
	28/11/2014	Transfer	513	0	104005	0.27
	05/12/2014	Transfer	-375	0	103630	0.27
	31/12/2014	Transfer	500	0	104130	0.27
	16/01/2015	Transfer	-2125	-0.01	102005	0.26
	27/03/2015	Transfer	799	0	102804	0.27
	At the end of the year				102804	0.27
11	TRUSTLINE SECURITIES LTD					
	At the beginning of the year		0	0	0	0
	04/04/2014	Transfer	11351	0.03	11351	0.03
	11/04/2014	Transfer	8950	0.02	20301	0.05
	18/04/2014	Transfer	1000	0	21301	0.06
	25/04/2014	Transfer	2500	0.01	23801	0.06
	02/05/2014	Transfer	54	0	23855	0.06

S.No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	09/05/2014	Transfer	7300	0.02	31155	0.08
	16/05/2014	Transfer	2600	0.01	33755	0.09
	23/05/2014	Transfer	10750	0.03	44505	0.12
	30/05/2014	Transfer	71453	0.18	115958	0.3
	06/06/2014	Transfer	-24448	-0.06	91510	0.24
	13/06/2014	Transfer	6244	0.02	97754	0.25
	20/06/2014	Transfer	-85503	-0.22	12251	0.03
	30/06/2014	Transfer	-400	0	11851	0.03
	04/07/2014	Transfer	2000	0.01	13851	0.04
	11/07/2014	Transfer	6700	0.02	20551	0.05
	18/07/2014	Transfer	2003	0.01	22554	0.06
	29/08/2014	Transfer	-22554	-0.06	0	0
	05/09/2014	Transfer	10051	0.03	10051	0.03
	14/11/2014	Transfer	30000	0.08	40051	0.1
	21/11/2014	Transfer	1000	0	41051	0.11
	28/11/2014	Transfer	1000	0	42051	0.11
	31/12/2014	Transfer	1150	0	43201	0.11
	09/01/2015	Transfer	-140	0	43061	0.11
	16/01/2015	Transfer	-17747	-0.05	25314	0.07
	23/01/2015	Transfer	-1104	0	24210	0.06
	06/02/2015	Transfer	400	0	24610	0.06
	13/02/2015	Transfer	-100	0	24510	0.06
	20/02/2015	Transfer	-1000	0	23510	0.06
	06/03/2015	Transfer	-10000	-0.03	13510	0.03
	13/03/2015	Transfer	51	0	13561	0.04
	20/03/2015	Transfer	2000	0.01	15561	0.04
	27/03/2015	Transfer	14492	0.04	30053	0.08
	31/03/2015	Transfer	-16492	-0.04	13561	0.04
	At the end of the year				13561	0.04
12	NETWORK LIMITED					
	At the beginning of the year		0	0	0	0
	04/04/2014	Transfer	0	0	0	0
	01/08/2014	Transfer	430	0	430	0
	08/08/2014	Transfer	5502	0.01	5932	0.02
	15/08/2014	Transfer	2000	0.01	7932	0.02
	22/08/2014	Transfer	4000	0.01	11932	0.03
	29/08/2014	Transfer	-11932	-0.03	0	0
	05/09/2014	Transfer	92676	0.24	92676	0.24
	30/09/2014	Transfer	92182	0.24	184858	0.48
	10/10/2014	Transfer	1500	0	186358	0.48
	17/10/2014	Transfer	21500	0.06	207858	0.54
	24/10/2014	Transfer	5000	0.01	212858	0.55
	07/11/2014	Transfer	10000	0.03	222858	0.58
	14/11/2014	Transfer	-28930	-0.07	193928	0.5
	21/11/2014	Transfer	1300	0	195228	0.5
	28/11/2014	Transfer	6132	0.02	201360	0.52
	05/12/2014	Transfer	9340	0.02	210700	0.54
	12/12/2014	Transfer	5000	0.01	215700	0.56
	02/01/2015	Transfer	1103	0	216803	0.56
	09/01/2015	Transfer	-13923	-0.04	202880	0.52
	16/01/2015	Transfer	-2990	-0.01	199890	0.52
	23/01/2015	Transfer	-16647	-0.04	183243	0.47
	30/01/2015	Transfer	15000	0.04	198243	0.51

S.No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	06/02/2015	Transfer	5071	0.01	203314	0.53
	13/02/2015	Transfer	1000	0	204314	0.53
	27/02/2015	Transfer	-148	0	204166	0.53
	06/03/2015	Transfer	5000	0.01	209166	0.54
	13/03/2015	Transfer	-9651	-0.02	199515	0.52
	20/03/2015	Transfer	-8619	-0.02	190896	0.49
	27/03/2015	Transfer	-33792	-0.09	157104	0.41
	At the end of the year				157104	0.41
13	PACE STOCK BROKING SERVICES PVT LTD					
	At the beginning of the year	0	0	0	0	
	04/04/2014	Transfer	49340	0.13	49340	0.13
	11/04/2014	Transfer	1000	0	50340	0.13
	30/05/2014	Transfer	-1500	0	48840	0.13
	13/06/2014	Transfer	3500	0.01	52340	0.14
	30/06/2014	Transfer	-22100	-0.06	30240	0.08
	04/07/2014	Transfer	-1800	0	28440	0.07
	11/07/2014	Transfer	10700	0.03	39140	0.1
	25/07/2014	Transfer	-4930	-0.01	34210	0.09
	15/08/2014	Transfer	-3000	-0.01	31210	0.08
	22/08/2014	Transfer	-5170	-0.01	26040	0.07
	29/08/2014	Transfer	-26040	-0.07	0	0
	05/09/2014	Transfer	25007	0.06	25007	0.06
	30/09/2014	Transfer	-4500	-0.01	20507	0.05
	03/10/2014	Transfer	-500	0	20007	0.05
	10/10/2014	Transfer	1000	0	21007	0.05
	17/10/2014	Transfer	67325	0.17	88332	0.23
	24/10/2014	Transfer	4000	0.01	92332	0.24
	31/10/2014	Transfer	5000	0.01	97332	0.25
	07/11/2014	Transfer	6500	0.02	103832	0.27
	14/11/2014	Transfer	2900	0.01	106732	0.28
	21/11/2014	Transfer	500	0	107232	0.28
	12/12/2014	Transfer	137	0	107369	0.28
	09/01/2015	Transfer	266	0	107635	0.28
	16/01/2015	Transfer	-85024	-0.22	22611	0.06
	23/01/2015	Transfer	-3851	-0.01	18760	0.05
	30/01/2015	Transfer	42226	0.11	60986	0.16
	06/02/2015	Transfer	17574	0.05	78560	0.2
	13/02/2015	Transfer	-100	0	78460	0.2
	20/02/2015	Transfer	-7000	-0.02	71460	0.18
	27/02/2015	Transfer	7000	0.02	78460	0.2
	06/03/2015	Transfer	-200	0	78260	0.2
	20/03/2015	Transfer	-66	0	78194	0.2
	31/03/2015	Transfer	-11056	-0.03	67138	0.17
	At the end of the year				67138	0.17
14	GLOBE FINCAP LIMITED					
	At the beginning of the year		0	0	0	0
	04/04/2014	Transfer	0	0	0	0
	08/08/2014	Transfer	884691	2.29	884691	2.29
	15/08/2014	Transfer	-884691	-2.29	0	0
	13/02/2015	Transfer	5139	0.01	5139	0.01
	27/02/2015	Transfer	-200	0	4939	0.01
	06/03/2015	Transfer	-200	0	4739	0.01
	20/03/2015	Transfer	-50	0	4689	0.01

S.No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	27/03/2015	Transfer	-655	0	4034	0.01
	At the end of the year				4034	0.01
15	MUKESH KANOOGA S					
	At the beginning of the year		0	0	0	0
	04/04/2014	Transfer	0	0	0	0
	30/06/2014	Transfer	38664	0.1	38664	0.1
	04/07/2014	Transfer	1418	0	40082	0.1
	25/07/2014	Transfer	2494	0.01	42576	0.11
	22/08/2014	Transfer	19031	0.05	61607	0.16
	05/09/2014	Transfer	17258	0.04	78865	0.2
	12/09/2014	Transfer	15365	0.04	94230	0.24
	19/09/2014	Transfer	-19979	-0.05	74251	0.19
	10/10/2014	Transfer	13049	0.03	87300	0.23
	09/01/2015	Transfer	4821	0.01	92121	0.24
	16/01/2015	Transfer	-13621	-0.04	78500	0.2
	13/03/2015	Transfer	42361	0.11	120861	0.31
	20/03/2015	Transfer	3321	0.01	124182	0.32
	At the end of the year				124182	0.32

(v) Shareholding of Directors & KMP:

S.No	For Each of the Directors & KMP	Date	Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year		0	0.00%	0	0.00%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0	0	0
	At the end of the year		0	0.00%	0	0.00%

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtness at the beginning of the financial year					
i) Principal Amount	0.00	0.00	0.00	0.00	
ii) Interest due but not paid	0.00	0.00	0.00	0.00	
iii) Interest accrued but not due	0.00	0.00	0.00	0.00	
Total (i+ii+iii)	0.00	0.00	0.00	0.00	
Change in Indebtedness during the financial year					
Additions	6640729.00	0.00	0.00	6640729.00	
Reduction	0.00	0.00	0.00	0.00	
Net Change	6640729.00	0.00	0.00	6640729.00	
Indebtedness at the end of the financial year					
i) Principal Amount	6640729.00	0.00	0.00	6640729.00	
ii) Interest due but not paid	0.00	0.00	0.00	0.00	
iii) Interest accrued but not due	0.00	0.00	0.00	0.00	
Total (i+ii+iii)	6640729.00	0.00	0.00	6640729.00	

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole time director and/or Manager:

SI.No	Particulars of Remuneration	Name of the MD/WTD/ Manager		Total Amount
		Mr S K Agarwal Managing Director	Mr K K Soni Director Finance & CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	2572800.00	1329000.00	3901800.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	as % of profit	0.00	0.00	0.00
	others (specify)	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total (A)	2572800.00	1329000.00	3901800.00
	Ceiling as per the Act per annum	6000000.00	6000000.00	6000000.00

B. Remuneration to other directors:

SI.No	Particulars of Remuneration	Name of the Directors							Total Amount
		Dr. S Ramesh	Shri A K Puri	Shri Ajit Kumar	Shri B. B. Tandon	Shri B M Oza	Shri M G Diwan	Shri Gian Vijeshwar	
1	Independent Directors								
	(a) Fee for attending board/ committee meetings	170000.00	110000.00	150000.00	92000.00	174000.00	0.00	0.00	696000.00
	(b) Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (1)	170000.00	110000.00	150000.00	92000.00	174000.00	0.00	0.00	696000.00
2	Other Non Executive Directors	Shri M.P. Mehrotra	Shri Somesh Mehrotra	Dr. (Mrs.) Sushma Mehrotra					
	(a) Fee for attending board/ committee meetings	50000.00	140000.00	20000.00					
	(b) Commission	0.00	0.00	0.00					
	(c) Others, please specify.	0.00	0.00	0.00					
	Total (2)	50000.00	140000.00	20000.00					
	Total (B)=(1+2)	220000.00	250000.00	170000.00	92000.00	174000.00	0.00	0.00	696000.00
	Total Managerial Remuneration	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Overall Ceiling as per the Act. per meeting	100000.00	100000.00	100000.00	100000.00	100000.00	100000.00	100000.00	100000.00

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL (OTHER THAN MD/MANAGER/WTD) :

SI.No	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Shri H. Consul Company Secretary	Shri K. K Soni CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N.A	1362756	Details given in Part A	1362756
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N.A	4163		4163
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A	0		0
2	Stock Option	N.A	0		0
3	Sweat Equity	N.A	0		0
4	Commission	N.A	0		0
	as % of profit	N.A	0		0
	others, specify	N.A	0		0
5	Others, please specify	N.A	0		0
	Total		1366919		1366919

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

Annexure B
Form No. AOC-2

(Pursuant to clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis

Sl.No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	VLS Asset Management Ltd. - Subsidiary
b)	Nature of contracts/arrangements/transactions	Financial assistance
c)	Duration of the contracts / arrangements/transactions	Perpetual unless rescinded
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Non- interest bearing
e)	Justification for entering into such contracts or arrangements or transactions	Financial health of subsidiary
f)	date(s) of approval by the Board	N.A.#
g)	Amount paid as advances, if any:	N.A.#
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	N.A.#

The arrangement was in existence prior to 01/04/2014 and no change in terms have been made.

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl.No.	Particulars	Details
a)	Name(s) of the related party	VLS Capital Ltd.
b)	Nature of relationship	Constituent of promoter group and also associate in terms of Companies Act, 2013.
c)	Nature of contracts/ arrangements/ transactions	Sale of equity shares of South Asian Enterprises Limited to VLS Capital Limited, an associate Company in ordinary course of business.
d)	Duration of the contracts / arrangements/transactions	03/02/2015
e)	Salient terms of the contracts or arrangements or transactions	Sold 1711289 equity shares, constituting about 42.78% holding in South Asian Enterprises Limited to VLS Capital Limited.
f)	Justification for entering into such contracts or arrangements or transactions	Unlocking the value of investment.
g)	date(s) of approval by the Board	Not applicable
h)	Amount received	Rs.1,93,88,905/-

Annexure C
THE ANNUAL REPORT ON CSR INITIATIVES TO BE INCLUDED IN THE BOARD'S REPORT:

- (1) A brief outline of the Company's CSR Policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:
The Company has formed a policy in compliance with provisions of Companies Act, 2013 and the same is placed on the website of the Company- www.vlsfinance.com.
- (2) The composition of the CSR Committee:
Shri Ajit Kumar, Shri S.K. Agarwal, Shri Somesh Mehrotra.
- (3) Average Net Profit of the Company for last three financial years: Rs. 2,49,26,688/-
- (4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 4,98,534/-
- (5) Details of CSR spent during the financial year:
- Total amount to be spent for the financial year: Rs. 4,98,534/-
 - Amount unspent, if any- Rs. 4,98,534/-
 - Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR Project/ activity identified	Sector in which the Project is covered	Projects/ Programs Local area/others Specify the state and District where projects / programs were undertaken	Amount outlay (budget):Project or program wise	Amount spent on project/ program 1. Direct expenditure on projects/programs 2. overheads	Cumulative expenditure upto the reporting period	Amount spent direct/through implementing agency
1.	NIL	NA	NA	NIL	NIL	NIL	NIL

CSR Committee confirms that the implementation and monitoring of the CSR Policy is, in compliance with the CSR objectives and Policy of the Company.

Ajit Kumar
(Chairman - CSR Committee) DIN: 00106597

S.K. Agarwal
(Managing Director) DIN: 00106763

Place: New Delhi

Date: 11/08/2015

Annexure-D
REPORT ON CORPORATE GOVERNANCE
Our Mission:

To be one of the top ranking Corporate to achieve sustained growth of business and profitability in core areas of investments, private placements and securities related operations, fulfilling socio economic obligations, excellence in customer service through up-gradation of skills of staff, their effective participation and making use of state of art technology.

Corporate Philosophy:

Your Company is committed to good corporate governance which enjoins the highest standard of ethical and responsible conduct of business to create value for all stake holders. The philosophy of your Company is to enhance the long-term economic value of the Company, its stakeholders and the society at large by adopting better corporate practices which not only ensures that the Company operates within the regulatory framework but also strive to achieve more transparency in management and institutional soundness.

1. BOARD OF DIRECTORS

- a) The total strength of the Board is 7 Directors all being non-executive, except the Managing Director and Director -Finance & CFO. The Board of your Company consist of 1 (One) Promoter Director, 3 (Three) Independent Directors and 3 (Three) Non-Independent Directors. The Chairman is a non-Executive Independent Director. About half of the members being Independent Directors, the present constitution of Board adequately complies with present requirement of Clause-49 of Listing Agreement. The Independent Directors aforesaid adequately meet the criteria laid down in section 149 of Companies Act, 2013 and other relevant laws as per declarations received by the company.
The attendance record of Directors for the year ended on 31/03/2015 and other information about them as required under Listing Agreement is as follows:

S.No.	Name of the Director	Whether Promoter/Executive or Non-Executive/Independent	No. of Board Meetings attended during 2014-2015	Whether attended AGM held on 25/09/2013	No. of Directorships in other Public Limited	No. of Committee positions held in other Public Limited Companies	
						Chairman	Member
1)	Shri Ajit Kumar (Chairman)	Non-Executive, Independent	5	NO	0	0	0
2)	Shri S. K. Agarwal	Executive, Non-Independent (Managing Director)	5	YES	3	0	0
3)	Shri Somesh Mehrotra	Non-Executive, Promoter	5	NO	2	-	-
4)	Shri A. K. Puri*	Non-Executive, Independent	3	NO	NA	NA	NA
5)	Shri M. G. Diwan*	Non-Executive, Independent	0	NO	NA	NA	NA
6)	Dr. S. Ramesh	Non-Executive, Independent	5	YES	1	-	1
7)	Shri B. M. Oza	Non-Executive, Independent	5	NO	-	-	-
8)	Shri M. P. Mehrotra*	Non-Executive, Promoter	2	NO	NA	NA	NA
9)	Shri Gian Vijeshwar*	Non-Executive, Independent	0	NO	NA	NA	NA
10)	Shri B. B. Tandon *	Non-Executive, Independent	3	NO	NA	NA	NA
11)	Shri K. K. Soni	Executive, Non-Independent	5	YES	5	-	2
12)	Dr. (Mrs.) Sushma Mehrotra*	Non-Executive, Non-Independent	1	NO	N.A.	NA	NA

- * Shri M.P. Mehrotra - Resigned as Non-Executive-Non Independent w.e.f. 04.09.2014.
* Shri B.B. Tandon - Resigned as Independent Director w.e.f. 26.09.2014.
* Shri A. K. Puri - Resigned as Director w.e.f. 14.11.2014.
* Shri Gian Vijeshwar - Resigned as Independent Director w.e.f. 01.12.2014
* Shri M.G. Diwan - Resigned as Independent Director w.e.f. 30.03.2015

* Dr. (Mrs.) Sushma Mehrotra - Appointed as Director on 14.11.2014 in casual vacancy caused by the resignation of Shri M.P. Mehrotra, in the category of Non-Executive and Non-Independent Director (Promoter). She ceased to be the Director on 09.04.2015 due to her demise. Additionally Dr. (Mrs.) Neeraj Arora has been appointed as an Additional Director in the category of Non-Executive and Non-Independent Director w.e.f. 30.05.2015.

None of the Directors is a member of more than 10 Board-level committees, namely the Audit Committee and the Stakeholders Relationship Committee or a Chairman of more than five such committees, as required under Clause 49 of the Listing Agreement. The Directorship in other companies excludes Directorships in any Foreign Company, Private Company and Company under Section 8 of the Companies Act, 2013.

- b) During the year ended 31/03/2015, 5 (Five) Board Meetings were held with atleast one meeting in every quarter on 26/05/2014, 11/08/2014, 29/08/2014, 14/11/2014, and 13/02/2015.
- c) There were no material transactions with the Non-Executive Directors during the year under review. For other related party transactions, necessary disclosures have been made under the head "Notes forming part of financial statement" in the Annual Accounts for the year under review.
- d) Information supplied to the Board:
The Board has unfettered and complete access to any information within the Company and to any employee of the Company. All other relevant information as and when required including those envisaged in Clause 49 of Listing Agreement was regularly provided to the Board and Committees thereof. The requisite CEO and CFO certification was also placed before the Board alongwith the Quarterly and Annual Accounts for the year under review as required under Clause 41 of Listing Agreement.
- e) Details of remuneration paid to the Directors during the Financial year ended on 31.03.2015:

S.No.	Name of the Director	Salary(In Rs.)	Perquisites (In Rs.)	Sitting fee (In Rs.)	Commission (In Rs.)	Total(In Rs.)
1)	Shri Ajit Kumar	N.A.	N.A.	1,50,000	N.A.	1,50,000
2)	Shri S.K. Agarwal	25,72,800	15,000	N.A.	N.A.	25,87,800
3)	Shri Somesh Mehrotra	N.A.	N.A.	1,40,000	N.A.	1,40,000
4)	Shri B.M. Oza	N.A.	N.A.	1,74,000	N.A.	1,74,000
5)	Dr. S. Ramesh	N.A.	N.A.	1,70,000	N.A.	1,70,000
6)	Shri A.K. Puri	N.A.	N.A.	1,10,000	N.A.	1,10,000
7)	Shri M.G. Diwan	N.A.	N.A.	0	N.A.	0
8)	Shri M. P. Mehrotra	N.A.	N.A.	50,000	N.A.	50,000
9)	Shri Gian Vijeshwar	N.A.	N.A.	0	N.A.	0
10)	Shri B. B. Tandon	N.A.	N.A.	92,000	N.A.	92,000
11)	Shri K. K. Soni	17,79,000	7,500	N.A.	N.A.	17,86,500

Notes:

- i) Currently, the Company does not have any stock option scheme.
- ii) No other remuneration, except sitting fee is paid to Non-Executive Directors.
- iii) Shri M. P. Mehrotra and Shri Somesh Mehrotra held 285 and 884691 equity shares of the Company respectively as on 31.03.2015. No other director held any shares of the Company on that date for self or for others on beneficial basis. None of the Directors except Shri M.P. Mehrotra and Shri Somesh Mehrotra are related to each other. Dr. (Mrs.) Sushma Mehrotra was paid Rs. 20,000/- as sitting fee during the year under review.
- iv) The service contract in case of Managing Director is 3 years with notice period of 3 months. The tenure of Director Finance & CFO is upto 30/01/2016 with notice period of one month. Presently, all the Directors other than Independent Directors are liable to retire by rotation as per provisions of the Companies Act, 2013. However, after the proposed modification in terms of appointment of Executive Directors and appointment of Independent Directors in terms of Section 149 of the Companies Act, 2013 is made, all the directors except Independent Directors will be liable to retire by rotation.

f) Code of Conduct

The Code of Conduct is applicable on all Directors and Senior Managerial personnel of the Company with certain provisions applicable to all employees e.g. Insider Trading etc. The Code of Conduct is available on the Company's Website. The declaration from Managing Director that all Board Members and other concerned have complied with the code is appended to and forms part of this Report.

Declaration under Clause 49 (II) (E) for compliance with the Code of Conduct

Pursuant to Clause 49 (II) (E) of the Listing Agreement entered into with Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with Code of Conduct from all the Board Members and Senior Management personnel of the Company for the period under review, which ended on 31/03/2015.

Date: 11/8/2015

Place: New Delhi

S. K. Agarwal
Managing Director

g) Disclosures regarding appointment or re-appointment of Directors

The relevant information about Directors retiring by rotation has been furnished in notice convening the ensuing Annual General Meeting.

2. AUDIT COMMITTEE

a) Composition

As on 1/4/2014 the Audit Committee consisted of Dr. S. Ramesh (Chairman of the Committee) with Shri Ajit Kumar, Shri A.K. Puri, Shri M. P. Mehrotra and Shri B. B. Tandon as members. However Shri M.P. Mehrotra, Shri B.B. Tandon and Shri A.K. Puri resigned as director from the Company w.e.f. 04/09/2014, 26/09/2014 and 14/11/2014 respectively and ceased to be the member of this committee. The Board nominated Shri Somesh Mehrotra- Non-executive & Non Independent Director (promoter), Shri S. K. Agarwal - Managing Director and Shri B. M. Oza – Independent Director w.e.f. 14/11/2014 as members of the committee. The majority of the members are Independent Directors including chairman of the committee. All the members of committee are financially literate in terms of relevant stipulation under Clause- 49 of the Listing Agreement and two members have extensive experience in areas of finance, taxation and other financial services.

b) Terms of reference

The role, terms of reference, authority and powers of the Committee were in conformity with the Listing Agreement read with Section 177 of the Companies Act, 2013. The Audit Committee inter-alia advises the management on areas where systems, processes, measures for controlling and monitoring revenue, internal audit and risk management can be improved. The Company Secretary is the Secretary of the Committee. The Statutory Auditor is regularly invited for meetings of the Committee. The Internal Auditor, the Managing Director and other Executives are also invited to committee's meetings, whenever required. The minutes of Audit Committee meetings are regularly placed before the Board. The Board had accepted all the recommendations made by Audit Committee during the year under review. The terms of reference of Audit Committee had been revised by the Board on 26/05/2014 to conform to provisions of Section 177 of the Companies Act, 2013 and Clause 49 of Listing Agreement which is envisaged to be effective from 1/10/2014. No change in constitution of committee was made as present constitution complies with the extant norms.

c) Meetings and attendance

During the year ended on 31/03/2015, 4 (Four) meetings of Audit Committee Meetings were held on 26/05/2014, 11/08/2014, 14/11/2014 and 13/02/2015.

The summary of attendance of members is as under:

Name	Shri A.K. Puri	Shri Ajit Kumar	Shri M.P. Mehrotra	Dr. S. Ramesh	Shri B.B. Tandon
Attendance in Four Meetings	3	4	1	4	2
Name	Shri Somesh Mehrotra	Shri B. M. Oza	Shri S. K. Agarwal		
Attendance in Four Meetings	1	1	1		

3. **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee as on 01/04/2014 comprised Shri B.M. Oza - Chairman of the Committee with Shri Somesh Mehrotra, Dr. S. Ramesh and Shri A. K. Puri as Members. The Company Secretary acts as Secretary of the Committee. The Board in its meeting held on 26/05/2014 had renamed the said committee as Nomination & Remuneration Committee to comply with the provisions of Section 178 of Companies Act, 2013 and revised its terms of reference accordingly.

The Committee formulates the remuneration package for managerial personnel including Executive Director(s) for approval of the Board and performs other roles detailed out in the Listing Agreement executed with the Stock Exchanges or as assigned by the Board from time to time. During the year under review Two meeting of remuneration committee were held on 11/08/2014 and 14/11/2014. Dr. S Ramesh, Shri Somesh Mehrotra, Shri A. K. Puri and Shri B. M. Oza attended both the meetings. Upon resignation as Director, Shri A. K. Puri had also ceased to be member of the said committee.

There was no change in constitution of Committee since the existing Committee complied with requirements of applicable regulations.

4. **STAKEHOLDERS RELATIONSHIP COMMITTEE**

a) **Composition and terms of reference**

The Board in its meeting held on 26/05/2014 had renamed the share transfer committee as Stakeholders Relationship Committee under Section 178 of Companies Act, 2013.

The Committee consisted of Shri B.M. Oza as Chairman with Shri B.B. Tandon and Shri S. K. Agarwal as members. After resignation of Shri B. B. Tandon, the Board in its meeting held on 14/11/2014 had nominated Shri Gian Vijeshwar as its member. Subsequently upon resignation of Shri Gian Vijeshwar as Director w.e.f. 01/12/2014, the Board in its meeting held on 13/02/2015 had nominated Shri K. K. Soni in the said committee. Apart from approval of share transfer and related aspects the Committee is vested with the requisite powers and authority to specifically look into the redressal of the shareholders and investor's grievances. The Company Secretary is the Compliance Officer and Secretary of the Committee.

As a step towards providing better services to its shareholders, individual members regularly approve the requests for dematerialization of shares received during the intervening period between two committee meetings in exercise of authority delegated by committee. Thus, the time gap between the demat approvals on an average is less than 15 days. The summary of demat requests approved by members is regularly placed before Committee. The minutes of the Committee meetings are regularly placed before the Board.

b) **Meetings and attendance**

During the year under review, 12 (Twelve) meetings of Shareholders/Investors Grievance/ Stakeholders Relationship Committee were held on 30/04/2014, 21/05/2014, 30/06/2014, 31/07/2014, 28/08/2014, 24/09/2014, 30/10/2014, 25/11/2014, 26/12/2014, 06/02/2015, 07/03/2015 and 30/03/2015.

The summary of meetings attended by members of Committee is as under.

Name	Shri B.M. Oza	Shri S. K. Agarwal	Shri B. B. Tandon	Shri Gian Vijeshwar	Shri K.K. Soni
Attendance in 12 meetings	12	12	6	0	1

c) **Shareholders Complaints**

The Company had received 3 complaints during the financial year ended 31st March, 2015. All the complaints whether received through SEBI, Stock Exchange or individual members during the year were redressed to the satisfaction of investors and none remained outstanding at the end of the year under report. The nature wise summary of complaints received and redressed during the year is as under:

Nature of Complaints**	Received	Redressed
Non-receipt of Dividend	0	0
Non-receipt of Shares after transfer	0	0
Non-receipt of Annual Report	3	3
Non-receipt of Bonus Shares	0	0
Non-receipt of Name change sticker	0	0
Loss of shares/for duplicate shares	0	0
Non- receipt of share certificate after Rejection of Demat request	0	0
Total	3	3

** Complaint received from multiple sources e.g. from SEBI, Stock Exchange etc. has been treated as one complaint but a complaint, if sent again by SEBI/ Stock Exchange has been treated as a fresh complaint.

General correspondence e.g. change of address, enquiry on dividend for the year, ISIN No. of the Company etc. have been excluded from above.

5. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Composition and terms of reference

The Board in its meeting held on 11/08/2014 had constituted Corporate Social Responsibility Committee in compliance with section 135 of the Companies Act, 2013 and applicable Companies (Corporate Social Responsibility) Rules, 2014. The Committee consisted of Shri Ajit Kumar, Shri B. B. Tandon – Directors and Shri S. K. Agarwal-Managing Director as members. The terms of reference of CSR Committee are in compliance with the applicable regulations.

On receipt of resignation of Shri B. B. Tandon as Director, the Board in its meeting held on 14/11/2014 had nominated Shri Somesh Mehrotra in the said committee.

6. GENERAL BODY MEETINGS
a) Details of the last three Annual General Meetings

Financial year ended	Date	Time	Venue
March 31, 2014	September 25, 2014	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.
March 31, 2013	September 25, 2013	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.
March 31, 2012	September 28, 2012	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.

b) Special resolution passed in the previous 3 Annual General Meetings (AGM)

- In the AGM held on 25.9.2014 the following item was approved by Special Resolution
 - Borrowing limits upto Rs.500 crores.
- In the AGM held on 25.9.2013, no agenda item was required to be approved by special resolution.
- In the AGM held on 28.9.2012, no agenda item was required to be approved by special resolution.

c) Postal ballots

During the year under review, the following item was approved through Postal Ballot.

- Mortgage/creation of charge on assets of Company to secure its borrowing upto Rs.500 crores.

The voting pattern for the aforesaid item was as under:

Particulars	Total number of vote cast	Voted in Favour of the Resolution		Voted in Against the Resolution		Invalid Votes	
		Numbers of votes cast by the Members	% of total Number of Valid Votes Cast	Numbers of votes cast by the Members	% of total Number of Valid Votes Cast	Numbers of votes cast by the Members	% of total Number of Valid Votes Cast
E-Voting	14865371	6283	99.9913	700	0.0047	0	0.0040
Postal Ballot		14857788		0		600	
Total		14864071		700		600	

6. DISCLOSURES
a) Related party transactions

There were no transactions with Promoters, Directors and related persons that were materially significant, having conflict with the interest of Company at large, during the financial year under review. However, necessary disclosure has been made in Audited Financial Accounts for the year under review under the head 'Notes forming part of financial statements'.

b) Statutory compliance, penalties and strictures

The Company has complied with all applicable requirements of Stock Exchange, SEBI and other statutory authorities on all matters related to capital market during the year under review. The details of penalties/strictures on the Company in last three years are as under:

- None -

c) Legal Proceedings

There are certain pending cases relating to disputes between investors over title to equity shares of the Company, in which the Company has been made a party. However, these cases are not material in nature.

d) Compliance of Non-mandatory requirements
i) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (formerly Remuneration Committee) as on 01/04/2014 comprised Shri B.M. Oza - Chairman of the Committee with Shri Somesh Mehrotra, Dr. S. Ramesh and Shri A. K. Puri as Members. The Company Secretary acts as Secretary of the Committee. The Board in its meeting held on 26/05/2014 had renamed the said committee as Nomination & Remuneration Committee to comply with the provisions of Section 178 of Companies Act, 2013 and revised its terms of reference accordingly.

The Committee formulates the remuneration package for managerial personnel including Executive Director(s) for approval of the Board and performs other roles detailed out in the Listing Agreement executed with the Stock Exchanges or as assigned by the Board from time to time. During the year under review two meeting of remuneration committee were held on 11/08/2014 and 14/11/2014. Dr. S Ramesh, Shri Somesh Mehrotra, Shri A. K. Puri and Shri B. M. Oza attended both the meetings. Upon resignation as Director Shri A. K. Puri had also ceased to be member of the said committee.

There was no change in constitution of Committee since the existing Committee complied with requirements of applicable regulations.

ii) Operations And Management Committee

Board in its meeting held on 11/08/2014 had constituted a committee namely 'Operations and Management Committee' comprising Shri B.M. Oza- Independent Director, Shri Somesh Mehrotra – Non-executive-Non-independent Director, Shri S.K. Agarwal – Managing Director, Shri K.K. Soni- presently Director-Finance and CFO. During the financial year 1 (one) meeting was held and was attended by all the members of the committee. The Board delegated some of the powers to this committee including to open various bank / demat accounts, to borrow money subject to the upper limit approved by the members and such other assignments as may be given by Board from time to time.

iii) Buyback Committee

The board had constituted Buyback committee on 10/12/2013 for monitoring the buy back of shares approved on same date and nominated Shri B. M. Oza, Shri B. B. Tandon - Directors, Shri S. K. Agarwal- Managing Director and Shri K. K. Soni- Director- Finance & CFO as members of the said committee. The entire process of buy back was completed 10/02/2014. The said committee had been disbanded on 14/11/2014.

iv) The Company does not maintain separate office for the Non-Executive Chairman. However, he may claim reimbursement of expenses incurred for performance of duties as Chairman. No expenses on this account have been claimed during the year under review.

v) The Whistle blower policy or Vigil Mechanism as envisaged under the provisions of Companies Act, 2013 and Listing Agreement is in place.

vi) Presently the position of Chairman and CEO are held by separate persons.

vii) There was no qualification in the Auditor's Report on the Annual Accounts of the Company for the year under review.

viii) The Company has adhered to the directions of Reserve Bank of India (RBI) for Non Banking Finance Companies as applicable to the Company at the relevant points of time and the following committees were constituted on 22/01/2009.

a. Asset Liabilities Committee, b. Nomination Committee, c. Risk Management Committee

Since the Company is no longer as NBFC and the RBI Regulations are not applicable, the Board of Directors of the Company in its meeting held on 14/11/2014 had disbanded the aforesaid Committees.

ix) The report of Internal Auditor is placed before the Audit Committee and the Internal Auditor is regularly invited to the meeting of Audit Committee.

7. COMMUNICATION TO SHAREHOLDERS

The Company does not send newsletter to shareholders on quarterly or half yearly basis. The Company publishes un-audited quarterly results and annual audited results in prescribed format, in two newspapers viz. The Financial Express and Jansatta regularly. The said results and other quarterly compliances under listing agreement alongwith Reconciliation of Capital had also been uploaded on NEAPS a platform provided by NSE and <http://listing.bseindia.com> a platform provided by BSE Ltd. as well as emailed to corp.relations@bseindia.com, cmlist@nse.co.in, listing@cse-india.com and listing@mseindia.com the official email ID of BSE Limited, The National Stock Exchange of India Ltd., Mumbai, The Calcutta Stock Exchange Ltd., Kolkata and The Madras Stock Exchange Ltd., Chennai, respectively. The said results are also made available on the Company's website <http://www.vlsfinance.com> in terms of Clause 52 of Listing Agreement. Further, disclosures pursuant to the Listing Agreement are promptly communicated to the concerned Stock Exchanges. The documents filed by the Company with Registrar of Companies can be inspected at MCA's website namely www.mca.gov.in and the Company Identification Number (CIN) of Company is **L65910DL1986PLC023129**.

a) The official news releases and presentations made to analysts/ institutional investors shall also be posted on the website as and when made. No presentation was, however, made by Company to Analysts etc. during the year under review.

b) The Management Discussion and Analysis forms part of Annual Report for the year under review. The Company, however, assumes no responsibility in respect of forward looking statements, which may be amended or modified in future on the basis of subsequent developments or events.

c) The Company also dedicated an e-mail ID exclusively for redressal of Investor Complaints in compliance of Clause 47 (f) of Listing Agreement namely hconsul@vlsfinance.com which is also displayed on the Company's website www.vlsfinance.com under heading 'contact us'. The queries may also be addressed at the registered office of the Company i.e. 2nd floor, 13, Sant Nagar, East of Kailash, New Delhi-110065.

8. SHAREHOLDERS INFORMATION

a) Annual General Meeting

-	Date and time	: Thursday, 24 th September, 2015 at 3.30 PM
-	Venue	: The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003
-	Financial Year	: April to March
-	Book Closure	: From 17-09-2015 to 24-09-2015 (both days inclusive)
-	Buy back of shares	: No buy back of shares during the period under review.
-	Dividend payment date	: Not Applicable as no dividend has been recommended.

b) Listing at Stock Exchanges

The equity shares of the Company are listed at following Stock Exchanges:

1. BSE Limited (formerly The Bombay Stock Exchange), Mumbai. (Code:511333)
2. The National Stock Exchange of India Ltd., Mumbai. (Code: VLSFINAC)
3. The Calcutta Stock Exchange Ltd., Kolkata. (Code:032019)
4. The Madras Stock Exchange Ltd., Chennai.

The annual listing fee has been paid to BSE, NSE and CSE as mentioned above up to the year 2015-2016. Listing fee of MSE not paid since it is reportedly in the process of closure and also no demand in this regards has been received from the said stock exchange. However, de-listing confirmation is yet to be received from the Calcutta Stock Exchange Ltd. and the Madras Stock Exchange Ltd.

c) Stock Market data

(Source: Metastock)

Monthly highs, lows and trading volume for the Financial Year 2014-2015:

Months	NSE			BSE		
	High Rs.	Low Rs.	Volume Nos.	High Rs.	Low Rs.	Volume Nos.
Apr-14	17.40	13.25	509481	17.00	13.05	311752
May-14	17.90	13.30	625270	17.88	13.15	352465
Jun-14	24.40	16.80	1667922	24.35	15.90	1042517
Jul-14	25.60	20.30	459584	26.80	20.10	656434
Aug-14	22.75	18.70	310752	23.15	18.55	373813
Sep-14	30.45	20.00	1356107	29.95	20.30	946779
Oct-14	31.50	25.30	849877	31.30	25.65	459270
Nov-14	32.50	25.15	860664	32.50	25.00	540202
Dec-14	27.70	20.55	344403	32.80	21.15	297677
Jan-15	52.80	26.50	6878301	52.70	23.30	4147169
Feb-15	44.45	33.70	1665812	44.45	33.90	1096133
Mar-15	36.60	29.65	1136058	38.10	29.60	806197
Total			16664231			11030408

Graphical representation of Shares Price in NSE and BSE vis-à-vis Index Movement:
NSE Graph of VLS Finance Ltd.

Nifty :

BSE Graph of VLS Finance Ltd.

Sensex :

d) Registrar and Transfer Agents and Share Transfer System

The Company has retained M/s RCMC Share Registry Pvt. Ltd., as its Registrar & Transfer Agents for further period of one year w.e.f. 01/04/2015 for entire shareholder services viz. processing request for transfer, other shareholder services, dematerialisation of holding, providing connectivity services with depositories in compliance of SEBI's circular No.D&CC/F/TTC/CIR-15/2002 dated 27/12/2002.

e) Investors Correspondence

For any query relating to transfer/transmission of shares, dematerialisation, change of address etc. please write to M/s. RCMC Share Registry Pvt. Ltd., (the "Registrar") at B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 (Phone Nos. 011 – 26387320, 26387321, 26387323 and Fax 011-26387322). For any further assistance in said matters, queries may be addressed to the Company Secretary at the registered office of the Company.

f. Distribution of shareholding as on March 31, 2015

Slab of share holdings (No. of shares)	No. of share holders	%age	Nominal value of shares held (Rs.)	%age
1-500	12009	50.91	26391090.00	6.83
501-1000	8696	36.86	56995620.00	14.74
1001-2000	1632	6.92	23657660.00	6.12
2001-3000	447	1.89	11586840.00	3.00
3001-4000	173	0.73	6319090.00	1.63
4001-5000	166	0.70	7907510.00	2.05
5001-10000	265	1.12	19597480.00	5.07
10001 and above	203	0.86	234164880.00	60.57
Total	23591	100.00	386620170.00	100.00

According to categories of shareholders as on March 31, 2015

Sl. No.	Categories	No. of shares	Amount in Rs.	Percentage of shareholding
1	Promoters, Directors and Relatives	17187553	171875530	44.46
2	Financial Institution and Banks	9500	95000	0.02
3	Mutual Fund	100	1000	0.00
4	Fills	300	3000	0.00
5	Corporate Bodies	1965542	19655420	5.08
6	Clearing Members	177834	1778340	0.46
7	Indian Public	19207240	192072400	49.68
8	NRI/OCBs/FN	110448	1104480	0.29
9	LLP	3500	35000	0.01
	Grand Total	38662017	386620170.00	100.00

- g) Dematerialisation of Shares and liquidity
89.99% of the total share capital of Company was held in dematerialized form as on 31/03/2015. The shares of Company are actively traded in BSE Ltd. and The National Stock Exchange of India Ltd. The shares of the Company are traded only in demat segment w.e.f. 28th August 2000.
- h) There were no ADRs/ GDRs/ Warrants or other convertible instruments out standing as on 31/03/2015.
- i) **Reconciliation of capital**
The requisite certificate by a Practicing Company Secretary was duly submitted to the Stock Exchanges where the securities of the Company are listed at the end of each quarter, within prescribed time.
- j) **Financial Calendar (Tentative)**

Quarter ending	June 30, 2015	Mid of August, 2015
Quarter ending	September 30, 2015	Mid of November, 2015
Quarter ending	December 31, 2015	Mid of February, 2016
Year ending	March 31, 2016 #	End of May, 2016
Annual General Meeting for the year ended	March 31, 2015	24 th September, 2015

For the quarter ending 31/03/2016 un-audited results may not be published and only audited results will be published, unless decided otherwise.

h) Subsidiary Companies

The Company does not have a material non-listed Indian subsidiary in terms of Clause 49 of the Listing Agreement with Stock Exchanges, as per financial results of the period under review, i.e. Financial Year 2014-15.

i) Plant Location

Not applicable since the Company is not into manufacturing or similar activity.

Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors Certificate is annexed hereto.

CERTIFICATE

To

The Members of VLS Finance Ltd.

We have examined the compliance of conditions of Corporate Governance by VLS Finance Ltd., for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

We state that no investor grievance was pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance/Stakeholders Relationship Committee.

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

For and on behalf of
Agiwal & Associates
(Firm Registration No: 000181N)
Chartered Accountants
(P.C. Agiwal)
(Partner)
Membership No. 80475

Date: 11/8/2015
Place: New Delhi

Annexure-E

**Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

[Pursuant to section 204(1) of

the Companies Act, 2013 and Rule 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

VLS Finance Limited

2nd Floor, 13, Sant Nagar

East of Kailash

New Delhi-110065.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VLS Finance Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **VLS Finance Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable for the financial year under review);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India,
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited, The Calcutta Stock Exchange Ltd. and Madras Stock Exchange Ltd.;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (the compliance of sending the agenda at least seven days in advance was not applicable during the year under review), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were passed unanimously and were captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company

- a) Has obtained the membership as Stock Broker with BSE Ltd. w.e.f. 1st Oct, 2014 and has complied with all applicable regulations of the Exchange.
- b) Has obtained the consent of members in pursuance to Sec 180(1)(a) and 180(1)(c) under Companies Act, 2013 by way of special resolution at the 27th Annual General Meeting held on 25th September, 2014.

Sd/-

CS Pooja Gandhi

Company Secretary

ACS No.:20092

C P No.:11351

Place: New Delhi

Date: 25th July, 2015

This report is to be read with my letter of even date which is annexed as 'Annexure 1' and forms an integral part of this report.

Annexure 1

To,

The Members,

VLS Finance Limited

2nd Floor, 13, Sant Nagar,

East of Kailash,

New Delhi-110065.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

CS Pooja Gandhi

Company Secretary

ACS No.:20092

C P No.:11351

Place: New Delhi

Date: 25th July, 2015

Annexure-F
Annexure to Directors' Report

Information as per Section 134(3)(m) if the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31st March, 2015.

Conservation Of Energy

a) Energy conservation measure taken : Nil

b) Proposals under implementation for reduction consumption of energy : Nil

Technology Absorption

a) Research and development : Nil
b) Technology absorption, adoption and innovation : Nil

Foreign Exchange Earnings and Outgo

a) Foreign Exchange Earned : Nil
b) Foreign Exchange Used : Rs. 3,98,649/-

Annexure-G
Annexure to the Board's Report

A The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2014-15:

Sl.No	Name of the Directors	Designation	Ratio
1	Mr. S. K. Agarwal	Managing Director	7.7 : 1
2	Mr. K. K. Soni	Director-Finance & CFO	5.3 : 1

The Non-Executive Independent Directors of the Company are entitled for sitting fees and reimbursement of expenses as per the statutory provisions and are within the prescribed limits. The details of sitting fees of independent directors are provided in the Corporate Governance Report and forms part of the Annual Report.

2. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year 2014-15 :

Sl.No	Name of the Directors /Company Secretary	Designation	Remuneration paid during 2013-14 (Rs. In lacs)	Remuneration paid during 2014-15 (Rs. In lacs)	Increase*
1	Mr. S. K. Agarwal	Managing Director	19.65	25.88	31.69%
2	Mr. K. K. Soni	Director-Finance & CFO	@ 3.97	17.86	NA
3	Mr. H. Consul	Company Secretary	10.77	13.78	27.89%

* % increase does not include payment made towards leave encashment, payment of post arrears and perquisites yet to be claimed after the date of balance sheet pertaining to financial year.

@ Appointed as Director-Finance & CFO w.e.f. 14/11/2013, hence figures taken for part of the year. Accordingly the figures are not comparable.

There was no change in sitting fees of the Non-Executive Independent Directors during the FY 2014-15.

3. The percentage increase in the median remuneration of employees in the financial year 2014-15 :

There was percentage decrease in the median remuneration of employees in the financial year of around 13.78%

4. The number of permanent employees on the rolls of company:

30(Thirty)

5. The explanation on the relationship between average increase in remuneration and company performance:

On an average, employees received an increase in remuneration of 12.50%. The revenue grew by 21.15% as compared to last year. The profit before tax registered a growth of 75.34% and profit after tax (PAT) registered growth of 86.10% as compared to last year.

The increase in remuneration of employees is in line with the market trends and closely linked to corporate performance, business performance and individual performance.

6. Comparison of the remuneration of the key Managerial Personnel against the performance of the company:

In the financial year 2014-15, revenue of the company registered an increase of 21.15% and Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) is higher by 74.03% as compared to last year. The aggregate increase in salary for Executive Directors and other KMPs was 30.35% in FY 2014-15 over Financial Year 2013-14. For this purpose the remuneration paid to Director-Finance & CFO has been excluded for the reason stated in clause 2 above.

7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in percentile of salaries of employees other than the managerial personnel in 2014-15 was 10%-11%.

Percentage increase in the managerial remuneration for the year was 30.35% .(Refer clause 2 above)

8. Comparison of remuneration of each of the key Managerial Personnel against the performance of the company:

The % the remuneration of each KMP to the Profit After Tax (PAT) is given below:

Sl.No.	Name of the KMP	Designation	Percentage as PAT
1	Mr. S. K. Agarwal	Managing Director	3.99
2	Mr. K. K. Soni	Director-Finance & CFO	2.76
3	Mr. H. Consul	Company Secretary	2.13

9. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not applicable.
10. Affirmation that the remuneration is as per the remuneration policy of the company: Yes, the remuneration is as per the Remuneration policy of the Company.

For and on behalf of the Board of Directors

S.K. Agarwal
Managing Director
DIN: 00106763

K. K. Soni
Director-Finance & CFO
DIN: 00106037

Place : New Delhi
Date : 11/8/2015

Covering letter of the annual audit report to be filed with the stock Exchange
FORM A

1.	Name of the Company	VLS Finance Limited
2.	Annual financial statement for the year ended	31st March 2015
3.	Type of Audit observation	Un-Qualified
4.	Frequency of Observation	Not Applicable

S.K. Agarwal
Managing Director

K.K. Soni
Director-Finance & CFO

P.C. Agiwal
Representative of Statutory Auditor

Dr. S. Ramesh
Chairman-Audit Committee

INDEPENDENT AUDITOR'S REPORT

To the Members of VLS FINANCE LIMITED

Report on the Financial Statements

- We have audited the accompanying financial statements of **VLS FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- Our responsibility is to express an opinion on these financial statements based on our audit.
- We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncement require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company

has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015 and its profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (herein after referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - In our opinion, proper books of account and records as specified in Rule 15 of the Securities Contracts (Regulation) Rules, 1957 have been kept in so far as it appears from our examination of such books.
 - The Company as Stock broker has complied with the requirements of the stock exchange so far as they relate to maintenance of

accounts and was regular in submitting the required accounting information to the stock exchange.

- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us :
- i. After coming into effect of the Companies Act, 2013, the definition of "Associate" covers a Company or Companies in which the Company holds not less than 20% of the Total Share Capital of that company or those companies irrespective of whether they are in the same group or not. Hence, Sunair Hotels Ltd. and BMS IT Institute Private Ltd which are presently not in the same group, have been considered as Associate. Even though the company is in litigation with these companies, in the opinion of the Company, there is no adverse impact of such litigation on investments/advances made by it in these associates.
 - ii. The Company has made provision as at 31st March, 2015, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no requirement to transfer any amount to the Investor Education and Protection Fund, as the Company has no due outstanding during the year ended 31st March, 2015.

**For Agiwal & Associates
Chartered Accountants
(FRN : 000181N)**

**P. C. Agiwal
Partner
M. No. 080475**

**Place: New Delhi
Date: 30th May, 2015**

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT
REFERRED TO IN PARAGRAPH (9) OF OUR REPORT OF EVEN DATE
Re: VLS Finance Ltd. for the year ended 31st March 2015**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) All the fixed assets *except assets on lease, which are in the possession of the lessee*, have been physically verified by the management at the reasonable interval. No material discrepancies were noticed on such verification as informed to us.
- (ii) (a) The securities held as stock-in-trade have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock-in-trade followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and book records which are not material in relation to the Company, have been properly dealt with in the books of accounts.
- (iii) The Company has granted interest free unsecured loan to one subsidiary

company covered in the register maintained under section 189 of the Act. The Company has not granted any secured/unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Act.

- (a) As per information given to us, the aforesaid loan given to the subsidiary company is payable on demand.
- (b) In respect of the aforesaid loan, there is no overdue amount at the year end.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with its size of the Company and the nature of its business for the purchase of fixed assets and for purchase/sale of securities. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system during the year.
- (v) The Company has not accepted any deposit from the public within the meaning of Section 73 and 74 of the Act and the rules framed there under to the extent notified.
- (vi) In our opinion and according to the information and explanations given to us, maintenance of cost records as prescribed by the Central Govt. under sub-section (1) of Section 148 of the Act is not required as the Company has not done any activity prescribed under the said section.
- (vii) (a) The Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, wealth tax, service tax and any other statutory dues with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth tax, service tax and any other material statutory dues in arrears as at 31.03.2015 for a period of more than six months from the date they became payable.
- (c) According to the records and information and explanations given to us, there is no outstanding of any disputed statutory dues as on 31.03.2015.
- (d) There has been no requirement to transfer any amount to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and rules made there under, as the Company has no due outstanding during the year ended 31st March, 2015.
- (viii) The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses during the financial year ended on that date or in the immediately preceding Financial Year.
- (ix) On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to bank. The company does not owe any dues to financial institutions. No Debenture is outstanding as on 31/03/2015.
- (x) In our opinion and according to information and explanations given to us, the Company has not given any Guarantee for loans taken by others from Banks or Financial Institutions.
- (xi) The Company has not raised any Term Loan during the year.
- (xii) To the best of our knowledge and information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For Agiwal & Associates
Chartered Accountants
(FRN : 000181N)**

**P. C. Agiwal
Partner
M. No. 080475**

**Place: New Delhi
Date: 30th May, 2015**

BALANCE SHEET AS AT 31st March, 2015

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	38,78,42,420	38,78,42,420
(b) Reserves & Surplus	3	171,53,86,905	165,07,02,500
(2) Non-current liabilities			
(a) Other Long Term Liabilities		8,00,00,000	8,00,00,000
(b) Long Term Provisions	4	21,35,17,236	21,05,49,943
(3) Current liabilities			
(a) Short-Term borrowings	5	66,40,729	0
(b) Trade payables	6	33,13,935	25,90,484
(c) Other Current Liabilities	7	12,00,723	11,18,736
(d) Short Term Provisions	8	5,12,853	2,77,254
Total		240,84,14,801	233,30,81,337
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
- Tangible Assets	9	6,63,60,926	6,74,92,329
- Intangible Assets	9	2,65,826	51,785
(b) Non-current Investments	10	180,35,01,761	171,14,40,052
(c) Deferred tax assets (Net)	11	1,65,23,289	1,48,73,175
(d) Long-term loans and advances	12	13,29,77,542	12,93,86,085
(2) Current assets			
(a) Inventories- Share stock-in-trade	13	7,65,99,092	4,05,31,451
(b) Trade receivables	14	0	16,69,44,194
(c) Cash and cash equivalents	15	1,44,30,292	3,48,57,306
(d) Short-term loans and advances	16	29,71,05,855	16,58,07,511
(e) Other current assets	17	6,50,218	16,97,449
Total		240,84,14,801	233,30,81,337
Significant Accounting Policies and Notes forming part of accounts		1 to 23	

As per our report of even date.
 For Agiwal & Associates
 Chartered Accountants
 (F.R.N. 000181N)
 P.C.Agiwal
 Partner
 M.No.80475
 May 30th, 2015
 New Delhi

For and behalf of the Board

S.K.Agarwal
 Managing Director
 DIN : 00106763

B.M. Oza
 Director
 DIN : 00138488

K.K.Soni
 Director-Finance & CFO
 DIN : 00106037

H.Consul
 Company Secretary
 M. No : A-11183

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March, 2015**

(Amount in Rupees)

	Note No.	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
I Revenue from operations	18	4623,48,34,428	3816,35,15,614
II Other Income		61,620	1,37,243
III Total Revenue (I+II)		4623,48,96,048	<u>3816,36,52,857</u>
IV Expenses			
Purchase of Shares/Securities/Commodities		4609,88,29,117	3807,36,44,086
Change in stock of shares	19	(36,067,641)	(30,216,836)
Employee benefits expenses	20	1,88,40,090	1,19,19,058
Finance costs	21	23,04,759	1,96,508
Depreciation and Amortisation expense	9	47,64,329	41,97,817
Administrative & Other Expenses	22	7,33,55,895	6,23,54,039
V. Total Expenses		4616,20,26,549	<u>3812,20,94,672</u>
VI. Profit before tax (IV-V)		7,28,69,499	4,15,58,185
VII. Less: Tax Expenses			
Current Tax/MAT		97,18,771	23,11,035
Deferred Tax		(1,650,114)	44,26,373
VIII. Profit for the year (VI-VII)		6,48,00,842	<u>3,48,20,777</u>
EARNING PER SHARE			
Basic Earning per Share (Rs.)		1.68	0.90
Diluted Earning per Share (Rs.)		1.68	0.88
Face Value per Share (Rs.)		10.00	10.00
Significant Accounting Policies and Notes forming part of accounts		1 to 23	

As per our report of even date.
For Agiwal & Associates
Chartered Accountants
(F.R.N. 000181N)
P.C.Agiwal
Partner
M.No.80475
May 30th, 2015
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

B.M. Oza
Director
DIN : 00138488

K.K.Soni
Director-Finance & CFO
DIN : 00106037

H.Consul
Company Secretary
M. No : A-11183

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended 31st March, 2015.
COMPANY OVERVIEW

The company is a public limited company registered under the Companies Act, 1956 and is listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Calcutta Stock Exchange and Madras Stock Exchange. The Company has voluntarily surrendered the Certificate of Registration (CoR) with RBI which has been accepted by the RBI vide its letter dated 13/02/2014 w.e.f. 29/01/2014. The Company had applied for membership of Bombay Stock Exchange (BSE) and the same has been approved by BSE vide letter dated 14/05/2014. The SEBI Registration Certificate in connection thereto has been received vide letter dated 01/10/2014. The required formalities are being complied with in order to start broking activity at BSE.

1 Significant Accounting Policies.
A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. The financial statements have been prepared under the historical cost convention method in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013 and rules made thereunder, as amended as adopted consistently by the Company.

2. Use of Estimates:

The preparation of financial statements requires certain estimates and assumptions to be made that effect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

B. REVENUE RECOGNITION

- The Company adopts accrual basis of accounting.
- Income from Hire Purchase transactions is calculated following *Sum of Digits* method.
- Installments of Leasing and Hire Purchase Loans are received one month in advance. Thus, the Installments collected in the last month of the accounting year include a portion of the income of the next accounting year. However, this portion is not accounted as income received in advance, as the method is consistently followed and the amount involved is not material considering the total receipts of the Company and its "set-off effect" on the accounts.
- Profit arising on commodities sale transaction entered into through commodities stock exchange is recognized in the books in the year when the pay-out takes place. However, the sale is accounted for in the books at cost value on pay-in date as per contract. In the case of loss on such commodities sale transaction, the necessary provision equivalent to loss is made and charged to the Profit & Loss Account in the year of sale.

C. FIXED ASSETS

- Assets under Lease and Hire Purchase are accounted in the books at invoice value and the difference between the invoice price and disbursed amount is accounted as Security Deposits and the same is adjusted to the respective asset account on the expiry of the term of lease/hire purchase.
- Assets for own use are accounted for in the books at Cost including incidental charges less accumulated depreciation, if any.
- Depreciation is provided as under:
 - On Own Assets:**

Tangible
For the purpose of computing depreciation, the company has adopted the revised estimates of the useful life of the tangible assets, in accordance with the Part C of Schedule II of the Companies Act, 2013, w.e.f. 01/04/2014.

Intangible
In the opinion of the management, the estimated life of the computer software is 5 (five) years. The same has been amortized accordingly.
 - On Leased Assets:**
100% of the cost of asset is depreciated over the primary lease period applying interest rate implicit in the lease on the outstanding investment on lease to calculate the finance earnings for the period and the difference between the lease rental and finance earnings is charged as depreciation. This method is being consistently followed by the Company and effect of this method is similar to the method recommended by the Institute of Chartered Accountants of India.
- The Company follows a procedure of writing off all capital expenses which do not exceed Rs.1000/- in each case.

D. SHARE - STOCK IN TRADE

- Shares are valued at cost or market value whichever is lower.
- The Company deals/hedges/arbitrages the securities in the capital market and futures and options securities in the derivative segment. Therefore, the purchase and sales figures of both the segments are shown in the financial statements at their gross value.

E. INVESTMENTS

- Investments are classified into Non-current investments and current investments.
- Non-current investments are valued at cost. Provision for diminution in value

of investment is made scrip-wise to recognize a decline other than temporary in nature.

- Current investments are valued, scrip wise, at cost or market price, whichever is lower.
- The Company follows "FIFO Method" for calculating the cost of each investment sold by the Company for arriving at the profit/loss.

F. DEFERRED REVENUE EXPENDITURE

Deferred Revenue Expenditure is written off equally over a period of ten years.

G. PROVISION FOR RETIREMENT BENEFITS

- Defined Contribution Plans**
Gratuity liability of the Company is met through the Group Gratuity Scheme of Life Insurance Corporation of India. The contribution made to the said scheme has been charged to the Profit & Loss Account.
- Defined Benefit Plans**
Leave Encashment – Provision for unavailed leave benefit payable to employees as per the scheme of the Company is made on the basis of actuarial valuation.
- Short Term Employees Benefits**
Short Term Employees Benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

H. TAXATION

- Provision for Taxation is made on the basis of the taxable profits computed for the current accounting year in accordance with the Income Tax Act, 1961.
- Deferred Tax resulting from timing difference are expected to crystallize in case of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized. Deferred Tax Assets in respect of brought forward losses/unabsorbed depreciation is recognized based on income tax returns filed by the Company.

I. FOREIGN EXCHANGE TRANSLATIONS

- Investments in foreign entities are recorded at the exchange rates prevailing on the date of making the investments.
- Transactions in foreign currencies are recorded at the rates prevailing on the date of transaction.
- Monetary items denominated in foreign currency are restated at the rate prevailing on Balance Sheet date.
- Exchange gains/losses on conversion of monetary items denominated in foreign currency at the year end are dealt with in the Statement of profit and loss.

(Amount in Rupees)

	As at 31st March, 2015	As at 31st March, 2014
2 SHARE CAPITAL		
AUTHORISED CAPITAL		
15,00,00,000 Equity Shares of Rs.10/- each	<u>150,00,00,000</u>	<u>150,00,00,000</u>
(Previous year 15,00,00,000 Equity shares of Rs.10/-each)		
ISSUED CAPITAL		
3,91,29,517 Equity Shares of Rs.10/- each	<u>39,12,95,170</u>	40,26,25,000
(Previous year 4,02,62,500 Equity shares of Rs.10/-each)		
Less : 11,32,983 Equity Shares of Rs. 10/- each issued as fully paid up for cash bought back on 11-2-2014	<u>0</u>	1,13,29,830
	<u>39,12,95,170</u>	<u>39,12,95,170</u>
SUBSCRIBED & PAID-UP CAPITAL		
3,86,62,017 Equity Shares of Rs.10/- each fully paid up for cash	<u>38,66,20,170</u>	39,79,50,000
(Previous year 3,97,95,000 Equity Shares of Rs.10/- each)		
Less: 11,32,983 Equity Shares of Rs. 10/-each fully paid-up for cash bought back on 11-02-2014	<u>0</u>	1,13,29,830
	<u>38,66,20,170</u>	<u>38,66,20,170</u>
Add: Amount forfeited on 4,67,500 equity shares (Previous year 4,67,500 equity shares)	<u>12,22,250</u>	<u>12,22,250</u>
	<u>38,78,42,420</u>	<u>38,78,42,420</u>

(Of the above, 3,31,62,500 equity shares, fully paid up have been issued as bonus shares by way of capitalisation of share premium)

(a) Reconciliation of Number of Shares at the beginning and at the end of the reporting period

	As at 31/03/ 2015		As at 31/03/ 2014	
	Number	in Rupees	Number	In Rupees
Equity Shares at the beginning of the year	3,86,62,017	38,66,20,170	3,97,95,000	39,79,50,000
Less : Equity Shares bought back	0	0	11,32,983	1,13,29,830
Equity Shares at the end of the year	3,86,62,017	38,66,20,170	3,86,62,017	38,66,20,170

(b) List of shareholders holding more than 5% of the total number of shares issued by the Company

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
VLS Capital Limited	1,33,36,538	34.50	1,23,42,227	31.92

The Company has issued only one class of equity shares having a par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares dividends in Indian Rupees. The dividend, whenever, proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

(Amount in Rupees)

	As at 31st March, 2015	As at 31st March, 2014
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3 RESERVES & SURPLUS

a) GENERAL RESERVE		
As per last Balance Sheet		
Total (a)	29,68,83,930	29,68,83,930
b) STATUTORY RESERVE		
Opening Balance	13,02,13,355	13,02,13,355
Less : Transfer to surplus in the Statement of Profit & Loss	13,02,13,355	0
Closing Balance	0	13,02,13,355
Total (b)	0	13,02,13,355
c) SECURITY PREMIUM RESERVE ACCOUNT		
As per last Balance Sheet	96,27,47,811	96,27,47,811
Less : Premium@ 4.50/- per share on 11,32,983 shares bought back on 11-02-2014	0	50,98,424
Closing Balance	96,27,47,811	96,27,47,811
Total (c)	96,27,47,811	96,27,47,811
<i>Of the above amount of Rs.96,27,47,811/-, an amount of Rs.4,74,33,750 is relating to share premium received on forfeited shares</i>		
d) CAPITAL REDEMPTION RESERVE ACCOUNT		
Opening Balance	1,13,29,830	0
Add : Transfer from Surplus in the Statement of Profit & Loss towards 11,32,983 Equity Shares of Rs 10/- each fully paid up for cash bought back on 11-02-2014	0	1,13,29,830
Closing Balance	1,13,29,830	1,13,29,830
Total (d)	1,13,29,830	1,13,29,830

9. FIXED ASSETS

Sl. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost As at 01.04.2014	Additions during the year	Sales/ Adjust-ments	Cost As at 31-03-2015	Upto 31.03.2014	For the Year	Sales/ Adjust-ments	Upto 31-03-2015	As at 31-03-2015	As at 31.03.2014
TANGIBLE ASSETS											
Assets for own use:											
A	Buildings	9,79,31,151	0	0	9,79,31,151	3,31,56,868	31,42,558	0	3,62,99,426	6,16,31,725	6,47,74,283
B	Temporary Structures	6,88,735	0	0	6,88,735	6,88,734	0	0	6,88,734	1	1
C	Vehicles	42,00,931	26,40,796	39,000	68,02,727	28,58,723	8,00,200	27,187	36,31,736	31,70,991	13,42,208
D	Office Equipments	8,32,930	1,65,645	7,800	9,90,775	4,62,665	2,28,658	(52,970)	7,44,293	2,46,482	3,70,265
E	Furniture & Fixtures	9,46,317	3,18,494	42,284	12,22,527	7,68,911	80,254	33,538	8,15,627	4,06,900	1,77,406
F	Air Conditioners	10,81,392	3,06,493	0	13,87,885	6,30,865	1,70,351	(605)	8,01,821	5,86,064	4,50,527
G	Computers	13,09,394	1,69,575	0	14,78,969	10,73,988	1,78,915	(41,096)	12,93,999	1,84,970	2,35,406
H	Electrical Installations	2,44,954	0	0	2,44,954	2,30,439	0	(2,267)	2,32,706	12,248	14,515
I	Generator	4,30,905	0	0	4,30,905	4,03,187	0	(6,173)	4,09,360	21,545	27,718
2	Assets on Lease	120,66,66,568	0	0	120,66,66,568	120,66,66,568	0	0	120,66,66,568	1,00,000	1,00,000
		131,43,33,277	36,01,003	89,084	131,78,45,196	124,68,40,948	46,00,936	(42,386)	125,14,84,270	6,63,60,926	6,74,92,329
INTANGIBLE ASSETS											
	Computer Software	3,04,000	3,77,434	0	6,81,434	2,52,215	1,63,393	0	4,15,608	2,65,826	51,785
	Grand Total	131,46,37,277	39,78,437	89,084	131,85,26,630	124,70,93,163	47,64,329	(42,386)	125,18,99,878	6,66,26,752	6,75,44,114
	Previous Year	131,43,57,212	3,16,728	36,663	131,46,37,277	124,29,09,739	41,97,817	14,393	124,70,93,163	6,75,44,114	7,14,47,473

Note : Includes Rs. 1,16,437 (PY Nil) on account of adjustment due to transitional provision of schedule II of the Companies Act 2013 as on 01-04-2014

10. NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	QUANTITY			AMOUNT (In Rupees)	
	FACE VALUE	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
A. IN EQUITY SHARES					
1. Un-quoted & Fully Paid					
Indhradhan Agro Ltd.	10	1,50,000	1,50,000	15,00,000	15,00,000
Invest India Economic Foundation Private Ltd.	10	2,000	2,000	20,000	20,000
Sunair Hotels Ltd.	10	95,94,824	95,94,824	23,59,48,240	23,59,48,240
Appu Ghar Entertainment Private Ltd	10	77,100	2,77,100	3,85,50,000	13,85,50,000
VLS Capital Ltd	10	88,20,833	88,20,833	19,38,53,947	19,38,53,947
Dewdrop Career Solutions Private Ltd	10	10,000	10,000	12,50,000	12,50,000
MPL Enterprises Ltd (+)	10	5,482	5,482	0	0
Taurus Agile Technology Corporation Private Ltd	10	6,65,344	0	4,12,51,328	0
BMS IT Institute Private Ltd	10	56,00,000	56,00,000	24,92,00,000	24,92,00,000
		SUB TOTAL (A-1)		76,15,73,515	82,03,22,187
2. Quoted & Fully Paid					
ICDS Ltd (+)	10	21,929	21,929	0	0
KASHIPUR SUGAR MILLS LTD	10	89,767	89,767	7,99,032	7,99,032
ARTSON ENGINEERING LTD	1	4,104	4,104	1,00,376	1,00,376
ACCELYA KALE SOLUTIONS LTD	10	3,00,000	3,00,000	12,42,69,774	12,42,69,774
ADITYA BIRLA CHEMICALS INDIA LTD	10	955	2,00,000	2,17,024	2,82,35,226
AMBIKA COTTON MILLS LTD	10	1,00,000	0	4,55,67,080	0
AHMEDNAGAR FORGINGS LTD	10	1,000	0	3,41,000	0
BANK OF BARODA (++)	2	5	1	251	251

NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	FACE VALUE	QUANTITY		AMOUNT (In Rupees)	
		AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
BLISS GVS PHARMA LTD	1	3,26,000	3,26,000	1,00,85,795	1,00,85,795
BANCO PRODUCTS (INDIA) LTD	2	1,000	5,00,000	1,41,983	3,16,06,167
BALASORE ALLOYS LTD	5	10,00,000	0	2,41,47,487	0
BOMBAY BURMAH TRADING CORP LTD	2	355	0	1,50,339	0
CEAT LTD	10	8,000	7,70,414	34,22,874	17,13,10,278
CENTUM ELECTRONICS LTD	10	1,070	43,849	2,14,253	76,02,421
CENTURY ENKA LTD	10	1,000	0	1,78,595	0
DOLPHIN OFFSHORE ENTERPRISES (INDIA) LTD	10	0	1,00,000	0	82,59,949
ESSEL PROPACK LTD	2	0	1,50,000	0	74,24,960
GUJARAT HOTELS LTD	10	5,134	5,134	2,71,813	2,71,813
GHCL LTD	10	10,000	0	6,72,540	0
GARWARE WALL ROPES LTD	10	1,000	0	1,60,543	0
HT MEDIA LTD	2	0	5,00,000	0	3,98,30,997
HERITAGE FOODS LTD	10	1	0	342	0
HCL TECHNOLOGIES LTD (+)	2	1,07,000	0	0	0
HIMATSINGKA SEIDE LTD	5	1,00,000	0	90,40,587	0
INDRAPRASTHA MEDICAL CORPORATION LTD	10	0	2,937	0	1,01,602
ITC LTD	1	500	500	97,020	97,020
IFGL REFRACTORIES LTD	10	2,50,000	2,02,810	3,03,64,337	1,24,22,867
IGARASHI MOTORS INDIA LTD	10	0	2,00,000	0	2,50,80,769
INFINITE COMPUTER SOLUTIONS (INDIA) LTD	10	50,000	0	1,18,43,938	0
LYDDYS ELECTRIC & ENGG LTD	10	1,000	0	1,43,391	0

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

NON-CURRENT INVESTMENTS (at cost)					
PARTICULARS	FACE VALUE	QUANTITY		AMOUNT (In Rupees)	
		AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
KANSAI NEROLAC PAINTS LTD	1	7,35,640	0	16,78,11,822	0
MUNJAL SHOWA LTD	2	1,000	2,00,000	2,33,002	1,53,60,017
MEGHMANI ORGANICS LTD	1	75,00,000	0	13,40,24,345	
NANDAN DENIM LTD	10	1,000	3,40,199	46,041	1,18,67,097
NEO CORP INTERNATIONAL LTD	10	29,68,409	13,54,436	4,43,00,662	1,57,66,409
ORRISA SPONGE LTD	10	2,936	2,936	16,13,828	16,13,828
ORIENT REFRACTORIES LTD	1	0	5,00,000	0	2,78,28,797
POLARIS FINANCIAL TECHNOLOGIES LTD	5	0	2,50,000	0	3,89,81,264
RELAXO FOOTWEAR LTD	1	45,28,880	45,28,880	3,41,85,749	3,41,85,749
RELIANCE INDUSTRIES LTD	10	900	900	8,88,432	8,88,432
RUNEECHA TEXTILES LTD	10	3,57,600	3,57,600	17,88,000	17,88,000
SHILPI CABLE TECH LTD	10	11,72,052	0	1,98,11,432	0
STEL HOLDINGS LTD	10	5,58,665	0	1,49,31,053	0
SUMMIT SECURITIES LTD	10	1,91,049	0	4,47,74,854	0
SUVEN LIFE SCIENCE LTD	1	1,000	0	2,11,112	0
SURYA ROSHNI LTD	10	1,00,500	0	1,27,69,660	0
TATA STEEL LTD	10	300	300	2,05,413	2,05,413
TAMILNADU NEWSPRINT AND PAPERS LTD	10	18,577	4,00,000	26,91,474	5,20,91,292
TECHNOCRAFT INDUSTRIES (INDIA) LTD	10	5,11,037	6,992	8,92,27,228	6,31,703
UFLEX LTD	10	1,400	1,400	1,68,701	2,12,700
TCI INDUSTRIES LTD	10	9,699	9,699	5,76,607	5,76,607
WELSPUN INDIA LTD	10	0	5,000	0	3,41,333
CLARIS LIFESCIENCE LTD	10	0	800	0	1,56,635
STRIDES ARCOLAB LTD	10	0	72,527	0	6,38,27,883
SUB-TOTAL (A-2)				83,24,89,789	73,38,22,456
B. IN PREFERENCE SHARES					
Un-quoted & Fully Paid					
Taurus Agile Technology Corporation Private Ltd (0% Redeemable Preference Shares)	10	7,24,209	0	5,21,43,048	0
SUB-TOTAL B				5,21,43,048	0
C. IN EQUITY SHARES OF SUBSIDIARIES					
Un-quoted & Fully Paid-up					
VLS Securities Ltd.	10	1,49,50,000	1,49,50,000	14,95,00,000	14,95,00,000
VLS Asset Management Ltd.	10	70,100	70,100	7,01,000	7,01,000
SUB-TOTAL C				15,02,01,000	15,02,01,000
TOTAL D (A1+A2+B+C)				179,64,07,352	170,43,45,643
I. Aggregate value of quoted investments				At Cost 83,24,89,789	73,38,22,456
				Market Value 416,59,82,279	232,47,72,766
II. Aggregate value of un-quoted investments - In Subsidiaries				At Cost 15,02,01,000	15,02,01,000
- Others				At Cost 81,37,16,563	82,03,22,187
E. INVESTMENT IN IMMOVABLE PROPERTIES:-				70,94,409	70,94,409
TOTAL (E)				70,94,409	70,94,409
GRAND TOTAL (D+E)				180,35,01,761	171,14,40,052

(+) Bonus Shares received, hence cost of acquisition is NIL
 (++) Face value has been reduced from Rs. 10 to Rs. 2 on account of Split and there is corresponding increase in number of shares

(Amount in Rupees)

	As at 31st March, 2015	As at 31st March, 2014
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11 Deferred tax

a) Deferred tax Assets		
i) Accumulated Losses	3,52,70,590	3,52,70,590
ii) Employee Benefits	6,58,662	1,91,935
Total (a)	3,59,29,252	3,54,62,525
b) Deferred tax Liabilities		
i) Depreciation on Fixed Assets	1,94,05,963	2,05,89,350
Total (b)	1,94,05,963	2,05,89,350
Deferred tax assets (net)	(Total a-b) 1,65,23,289	1,48,73,175

12 Long Term Loans and advances

A) Unsecured, considered good		
i) Loans & Advances to Related Parties		
Loans to subsidiaries	9,24,336	9,19,595
Total (i)	9,24,336	9,19,595
ii) Loans & advances	8,00,00,000	8,00,00,000
Total (ii)	8,00,00,000	8,00,00,000
iii) Staff Loans and advances	3,94,958	3,17,216
Total (iii)	3,94,958	3,17,216
iv) Advances recoverable in cash or kind or for value to be received-	9,87,165	10,01,997
Total (iv)	9,87,165	10,01,997

v) Security Deposit with Govt Department	1,500	1,500
vii) Advance Income Tax and Tax Deducted at Source	63,22,124	15,92,124
Less: Tax Provisions	3,02,77,468	2,05,58,697
Total (vii)	4,43,47,459	4,55,53,653
Total A ((+ii+iii+iv+v+vi+vii))	13,29,77,542	12,93,86,085

B) Doubtful

Advances recoverable in cash or kind or for value to be received-	51,21,220	71,26,220
Less: Provision for Bad & Doubtful Debts	51,21,220	71,26,220
Total B	0	0
Total (A+B)	13,29,77,542	12,93,86,085

13. INVENTORIES-SHARE STOCK IN TRADE

(At Cost or market price, whichever is lower)

Name of the Company	As on 31.03.2015		As on 31.03.2014	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Stock of Quoted Equity shares (Fully Paid)				
ARIHANT COTSYN LTD	2,000	1	2,000	1
CENTRAL ROADLINES CORPORATION LTD	2,82,700	1	2,82,700	1
HINDUSTAN ADHESIVES LTD	1,000	13,000	1,000	7,560
INTERCRAFT LTD	29,000	1	29,000	1
KOTHARI PRODUCTS LTD (+)	30	3,903	10	3,903
SOUTH ASIAN ENTERPRISES LTD	0	0	17,11,289	2,12,19,984
SWEDE INDIA LTD	200	1	200	1
AXIS LIQUID FUND	49,098	7,60,00,000	13,387	1,90,00,000
RELIANCE LIQUID FUND	175	5,82,185	97	3,00,000
Total	3,64,203	7,65,99,092	20,39,683	4,05,31,451

(+) Includes 20 Bonus Shares received during the year

(Amount In Rupees)

	As at 31st March, 2015	As at 31st March, 2014
--	------------------------	------------------------

14 Trade Receivables
Unsecured-Considered good
Due from share brokers

1. Due for more than six months	0	0
2. Others	0	16,69,44,194
Total	0	16,69,44,194

15 Cash and Cash Equivalents

a) Cash on Hand	10,48,477	14,14,614
b) Balances with banks		
1. In Current Accounts	20,98,619	1,22,67,593
2. In Fixed Deposits (*)	1,12,83,196	2,11,75,099
(*) Fixed Deposits with banks include deposits of Rs.Nil (Previous Year: Rs.Nil) with maturity of more than 12 months.		
Total (a+b)	1,44,30,292	3,48,57,306

16 Short Term Loans and advances
Unsecured, considered good

i) Advances to Related Parties		
Receivables from subsidiaries	11,01,39,601	44,86,287
Margin Money with subsidiaries	4,30,00,000	11,40,00,000
ii) Loans and advances	0	6,00,000
iii) Staff Loans and advances	6,67,746	6,78,352
iv) Advances Recoverable in cash or in kind or for value to be received	5,25,10,100	34,59,548
v) Margin Money deposit with share brokers	9,00,00,000	4,25,00,000
vi) Prepaid Expenses	7,88,408	83,324
Total	29,71,05,855	16,58,07,511

17 Other Current Assets

Interest Accrued but not due	6,50,218	16,97,449
Total	6,50,218	16,97,449

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

(Amount In Rupees)

	Year ended 31st March, 2015	Year ended 31st March, 2014
18 REVENUE FROM OPERATIONS		
Sale of Shares/Securities/Commodities	4574,14,07,248	3805,22,35,121
Income from Other credit operations	75,42,374	2,13,57,281
Income from Investments	48,38,89,806	8,99,23,212
Bad Debts Recovered (Net)	19,95,000	0
Total	4623,48,34,428	3816,35,15,614
19 CHANGE IN STOCK OF SHARES		
Closing Stock of Shares	7,65,99,092	4,05,31,451
Less: Opening Stock of Shares	4,05,31,451	1,03,14,615
Change in Stock of Shares -Increase / (Decrease)	3,60,67,641	3,02,16,836
20 EMPLOYEE BENEFITS EXPENSES		
Salaries	1,57,99,594	1,04,45,822
Staff Amenities	6,02,409	5,18,476
Employer's Contribution to PF, ESI, Gratuity Fund etc.	24,38,447	9,54,760
Total	1,88,40,090	1,19,19,058
21 FINANCE COST		
Bank / Finance Charges	11,964	25,307
Other borrowing costs	22,92,795	1,71,201
Total	23,04,759	1,96,508
22 ADMINISTRATIVE & OTHER EXPENSES		
Advertisement & Business Promotion	28,86,218	26,07,630
Consultancy, Legal & Service Charges	3,37,41,087	2,52,13,385
Communication Expenses	15,36,298	26,99,283
Electricity & Water Charges	6,01,979	5,29,159
Insurance	44,338	42,639
Office Expenses	47,41,038	35,38,565
Shares Transaction Charges	4,04,156	16,867
Travelling Expenses & Conveyance	37,66,620	37,66,089
Rates & Taxes	1,05,70,467	56,18,670
Rent	47,20,000	42,00,000
Repairs & Maintenance		
—Others	15,83,116	10,78,973
Miscellaneous Expenses	75,47,984	34,21,389
Auditors' Remuneration		
a) Audit Fees	1,79,776	1,46,068
b) For Other Services		
— For Tax audit	89,888	67,416
— For certification	1,67,100	2,92,800
— Out of pocket expenses	45,671	35,000
Internal Auditors' Remuneration		
— Fees	50,000	50,000
— Out of pocket expenses	8,000	8,000
Directors' Sitting Fees	9,06,000	8,98,000
Provision for Non performing Assets (Net)	0	59,75,970
Contingent Provisions against Standard Assets	(226,375)	0
Bad debts written off	0	21,24,030
Loss on sale/written off of Fixed Assets	(7,466)	21,820
Prior year expenses	0	2,286
Total	7,33,55,895	6,23,54,039

23. NOTES FORMING PART OF FINANCIAL STATEMENT

- Contingent Liability:- NIL.
- In some cases balances in the accounts of Debtors, Loans and Advances, Other Current Assets and Creditors are subject to confirmation by the respective parties.
- Cash & Bank Balances include
Bank Deposits include fixed deposits of Rs.1,12,83,196/- (Previous Year – Rs.2,11,75,099/-) pledged with the banks as security for availing overdraft facilities.
- In view of the requirements of Schedule II of the Companies Act 2013, depreciation for the year has been provided based on the lives prescribed under the schedule II. Further in view of transitional provision of the Schedule II, a sum of Rs.1,16,437 has been adjusted in retained earnings on account of those assets whose useful life was nil as on 31st March 2014 as per the provisions of Schedule II. Further due to applicability of schedule II during the year, the depreciation for the year is higher by Rs. 4,22,135/-

5.

Trading Items	Opening Stock in trade as on 01.04.2014		Purchases		Sales		Closing Stock in trade as on 31.03.2015	
	Qty *	Value Rs.	Qty *	Value Rs.	Qty *	Value Rs.	Qty *	Value Rs.
Shares	2026199	21231451	82843567	23194783654	84554836	22884465782	314930	16907
(Previous year)	2026199	10314615	19519202	4583552241	19519202	4543157395	2026199	21231451
Commodities	Nil	Nil	5346	427200491	5346	428523758	Nil	Nil
(Previous year)	Nil	Nil	119898	13004123810	119898	13024983695	Nil	Nil
Liquid Fund	13484	19300000	107376448	22476844972	107340660	22428417708	49272	76582185
(Previous year)	Nil	Nil	335370422	20485968035	335356938	20484094031	13484	19300000

* Quantity of Shares is in numbers, Quantity of Liquid fund is in units and of Commodities is in lots.

6. Income from investments include:

	Current Year (Rs.)	Previous Year (Rs.)
Dividend Income (Gross)	2,94,13,139	7,54,10,266
7. Interest Receipts (Gross) Rs.75,42,374/- (inclusive of interest of Rs.31,59,164/- on Fixed Deposits and of Rs.42,51,498/- on margin money with share brokers and other interest received of Rs.1,31,712/-) (Previous Year Rs. 1,76,17,281/-, inclusive of interest of Rs.81,46,851/- on Fixed Deposits and Rs.90,20,938/- on margin money with share brokers and other interest received of Rs.4,49,492/-) grouped under Income from Operations includes Tax Deducted at Source amounting to Rs.7,49,332/- (Previous Year Rs. 17,58,779/-).		
8. The Current Assets, Loans and advances have the value on realization in the ordinary course of business at least equal to the amount at which they are stated.		
9. The term of lease agreements in respect of Leased Assets have expired and the assets continue in the possession of lessees. However, the said assets have been included in the block of fixed assets of the Company pending the transfer of titles.		
10. Related Party Disclosure Following are the related parties:- Subsidiaries: - VLS Securities Ltd. (99.67%) and VLS Asset Management Ltd (99.15%), Key Managerial Personnel:- 1) Shri S.K.Agarwal (Managing Director) 2) Shri K.K.Soni (Director Finance & CFO) 3) Shir H Consul, Company Secretary Associates: - (as defined in the Company Act 2013) 1) VLS Capital Ltd. 2) Sunair Hotels Ltd. 3) BMS IT Institute Private Ltd.		

Summary of transactions with the above related parties is as follows:-

Particulars	(Amount in Rs.)			
	Subsidiaries	Associates	Key Managerial Personnel	Others
Purchase of Securities	Rs.7,49,88,26,281 (Previous year Rs. 2,96,09,72,418)			
Sale of Securities	Rs. 7,39,91,81,254 (Previous year Rs.2,52,13,70,965)			
Rent and other charges received	Rs.1,34,832 (Previous year Rs.1,34,832)			
Other charges paid	Rs.34,21,510 (Previous year. Rs.15,06,285)			
Remuneration to Managing Director			Rs.25,87,800 (Previous year. Rs. 19,65,000)	
Remuneration to Director-Finance & CFO - (Previous year : part of the year w.e.f. 14/11/2013)			Rs. 17,86,500 (Previous year Rs.3,96,911)	
Remuneration to Company Secretary			Rs. 13,77,756 (Previous year. Rs. 10,77,296)	
Due from Subsidiaries (including margin money deposits - outstanding balance as on 31.03.2015)	Rs.15,40,63,937 (Previous year. Rs. 11,94,05,882)			

11. Managerial Remuneration

Particulars	Paid to Shri S.K. Agarwal Managing Director	Paid to Shri K. K. Soni Director-Finance & CFO
Remuneration	Rs. 25,72,800/- (Previous Year –Rs. 19,50,000/-)	Rs. 17,79,000/- (Previous Year– Rs. 3,03,683/- w.e.f. 14/11/2013)
Perquisites	Rs. 15,000/- (Previous Year –Rs. 15,000/-)	Rs 7,500 (Previous Year – Rs. 93,228)

The perquisite figure does not include contribution made by the Company for gratuity and group insurance scheme to the LIC and provision made for leave encashment.

12. Earning Per Share

Calculation of EPS (Basic and Diluted)

Particulars	Equivalent No. of Shares	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Basic and Diluted		
Total Shares Outstanding	3,86,62,017	3,86,62,017
Profit after Taxes	Rs. 6,48,00,842	Rs. 3,48,20,777
EPS -Basic	Rs. 1.68	Rs. 0.90
EPS -Diluted	Rs. 1.68	Rs. 0.88

13. Expenditure in Foreign Exchange:-

Foreign Travel Expenses Rs. 3,51,470/- (Previous year: Foreign Travel Expenses- Rs. 1,75,216) and Subscriptions Rs.47,179 (Previous year: Rs.NIL)

- A non interest bearing amount of Rs. 9,24,336/- (maximum amount outstanding during the year is Rs.9,24,336/-) is due from VLS Asset Management Ltd., the subsidiary of the Company.

- Accounting Standard (AS -17) relating to "Segment Reporting" has been complied with. The gross operating income and profit from the other segment is below the norms prescribed in AS-17, hence separate disclosure has not been made.

16. As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:-

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :-

Particulars	2014-15	2013-14
	(in Rupees)	
Employer's Contribution to Provident Fund	9,32,225	7,05,715
Employer's Contribution to Pension Fund	2,27,066	1,11,923

Defined Benefit Plans

A) Disclosure required under Accounting Standard 15 - Employee Benefits- Gratuity

(a) Gratuity (being administered by a Trust) is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/ resignation. The benefit vests on the employee completing 5 year of service. The Gratuity plan for the Company is a defined contribution plan where annual contributions as demanded by the insurer are deposited.

I) Reconciliation of opening and closing balance of the present value of obligation

	As at March 31, 2015 (in Rupees)	As at March 31, 2014 (in Rupees)
Change in present value of obligation		
Present value of obligation as at the beginning of the year	37,57,721	33,82,687
Current service cost	3,85,114	2,57,495
Interest cost	3,00,618	3,04,442
Actuarial (gain) / loss	854,240	(149,588)
Benefits paid	0	(37,315)
Present value of obligation as at the end of the year	52,97,693	37,57,721

II) Reconciliation of opening and closing balance of the fair value of Plan Assets

Change in present value of obligation		
Fair Value of Plan Assets as at the beginning of the year	45,31,142	42,03,068
Expected return on plan assets	4,09,964	3,65,389
Contributions	41,538	0
Benefits paid	0	(37,315)
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair Value of Plan Assets as at the end of the year	49,82,644	45,31,142

Reconciliation of present value in "I" above and the fair value of Plan Assets in "II" above

Present value of obligation as at the end of the year	52,97,693	37,57,721
Fair Value of Plan Assets as at the end of the year	49,82,644	45,31,142
Excess of Fair value of Plan Assets over present value of obligations	(315,049)	7,73,421

III) Expenses charged to Profit & Loss Account

Expenses charged to Profit & Loss Account	11,30,008	46,960
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Main actuarial assumptions

Discount rate	8.00%	9.00%
Salary Escalation	5.00%	5.00%

17. Disclosure required under Accounting Standard 15 - Employee Benefits.

The liability of Leave Encashment benefit is provided for on actuarial valuation using Projected Unit Credit method. The disclosure as required under AS 15 regarding the Company's Leave encashment benefit plan is as follows:-

(in Rupees)

	As at March 31, 2015	As at March 31, 2014
Change in present value of obligation		
Present value of obligation as at the beginning of the year	5,91,570	5,25,538
Current service cost	85,865	49,914
Interest cost	47,326	47,298
Actuarial (gain) / loss	201,395	(31,180)
Benefits paid	0	0
Present value of obligation as at the end of the year	9,26,156	5,91,570
Change in plan assets	Not Applicable	Not Applicable
Plan assets at the beginning of the year		
Expected return on plan assets		
Contribution by the Company		
Benefits paid		

Disclosure required under Accounting Standard 15 - Employee Benefits. (Contd.)

	As at March 31, 2015	As at March 31, 2014
Actuarial (gain) / loss		
Plan assets at the end of the year		
Liability recognised in the financial statement		
Cost for the year		
Current service cost	85,865	49,914
Interest cost	47,326	47,298
Return on plan assets	0	0
Actuarial (gain) / loss	201,395	(31,180)
Net cost	3,34,586	66,032
Constitution of plan assets	Not Applicable	Not Applicable
Other than equity, debt, property and bank a/c Funded with LIC		
Present value of obligation as at the end of the year		
Current Liability	5,12,853	3,14,316
Non Current Liability	4,13,303	2,77,254
Total	9,26,156	5,91,570
Main actuarial assumptions		
Discount rate	8.00%	9.00%
Rate of increase in compensation levels	5.00%	5.00%

Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.

18. Provision for non-performing assets of Rs. NIL/- is net off of Rs.20,05,000/- being excess provision written back of Non-performing assets/diminution in value of assets. (Previous year: Provision for Non-performing assets of Rs. 59,75,970/- is net off of Rs.30,24,030/- being excess provision written back of Non-performing assets/diminution in value of assets).

19. In respect of office premise acquired earlier, for which possession has already been taken by the Company, the registration formalities are yet to take place.

20. Bad Debts recovery of Rs.19,95,000/- is net of bad debts written off of Rs.20,05,000/- (Previous year: Bad Debts written off is Rs. 21,24,030/-).

21. After coming into effect of the Companies Act, 2013, the definition of "Associate" covers a Company or Companies in which the Company holds not less than 20% of the Total Share Capital of that company or those companies irrespective of whether they are in the same group or not. Hence, Sunair Hotels Ltd. and BMS IT Institute Private Ltd which are presently not in the same group, have been considered as Associate. Even though the company is in litigation with these companies, in the opinion of the Company, there is no adverse impact of such litigation on investments/advances made by it in these associates.

22. Notes 1 to 23 form an integral part of financial statements.

23. Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For Agiwal & Associates

(F.R.N. : 000181N)

Chartered Accountants

(P.C.Agiwal)

Partner

M.No. 80475

May 30th, 2015

New Delhi

For and behalf of the Board

S.K.Agarwal

Managing Director

(DIN : 00106763)

B.M. Oza

Director

(DIN : 00138488)

K.K.Soni

Director-Finance & CFO

(DIN : 00106037)

H.Consul

Company Secretary

(M. No. : A-11183)

Cash Flow Statement for the Year ended 31st March, 2015
(Rupees in Lacs)

	For the Year ended 31/03/2015		For the Year ended 31/03/2014	
A CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax		728.69		415.58
<i>Adjustments for :</i>				
Interest and Finance Charges	23.05		1.97	
Depreciation	47.64		41.98	
Loss on sale of Fixed Assets	(0.07)		0.22	
(Income)/Loss from Investments	(4,544.77)		(145.13)	
Dividend Income	(294.13)		(754.10)	
Leave encashment/gratuity Provisions	14.30		0.66	
NPA Provisions and adjustments	(2.26)	(4,756.24)	59.76	(794.64)
Operating Profit before Working Capital Changes		(4,027.55)		(379.06)
<i>Adjustments for :</i>				
Trade & Other Payables	8.05		111.79	
Inventories	(360.68)		(302.17)	
Trade & Other Receivables	1,679.92		6,343.88	
Short Term Loans and Advances	(1,312.98)	14.31	(928.19)	5,225.31
Cash Generated from Operations		(4,013.24)		4,846.25
Less: Taxes Paid (Net of Refunds)		85.13		(23.85)
Net Cash Flow from Operating Activities (A)		(4,098.37)		4,870.10
B CASH FLOW FROM INVESTMENT ACTIVITIES				
Net Proceeds from Fixed Assets		(39.56)		(3.16)
Investment in Securities (Net)		3,624.15		(6,669.62)
Long Term Loans and Advances		(27.98)		249.72
Dividend Income		294.13		754.10
Net Cash used/generated from Investing Activities (B)		3,850.74		(5,668.96)
C CASH FLOW FROM FINANCING ACTIVITIES				
Repayment to Bought back of Equity Share Capital (including securities premium)		0.00		(164.28)
Proceeds from/(Repayment of) Short Term Borrowings		66.41		0.00
Interest Paid		(23.05)		(1.97)
Net Cash Flow from Financing Activities (C)		43.36		(166.25)
Net Increase/ (Decrease) in Cash & Cash Equivalents(A+B+C)		(204.27)		(965.11)
Opening Balance of Cash & Cash Equivalents		348.57		1,313.68
Closing Balance of Cash & Cash Equivalents		144.30		348.57
Notes:-				
1. Cash & Cash Equivalents (Closing) includes deposits with banks amounting to Rs.112.83 lacs(Previous Year Rs.211.75 lacs), which are pledged with them as security for overdraft facility.				
2. Previous year's figures have been regrouped/reclassified wherever applicable.				

As per our report of even date.
For Agiwal & Associates
Chartered Accountants
(F.R.N. 000181N)
P.C.Agiwal
Partner
M.No.80475
May 30th, 2015
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

B.M. Oza
Director
DIN : 00138488

K.K.Soni
Director-Finance & CFO
DIN : 00106037

H.Consul
Company Secretary
M. No : A-11183

**VLS SECURITIES LIMITED**

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NEW DELHI-110065, Ph: 011-46656666, FAX: 011-46656699
CIN: U74899DL1994PLC062123,
email: vlssec@vlssecurities.com, website: www.vlssecurities.com**

DIRECTORS' REPORT

To

The Members of **VLS SECURITIES LIMITED**

Your Directors are pleased to present the 21st Annual Report of your Company together with Audited Annual Accounts for the year ended on 31st March, 2015.

FINANCIAL SUMMARY

During the year under review, your Company generated gross revenue of Rs. 70.99 lacs as against Rs. 32.02 lacs in the previous year. The Company earned a post tax profit of Rs. 13.58 lacs for the year under review as against Rs. 23.05 lacs earned in the preceding year.

DIVIDEND

In order to conserve resources, no dividend has been recommended.

RESERVES

No amount has been proposed to be transferred to General Reserve.

OPERATIONS

Your Company earned brokerage of Rs. 66.09 lacs during the year under review, as compared to Rs. 31.95 lacs earned during the previous year. The Company is continuing its efforts to increase its retail broking business.

The Company is also doing business in Future & Option segment as Trading Member of National Stock Exchange of India Limited ('NSE'). It is Trading and Clearing Member in cash segment of NSE as well. Further, the Company is a Category – I Merchant Banker and Portfolio Manager registered with SEBI.

FUTURE OUTLOOK

During the year under review, the volatility maintained its visibility in stock market. The global scenario also portrayed instability in view of downtrend in developed economies. With improvement in global situation, the Indian markets are expected to improve in current year.

The Merchant Banking Division of the Company is continuing to explore possibilities of making inroads on consultancy and similar fee based services. The activities of F & O segment is also expected to further the revenue generations of the Company. The Company is also exploring possibilities of Portfolio Management services to its clients.

DIRECTORS/KEY MANAGERIAL PERSONNEL**DIRECTORS**

There was no change in the Board of Directors during the year under review. During the year, 4 Board meetings were held on 24/05/2014, 19/09/2014, 29/12/2014 and 26/03/2015 respectively.

Shri T. B. Gupta - Director shall be retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Your Directors recommend his re-appointment.

The appointment of Shri P. K. Sharan and Shri R. K. Goswami as an Independent Directors for a term of 5 years in terms of Section 149 of the Companies Act, 2013, were approved in Annual General Meeting of the Company held on 24/09/2014. Therefore, Shri P. K. Sharan and Shri R. K. Goswami by virtue of being Independent Directors of your Company in terms of the provisions of the Companies Act, 2013, will not be liable to retire by rotation for the residual period of their respective terms of appointment. The alteration in terms of appointment of Shri S. K. Agarwal – Managing Director of the Company by making him liable to retire by rotation, as per the provisions of the Companies Act, 2013 were also approved in Annual General Meeting of the Company held on 24/09/2014.

KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Surbhi Jain (M. No.: A35217), member of the Institute of Company Secretaries of India, was appointed as Company Secretary w.e.f from 24/05/2014 and was designated as Key Managerial

Personnel as per Section 203 of Companies Act, 2013.

Also, Shri Anurag Bhatnagar was appointed as CFO of the Company w.e.f. 19/09/2014 and was designated as Key Managerial Personnel as per Section 203 of Companies Act, 2013.

AUDIT COMMITTEE

During the year, 2 meetings of the Audit Committee were held on 24/05/2014 and 29/12/2014. In terms of the provisions of the Companies Act, 2013, the constitution of Audit Committee have been changed by nominating Shri P. K. Sharan and Shri R. K. Goswami, Independent Directors and the nomination of Shri S. K. Agarwal - Managing Director and Shri T. B. Gupta were withdrawn. All the recommendations made by the Committee were accepted by the Board in entirety.

NOMINATION AND REMUNERATION COMMITTEE

During the year, 2 meetings of the Nomination and Remuneration Committee were held on 24/05/2014 and 19/09/2014. In terms of the provisions of the Companies Act, 2013, the Board constituted Nomination and Remuneration Committee consisting of Shri P. K. Sharan, Shri R. K. Goswami and Shri K.K. Soni. All the recommendations made by the Committee were accepted by the Board in entirety.

DECLARATION BY INDEPENDENT DIRECTORS

Independent Directors of your company have complied with the relevant provisions of the law relating to their declaration and they continue to comply with the provisions of the applicable laws.

ANNUAL RETURN EXTRACT

The extract of the Annual Return in **Form MGT-9** is enclosed as **Annexure-1** to this report.

CONTRACTS WITH RELATED PARTY

There is a proposal relating to usage of property in Mumbai belonging to its Holding Company-VLS Finance Ltd. to carry out broking activities subject to necessary approvals.

There is also a proposal to enter into a transaction to purchase 10,00,000 equity shares constituting 4.32% of VLS Capital Ltd. a constituent of promoter group worth Rs.6,00,00,000/- (Rupees Six Crores only) from South Asian Enterprises Ltd., also a constituent of promoter group subject to necessary approvals.

The details of the related party transactions have been provided in form AOC-2 as under::

Form No. AOC-2**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain transactions at arm's length under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	NONE
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any:	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis



Sl. No.	Particulars	Details
a)	Name(s) of the related party	VLS Finance Ltd.
b)	Nature of relationship	Holding Company
c)	Nature of contracts/ arrangements/ transactions	1. Client for stock trading 2. Usage of office Services
d)	Duration of the contracts / arrangements/transactions	1. Perpetual unless rescinded 2. Perpetual unless rescinded
e)	Salient terms of the contracts or arrangements or transactions	1. As per stock Exchange regulations 2. Reimbursement of expenses for services on actual basis.
f)	Justification for entering into such contracts or arrangements or transactions	1. In ordinary course of business for revenue generation. 2. In ordinary course of business for facilitating operations.
g)	date(s) of approval by the Board	1 & 2 not applicable since entered into prior to enforcement of provisions of section 188 of Companies Act, 2013.
h)	Amount paid during the year	Please refer note no. 26 of notes forming part of financial statements for details.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3) of the Companies Act, 2013 with respect to Directors' Responsibility statement, it is hereby confirmed:

- that in preparation of annual accounts for the financial year ended 31st March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of proper accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the Annual Accounts for the financial year ended 31st March, 2015 on a going concern basis.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

POLICIES**1. Risk Management Policy**

The Company has a system based approach to business risk management backed by strong internal control systems.

A strong independent Internal Audit Function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk managements processes may need to be improved. The Board reviews internal audit findings, and provide strategic guidance on internal controls, monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented.

The combination of policies and procedures adequately addresses the various risks associated with your Company's businesses.

2. Nomination and Remuneration Policy**Title:**

This Policy shall be called 'VLS_SEC_Nomination and Remuneration Policy.'

Objective:

The provisions in the Companies Act, 2013 have ushered Indian corporate system in to a new era of Corporate Governance placing onerous governance responsibilities on the shoulders of the Board of Directors and Key Managerial Personnel of the Companies.

Section 178 of the Companies Act, 2013 provide the necessary legal impetus for companies to have a policy and criteria for various matters like the remuneration of directors, key managerial persons and other employees, training of Independent Directors and performance evaluation of directors.

Considering this it is necessary to ensure quality of persons on the Board of Directors of the Company as well as for the Key Managerial personnel, as these are the persons who are entrusted with the responsibility of policy formulation for, direction to and execution of the business and operations of the Company.

Definitions:

Board means the Board of Directors of **VLS Securities Limited**

Company means **VLS Securities Limited**.

Committee means Nomination and Remuneration Committee of Board of Directors

Director means a person who has been appointed as such on the Board of the Company and includes Executive as well as Non-Executive Directors.

Executive Director means a Director who is in the whole time employment of the Company and includes a Managing Director as well as a Whole time Director and Manager, if member of the Board.

Government includes Central Government as well as any of the State Governments, any statutory authority, tribunal, board or a governmental or semi-governmental authority or any authority or agency recognized by the Government.

HR Department means the Human Resource Department of the Company.

HR Policy means the Policy of the Company defining the criteria and process for the recruitment, training, appraisal etc. and dealing with other matters concerning the employees of the Company.

Key Managerial Person means a person appointed as such by the Board under section 203 of the Companies Act, 2013.

Nomination & Remuneration Committee means the Committee of the Board constituted as such under the provisions of section 178 of the Companies Act, 2013.

Non-Executive Director means a Director who is not in the whole time employment of the Company and includes an Independent Director, Promoter Director and Nominee Director.

Policy means this policy, as amended from time to time.

Contents of the policy:

This Policy contains following:

- Process for the selection and appointment of Directors and Key Managerial Personnel;
- Criteria for determining remuneration of the Directors, Key Managerial Personnel and other employees of the Company;
- Training of Independent Directors.

(I) Selection of Directors and Key Managerial Personnel

In case of Executive Directors and Key Managerial Personnel, the selection can be made in either of the ways given below:

- by way of recruitment from outside;
- from within the Company hierarchy; or
- Upon recommendation by the Chairman or other Director.

The appointment may be made either to fill up a vacancy caused by retirement, resignation, death or removal of an existing Executive Director or it may be a fresh appointment.

In case of Non-Executive Directors the selection can be made in either of the ways given below:

- by way of selection from the data bank of Independent Directors maintained by the Government.
- Upon recommendation by Chairman or other Director.

The appointment may be made either to fill up a vacancy caused by resignation, death or removal of an existing Non-Executive Director or it may be appointment as an additional director or an alternate director.

(II) Qualifications, experience and positive attributes of Directors

a) While appointing a Director, it shall always be ensured that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

b) In case of appointment as an Executive Director, the candidate must have the relevant technical or professional qualifications and experience as are considered necessary based on the job description of the position. In case no specific qualification or



experience is prescribed or thought necessary for the position then, while recommending the appointment, the HR Department shall provide the job description to the Committee and justify that the qualifications, experience and expertise of the recommended candidate are satisfactory for the relevant appointment. In such circumstances, the Committee may, if considered necessary, call for an expert opinion on the appropriateness of the qualifications and experience of the candidate for the position of the Executive Director.

- c) In case of appointment as a Non-Executive Director, the candidate must be a graduate or possess diploma or a professional qualification in the field of his practice / profession / service and shall have not less than five years of working experience in such field as a professional in practice, advisor, consultant or as an employee, provided that the Board may waive the requirements of qualification and / or experience under this paragraph for a deserving candidate.
- d) The Board, while making the appointment of a Director, shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and open mind.
- (III) Process for appointment of Directors and Key Managerial Personnel
- (A) Process for the appointment of Executive Directors and Key Managerial Personnel:
- a) A proposal for the appointment of an Executive Director / Key Managerial Personnel with such details as may be prescribed shall be submitted for the consideration of the Committee. The proposal with recommendation of committee will be placed before the Board.
- b) The Board shall, based on the information available in the proposal and recommendation of committee deliberate upon the necessity for appointment, expertise, skill and knowledge of the candidate and reasonableness of the remuneration.
- c) The Board may call and seek the help of any other Company Official including the recommender or a Key Managerial Personnel while finalizing the appointment. The recommender shall not take part in the discussion or voting on the appointment of a Key Managerial Personnel.
- (B) Process for the appointment of Non- Executive Directors:
- a) A proposal for the appointment of a Non-Executive Director with such details as may be prescribed shall be submitted for the consideration of the committee. The proposal with recommendation of committee will be placed before the Board.
- b) The Board, based on the information available in the proposal, shall deliberate upon the necessity for appointment, integrity, qualifications, expertise, skill and knowledge of the candidate.
- (IV) Remuneration of Directors, Key Managerial Personnel and other employees
- a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:
- i) Criteria / norms for determining the remuneration of such employees prescribed in applicable statutory provisions and Company's internal criteria for remuneration.
- ii) Existing remuneration drawn.
- iii) Industry standards, if the data in this regard is available.
- iv) The job description.
- v) Qualifications and experience levels of the candidate,
- vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.
- vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.
- b) The determination of remuneration for other employees shall be governed by the HR Policy.
- c) The proposal for the appointment of an Executive Director / Key Managerial Personnel shall provide necessary information in this regard including recommendation of Committee to the Board in arriving at the conclusion as to whether or not the remuneration offered to the candidate is appropriate, reasonable and balanced as to the fixed and variable portions (including the commission).
- d) The remuneration payable to the Executive Directors, including the Commission and value of the perquisites, shall not exceed the permissible limits as are mentioned within the provisions of the Companies Act, 2013.
- e) The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof.
- f) The Non-Executive Directors shall not be eligible to receive any

remuneration / salary from the Company. However, the Non-Executive Directors shall be paid sitting fees for attending the meeting of the Board or committees thereof and commission, as may be decided by the Board / shareholders from time to time. The Non-Executive Directors shall also be eligible to receive reimbursement of reasonable out-of-pocket expenses incurred by them for attending the meetings of the Board, committees or shareholders, including travelling and lodging & boarding expenses or such other expense incurred by them regarding the affairs of the Company on an actual basis.

- g) The amount of sitting fee and commission payable to Non-Executive Directors shall not exceed the limits prescribed therefor under the provisions of the Companies Act, 2013.
Explanation: For the purposes of this Policy, Remuneration shall mean the Cost to the Company and shall include the salary, allowances, perquisites, performance incentive and any other facility provided or payment made to the employee.
- (V) Training of Independent Directors
- The Company shall arrange to provide training to Independent Directors to familiarize them with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The training may be provided in any of the ways given below:
- a) By providing reading material to the Independent Director(s) giving all relevant information about the Company, industry and the role of Independent Directors.
- b) An induction program devised for the Independent Director(s) wherein structured training is provided to the Independent Director(s) either exclusively or with other officials of the Company who are due for such induction / training.
- c) Such other manner as may be prescribed by applicable law or decided by the Board.

Interpretation:

- a) Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company.
- b) The reference to the male gender in the Policy shall be deemed to include a reference to female gender.
- c) In case of any dispute or difference upon the meaning / interpretation of any word or provision in this Policy, the same shall be referred to the Committee and the decision of the Committee in such a case shall be final. In interpreting such term / provision, the Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

Amendments:

The Board of Directors shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provisions or replace this Policy entirely with a new Policy.

AUDITORS

The term of M/s. Agiwal & Associates, Chartered Accountants, the Statutory Auditors of the Company will conclude at the ensuing Annual General Meeting scheduled to be held on 23rd September, 2015. They have furnished a certificate confirming their eligibility u/s 141 of the Companies Act, 2013 to act as Auditors of the Company, if re-appointed and also given their consent for such appointment. The Company has received a Certificate from the Auditors that they are qualified under Section 139 of the Companies Act, 2013 to act as the Auditors of the Company, if appointed.

The Board, concurring with the Audit Committee's recommendation, recommends their reappointment as the Statutory Auditors of the Company for the Financial Year 2015-2016. You are also requested to authorize the Board to fix their remuneration.

AUDITORS REPORT

The Auditors' report to the members on Annual Accounts for the year under review does not contain any qualification.

FIXED DEPOSITS

During the year under review, the Company has not held any fixed deposit within the meaning of Section 73 of the Companies Act, 2013 and the Rules made there under.

SUBSIDIARY

During the Financial year 2014-15, the Company did not have any subsidiary company, hence the disclosure in Form AOC-1 has been dispensed with. The Company has setup a Wholly Owned Subsidiary ("WOS") in UAE (Dubai) named as VLS International DMCC. The WOS has obtained its registration as a Company w.e.f 29/04/2015. It would initially carry out the business of trading on proprietary basis.

GREEN INITIATIVE IN CORPORATE GOVERNANCE:

As a continuing endeavor towards the Go Green initiative the Company



proposes to send future correspondence and documents like the notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email address provided by the Members. You may kindly note that as a Member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time.

STATUTORY DISCLOSURES

1. During the year under review, the Company did not absorb any new technology nor has carried out any R&D activity including conservation of Energy except as mandated for operational requirements by the National Stock Exchange of India Ltd. and applicable regulations. The relevant disclosure in prescribed format are enclosed as **Annexure-2** to this report.
2. As none of the employees of the Company are in receipt of remuneration in excess of limits specified in Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended, there are no disclosures which are required to be made in this report, in terms of the aforesaid regulations.
3. The Company has complied with SEBI (Stock Brokers and Sub Brokers) Regulations 1992, SEBI (Merchant Bankers) Regulations, 1992, SEBI (Portfolio Managers) Regulations, 1993 and other applicable laws/regulations, as amended. There was no proposal during the year under review for buy back of shares by the Company.
4. There are no deposits/ loan to be disclosed in terms of section 186 (6) of the Companies Act, 2013. The principle business of Company being investment in securities and providing related financial services, the provisions of section 186 are not applicable to it.
5. Your company has not issued equity shares with differential voting rights or under ESOP in terms of Sec 43a and 62(1)(b) of Companies Act, 2013 during the year under review.
6. Your company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of Sec 67(3)(b) of Companies Act, 2013 during the year under review.
7. No revision of financial statements or boards' report has been made in terms of Sec 131(1) of Companies Act, 2013 during the year under review.

8. Two Independent directors had been appointed by an ordinary resolution by the Company in terms of Sec 149 of Companies Act, 2013 during the year under review. Further, no independent director was re-appointed u/s 149(10) of Companies Act, 2013 through Special Resolution.
9. The Managing Director of your company is also the Managing Director of VLS Finance Ltd. - the Holding Company and receives remuneration from the holding company. Presently no remuneration is paid to Managing Director by the Company. This may be construed as disclosure in terms of Sec 197(14) of Companies Act, 2013.
10. There has been no change in the nature of business of Company during the year under review.
11. There has been no significant and material orders passed by regulatory authorities/ court that would impact the going concern status of the Company and its future operations.
12. The provisions of CSR are not applicable to the Company for the financial year under review.

HUMAN RESOURCES

The relationship with the employees continued to be cordial during the year. The Directors place on record their sincere appreciation to the employees at all levels. The number of employees stood at 9 (nine) during the year.

Anti-sexual harassment mechanism

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

There were no complaints received from any employee during the year under review and no complaints were pending as on 31/03/2015.

ACKNOWLEDGEMENTS

The Board takes this opportunity to place on record their sincere appreciation for all round co-operation and support from The National Stock Exchange of India Ltd., the regulatory authorities, Clients, Bankers and Associates.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 23/05/2015

S.K. Agarwal
Managing Director
DIN: 00106763

K.K. Soni
Director
DIN: 00106037

Annexure-1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	CIN : U74899DL1994PLC062123
ii	Registration Date	13/10/1994
iii	Name of the Company	VLS SECURITIES LIMITED
iv	Category/Sub-category of the Company	Public Limited Company
v	Address of the Registered office & contact details	2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065 Phone Nos. 011 – 46656666 Fax 011-46656699
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer agent if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Stock Broking	99717020	55.90

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	VLS Finance Ltd. 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065	L65910DL1986PLC023129	Holding	99.67	2(46)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	0	600	600	0.004%	0	600	600	0.004%	0.000%
b) Central Govt.or State Govt.	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) Bodies Corporates	0	14999400	14999400	99.996%	0	14999400	14999400	99.996%	0.000%
d) Bank/Fl	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Any other	0	0	0	0.000%	0	0	0	0.000%	0.000%
SUB TOTAL:(A) (1)	0	15000000	15000000	100.000%	0	15000000	15000000	100.000%	0.000%
(2) Foreign									
a) NRI- Individuals	0	0	0	0.000%	0	0	0	0.000%	0.000%
b) Other Individuals	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) Bodies Corp.	0	0	0	0.000%	0	0	0	0.000%	0.000%
d) Banks/Fl	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Any other...	0	0	0	0.000%	0	0	0	0.000%	0.000%
SUB TOTAL (A) (2)	0	0	0	0.000%	0	0	0	0.000%	0.000%
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	15000000	15000000	100.000%	0	15000000	15000000	100.000%	0.000%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.000%	0	0	0	0.00%	0.000%
b) Banks/Fl	0	0	0	0.000%	0	0	0	0.00%	0.000%
c) Central govt	0	0	0	0.000%	0	0	0	0.00%	0.000%
d) State Govt.	0	0	0	0.000%	0	0	0	0.00%	0.000%
e) Venture Capital Fund	0	0	0	0.000%	0	0	0	0.00%	0.000%
f) Insurance Companies	0	0	0	0.000%	0	0	0	0.00%	0.000%
g) FIIS	0	0	0	0.000%	0	0	0	0.00%	0.000%
h) Foreign Venture Capital Funds	0	0	0	0.000%	0	0	0	0.00%	0.000%
i) Others (specify)	0	0	0	0.000%	0	0	0	0.00%	0.000%
	0	0		0.000%	0	0		0.00%	
SUB TOTAL (B)(1):	0	0	0	0.000%	0	0	0	0.00%	0.000%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	0	0	0.000%	0	0	0	0.00%	0.000%
ii) Overseas	0	0	0	0.000%	0	0	0	0.00%	0.000%
b) Individuals	0	0			0	0			
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0.000%	0	0	0	0.00%	0.000%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.000%	0	0	0	0.00%	0.000%
c) Others (specify)	0	0			0	0			
a) NRI / OCB	0	0	0	0.000%	0	0	0	0.00%	0.000%
b) Foreign National	0	0	0	0.000%	0	0	0	0.00%	0.000%
c) Clearing Member	0	0	0	0.000%	0	0	0	0.00%	0.000%
d) LLP	0	0	0	0.000%	0	0	0	0.00%	0.000%
e) Trust	0	0	0	0.000%	0	0	0	0.00%	0.000%
SUB TOTAL (B)(2):	0	0	0	0.000%	0	0	0	0.00%	0.000%
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0.000%	0	0	0	0.00%	0.000%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000%	0	0	0	0	0.000%
Grand Total (A+B+C)	0	15000000	15000000	100.000%	0	15000000	15000000	100.00%	0.000%



(ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year i.e. 01/04/2014			Shareholding at the end of the year i.e. 31/03/2015			% Change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Shri M. P. Mehrotra	100	0.001%	0.00	100	0.001%	0.00	0.00%
2	Dr. (Mrs) Sushma Mehrotra	100	0.001%	0.00	100	0.001%	0.00	0.00%
3	Shri Somesh Mehrotra	100	0.001%	0.00	100	0.001%	0.00	0.00%
4	Shri Vikas Mehrotra	100	0.001%	0.00	100	0.001%	0.00	0.00%
5	Shri Ramji Mehrotra	100	0.001%	0.00	100	0.001%	0.00	0.00%
6	Shri R. Sathyamoorthy	100	0.001%	0.00	100	0.001%	0.00	0.00%
7	VLS Finance Ltd.	14949400	99.663%	0.00	14949400	99.663%	0.00	0.00%
8	VLS Capital Ltd.	50000	0.333%	0.00	50000	0.333%	0.00	0.00%
	Total	15000000	100.000%	0.00	15000000	100.000%	0.00	0.00%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

S.No	Shareholder's Name	Date	Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1/4/2014	15000000	100.00%	15000000	100.00%
1	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)		No Transaction during the year			
	At the end of the year	31/03/2015	15000000	100.00%	15000000	100.00%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For Each of the Top 10 Shareholders	Date	Shareholding at the end of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1/4/2014	NIL			
	At the end of the year (or on the date of separation, if separated during the year)	31/03/2015				

(v) Shareholding of Directors & KMP:

S.No	For Each of the Directors & KMP	Date	Shareholding at the end of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year		0	0.00%	0	0.00%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0	0	0
	At the end of the year		0	0.00%	0	0.00%

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year					
i) Principal Amount	0	0	0	0	
ii) Interest due but not paid	0	0	0	0	
iii) Interest accrued but not due	0	0	0	0	
Total (i+ii+iii)	0	0	0	0	
Change in Indebtedness during the financial year					
Additions	0	0	0	0	
Reduction	0	0	0	0	
Net Change	0	0	0	0	
Indebtedness at the end of the financial year					
i) Principal Amount	0	0	0	0	
ii) Interest due but not paid	0	0	0	0	
iii) Interest accrued but not due	0	0	0	0	
Total (i+ii+iii)	0	0	0	0	

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/ Manager	Total Amount
1	Gross salary	Ms. S.K. Agarwal- MD	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	0.00	0.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00
2	Stock option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission as % of profit others (specify)	0.00	0.00
5	Others, please specify	0.00	0.00
	Total (A)	0.00	0.00
	Ceiling as per the Act per annum	4200000.00	4200000.00

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Shri R. K. Goswami	Shri P K Sharan		
	(a) Fee for attending board committee meetings	6000.00	8000.00		14000.00
	(b) Commission	0.00	0.00		0.00
	(c) Others, please specify	0.00	0.00		0.00
	Total (1)	6000.00	8000.00		14000.00
2	Other Non Executive Directors				
	Non Independent Directors	Shri S.K. Agarwal	Shri K.K. Soni	Shri T.B. Gupta	
	(a) Fee for attending board committee meetings	0.00	0.00	0.00	
	(b) Commission	0.00	0.00	0.00	
	(c) Others, please specify.	0.00	0.00	0.00	
	Total (2)	0.00	0.00	0.00	
	Total (B)=(1+2)	6000.00	8000.00	14000.00	
	Total Managerial Remuneration	N.A.	N.A.	N.A.	
	Overall Ceiling as per the Act.	100000.00	100000.00	100000.00	



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANGER/WTD :

Sl.No	Particulars of Remuneration		Key Managerial Personnel		
			CEO	Mr. Surbhi Jain Company Secretary	Shri Anurag Bhatnagar CFO
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N. A.	0	1417000	1417000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N. A.	0	15000	15000
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N. A.	0	0	0
2	Stock Option	N. A.	0	0	0
3	Sweat Equity	N. A.	0	0	0
4	Commission as % of profit others, specify	N. A.	0	0	0
5	Others, please specify	N. A.	0	1432000	1432000
	Total	N. A.	0	1432000	1432000

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

Annexure-2**Annexure to Directors' Report**

Information as per Section 134(3)(m) if the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31st March, 2015.

CONSERVATION OF ENERGY

- a) Energy conservation measure taken : Nil
b) Proposals under implementation for reduction in consumption of energy : Nil

TECHNOLOGY ABSORPTION

- a) Research and development : Nil
b) Technology absorption, adoption and innovation : Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange Earned : Nil
b) Foreign Exchange Used : Nil

For and on behalf of the Board of Directors

Place : New Delhi

Date : 23/05/2015

S.K. Agarwal
Managing Director
DIN: 00106763

K.K. Soni
Director
DIN: 00106037

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VLS SECURITIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **VLS Securities Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing whether the company has in place an adequate internal financial control system over financial reporting and operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of

the Order to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the accounting standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representation received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
- f) The Company as Stock broker has complied with the requirements of the stock exchange so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the stock exchange.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us:
 - i. The company does not have any pending litigations which would impact its financial position.
 - ii. The company has made provision as at 31st March, 2015, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.
- h) In our opinion, proper books of account and records as specified in Rule 15 of the Securities Contracts (Regulation) Rules, 1957 have been kept in so far as it appears from our examination of such books.

**For Agiwal & Associates
Chartered Accountants
Firm Registration No.000181N**

**P. C. Agiwal
Partner**

**Place : New Delhi
Date : 23/05/2015**

Membership No. 080475

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its only fixed assets.
- b) The company has a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- ii. a) The Inventories have been physically verified during the year by the management. In our opinion, the frequency of the physical verification is reasonable.



- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management was found reasonable and adequate in relation to the size of the Company and nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted loans to any company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v. The Company has not accepted any deposits from public during the year.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- c) According to the information and explanations given to us, there are no amounts outstanding which are required to be transferred in investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 (1 of 1956) and rules made there under.
- viii. The Company neither has any accumulated losses as at the end of the year nor incurred any cash losses during the current financial year, or in the immediately preceding Financial Year.
- ix. The Company did not have any outstanding dues to financial institutions or banks during the year.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. The Company did not have any term loans outstanding during the year.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Agiwal & Associates
Chartered Accountants
Firm Registration No.000181N

Place : New Delhi
Date : 23/05/2015

P. C. Agiwal
Partner
Membership No. 080475

BALANCE SHEET AS AT 31.03.2015			
(Amount in Rs.)			
Particulars	Note No	As at 31.03.2015	As at 31.3. 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	15,00,00,000	15,00,00,000
(b) Reserves and Surplus	4	1,13,51,190	10,04,4,565
Total 1		16,13,51,190	16,00,44,565
(2) Non-Current Liabilities			
(a) Long Term Provisions	5	3,05,324	2,41,796
Total 2		3,05,324	2,41,796
(3) Current Liabilities			
(a) Trade Payables	6	17,82,30,740	15,37,71,278
(b) Other Current Liabilities	7	7,24,846	8,90,104
(c) Short-Term Provision	8	8,072	7,043
Total 3		17,89,63,658	15,46,68,425
Total (1+2+3)		34,06,20,172	31,49,54,786
II. Assets			
(1) Non-Current Assets			
<i>(a) Fixed Assets</i>			
Tangible Assets	9	4,90,004	44,007
Intangible Assets		1	7,405
(b) Non-Current Investments	10	23,20,55,058	12,30,55,058
(c) Deferred Tax Assets (Net)	11	1,23,411	69,855
(d) Long-Term Loans and Advances	12	2,79,60,054	2,49,94,193
Total 4		26,06,28,528	14,81,70,518
(2) Current Assets			
(a) Trade Receivables	13	2,60,80,294	11,61,702
(b) Cash and Cash Equivalents	14	15,52,034	27,94,594
(c) Short-Term Loans and Advances	15	5,17,69,974	16,12,02,265
(d) Other Current Assets	16	5,89,342	16,25,707
Total 5		7,99,91,644	16,67,84,268
Total (4+5)		34,06,20,172	31,49,54,786

See accompanying notes forming part of financial statements 1 to 28

As per our report of even date
For Agiwal & Associates
(F. R. N. 000181N)
Chartered Accountants

For and on behalf of the Board

P.C. Agiwal Partner Membership No. 080475 Place : New Delhi Date : 23/05/2015	S.K. Agarwal Managing Director DIN : 00106763	K.K.Soni Director DIN : 00106037	Anurag Bhatnagar Chief Financial Officer PAN : AAJPB6607R	Surbhi Jain Company Secretary M.No. : A35217
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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2015

Particulars	Note No	Year Ended 31.03.2015	Year Ended 31.03.2014
I. Revenue from Operations	17	70,99,618	32,02,188
II. Other Income	18	47,23,695	54,29,577
III. Total Revenue (I+II)		1,18,23,313	86,31,765
IV. Expenses:			
Purchase (Securities)		4,90,049	6,702
Operating Expenses	19	40,15,686	7,21,262
Employee Benefit Expense	20	39,75,980	40,13,187
Depreciation and Amortization Expense		1,03,168	20,656
Other Expenses	21	19,33,953	12,84,370
Total Expenses (IV)		1,05,18,836	60,46,177
V. Profit/(Loss) before tax (III-IV)		13,04,477	25,85,588
VI. Less: Tax Expenses			
(1) Current Tax		-	2,87,153
(2) Deferred Tax		(53,556)	(7,342)
(2) Earlier Year Adjustments		-	-
VII. Profit After Tax		13,58,033	23,05,777
Less: Adjustment of Tax Provision of Earlier Year		-	-
VII. Profit/(Loss) For The Year (V-VI)		13,58,033	23,05,777
VIII. Earning Per Equity Share (of Rs.10/- each)			
Basic and Diluted		0.09	0.15

See accompanying notes forming part of financial statements 1 to 28

As per our report of even date
For Agiwal & Associates
(F. R. N. 000181N)
Chartered Accountants

For and on behalf of the Board

P.C. Agiwal Partner Membership No. 080475 Place : New Delhi Date : 23/05/2015	S.K. Agarwal Managing Director DIN : 00106763	K.K.Soni Director DIN : 00106037	Anurag Bhatnagar Chief Financial Officer PAN : AAJPB6607R	Surbhi Jain Company Secretary M.No. : A35217
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NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 1**Corporate Overview**

VLS Securities Ltd., is a subsidiary of VLS Finance Ltd. incorporated in 1994. It is Category-I Merchant Banker and Portfolio Manager registered with Securities and Exchange Board of India. It is registered Stock Broker with National Stock Exchange of India Ltd., in Capital Market and Future & Options Segment. Besides above providing consulting and advisory services are areas of activity of Company.

Note 2**Significant Accounting Policies****a) Method of Accounting**

The Company is following accrual basis of accounting and accounts are prepared on historical cost basis in accordance with the generally accepted accounting practices.

b) Revenue Recognition

- Income from brokerage activities is accounted for on accrual basis except for the settlement for which pay-in and payout falls in the next financial year.
- The Company deals in Securities & Derivative segment and the purchase and sale figures of the said segment have been shown in the financial statements at their gross value. Further, there was no outstanding position in derivatives at the year end

a) Fixed assets

- All the fixed assets are stated at cost less accumulated depreciation.
- For the purpose of computing depreciation, the company has adopted the revised estimates of the useful life of the tangible assets, in accordance with the Part C of Schedule II of the Companies Act 2013, w.e.f. 01.04.2014. There are no intangibles with the company as at 31.03.2015.
- Depreciation on assets not exceeding Rs.5,000/- is provided for at 100%.

c) Provision for Retirement Benefits**i. Defined Contribution Plans**

Gratuity liability of the Company is met through the Group Gratuity Scheme of Life Insurance Corporation of India. The contribution made to the said scheme has been charged to the Profit & Loss Account.

ii. Defined Benefit Plans

Leave Encashment- Provision for unveiled leave benefit payable to employees as per the scheme of the Company is made on the basis of actuarial valuation.

iii. Short Term Employees Benefits

- Short Term Employees Benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

d) Investments

- Investments are classified into non-current investments and current investments.
- Non-current investments are valued at cost. Provision for diminution in value of investments is made scrip- wise to recognize a decline other than temporary in nature. Current investments are valued scrip-wise, at cost or market price, whichever is lower.
- The Company follows 'FIFO method' for calculating the cost of each investment sold by the Company for determining the profit/loss.

e) Taxation

- Provision for taxation is made on the basis of taxable profit in accordance with the Income Tax Act, 1961.
- Deferred tax resulting from timing difference between book and taxable profit is accounted for using the tax rates and law that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized only to the extent that there is a virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized. The deferred tax liability is recognized on having a reasonable certainty for crystallization of the same.

	As at 31.03.2015	As at 31.03.2014
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Note 3**Share Capital**

Authorised	17,50,00,000	17,50,00,000
1,75,00,000 Equity Shares (Previous Year 1,75,00,000 Equity Shares) of Rs.10/- each	17,50,00,000	17,50,00,000
Issued, Subscribed & Paid up 1,50,00,000 Equity shares (Previous Year 1,50,00,000 Equity Shares) of Rs.10/- each, fully paid up in cash	15,00,00,000	15,00,00,000

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	As at 31.03.2015		As at 31.03.2014	
Equity Shares	No. of shares	Rupees	No. of shares	Rupees
At the beginning of the year	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

c. Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as follows.

	As at 31.03.2015	As at 31.03.2014
VLS Finance Ltd. (including 600 shares held through its nominees)	1,49,50,000	1,49,50,000

d. Details of shareholders holding more than 5% shares in the company

	As at 31.03.2015		As at 31.03.2014	
	No. of shares	% of holding	No. of shares	% of holding
VLS Finance Ltd. (including 600 shares held through its nominees)	1,49,50,000	99.67	1,49,50,000	99.67

Note 4**Reserves & Surplus****SURPLUS IN STATEMENT OF PROFIT AND LOSS****As per Last Balance Sheet**

Opening Balance	1,00,44,565	7,738,788
Less: Depreciation Transition Impact	51,408	-
Add: Profit for the year	13,58,033	23,05,777
Total	1,13,51,190	10,044,565

Note 5**Long Term Provisions**

Provision for Leave Encashment	3,05,324	2,41,796
Total	3,05,324	2,41,796

Note 6**Trade Payables**

Holding Company	15,31,39,600	11,84,86,287
Others Payables	2,50,91,140	3,52,84,991
Total	17,82,30,740	15,37,71,278

Note 7**Other Current Liabilities**

Statutory Liabilities	96,227	3,45,398
Others Payables	6,28,619	5,44,706
Total	7,24,846	8,90,104

Note 8**Short- Term Provisions**

Provision for Leave Encashment	8,072	7,043
Total	8,072	7,043


NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)
Fixed assets - Tangible Assets
Note -9 (i)

Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
Balance as at 01 April 2013	38,57,809	2,88,205	71,112	-	42,17,126
Additions	9,200	-	-	-	9,200
Deduction	-	-	-	-	-
Balance as at 31 March 2014	38,67,009	2,88,205	71,112	-	42,26,326
Balance as at 01 April 2014	38,67,009	2,88,205	71,112	-	42,26,326
Additions	14,070	-	-	579,099	5,93,169
Deduction	-	-	-	-	-
Balance as at 31 March 2015	38,81,079	2,88,205	71,112	5,79,099	48,19,495
Depreciation					
Balance as at 01 April 2013	38,38,863	2,59,969	67,767	-	41,66,599
Depreciation for the year	11,258	3,928	534	-	15,720
Deduction	-	-	-	-	-
Balance as at 31 March 2014	38,50,121	2,63,897	68,301	-	41,82,319
Balance as at 01 April 2014	38,50,121	2,63,897	68,301	-	41,82,319
Depreciation for the year	3,561	-	-	99,607	1,03,168
adjustment on account of transition effect	16,887	24,307	2,810	-	44,004
Balance as at 31 March 2015	38,70,569	2,88,204	71,111	99,607	43,29,491
Fixed assets (Continued)					
Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
Net block					
As at 31 March 2014	16,888	24,308	2,811	-	44,007
As at 31st March 2015	10,510	1	1	4,79,492	4,90,004

Fixed assets - Intangible Assets
Note -9 (ii)

Description	Software	Total
Balance as at 01 April 2013	1,04,000	1,04,000
Additions	-	-
Deduction	-	-
Balance as at 31 March 2014	1,04,000	1,04,000
Balance as at 01 April 2014	1,04,000	1,04,000
Additions	-	-
Deduction	-	-
Balance as at 31 March 2015	1,04,000	1,04,000
Depreciation		
Balance as at 01 April 2013	91,659	91,659
Depreciation for the year	4,936	4,936
Deduction	-	-
Balance as at 31 March 2014	96,595	96,595
Balance as at 01 April 2014	96,595	96,595
Depreciation for the year	-	-
adjustment on account of transition effect	7,404	7,404
Balance as at 31 March 2015	1,03,999	1,03,999
Fixed assets (Continued)		
Description	Computer	Total
Net block		
As at 31 March 2014	7,405	7,405
As at 31st March 2015	1	1

As at	As at
31.03.2015	31.03.2014

Note 11
Deferred Tax

a. Deferred Tax Liabilities		
Depreciation on Fixed Assets	26,572	(7,037)
b. Deferred Tax Assets		
Employee Benefits	96,839	76,892
Net Deferred Tax Assets	1,23,411	69,855

Note 12
Long-Term Loans and Advances
(Unsecured, considered good)

Deposits with Others	2,59,00,000	2,27,00,000
Advance Income Tax and Tax Deducted as source (Less: Provision for Taxation Rs.Nil (P.Y. Rs.2,87,153/-)	12,50,193	16,10,428
Staff Loan and Advances	7,99,277	6,73,381
Advances recoverable in cash or kind or for value to be received	10,584	10,384
Total	2,79,60,054	2,49,94,193

Note 13
Trade Receivables
(Unsecured, considered good)

Debts outstanding for a year exceeding 6 months from the date they are due for payment	-	-
Others	2,60,80,294	11,61,702
Total	2,60,80,294	11,61,702

Note 14
Cash & Cash Equivalents

Cash on Hand	11,734	11,940
Balance with Banks		
- Current Account	15,40,300	17,82,654
- Fixed Deposit with Banks*	-	10,00,000
Total	15,52,034	27,94,594

* Fixed deposits with bank include deposits of Rs.Nil (Previous Year Rs.10 Lacs) with maturity of more than 12 months

Note - 10

PARTICULARS	As at 31.03.2015	As at 31.03.2014
	Rs	Rs
Non-Current Investments		
Non trade -At cost-Fully paid up (QUOTED)		
Investment in Equity Instruments of Other entities		
40,75,000 Equity Shares of Rs.1/- each of Relaxo Footwear Ltd.	9,72,35,355	9,72,35,355
200 Equity Shares of Rs.10/- each of D Pharma Ltd.	1	1
500 Equity Shares of Rs.10/- each of Punjab Wireless Systems Ltd.	1	1
5 (P.Y. 1) Equity Shares of Rs.2/- each (P.Y. Rs. 10/- each) of Bank of Baroda	251	251
5000 Equity Shares of Rs.1/- each of Lanco Infratech Limited	1,66,198	166,198
200 Equity Shares of Rs.10/- each of UTI Master Plus 91	3,252	3,252
10,00,000 (P.Y. Nil) Equity Shares of Rs. 10 each of Surya Roshni Ltd.	10,90,00,000	-
4,50,000 Equity Shares of Rs.10/- Surana Industries Limited.	2,56,50,000	25,650,000
Total Non-Current Investment	23,20,55,058	12,30,55,058
Aggregate amount of quoted investments	23,20,55,058	12,30,55,058
Aggregate market value of quoted investments	2,78,25,08,008	1,22,06,51,162

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

	As at 31.03.2015	As at 31.03.2014
Note 15		
Short Term Loans & Advances		
(Unsecured, considered good)		
Margin Deposit	5,08,00,000	15,98,00,000
Prepaid Expenses	4,13,070	7,25,672
Staff Loan and Advances	5,56,450	5,92,450
Advances recoverable in cash or kind or for value to be received	454	84,143
Total	5,17,69,974	16,12,02,265

	As at 31.03.2015	As at 31.03.2014
Note 16		
Other Current Assets		
Interest Accrued but not due	4,40,660	14,92,039
Others	1,48,682	1,33,668
Total	5,89,342	16,25,707

	As at 31.03.2015	As at 31.03.2014
Note 17		
Revenue From Operations		
Sale (Securities & Derivatives)	4,90,175	6,685
Income from Brokerage	66,09,443	31,95,503
Total	70,99,618	32,02,188

	As at 31.03.2015	As at 31.03.2014
Note 18		
Other Income		
Interest on Fixed Deposit	22,43,219	37,41,107
Dividend Income	20,39,388	16,30,033
Gain on Sale of Investment in Shares	3,21,000	-
Interest Income	92,863	-
Miscellaneous Income	27,174	19,058
Mise Provisions written back	51	39,379
Total	47,23,695	54,29,577

	As at 31.03.2015	As at 31.03.2014
Note 19		
Operating Expenditure		
SEBI Fees	3,33,610	3,56,152
V-Sat Charges	28,949	8,257
Transaction and Other NSE Charges	36,53,127	3,56,853
Total	40,15,686	7,21,262

	As at 31.03.2015	As at 31.03.2014
Note 20		
Employee Benefit Expenses		
Salaries and Wages	33,28,047	35,38,444
Staff Welfare Expenses	690	581
Contribution to Provident and other Funds	6,47,243	4,74,162
Total	39,75,980	40,13,187

	As at 31.03.2015	As at 31.03.2014
Note 21		
Other Expenses		
Rent	60,000	60,000
Rates & Taxes	96,959	1,04,988
Electricity Charges	36,000	36,000
Office Maintenance	24,000	24,000
Legal and professional Charges	9,29,170	1,20,800
Repair & Maintenance	5,376	24,481
Travelling and Conveyance	4,02,488	4,41,769
Insurance	4,788	4,391
Miscellaneous Expenses	15,758	14,701
Business Promotion	1,05,363	1,53,830
News Papers, Books & Periodicals	84,042	1,12,879
Communication Expenses	1,04,889	1,31,180
Printing & Stationery	8,648	2,679
Directors Sitting Fee	14,000	8,000
Auditors Remuneration		
- Statutory Audit fees	16,854	16,854
- Tax audit fees	5,618	5,618
- Certification fees	-	2,200
- Out of pocket expenses	20,000	20,000
Total	19,33,953	12,84,370

22. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Rs. Nil).

23. Contingent Liabilities: - Nil

24. There is no amount due and payable to any enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, at the end of the financial Year.

25. Employee Benefits: In accordance with AS-15 - 'Accounting for Retirement Benefits', actuarial valuation was done in respect of defined benefit plan of gratuity and leave encashment.

i) Defined Contribution Plans:

Amount of Rs.4,16,975/- (Previous Year Rs.3,57,932/-) contributed to provident funds is recognised as an expense and included in Contribution to Provident & Other Funds under Employee Cost in the Statement of Profit and Loss.

ii) Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service subject to a maximum payment of Rs. 10 lakhs. The gratuity plan is funded.

Long Term Compensated Absences as per actuarial valuation as on 31.03.2015

Actuarial Assumptions	(Amount in Rs.)			
	Gratuity As at 31.03.2015	Gratuity As at 31.03.2014	Leave Encashment As at 31.03.2015	Leave Encashment As at 31.03.2014
Discount rate (per annum)	8%	9%	8%	9%
Salary Growth Rate	5%	5%	5%	5%
Expected rate of return	9%	8.75%	NA	NA
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
I. Expenses recognized in statement of profit and loss				
Interest cost	1,54,287	1,36,250	19,907	21,053
Current service cost	96,285	97,387	16,752	14,084
Expected return on plan assets	(1,74,814)	(1,48,091)	-	-
Net actuarial loss/ (gain) recognized in the year	(2,70,265)	1,81,054	27,898	(20,216)
Net expenses recognized	(1,94,507)	2,66,600	64,557	14,921
II. Net liability/(assets) recognized in the balance sheet at the year end				
Present value of obligation at the end of period	19,08,890	19,28,583	3,13,396	2,48,839
Fair value of the plan asset at the end of period	22,15,809	18,79,177	-	-
Funded status [(surplus)/(deficit)]	(3,06,919)	49,406	(3,13,396)	(2,48,839)
Net asset/(liability) as at 31.03.2015	3,06,919	(49,406)	(3,13,396)	(2,48,839)
III. Change in present value of obligation during the year				
Present value of obligation at the beginning of period	19,28,583	15,13,892	2,48,839	2,33,918
Interest cost	1,54,287	1,36,250	19,907	21,053
Current service cost	96,285	97,387	16,752	14,084
Benefits paid	-	-	-	-
Actuarial loss/ (gain) on obligations	(2,70,265)	1,81,054	27,898	(20,216)
Present value of obligation at the year end	19,08,890	19,28,583	3,13,396	2,48,839
IV. Change in present value of fair value of plan assets				
Fair value of plan assets as at the beginning of period	18,79,177	16,86,474	-	-
Expected return on plan assets	1,74,814	1,48,091	-	-
Contributions	1,61,818	44,612	-	-
Benefits paid	-	-	-	-
Actuarial loss/ (gain)	-	-	-	-
Fair value of plan assets at the year end	22,15,809	18,79,177	-	-

26. Related Party Disclosure

Followings are the related parties: -

Holding Company : VLS Finance Ltd.
 Fellow Subsidiaries : VLS Asset Management Ltd.
 Key Managerial Personnel : Shri S.K. Agarwal, Managing Director.
 : Shri Anurag Bhatnagar, Chief Financial Officer.
 Ms. Surbhi Jain, Company Secretary

Transactions during the year with the related parties: -

Nature of Transactions	Holding Company		Other Related Parties	
	As at 31.03.15	As at 31.03.14	As at 31.03.15	As at 31.03.14
Remuneration to KMP	-	-	14,32,000/-	11,97,724/-
Brokerage earned	52,29,710/-	26,38,005/-	Nil	Nil
Reimbursement amount claimed	34,21,510/-	15,06,285/-	Nil	Nil
Rent and other charges paid	1,20,000/-	1,20,000/-	Nil	Nil
Payable to Holding Company at the year end	15,31,39,600/-	11,84,86,287/-	Nil	Nil


NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)
27. Calculation of Earning per share

Particulars	Equivalent No. of Shares Year ended 31.03.2015	Equivalent No. of Shares Year ended 31.03.2014
Basic and diluted		
Total Shares outstanding	1,50,00,000	1,50,00,000
Weighted Average of Shares	1,50,00,000	1,50,00,000
Profits after taxes	13,58,033/-	23,05,777/-
EPS (In Rs.)	0.09	0.15

28. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date

For Agiwal & Associates

(F. R. N. 000181N)

Chartered Accountants

For and on behalf of the Board

P.C. Agiwal Partner Membership No. 080475 Place : New Delhi Date : 23/05/2015	S.K. Agarwal Managing Director DIN : 00106763	K.K.Soni Director DIN : 00106037	Anurag Bhatnagar Chief Financial Officer PAN : AAJPB6607R	Surbhi Jain Company Secretary M.No. : A35217
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Amount in (Rs.)	
	As at 31.03.2015	As at 31.03.2014
A. Cash Flow from Operating Activities		
Net Profit before Tax	13,04,477	25,85,588
Adjustments for:-		
Dividend Income	(2,039,388)	(1,630,033)
Depreciation	1,03,168	20,656
Profit from sale of Fixed Assets	(321,000)	-
Gain on Sale of Investments	-	-
Provision for Leave Encashment	64,557	14,921
	<u>(2,192,663)</u>	<u>(1,594,456)</u>
Operating Profit before Working Capital Changes	(888,186)	9,91,132
Adjusted for:		
Trade Payables	2,42,94,204	15,22,73,986
Trade and Other Receivables	(23,882,228)	(128,112)
Short Term Loans and Advances	109,432,291	(124,725,859)
	<u>10,98,44,268</u>	<u>2,74,20,015</u>
Cash Generated from Operations	10,89,56,082	2,84,11,147
Less: Tax Payment	-	(287,153)
Cash Flow from Operating Activities	10,89,56,082	2,81,23,994
Prior Period Items	-	-
Net Cash from Operating Activities	10,89,56,082	2,81,23,994
B. Cash Flow from Investing Activities		
Purchase of Investments	(109,000,000)	(25,650,000)
Sale of Investments	321,000	0
Additions in Fixed Assets	(593,169)	(9,200)
Long Term Loans and Advances	(2,965,861)	(14,948,405)
Proceeds from Sale of Fixed Assets	-	-
Dividend Income	20,39,388	16,30,033
Net Cash (used in)/ Generated from Investing Activities	(110,198,641)	(38,977,572)
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share	-	-
Interest paid	-	-
Net Cash (used in)/ Generated from Financing Activities	-	-
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(1,242,559)	(10,853,578)
Opening Balance of Cash & Cash Equivalents	27,94,594	1,36,48,172
Closing Balance of Cash & Cash Equivalents	15,52,034	27,94,594

As per our report of even date

For Agiwal & Associates

(F. R. N. 000181N)

Chartered Accountants

For and on behalf of the Board

P.C. Agiwal Partner Membership No. 080475 Place : New Delhi Date : 23/05/2015	S.K. Agarwal Managing Director DIN : 00106763	K.K.Soni Director DIN : 00106037	Anurag Bhatnagar Chief Financial Officer PAN : AAJPB6607R	Surbhi Jain Company Secretary M.No. : A35217
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VLS ASSET MANAGEMENT LTD.

REGD. OFF : 2nd FLOOR, 13, SANT NAGAR, EAST OF KAILASH,

NEW DELHI-110065, Ph: 011-46656666, FAX: 011-46656699

CIN: U74899DL1995PLC065812, email: vaml@vlsfinance.com

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 20th Annual Report of your Company together with the Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss for the year ended on that date.

Financial Results

The Company has incurred a loss of Rs. 4385/- on account of administrative expenses incurred. No income was generated during the year under review. The accumulated losses of the Company, during the year under review, have exceeded 50% of its net worth. The Board has been advised that the Company, not being an Industrial Company, no reference to BIFR or other authorities is required to be made. The Company did not undertake any activity during the year under review. However, the Board is continuing efforts to identify suitable activity for operation keeping in view the means available. Accordingly the Company is being viewed as a going concern and the accounts have been prepared on the basis of the going concern assumption.

Board Meetings

During the year ended 31/03/2015, 4 (Four) Board Meetings were held with one meeting in every quarter on 21/05/2014, 23/08/2014, 08/12/2014, and 21/03/2015.

Internal Financial Control Systems

The Company has in place a proper and adequate system of internal control to monitor proper recording of transactions authorized according to policies and procedures laid down by the Company. The Company ensures that all regulatory guidelines are being complied with at all levels.

Risk Management

We encompass practices relating to identification, assessment, monitoring and mitigation of strategic, operational and external environment risks to achieve our key business objectives. We seek to minimize the adverse impact of risks to our business objectives and enable the Company to leverage market opportunities effectively.

Dividend/Reserves

No dividend has been recommended by the Board and no amount has been transferred to general reserve.

Directors

There was no change in the Board of Directors during the year under review. Shri S. K. Agarwal and Shri Rajesh Jhalani - Directors shall be retiring by rotation at the ensuing Annual General Meeting and being eligible has offered themselves for reappointment. Your Directors recommend their reappointment in order to have his continued valuable direction, guidance and assistance in the conduct of the affairs of your Company.

Annual Return Extract (MGT-9)

We have reported in **Annexure-1** to this report, the extract of the Annual Return to be filed with the Registrar of the Companies.

Contracts With Related Party

Relevant disclosures has been made under clause 10 of note forming part of financial statements. The details of the related party transactions have been provided in form AOC-2 as under:

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	VLS Finance Ltd. Holding Company
b)	Nature of contracts/ arrangements/ transactions	Unsecured Long term
c)	Duration of the contracts/ arrangements/transactions	Until rescinded
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Non- interest bearing borrowings
e)	Justification for entering into such contracts or arrangements or transactions	The financial condition of subsidiary i.e., VLS Asset Management Ltd.
f)	Date(s) of approval by the Board	NA#
g)	Amount paid as advances, if any:	NA#
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA#

The arrangement was in existence prior to 01/04/2014 and no change in terms of have been made.

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	Particulars	Details
a)	Name(s) of the related party	NONE
b)	Nature of relationship	
c)	Nature of contracts/ arrangements/ transactions	
d)	Duration of the contracts / arrangements/transactions	
e)	Salient terms of the contracts or arrangements or transactions	
f)	Justification for entering into such contracts or arrangements or transactions	
g)	Date(s) of approval by the Board	
h)	Amount paid during the year	

Directors Responsibility Statement

Pursuant to the provisions of Section 134(3) of the Companies Act, 2013, the Directors hereby confirm:

- that in the preparation of the Annual Accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they have prepared the Annual Accounts for the financial year ended 31st March, 2015 on a 'going concern' basis;
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

Auditors

The Auditors, M/s. Agiwal & Associates, Chartered Accountants, will retire at the forthcoming Annual General Meeting. The Company has received a certificate from the Auditors that they are qualified under section 139 of the Companies Act, 2013 to act as the Auditors of the Company, if appointed. The Board of Directors recommends their appointment for a period of five (5) years as permissible in terms of Section 139 of Companies Act, 2013 subject to ratification by members every year. The statutory Auditors shall not be subject to rotation since the company is not covered in categories to which said provision is applicable. The Board may also be authorised to fix their remuneration.

Auditors Report

The observations made by Auditors M/s. Agiwal & Associates, Chartered Accountants in their report have been adequately dealt with in relevant Notes on Accounts and in this report under the head – Financial Results. No further comments or explanations are required from Directors as there is no qualification in the Auditor's report for the year under review.

Fixed Deposits

During the year under review, the Company has not held any fixed deposit within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

Statutory Disclosures

During the year under review, the Company did not absorb any new technology nor has carried out any R&D activity including conservation of Energy. The relevant disclosures are contained in **Annexure-2** to this report.

The Company has no employee hence the limits specified in Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended, there are no disclosures which are required to be made in this report, in terms of the aforesaid regulations. Further disclosure relating to ratio of the remuneration of each director to the median employee's remuneration is not applicable.



The company has not given any loan, guarantees or made investments reportable in terms of section 186 of the Companies Act, 2013.

Your company has not issued equity shares with differential voting rights or under ESOP in terms of sections 43a and 62(1) (b) of Companies Act, 2013 during the year under review.

Your company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of Sec 67(3) (b) of Companies Act, 2013 during the year under review.

No revision of financial statements or boards report has been made in terms of section 131(1) of the companies Act, 2013.

The Company has not undertaken any Corporate Social Responsibility initiative as the relevant provisions are not applicable on the Company.

Independent director's concept is not applicable on your Company nor is it covered under sections 134(p), 177, 178, 203 and 204 of the Companies Act, 2013.

The Company has no subsidiaries and associates.

Acknowledgement

The Board takes this opportunity to place on record its sincere thanks to its members, bankers and other associates for their continued support.

For and on behalf of the Board of Directors

Place : New Delhi

S.K. Agarwal

S. C. Agarwal

Date : 23/05/2015

Director

Director

DIN : 00106763

DIN : 00108493

Annexure-1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	CIN : U74899DL1995PLC065812
ii	Registration Date	24/02/1995
iii	Name of the Company	VLS ASSET MANAGEMENT LIMITED
iv	Category/Sub-category of the Company	Public Limited Company
v	Address of the Registered office & contact details	2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065 Phone Nos. 011 – 46656666 Fax 011-46656699
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agents, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Asset Management	9999999999999999	0.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	VLS Finance Ltd. 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065	L65910DL1986PLC023129	Holding	99.15%	2(46)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year i.e. 01/04/2014				No. of Shares held at the end of the year i.e. 31/03/2015				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	0	600	600	0.849%	0	600	600	0.849%	0.000%
b) Central Govt.or State Govt.	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) Bodies Corporates	0	70100	70100	99.151%	0	70100	70100	99.151%	0.000%
d) Bank/FI	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Any other	0	0	0	0.000%	0	0	0	0.000%	0.000%
SUB TOTAL:(A) (1)	0	70700	70700	100.000%	0	70700	70700	100.000%	0.000%
(2) Foreign									
a) NRI- Individuals	0	0	0	0.000%	0	0	0	0.000%	0.000%
b) Other Individuals	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) Bodies Corp.	0	0	0	0.000%	0	0	0	0.000%	0.000%
d) Banks/FI	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Any other...	0	0	0	0.000%	0	0	0	0.000%	0.000%
SUB TOTAL (A) (2)	0	0	0	0.000%	0	0	0	0.000%	0.000%
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	70700	70700	100.000%	0	70700	70700	100.000%	0.000%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.000%	0	0	0	0.00%	0.000%
b) Banks/FI	0	0	0	0.000%	0	0	0	0.00%	0.000%
c) Central govt	0	0	0	0.000%	0	0	0	0.00%	0.000%
d) State Govt.	0	0	0	0.000%	0	0	0	0.00%	0.000%
e) Venture Capital Fund	0	0	0	0.000%	0	0	0	0.00%	0.000%
f) Insurance Companies	0	0	0	0.000%	0	0	0	0.00%	0.000%
g) FIIS	0	0	0	0.000%	0	0	0	0.00%	0.000%
h) Foreign Venture Capital Funds	0	0	0	0.000%	0	0	0	0.00%	0.000%
i) Others (specify)	0	0	0	0.000%	0	0	0	0.00%	0.000%
SUB TOTAL (B)(1):	0	0	0	0.000%	0	0	0	0.00%	0.000%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	0	0	0.000%	0	0	0	0.00%	0.000%
ii) Overseas	0	0	0	0.000%	0	0	0	0.00%	0.000%
b) Individuals	0	0	0	0.000%	0	0	0	0.00%	0.000%
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0.000%	0	0	0	0.00%	0.000%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.000%	0	0	0	0.00%	0.000%
c) Others (specify)	0	0	0	0.000%	0	0	0	0.00%	0.000%
a) NRI / OCB	0	0	0	0.000%	0	0	0	0.00%	0.000%
b) Foreign National	0	0	0	0.000%	0	0	0	0.00%	0.000%
c) Clearing Member	0	0	0	0.000%	0	0	0	0.00%	0.000%
d) LLP	0	0	0	0.000%	0	0	0	0.00%	0.000%
e) Trust	0	0	0	0.000%	0	0	0	0.00%	0.000%
SUB TOTAL (B)(2):	0	0	0	0.000%	0	0	0	0.00%	0.000%
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0.000%	0	0	0	0.00%	0.000%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000%	0	0	0	0.000%	0.000%
Grand Total (A+B+C)	0	70700	70700	100.000%	0	70700	70700	100.000%	0.000%



(ii) Shareholding of Promoters

S.No	Shareholder's Name Shares	Shareholding at the beginning of the year i.e. 01/04/2014			Shareholding at the end of the year i.e. 31/03/2015			% Change holding during the year
		No. of shares of	% of total pledged/ the Company	% of Shares encumbered to total shares	No. of shares of	% of total pledged/ the Company	% of shares in share encumbered to total shares	
1	Shri M. P. Mehrotra	100	0.14%	0.00	100	0.14%	0.00	0.00%
2	Dr. (Mrs) Sushma Mehrotra	100	0.14%	0.00	100	0.14%	0.00	0.00%
3	Shri Somesh Mehrotra	100	0.14%	0.00	100	0.14%	0.00	0.00%
4	Shri Vikas Mehrotra	100	0.14%	0.00	100	0.14%	0.00	0.00%
5	Shri Ramji Mehrotra	100	0.14%	0.00	100	0.14%	0.00	0.00%
6	VLS Capital Ltd.	100	0.14%	0.00	100	0.14%	0.00	0.00%
7	VLS Finance Ltd.	70100	99.15%	0.00	70100	99.15%	0.00	0.00%
	Total	70700	100.00%	0.00	70700	100.00%	0.00	0.00%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

S.No	Shareholder's Name	Date	Shareholding at the beginning of the year i.e. 01/04/2014		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri M. P. Mehrotra					
	At the beginning of the year	1/4/2014	100	0.00%	100	0.14%
	At the end of the year	31/03/2015	100	0.00%	100	0.14%
2	Mrs. Sushma Mehrotra					
	At the beginning of the year	1/4/2014	100	0.00%	100	0.14%
	At the end of the year	31/03/2015	100	0.00%	100	0.14%
3	Shri Somesh Mehrotra					
	At the beginning of the year	1/4/2014	100	0.00%	100	0.14%
	At the end of the year	31/03/2015	100	0.00%	100	0.14%
4	Shri Vikas Mehrotra					
	At the beginning of the year	1/4/2014	100	0.00%	100	0.14%
	At the end of the year	31/03/2015	100	0.00%	100	0.14%
5	Shri Ramji Mehrotra					
	At the beginning of the year	1/4/2014	100	0.00%	100	0.14%
	At the end of the year	31/03/2015	100	0.00%	100	0.14%
6	VLS Capital Ltd.					
	At the beginning of the year	1/4/2014	100	0.00%	100	0.14%
	At the end of the year	31/03/2015	100	0.00%	100	0.14%
7	VLS Finance Ltd.					
	At the beginning of the year	1/4/2014	70100	0.47%	70100	99.15%
	At the end of the year	31/03/2015	70100	0.47%	70100	99.15%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year i.e. 01/04/2014		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1/4/2014	600	0.849%	600	0.849%
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		None			
	At the end of the year (or on the date of separation, if separated during the year)	31/03/2015	600	0.849%	600	0.849%



v) Shareholding of Directors & KMP:

S.No	For Each of the Directors & KMP	Date	Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1/4/2014	0	0.00%	0	0.00%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0	0	0
	At the end of the year	31/03/2015	0	0.00%	0	0.00%

V INDEBTEDNESS Nil

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	0	919594	0	919594
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	919594	0	919594
Change in Indebtedness during the financial year				
Additions	0	4382	0	4382
Reduction	0	0	0	0
Net Change	0	4382	0	4382
Indebtedness at the end of the financial year				
i) Principal Amount	0	924336	0	924336
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	924336	0	924336

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: Not Applicable

Sl.No	Particulars of Remuneration	Name of the MD/WTD/ Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	0.00	0.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00
2	Stock option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission	0.00	0.00
	as % of profit	0.00	0.00
	others (specify)	0.00	0.00
5	Others, please specify	0.00	0.00
	Total (A)	0.00	0.00
	Ceiling as per the Act per annum	0.00	0.00



B. Remuneration to other directors: No remuneration was paid to Directors

SI.No	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors	No Independent Directors					
	(a) Fee for attending board committee meetings	0	0	0	0	0	
	(b) Commission	0	0	0	0	0	
	(c) Others, please specify	0	0	0	0	0	
	Total (1)	0	0	0	0	0	
2	Other Non Executive Directors Non Independent Directors	Shr S. K. Agarwal	Shri K. K. Soni	Shri Rajesh Jhalani	Shri S.C. Agarwal	Shri Anurag Bhatnagar	
	(a) Fee for attending board committee meetings	0	0	0	0	0	
	(b) Commission	0	0	0	0	0	
	(c) Others, please specify.	0	0	0	0	0	
	Total (2)	0	0	0	0	0	
	Total (B)=(1+2)	0	0	0	0	0	
	Total Managerial Remuneration	0	0	0	0	0	
	Overall Ceiling as per the Act. per meeting	100000	100000	100000	100000	100000	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : Not Applicable

SI.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N. A.	N. A.	N. A.	N. A.
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N. A.	N. A.	N. A.	N. A.
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N. A.	N. A.	N. A.	N. A.
2	Stock Option	N. A.	N. A.	N. A.	N. A.
3	Sweat Equity	N. A.	N. A.	N. A.	N. A.
4	Commission	N. A.	N. A.	N. A.	N. A.
	as % of profit	N. A.	N. A.	N. A.	N. A.
	others, specify	N. A.	N. A.	N. A.	N. A.
5	Others, please specify	N. A.	N. A.	N. A.	N. A.
	Total	N. A.	N. A.	N. A.	N. A.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

Annexure-2

Annexure to Directors' Report

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31st March, 2015.

CONSERVATION OF ENERGY

- | | | |
|--|---|-----|
| a) Energy conservation measure taken | : | Nil |
| b) Proposals under implementation for reduction in consumption of energy | : | Nil |

TECHNOLOGY ABSORPTION

- | | | |
|---|---|-----|
| a) Research and development | : | Nil |
| b) Technology absorption, adoption and innovation | : | Nil |

FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | | |
|----------------------------|---|-----|
| a) Foreign Exchange Earned | : | Nil |
| b) Foreign Exchange Used | : | Nil |

For and on behalf of the Board of Directors

Place : New Delhi

Date : 23/05/2015

S.K. Agarwal

Director

DIN : 00106763

S. C. Agarwal

Director

DIN : 00108493

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF VLS ASSET MANAGEMENT LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **VLS Asset Management Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing whether the company has in place an adequate internal financial control system over financial reporting and operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, issued by

the Central Government of India in terms of sub section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the accounting standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representation received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us:
 - i. The company does not have any pending litigations which would impact its financial position.
 - ii. The company has made provision as at 31st March, 2015, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.

**For Agiwal & Associates
Chartered Accountants
Firm Registration No.000181N**

**P. C. Agiwal
Partner**

**Place: New Delhi
Date: 23/05/2015**

Membership No. 080475

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in our report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its only fixed assets.
- b) The company has a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- ii. a) The Inventories have been physically verified during the year by the management. In our opinion, the frequency of the physical verification is reasonable.



- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management was found reasonable and adequate in relation to the size of the Company and nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted loans to any company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v. The Company has not accepted any deposits from public during the year.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- c) According to the information and explanations given to us, there are no amounts outstanding which are required to be transferred in investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 (1 of 1956) and rules made there under.
- viii. The Company neither has any accumulated losses as at the end of the year nor incurred any cash losses during the current financial year, or in the immediately preceding Financial Year.
- ix. The Company did not have any outstanding dues to financial institutions or banks during the year.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. The Company did not have any term loans outstanding during the year.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Agiwal & Associates
Chartered Accountants
Firm Registration No.000181N

P. C. Agiwal
Partner
Membership No. 080475

Place: New Delhi
Date: 23/05/2015

BALANCE SHEET AS AT 31st MARCH, 2015			
Particulars	Note No	As at 31.3. 2015	As at 31.3. 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	7,07,000	7,07,000
(b) Reserves and Surplus	4	(1,620,432)	(1,616,047)
		<u>(913,432)</u>	<u>(909,047)</u>
(2) Non-Current Liabilities			
Long- Term Borrowings	5	9,24,336	9,19,954
		<u>9,24,336</u>	<u>9,19,954</u>
(3) Current Liabilities			
Other Current Liabilities	6	5,431	5,431
		<u>5,431</u>	<u>5,431</u>
Total		<u><u>16,335</u></u>	<u><u>16,338</u></u>
II. Assets			
(1) Non-current assets			
		-	-
(2) Current assets			
Cash and Cash Equivalents	7	16,335	16,338
		<u>16,335</u>	<u>16,338</u>
Total		<u><u>16,335</u></u>	<u><u>16,338</u></u>
Significant Accounting Policies	1		
Other notes forming part of the accounts	9 to 12		
As our report of even date For Agiwal & Associates (F.R.N. 000181N) Chartered Accountants		For and on behalf of the Board	
P.C. Agiwal Partner Membership No. 080475	Anurag Bhatnagar Director DIN : 00115108	S.C. Agarwal Director DIN : 00108493	
Place : New Delhi Date : 23/05/2015			

STATEMENT PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015			
Particulars	Note No	Year Ended 31.3. 2015	Year Ended 31.3. 2014
I. Revenue from Operations		-	-
II. Other Income		-	-
III. Total Revenue (I +II)		<u>-</u>	<u>-</u>
IV. Expenses:			
Employee Benefit Expense		-	-
Financial Costs		-	-
Depreciation and Amortization Expense		-	-
Other Expenses	8	4,385	1,079
Total Expenses (IV)		<u>4,385</u>	<u>1,079</u>
V. Profit /(Loss) before tax (III-IV)		<u>(4,385)</u>	<u>(1,079)</u>
		<u>(4,385)</u>	<u>(1,079)</u>
VI. Profit/(Loss) for the year		<u>(4,385)</u>	<u>(1,079)</u>
VII. Earning per equity share (OF Rs.10/- each)			
Basic and Diluted		(0.062)	(0.015)
Significant Accounting Policies	1		
Other notes forming part of the accounts	9 to 12		
As our report of even date For Agiwal & Associates (F.R.N. 000181N) Chartered Accountants		For and on behalf of the Board	
P.C. Agiwal Partner Membership No. 080475	Anurag Bhatnagar Director DIN : 00115108	S.C. Agarwal Director DIN : 00108493	
Place : New Delhi Date : 23/05/2015			

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note 1****Corporate Overview**

The Company was incorporated to function as Asset Management Company of the Mutual Fund proposed to be floated by VLS Finance Ltd., the Holding Company. However, it could not take up business because the said proposal was shelved due to adverse market conditions. The Company is exploring avenues available to it; however, no business activity could be taken up in past.

Note 2**Significant accounting policies:****a) General**

The accompanying financial statements have been prepared on the historical cost convention and conform to the statutory provisions and practices prevailing in the country.

b) Method of Accounting

The company is following accrual basis of accounting.

Note 3**Share Capital**

As at 31.03.2015 As at 31.3.2014

Authorised

1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000

Issued, Subscribed & Paid up

70700 Equity Shares of Rs.10/- each	7,07,000	7,07,000
	7,07,000	7,07,000

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year**Equity Shares**

As at 31.03.2015 As at 31.3.2014

	No. of shares	Rupees	No. of shares	Rupees
At the beginning of the year	70,700	7,07,000	70,700	7,07,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	70,700	7,07,000	70,700	7,07,000

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

c. Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as follows.

	As at 31.03.2015	As at 31.3.2014
VLS Finance Ltd.	7,07,000	7,07,000
(along with nominee shareholder of VLS Finance Ltd.)		

d. Details of shareholders holding more than 5% shares in the company

As at 31.03.2015 As at 31.3.2014

	No. of shares	% of holding	No. of shares	% of holding
VLS Finance Ltd.	70,100	99.15	70,100	99.15

Note 4**Reserves & Surplus**

As at 31.03.2015 As at 31.3.2014

Surplus

At the Beginning of the Accounting year	(1,616,047)	(1,614,968)
Additions during the year	(4,385)	(1,079)
Total	(1,620,432)	(1,616,047)

Note 5**Unsecured Long Term Borrowings**

From Holding Company i. e. VLS Finance Ltd.

(Non- interest bearing)	9,24,336	9,19,594
Director Loan	-	360
Total	9,24,336	9,19,954

Note 6**Other Current Liabilities**

Audit Fee Payable	5,431	5,431
Total	5,431	5,431

Note 7**Cash & Cash Equivalents**

As at 31.03.2015 As at 31.3.2014

(a) Balance with Banks

- Current Account	16,335	16,338
-------------------	--------	--------

(b) Cash-in-Hand

	-	-
Total	16,335	16,338

Note 8**Other Expenses**

Filling Charges	3,682	1,021
Printing Stationery	700	-
Bank Charges	3	56
Total	4,385	1,077

9 Deferred Tax Liability/ Deferred Tax Asset

There is no deferred tax asset/liability for the company during the year.

10 Related Party Disclosure (Accounting Standard - 18)

Following are the Related Parties:-

Holding company : VLS Finance Ltd.

Fellow Subsidiaries : VLS Securities Ltd.

Transaction during the year with the related party:-

Related Party	Nature of Transaction	As at 31.03.2015	As at 31.03.2014
Holding Company	Opening Balance	9,19,954	9,18,932
	Transactions during the year	4,742	1,022
	Closing Balance	9,24,336	9,19,954

11. Basic and Diluted Earning Per Share (Under Accounting Standard - 20)

S. No.	Particulars	Year Ended 31 st March 2015	Year Ended 31 st March 2014
1.	Net Profit/Loss after Tax	(4,385)	(1,079)
2.	Weighted Average number of Equity Shares	70,700	70,700
3.	Face value per Share	10	10
4.	Basic & Diluted Earning Per Share	(0.062)	(0.015)

12 Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification.

As our report of even date

For Agiwal & Associates

(F.R.N. 000181N)

Chartered Accountants

P.C. Agiwal

Partner

Membership No. 080475

Place : New Delhi

Date : 23/05/2015

For and on behalf of the Board

Anurag Bhatnagar

Director

DIN : 00115108

S.C. Agarwal

Director

DIN : 00108493

Cash Flow Statement for the Year ended 31st March 2015

	As at 31.03.2015	As at 31.03.2014
A. Cash Flow from operating activities		
Net Profit (Loss) before Tax	(4385)	(1079)
Adjustment for :-		
Operating Profit before working capital changes	(4385)	(1079)
Increase / (Decrease) in trade payables & Others	-	-
Cash Generated from Operations	(4385)	(1079)
Net Cash From Operating Activities	(4385)	(1079)
B. Cash Flow From Financing activities		
Proceeds from borrowings	4385	1079
Net Cash From Financing Activities	4385	1079
Net increase in Cash & Cash Equivalents (A+B)	-	-
Cash & Cash Equivalents at the beginning of the Year	16338	16394
D. Cash & Cash Equivalents at the end of the year	16335	16338
Increase/(Decrease) in Cash & Cash Equivalents (D-C)	(3)	(56)

As our report of even date attached thereto

For Agiwal & Associates

(F.R.N. 000181N)

Chartered Accountants

P.C. Agiwal

Partner

Membership No. 080475

Place : New Delhi

Date : 23/05/2015

Anurag Bhatnagar

Director

DIN : 00115108

S.C. Agarwal

Director

DIN : 00108493

**CONSOLIDATED FINANCIAL STATEMENTS****INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF VLS FINANCE LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **VLS FINANCE LIMITED** ("the Holding Company"), its subsidiaries and associates Companies; hereinafter referred to as "the Group", comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

We wish to state that, we have not audited any of the three associate companies namely VLS Capital Ltd., Sunair Hotels Ltd. and BMS IT Institute Private Ltd., the financial statements of which have been considered for the limited purpose of consolidation. Further for the two associates Companies namely Sunair Hotels Ltd. and BMS IT Institute Private Ltd. of the group, which have been audited by the other auditors, we have taken the figures from their financial statements for the period ended 31.03.2014 and for VLS Capital Ltd for the period ended 31.03.15 and are not offering any comment on the same.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. However, the Management of the Holding Company stated that they are unable to comment on the financial statements, accounting policies and notes on accounts of the two associate entities namely Sunair Hotels Ltd. and BMS IT Institute Private Ltd. which are in litigation with the Holding Company. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act except in the case of the associates Companies referred above. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in

the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We wish to clarify that for the purpose of consolidation of the financial statements, we are unable to comment on financial statements, accounting policies and notes on accounts of the two associate entities namely Sunair Hotels Ltd. and BMS IT Institute Private Ltd. on account of statement of management of holding company in the Management's Responsibility for The Consolidated Financial Statements referred above.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements but we are unable to comment regarding the audit evidence obtained by the other auditors.

OPINION

In our opinion, based on our audit and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on the financial statements/consolidated financial statements of the associates except two of its associates namely Sunair Hotels Ltd. and BMS IT Institute Pvt. Ltd., the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, and its consolidated Profit and its consolidated cash flows for the year ended on that date.

OTHER MATTER

We did not audit the financial statements of all the three associate (VLS Capital Ltd., Sunair Hotels Ltd. and BMS IT Institute Private Ltd.) companies the financial statements of which have been considered for the limited purpose of consolidation the financial statements of which reflect total assets of Rs.284,92,53,766/- as at 31st March, 2015, total revenues of Rs.58,12,88,459/- and net cash flows amounting to Rs. (1,37,70,300/-) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and on our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management except in respect of associate companies viz., Sunair Hotels Ltd. and BMS IT Institute Pvt. Ltd.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, its subsidiary companies and associates companies incorporated in India, we give in the Annexure '1' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that, to the extent applicable, except in the case of two associates companies namely Sunair Hotels Ltd and BMS IT Institute Private Ltd.:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

**CONSOLIDATED FINANCIAL STATEMENTS**

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and one of the associates company namely VLS Capital Ltd. incorporated in India, none of the directors of the holding company, its subsidiaries companies and the associate company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- After coming into effect of the Companies Act, 2013, the definition of "Associate" covers a Company or Companies in which the Holding Company holds not less than 20% of the Total Share Capital of that company or those companies irrespective of whether they are in the same group or not. Hence, Sunair Hotels Ltd. and BMS IT Institute Private Ltd which are presently not in the same group, have been considered as Associate for the limited purpose of consolidating financial statements of the Holding Company. Even though the Holding Company is in litigation with these two companies, in the opinion of the Holding Company, there is no adverse impact of such litigation on investments/ advances made by it in these two associates as the amount realizable from the said investments/advances would not be less than the amount stated in the Holding Company's own financial statements.
 - The Group has made provisions as at 31st March, 2015, as required under the applicable law or accounting standards, for foreseeable losses, if any, on long term contracts including derivative contracts.
 - There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company incorporated in India.

It is stated that Group consists only of Holding Company, its Subsidiary Companies and one of its associates company namely VLS Capital Ltd. because two associate companies Sunair Hotels Ltd. and BMS IT Institute Private Ltd. are in litigation with the Holding Company. Hence, these two associate companies are not considered as "Group" except for the limited purpose of consolidation of financial statements.

**For Agiwal & Associates
Chartered Accountants
Firm Registration No. 000181N**

**P. C. Agiwal
Partner**

Membership No. 080475

Place: New Delhi
Date: 30th May, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT**Annexure '1'**

Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on even date on the consolidated financial statement as of and for the year ended 31st March, 2015.

Our reporting on the Order includes two subsidiary companies and one of the associate companies, namely VLS Capital Limited. The associate company

has been audited by other auditors and our report in respect of the same is based on the report of other auditor to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements. Regarding the remaining two associate companies, namely, Sunair Hotels Ltd. and BMS IT Institute Private Ltd., we are unable to comment, as the Holding Company is in litigation with these associate companies and therefore, we have not considered to comment on these associates in the following paras:

- In respect of fixed assets:
 - The holding company, its subsidiary company and associate company namely VLS Capital Ltd. have maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - The fixed assets of the holding company, its subsidiary companies and associate company namely VLS Capital Ltd have been physically verified by the Management of the respective entities during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the holding company, its subsidiary companies and associate company i.e. VLS Capital Ltd and nature of its assets.
- In respect of inventory:
 - The inventory has been physically verified by the Management of the holding company, its subsidiary company and associate company during the year, the frequency of verification is reasonable.
 - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management of the holding company, its subsidiary company and associate company are reasonable and adequate in relation to the size of the holding company, its subsidiary companies and associate company.
 - In our opinion and according to information and explanation given to us and based on auditors' reports, the holding company, its subsidiary companies and associate company are maintaining proper records of its inventories. No material discrepancies were noticed on physical verification.
- In respect of loans:
 - As per information and explanations given to us, the holding company has granted interest free unsecured loan amounting to Rs.9,24,336/- to a subsidiary company covered under the register maintained under Section 189 of the Act.
 - As per information given to us, the aforesaid loan given to the subsidiary company is payable on demand.
 - In respect of the aforesaid loan, there is no overdue amount at the year end.
- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the holding company, its subsidiary companies and associate company and the nature of its business with regard to purchase of inventory and fixed assets and income from the sale of goods & services. During the course of our audit, we have not observed any major weakness in such internal control system.
- According to the information and explanations given to us, holding company, its subsidiary companies and associate company have not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- Cost Records under section 148(1) of the Companies Act, 2013 are not required to be maintained by the holding company, its subsidiary companies and associate company.
- According to information and explanations given to us, and the records examined by us, in respect of statutory dues:
 - The holding company, its subsidiary companies and associate company have generally been regular in depositing, with



CONSOLIDATED FINANCIAL STATEMENTS

- appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, service tax and any other statutory dues, wherever applicable.
- (b) According to information and explanations given to us, there were no undisputed arrears of statutory dues outstanding as at 31st March, 2015, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no disputed statutory dues outstanding as on 31st March, 2015
- (d) There has been no requirement to transfer any amount to the Investor Education & Protection Fund in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder as the holding company, its subsidiary and associate company have no due outstanding at the year ended 31st March, 2015.
- viii. The Group* does not have accumulated losses at the end of the financial year. The Group has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- ix. According to information and explanation given to us, the holding company, its subsidiary companies and associate company have not defaulted in repayment of dues to any bank or financial institution.
- x. According to the information and explanations given to us, holding company, its subsidiary companies and associate company have not

- given any guarantee for loans taken by others from bank or financial institution, therefore, the provision of clause 3(x) of the order are not applicable to Group.
- xi. In our opinion, and according to the information and explanations given to us, holding company, its subsidiary companies and associate company have not taken any term loan.
- xii. According to information and explanation given to us, no fraud on or by the holding company, its subsidiary companies and associate company have been noticed or reported during the year of our audit.

* Group consists of the Holding Company, its Subsidiary Companies and one of its associate company namely VLS Capital Ltd. because remaining two associate companies viz., Sunair Hotels Ltd. and BMS IT Institute Private Ltd. are in litigation with the Holding Company. Hence, these two associate companies are not considered as "Group" except for the limited purpose of consolidation of financial statements.

For Agiwal & Associates
Chartered Accountants
Firm Registration No. 000181N

P. C. Agiwal
Partner
Membership No. 080475

Place: New Delhi
Date: 30th May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31st March, 2015

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	38,78,42,420	38,78,42,420
(b) Reserves & Surplus	3	194,97,16,784	165,91,06,682
(2) Minority Interests			
(a) Share Capital		5,06,000	5,06,000
(b) Reserves & Surplus			
- Opening		24,335	16,658
- Add: For the year		4,490	7,677
- Less : Transitional provisions		171	0
		28,654	24,335
(3) Non-current liabilities			
(a) Other Long Term Liabilities	4	8,00,00,000	8,00,00,360
(b) Long Term Provisions	5	21,38,22,560	21,07,91,739
(4) Current liabilities			
(a) Short-Term borrowings		66,40,729	0
(b) Trade payables	6	2,90,39,125	3,84,25,612
(c) Other Current Liabilities	7	12,96,950	14,64,134
(d) Short Term Provisions	8	5,20,925	2,84,297
Total		266,94,14,147	237,84,45,579
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
- Tangible Assets	9	6,68,50,930	6,75,36,336
- Intangible Assets	9	2,65,827	59,190
(b) Non-current Investments	10	210,99,83,595	168,42,94,110
(c) Deferred tax assets (Net)	11	1,66,46,700	1,49,43,030
(d) Long-term loans and advances	12	16,00,13,260	15,34,60,683
(2) Current assets			
(a) Inventories- Share stock-in-trade	13	7,65,99,092	4,05,31,451
(b) Trade receivables	14	2,60,80,294	16,81,05,896
(c) Cash and cash equivalents	15	1,59,98,661	3,76,68,238
(d) Short-term loans and advances	16	19,57,36,228	20,85,23,489
(e) Other current assets	17	12,39,560	33,23,156
Total		266,94,14,147	237,84,45,579
Significant Accounting Policies and Notes forming part of accounts	1 to 23		

As per our report of even date.
For Agiwal & Associates
Chartered Accountants
(F.R.N. 000181N)
P.C.Agiwal
Partner
M.No.80475
May 30th, 2015
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

B.M. Oza
Director
DIN : 00138488

K.K.Soni
Director-Finance & CFO
DIN : 00106037

H.Consul
Company Secretary
M. No : A-11183



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2015		(Amount in Rupees)	
	Note No	For the year ended 31st March, 2015	For the year ended 31st March, 2014
I Revenue from operations	18	4624,66,30,516	3817,20,88,942
II Other Income		50,50,086	1,35,680
III Total Revenue (I+II)		4625,16,80,602	3817,22,24,622
IV Expenses			
Purchase of Shares/Securities/Commodities		4609,93,19,166	3807,36,50,788
Change in stock of shares	19	(36,067,641)	(30,216,836)
Employee benefits expense	20	2,28,16,070	1,59,32,245
Finance cost	21	23,15,322	1,97,607
Depreciation and Amortisation expense	9	48,67,497	42,18,473
Administrative & Other Expenses	22	7,92,39,356	6,42,99,652
V. Total Expenses		4617,24,89,770	3812,80,81,929
VI. Profit before tax (IV-V)		7,91,90,832	4,41,42,693
VII. Less: Tax Expenses			
Current Tax /MAT		97,18,771	25,98,188
Deferred Tax		(1,703,670)	44,19,031
VIII. Profit before Minority interest share of P/L (VI-VII)		7,11,75,731	3,71,25,474
Less: Minority Interest share on Profit		4,490	7,677
IX Profit for the year		7,11,71,241	3,71,17,797
EARNING PER SHARE			
Basic Earning per Share (Rs.)		1.84	0.96
Diluted Earning per Share (Rs.)		1.84	0.94
Face Value per Share (Rs.)		10.00	10.00
Significant Accounting Policies and Notes forming part of accounts	1 to 23		

As per our report of even date.

For Agiwal & Associates
Chartered Accountants
(F.R.N. 000181N)
P.C.Agiwal
Partner
M.No.80475
May 30th, 2015
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

B.M. Oza
Director
DIN : 00138488

K.K.Soni
Director-Finance & CFO
DIN : 00106037

H.Consul
Company Secretary
M. No : A-11183

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2015

HOLDING COMPANY OVERVIEW (VLS FINANCE LIMITED)

The Holding company is a public limited company registered under the Companies Act, 1956 and is listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Calcutta Stock Exchange and Madras Stock Exchange. The Holding Company had applied for membership of Bombay Stock Exchange (BSE) during the year under review and the same has been approved by BSE vide letter dated 14/05/2014 and SEBI Registration Certificate bearing Regn No. INZ010013530 in connection thereto is received by the company vide letter dated 8 October 2014.

I. SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED FINANCIAL STATEMENTS

A. PRINCIPLES OF CONSOLIDATION

The financial statements relate to VLS Finance Ltd. (the Company), its subsidiary and associate companies. The consolidated financial statements have been prepared on the following basis: -

- The financial statement of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenditures after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. The results of Associate Companies as defined in Companies Act, 2013 have been consolidated as per AS 23.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in

the same manner as the company's separate financial statements.

- Minority interest's share of net profit/loss of consolidated subsidiaries for the year identified and adjusted against the income of the group in order to arrive at net income attributable to the shareholders of the Company.
- Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the company's shareholders.

B. OTHER SIGNIFICANT ACCOUNTING POLICIES

- These are set out under significant accounting policies of the financial statements of the Company, its subsidiaries namely VLS Securities Ltd., VLS Asset Management Ltd., and associates namely VLS Capital Ltd., Sunair Hotels Ltd. and BMS IT Institute Pvt. Ltd.
- After coming into effect of the Companies Act, 2013, the definition of "Associate" covers a Company or Companies in which the Company holds not less than 20% of the Total Share Capital of that company or those companies irrespective of whether they are in the same group or not. Hence, though Sunair Hotels Ltd. and BMS IT Institute Pvt. Ltd are presently not in the same group still AS 23 has been followed for the limited purpose of Consolidation of annual accounts of these Companies. However, as regards the notes on account and significant accounting policies related to these companies are concerned, the Company has not considered the same because the company is in litigation with these companies. In the opinion of the Company, there is no adverse impact of such litigation on investments/advances made by the company in these associates and the amount realizable from the said investments/advances would not be less than the amount stated in the Company's own financial statements.



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

	(Amount in Rupees)	
	As at 31st March, 2015	As at 31st March, 2014
2. SHARE CAPITAL		
AUTHORISED CAPITAL		
15,00,00,000 Equity Shares of Rs.10/- each (Previous year 15,00,00,000 Equity shares of Rs.10/-each)	150,00,00,000	150,00,00,000
ISSUED CAPITAL		
3,91,29,517 Equity Shares of Rs.10/- each (Previous year 4,02,62,500 Equity shares of Rs.10/-each)	39,12,95,170	40,26,25,000
Less: 11,32,983 Equity Shares of Rs.10/-each issued as fully paid up for cash bought back on 11/02/2014	0	1,13,29,830
	<u>39,12,95,170</u>	<u>39,12,95,170</u>
SUBSCRIBED & PAID-UP CAPITAL		
3,86,62,017 Equity Shares of Rs.10/- each fully paid up for cash (Previous year 3,97,95,000 Equity Shares of Rs.10/- each)	38,66,20,170	39,79,50,000
Less: 11,32,983 Equity Shares of Rs.10/-each fully paid-up for cash bought back on 11/02/2014	0	1,13,29,830
	<u>38,66,20,170</u>	<u>38,66,20,170</u>
Add: Amount forfeited on 4,67,500 equity shares (Previous year 4,67,500 equity shares)	12,22,250	12,22,250
	<u>38,78,42,420</u>	<u>38,78,42,420</u>

(Of the above, 3,31,62,500 equity shares, fully paid up have been issued as bonus shares by way of capitalisation of share premium)

(a) Reconciliation of Number of Shares at the beginning and at the end of the reporting period

	As at 31/03/2015		As at 31/03/2014	
	Number	In Rupees	Number	In Rupees
Equity Shares at the beginning of the year	3,86,62,017	38,66,20,170	3,97,95,000	39,79,50,000
Less: Equity Shares bought back	0	0	11,32,983	1,13,29,830
Equity Shares at the end of the year	<u>3,86,62,017</u>	<u>38,66,20,170</u>	<u>3,86,62,017</u>	<u>38,66,20,170</u>

(b) List of shareholders holding more than 5% of the total number of shares issued by the Company

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares held	% of Holding	No. of shares held	% of Holding
VLS Capital Limited	1,33,36,538	34.50	1,23,42,227	31.92

The Company has issued only one class of equity shares having a par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares dividends in Indian Rupees. The dividend, whenever, proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

9 FIXED ASSETS

Sl. No	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost As at 01.04.2014	Additions during the year	Sales/ Adjustments	Cost As at 31-03-2015	Upto 31.03.2014	For the year	Sales/ Adjustments	Upto 31-03-2015	As at 31-03-2015	As at 31.03.2014
	TANGIBLE ASSETS										
1	Assets for own use:										
A	Buildings	9,79,31,151	0	0	9,79,31,151	3,31,56,868	31,42,558	0	3,62,99,426	6,16,31,725	6,47,74,283
B	Temporary Structures	6,88,735	0	0	6,88,735	6,88,734	0	0	6,88,734	1	1
C	Vehicles	42,00,931	32,19,895	39,000	73,81,826	28,58,724	8,99,807	27,187	37,31,344	36,50,482	13,42,207
D	Office Equipments	11,21,140	1,65,645	7,800	12,78,985	7,26,563	2,28,658	(77,277)	10,32,498	2,46,487	3,94,577
E	Furniture & Fixtures	10,17,431	3,18,494	42,284	12,93,641	8,37,210	80,254	30,728	8,86,736	4,06,905	1,80,221
F	Air Conditioners	10,81,392	3,06,493	0	13,87,885	6,30,865	1,70,351	(605)	8,01,821	5,86,064	4,50,527
G	Computers	51,76,404	1,83,645	0	53,60,049	49,24,117	1,82,476	(57,983)	51,64,576	1,95,473	2,52,287
H	Electrical Installations	2,44,954	0	0	2,44,954	2,30,439	0	(2,267)	2,32,706	12,248	14,515
I	Generator	4,30,905	0	0	4,30,905	4,03,187	0	(6,173)	4,09,360	21,545	27,718
2	Assets on Lease	120,66,66,568	0	0	120,66,66,568	120,65,66,568	0	0	120,65,66,568	1,00,000	1,00,000
		<u>131,85,59,611</u>	<u>41,94,172</u>	<u>89,084</u>	<u>132,26,64,699</u>	<u>125,10,23,275</u>	<u>47,04,104</u>	<u>(86,390)</u>	<u>125,58,13,769</u>	<u>6,68,50,930</u>	<u>6,75,36,336</u>
	INTANGIBLE ASSETS										
	Computer Software	4,08,000	3,77,434	0	7,85,434	3,48,810	1,63,393	(7,404)	5,19,607	2,65,827	59,190
	Grand Total	<u>131,89,67,611</u>	<u>45,71,606</u>	<u>89,084</u>	<u>132,34,50,133</u>	<u>125,13,72,085</u>	<u>48,67,497</u>	<u>(93,794)</u>	<u>125,63,33,376</u>	<u>6,71,16,757</u>	<u>6,75,95,526</u>
	Previous Year	131,86,78,346	3,25,928	36,663	131,89,67,611	124,71,68,005	42,18,473	14,393	125,13,72,085	6,75,95,526	7,15,10,341

Note: Includes Rs.1,67,674 (PY Nil) on account of adjustment due to transitional provision of schedule II of the Companies Act 2013 as on 01-04-2014


CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

(Amount In Rupees)

10 NON-CURRENT INVESTMENTS (at cost)					
PARTICULARS	FACE VALUE	QUANTITY		AMOUNT (In Rs.)	
		AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
A. IN EQUITY SHARES					
1. Un-quoted & Fully Paid					
Indhradhan Agro Ltd.	10	1,50,000	1,50,000	15,00,000	15,00,000
Invest India Economic Foundation Private Ltd.	10	2,000	2,000	20,000	20,000
Sunair Hotels Ltd. (#)	10	95,94,824	95,94,824	41,68,97,551	23,59,48,240
Appu Ghar Entertainment Private Ltd	10	77,100	2,77,100	3,85,50,000	13,85,50,000
VLS Capital Ltd (#)	10	88,20,833	88,20,833	23,75,32,412	19,38,53,947
Dewdrop Career Solutions Private Ltd	10	10,000	10,000	12,50,000	12,50,000
MPL Enterprises Ltd (+)	10	5,482	5,482	0	0
Taurus Agile Technology Corporation Private Ltd	10	6,65,344	0	4,12,51,328	0
BMS IT Institute Private Ltd	10	56,00,000	56,00,000	24,92,00,000	24,92,00,000
SUB-TOTAL (A-1)				98,62,01,291	82,03,22,187
2. Quoted & Fully Paid					
ICDS Ltd (+)	10	21,929	21,929	0	0
KASHIPUR SUGAR MILLS LTD	10	89,767	89,767	7,99,032	7,99,032
ARTSON ENGINEERING LTD	1	4,104	4,104	1,00,376	1,00,376
ACCLEYA KALE SOLUTIONS LTD	10	3,00,000	3,00,000	12,42,69,774	12,42,69,774
ADITYA BIRLA CHEMICALS INDIA LTD	2	955	2,00,000	2,17,024	2,82,35,226
AMBIKA COTTON MILLS LTD	10	1,00,000	0	4,55,67,080	0
AMHMEDNAGAR FORGINGS LTD	10	1,000	0	3,41,000	0
BANK OF BARODA (++)	2	10	2	502	502
BLISS GVS PHARMA LTD	1	3,26,000	3,26,000	1,00,85,795	1,00,85,795
BANCO PRODUCTS (I) LTD	2	1,000	5,00,000	1,41,983	3,16,06,167
BALASORE ALLOYS LTD	5	10,00,000	0	2,41,47,487	0
BOMBAY BURMAH TRADING C LTD	2	355	0	1,50,339	0
CEAT LTD	10	8,000	7,70,414	34,22,874	17,13,10,278
CENTUM ELECTRONICS LTD	10	1,070	43,849	2,14,253	76,02,421
CENTURY ENKA LTD	10	1,000	0	1,78,595	0
D PHARMA LTD	10	200	200	1	1
DOLPHIN OFFSHORE ENTERPRISES (INDIA) LTD	10	0	1,00,000	0	82,59,949
ESSEL PROPACK LTD	2	0	1,50,000	0	74,24,960
GUJARAT HOTELS LTD	10	5,134	5,134	2,71,813	2,71,813
GHCL LTD	10	10,000	0	6,72,540	0
GARWARE WALL ROPES LTD	10	1,000	0	1,60,543	0
HT MEDIA LTD	2	0	5,00,000	0	3,98,30,997
HERITAGE FOODS LTD	10	1	0	342	0
HCL TECHNOLOGIES LTD (+)	2	1,07,000	0	0	0
HIMATSINGKA SEIDE LTD	5	1,00,000	0	90,40,587	0
INDRAPRASTHA MEDICAL CORPORATION LTD	10	0	2,937	0	1,01,602
ITC LTD	1	500	500	97,020	97,020
IFGL REFRATORIES LTD	10	2,50,000	2,02,810	3,03,64,337	1,24,22,867
IGARASHI MOTORS INDIA LTD	10	0	2,00,000	0	2,50,80,769
INFINITE COMPUTER SOLUTIONS (INDIA) LTD	10	50,000	0	1,18,43,938	0
LANCO INFRA TECH LTD	1	5,000	5,000	1,66,198	1,66,198
LLOYDS ELECTRIC & ENGG LTD	10	1,000	0	1,43,391	0
KANSAI NEROLAC POINTS LTD	1	7,35,640	0	16,78,11,822	0
MUNJAL SHOWA LTD	2	1,000	2,00,000	2,33,002	1,53,60,017
MEGHMANI ORGANICS LTD	1	75,00,000	0	13,40,24,345	0
NANDAN DENIM LTD	10	1,000	3,40,199	46,041	1,18,67,097
NEOCORP INTERNATIONAL LTD	10	29,68,409	13,54,436	4,43,00,662	1,57,66,409
ORRISA SPONGE LTD	10	2,936	2,936	16,13,828	16,13,828
ORIENT REFRATORIES LTD	1	0	5,00,000	0	2,78,28,797
POLARIS FINANCIAL TECHNOLOGIES LTD	5	0	2,50,000	0	3,89,81,264
PUNJAB WIRELESS SYSTEMS LTD	10	500	500	1	1
RELAXO FOOTWEAR LTD	1	86,03,880	86,03,880	13,14,21,104	13,14,21,104
RELIANCE INDUSTRIES LTD	10	900	900	8,88,432	8,88,432
RUNECHA TEXTILES LTD	10	3,57,600	3,57,600	17,88,000	17,88,000
SHILPI CABLE TECH LTD	10	11,72,052	0	1,98,11,432	0
STEL HOLDINGS LTD	10	5,58,665	0	1,49,31,053	0
SUMIT SECURITIES LTD	10	1,91,049	0	4,47,74,854	0
SUVEN LIFE SCIENCE LTD	1	1,000	0	2,11,112	0
SURYA ROSHNI LTD	10	11,00,500	0	12,17,69,660	0
SURANA INDUSTRIES LTD	10	4,50,000	4,50,000	2,56,50,000	2,56,50,000
TATA STEEL LTD	10	300	300	2,05,413	2,05,413
TAMILNADU NEWSPRINT AND PAPERS LTD	10	18,577	4,00,000	26,91,474	5,20,91,292
TECHNOCRAFT INDUSTRIES (INDIA) LTD	10	5,11,037	6,992	8,92,27,228	6,31,703
UFLEX LTD	10	1,400	1,400	1,68,701	2,12,700
TCI INDUSTRIES LTD	10	9,699	9,699	5,76,607	5,76,607
WELSPUN INDIA LTD	10	0	5,000	0	3,41,333
CLARIS LIFESCIENCE LTD	10	0	800	0	1,56,635
STRIDES ARCOLAB LTD	10	0	72,527	0	6,38,27,883
UTI MASTER PLUS 91	0	200	200	3,252	3,252
SUB-TOTAL (A-2)				106,45,44,847	85,68,77,514
B. IN PREFERENCE SHARES					
Un-quoted & Fully Paid					
Taurus Agile Technology Corporation Private Ltd (0% Redeemable Preference Shares)	10	7,24,209	0	5,21,43,048	0
SUB-TOTAL B				5,21,43,048	0
TOTAL C (A1+A2+B)				210,28,89,186	167,71,99,701
I. Aggregate value of quoted investments					
		At Cost		106,45,44,847	85,68,77,514
		Market Value		694,84,90,287	354,54,23,928
II. Aggregate value of un-quoted investments - Others					
		At Cost		103,83,44,339	82,03,22,187
C. INVESTMENT IN IMMOVABLE PROPERTIES:-					
				70,94,409	70,94,409
TOTAL (D)				70,94,409	70,94,409
GRAND TOTAL (C+D)				210,99,83,595	168,42,94,110

(+) Bonus Shares received, hence cost of acquisition is NIL
 (++) Face Value has been reduced from Rs.5 to Rs.1 on account of Spilt and there is corresponding increase in number of shares
 (#) Includes Rs.22,46,27,776/- on account of consolidation of associates

		As at 31st March, 2015	As at 31st March, 2014	
11 Deferred tax				
a) Deferred tax Assets				
i) Accumulated Losses		3,52,70,590	3,52,70,590	
ii) Employee Benefits		7,55,501	2,68,827	
Total (a)		3,60,26,091	3,55,39,417	
b) Deferred tax Liabilities				
i) Depreciation on Fixed Assets		1,93,79,391	2,05,96,387	
Total (b)		1,93,79,391	2,05,96,387	
Deferred tax assets (net)	(Total a-b)	1,66,46,700	1,49,43,030	
12 Long Term Loans and advances				
A) Unsecured, considered good				
i) Loans & advances				
		8,00,00,000	8,00,00,000	
		8,00,00,000	8,00,00,000	
ii) Staff Loans and advances				
		11,94,235	10,00,981	
		11,94,235	10,00,981	
iii) Advances recoverable in cash or kind or for value to be received-				
		9,97,749	10,01,997	
		9,97,749	10,01,997	
iv) Security Deposit with Govt Department				
		1,500	1,500	
v) Security Deposit with others				
		3,22,22,124	2,42,92,124	
vi) Advance Income Tax and Tax Deducted at Source				
		7,58,75,120	6,80,09,931	
		3,02,77,468	2,08,45,850	
		4,55,97,652	4,71,64,081	
		16,00,13,260	15,34,60,683	
Less: Tax Provisions				
Total A (i+ii+iii+iv+v+vi)		51,21,220	71,26,220	
B) Doubtful				
Advances recoverable in cash or kind or for value to be received-				
		51,21,220	71,26,220	
Less: Provision for Bad & doubtful Debts				
		0	0	
Total B		0	0	
Total A+B		16,00,13,260	15,34,60,683	
13 INVENTORIES - SHARE STOCK IN TRADE				
<i>(At Cost or market price, whichever is lower)</i>				
Name of the Company	As on 31.03.2015		As on 31.03.2014	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Stock of Quoted Equity shares (Fully Paid)				
ARIHANT COTSYN LTD	2,000	1	2,000	1
CENTRAL ROADLINES CORPORATION LTD	2,82,700	1	2,82,700	1
HINDUSTAN ADHESIVES LTD	13,000	1,000	7,560	
INTERCRAFT LTD	29,000	1	29,000	1
KOTHARI PRODUCTS LTD	30	3,903	10	3,903
SOUTH ASIAN ENTERPRISES LTD	0	0	17,11,289	2,12,19,984
SWEDA INDIA LTD	200	1	200	1
AXIS LIQUID FUND	49,098	7,60,00,000	13,387	1,90,00,000
RELIANCE LIQUID FUND	175	5,82,185	97	3,00,000
Total	3,64,203	7,65,99,092	20,39,683	4,05,31,451
14 Trade Receivables				
a) Unsecured-Considered good				
Due from share brokers				
1. Due for more than six months				
		0	0	
2. Others				
		2,60,80,294	16,81,05,896	
Total (a)		2,60,80,294	16,81,05,896	
15 Cash and Cash Equivalents				
a) Cash on Hand				
		10,60,211	14,26,554	
b) Balances with banks				
1. In Current Accounts				
		36,55,254	1,40,66,585	
2. In Deposit Accounts-less than 12months maturity (Previous year Rs. 211.75 Lacs)				
		1,12,83,196	2,11,75,099	
3. In Deposit Accounts - more than 12 months maturity				
		0	10,00,000	
			(Previous year Rs. 10.00 Lacs)	
Total (a+b)		1,59,98,661	3,76,68,238	
16 Short Term Loans and advances				
Unsecured and considered good				
i) Loans and advances				
		0	6,00,000	
ii) Staff Loans and advances				
		12,24,196	12,70,802	
iii) Advances Recoverable in cash or in kind or for value to be received				
		5,25,10,554	35,43,691	
iv) Margin Money deposit with share brokers				
		14,08,00,000	20,23,00,000	
v) Prepaid Expenses				
		12,01,478	8,08,996	
Total		19,57,36,228	20,85,23,489	


CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

(Amount in Rupees)

	As at 31st March, 2015	As at 31st March, 2014
17 Other Current Assets		
a) Interest Accrued but not due	10,90,878	31,89,488
b) Others	1,48,682	1,33,668
Total (a+b+c)	12,39,560	33,23,156
18 REVENUE FROM OPERATIONS		
Sale of Shares/Securities/Commodities	4574,18,97,423	3805,22,41,806
Income from Other credit operations	1,64,87,899	2,82,93,891
Income from Investments	48,62,50,194	9,15,53,245
Bad Debts Recovered	19,95,000	0
Total	4624,66,30,516	3817,20,88,942
19 CHANGE IN STOCK OF SHARES		
Closing Stock of Shares	7,65,99,092	4,05,31,451
Less: Opening Stock of Shares	4,05,31,451	1,03,14,615
Change in Stock of Shares - Increase / (Decrease)	3,60,67,641	3,02,16,836
20 EMPLOYEE BENEFITS EXPENSES		
Salaries	1,91,27,641	1,39,84,266
Staff Amenities	6,02,739	5,19,057
Employer's Contribution to PF, ESI, Gratuity Fund etc.	30,85,690	14,28,922
Total	2,28,16,070	1,59,32,245
21 FINANCE COST		
Bank / Finance Charges	14,981	26,406
Other borrowing costs	23,00,341	1,71,201
Total	23,15,322	1,97,607
22 ADMINISTRATIVE & OTHER EXPENSES		
Advertisement & Business Promotion	29,91,581	27,61,460
Consultancy, Legal & Service Charges	3,45,44,257	2,52,99,185
Communication Expenses	16,41,187	28,30,488
Electricity & Water Charges	6,37,979	5,65,159
Insurance	49,126	47,030
Office Expenses	49,09,730	37,09,027
Shares Transaction Charges	40,86,232	3,81,977
SEBI Membership Fees	3,33,610	3,56,152
Travelling Expenses & Conveyance	38,60,120	39,04,574
Rates & Taxes	1,05,90,104	56,24,524
Rent	47,20,000	42,00,000
Repairs & Maintenance		
— Others	19,21,480	14,30,738
Miscellaneous Expenses	75,58,884	34,80,276
Auditors' Remuneration		
a) Audit Fees	1,96,630	1,62,922
b) For Other Services		
— For Tax audit	95,506	73,034
— For certification	2,73,100	2,95,000
— Out of pocket expenses	65,671	55,000
Internal Auditors' Remuneration		
— Fees	70,000	85,000
— Out of pocket expenses	8,000	8,000
Directors' Sitting Fees	9,20,000	9,06,000
Provision for Non-performing assets (Net)	0	59,75,970
Contingent Provisions against Standard Assets	(226,375)	0
Bad debts written off (net)	0	21,24,030
Loss on sale/written off of Fixed Assets	(7,466)	21,820
Prior year expenses	0	2,286
Total	7,92,39,356	6,42,99,652

23. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT

- Contingent Liability:- Nil
 - Estimated amount of contracts remaining to be executed on Capital Account: Nil.
- In some cases balances in the accounts of Debtors, Loans and Advances, Other Current Assets and Creditors are subject to confirmation by the respective parties.
- Cash & Bank Balances include Bank Deposits include fixed deposits of Rs.1,12,83,196/- (Previous Year – Rs.2,11,75,099/-) pledged by VLS Finance Ltd with the banks as security for availing overdraft facilities.
- The Current Assets, Loans and advances have the value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- The term of lease agreements in all Leased Assets have expired and the assets continue in the possession of lessees. However, the said assets have been included in the block of fixed assets of the Company pending the transfer of titles.

6. Related Party Disclosure : Followings are the related parties:-

Key Managerial Personnel: -

- Shri S.K. Agarwal (Managing Director in VLS Finance Ltd. and VLS Securities Ltd.)
- Shri K.K. Soni (Director-Finance & CFO in VLS Finance Ltd)
- Shri H Consul (Company Secretary in VLS Finance Ltd)
- Shri Anurag Bhatnagar (Chief Financial Officer in VLS Securities Ltd)
- Ms Surbhi Jain, (Company Secretary in VLS Securities Ltd) Associates: - (as defined in the Companies Act, 2013)
 - VLS Capital Ltd
 - Sunair Hotels Ltd
 - BMS IT Institute Private Ltd

7. Summary of transactions with the above related parties is as follows:-

(Amount in Rs.)

Particulars	Associates	Key Managerial Personnel	Others
Remuneration to Managing Director.		25,87,800 (Previous year: 19,65,000)	
Remuneration to Director-Finance & CFO (Previous Year-Part of the year w.e.f. 14/11/2013)		17,86,500 (Previous year: 3,96,911)	
Remuneration to Company Secretary (VLS Finance Ltd)		13,77,756 (Previous year: 10,77,296)	
Remuneration to Chief Financial officer (VLS Securities Ltd)		14,32,000 (Previous year: 11,97,724)	

8. Managerial Remuneration

Particulars	Paid to Shri S.K. Agarwal Managing Director	Paid to Shri K.K Soni Director-Finance & CFO
Remuneration	Rs. 25,72,800 (Previous Year – Rs. 19,50,000)	Rs. 17,79,000 (Previous Year – Rs.3,03,683 w.e.f. 14/11/2013)
Perquisites	Rs. 15,000 (Previous Year – Rs.15,000)	Rs. 7,500 (Previous Year – Rs. 93,228)

The perquisite figure does not include contribution made by the Company for gratuity and group insurance scheme to the LIC and provision made for leave encashment.

9. Earning Per Share

Calculation of EPS (Basic and Diluted)

Particulars	Equivalent No. of Shares	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Basic and Diluted		
Total Shares Outstanding	3,86,62,017	3,86,62,017
Profit after Taxes	Rs. 7,11,75,731	Rs. 3,71,25,474
EPS - Basic	Rs. 1.84	Rs. 0.96
EPS - Diluted	Rs. 1.84	Rs. 0.94

10. The Company has made the provision for Taxation / MAT payable under the Income Tax Act, 1961 of Rs.97,18,771/- (Previous year Rs. 25,98,188/-). Out of this Rs.97,18,771/- (Previous year Rs. 23,11,035/-) relates to VLS Finance Ltd and Rs.Nil/- (Previous year Rs. 2,87,153) relates to VLS Securities Ltd.

11. The Holding Company : Accounting Standard AS 17 relates to "Segment Reporting" has been complied with. The gross operating income and profit from the other segment is below the norms prescribed in AS 17, hence separate disclosure has not been made.

12. Income from investments includes:

	Current Year (Rs.)	Previous Year (Rs.)
Dividend Income (Gross)	3,14,52,527	7,70,40,299

13. Income from Other credit operations grouped under Revenue from Operations includes Interest Receipts (Gross) of Rs. 98,78,507/- (Previous Year Rs.2,13,58,388/-) and Tax Deducted at Source thereon of Rs. 9,73,654/- (Previous Year Rs. 21,32,890).

14. Expenditure in Foreign Exchange:-Foreign Travel Expenses in respect to VLS Finance Ltd-Rs. 3,51,470 /-(Previous year : 1,75,216) and subscriptions in respect to VLS Finance Ltd -Rs.47,179 (Previous year Rs.Nil).

**CONSOLIDATED FINANCIAL STATEMENTS****NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd...)**

15. Provision for non-performing assets of Rs. NIL/- is net off of Rs. 20,05,000/- being excess provision written back of Non-performing assets/diminution in value of assets. (Previous year: Provision for Non-performing assets of Rs. 59,75,970/- is net off of Rs.30,24,030/- being excess provision written back of Non-performing assets/diminution in value of assets). of VLS Finance Ltd.
16. Additional information as required by paragraph 2 of the General instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent VLS Finance Limited	89.98	210,32,29,324	91.05	6,48,00,842
Subsidiaries				
Indian				
1 VLS Securities Limited	0.51	1,18,51,190	1.91	13,58,033
2 VLS Asset Management Limited	(0.07)	(1,614,432)	(0.01)	(4385)
Foreign	0	0	0	0
Minority Interests in all subsidiaries	(0.02)	(534,654)	(0.01)	(4,490)
Associates (Investment as per the equity method)				
Indian				
1. VLS Capital Limited	1.87	4,36,78,465	7.06	50,21,241
2. Sunair Hotels Limited	7.74	18,09,49,311	0.00	0.00
3. BMS IT Institute Private Ltd	0.00	0.00	0.00	0.00

- 17 (a) Statement of Salient features of financial statement of subsidiaries/ associates/joint ventures as per Section 129(3) of the Companies Act, 2013

Part- A : Subsidiaries

(in Rupees)

Sr No	1	2
Name of the Subsidiary	VLS Securities Limited	VLS Asset Management Limited
Reporting Period	31/03/2015	31/03/2015
Reporting Currency	INR	INR
Share Capital	15,00,00,000	7,07,000
Reserves & Surplus	1,13,51,190	(1,620,432)
Total Assets	34,06,20,172	16,335
Total Liabilities	17,92,68,982	9,29,767
Investments	23,20,55,058	0
Turnover/Total Income	1,18,23,313	0
Profit before taxation	13,04,477	(4,385)
Provision for taxation	(53,556)	0
Profit after taxation	13,58,033	(4,385)
Proposed Dividend	0	0
% of shareholding	99.67	99.15

- 17 (b) Statement of Salient features of financial statement of subsidiaries/associates/joint ventures as per Section 129(3) of the Companies Act, 2013

Part- B : Associates and Joint Ventures

(in Rupees)

Name of Associates/Joint Ventures	VLS Captial Limited	Sunair Hotels Limited	BMS IT Institute Private Ltd
	Associates		
1 Latest Audited Balance Sheet Date	31/03/2015	31/03/2014	31/03/2014
2 Shares of Associate/Joint Ventures held by the Company on the year end			
No	88,20,833	95,94,824	56,00,000
Amount Investment in Associates/Joint Venture	19,38,53,947	23,59,48,240	24,92,00,000
Extend of Holding %	38.09	24.14	28
3 Description of how there is significant influence	Due to percentage (%) of Share Capital		
4 Reason why the associate/joint venture is not consolidated	-	-	-
5 Networth attributable to Shareholding as per latest audited Balance Sheet	4,36,78,465	18,09,49,311	-
6 Profit/Loss for the year	50,21,241	-	-
i) Considered in Consolidation	50,21,241	-	-
ii) Not considered in Consolidation	-	-	-

18. In respect of office premise acquired earlier, for which possession has already been taken by VLS Finance Ltd, the registration formalities are yet to take place.
19. Bad Debts recovery of Rs.19,95,000/- is net of bad debts written off of Rs.20,05,000/- of VLS Finance Ltd. (Bad debts written off during the previous year is Rs.21,24,030/-)
20. Notes 1 to 23 form an integral part of financial statements.
21. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date.

For Agiwal & Associates

(F.R.N. 000181N)

Chartered Accountants

(P.C.Agiwal)

Partner

M.No.80475

May 30th, 2015

New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

B.M. Oza
Director
DIN : 00138488

K.K.Soni
Director-Finance & CFO
DIN : 00106037

H.Consul
Company Secretary
M. No : A-11183

**CONSOLIDATED FINANCIAL STATEMENTS****VLS FINANCE LTD.****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2015**

(Amount in Lac)

	For the year ended on 31st March, 2015		For the year ended 31st March, 2014	
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		791.91		441.43
<i>Adjustments for :</i>				
Interest and Finance Charges	23.05		1.97	
Depreciation	48.67		42.18	
Loss on sale of Fixed Assets	(3.28)		0.22	
(Income)/Loss from Investments	(4,544.77)		(145.13)	
Dividend Income	(314.52)		(770.40)	
Share in Income of Associates	(50.21)		0.00	
Leave encashment/gratuity Provisions	14.95		0.81	
NPA Provisions and adjustments	(2.26)	(4,828.37)	59.76	(810.59)
Operating Profit before Working Capital Changes		(4,036.46)		(369.16)
<i>Adjustments for :</i>				
Trade & Other Payables	250.99		1,634.54	
Inventories	(360.68)		(302.17)	
Trade & Other Receivables	1,441.15		6,342.60	
Short Term Loans and Advances	(218.66)	1,112.80	(2,175.45)	5,499.52
Cash Generated from Operations		(2,923.66)		5,130.36
Less: Taxes Paid (Net of Refunds)		85.13		(20.98)
Net Cash Flow from Operating Activities (A)		(3,008.79)		5,151.34
B CASH FLOW FROM INVESTMENT ACTIVITIES				
Net Proceeds from Fixed Assets		(45.49)		(3.25)
Investment in Securities (Net)		2,537.35		(6,926.12)
Long Term Loans and Advances		(57.64)		100.24
Dividend Income		314.52		770.40
Net Cash used/generated from Investing Activities (B)		2,748.74		(6,058.73)
C CASH FLOW FROM FINANCING ACTIVITIES				
Repayment to Bought back of Equity Share Capital (including securities premium)		0.00		(164.28)
Proceeds from/(Repayment of) Short Term Borrowings		66.41		0.00
Interest Paid		(23.05)		(1.97)
Net Cash Flow from Financing Activities (C)		43.36		(166.25)
Net Increase/ (Decrease) in Cash & Cash Equivalents(A+B+C)		(216.69)		(1,073.64)
Opening Balance of Cash & Cash Equivalents		376.68		1,450.32
Closing Balance of Cash & Cash Equivalents		159.99		376.68

Notes:-

- Cash & Cash Equivalents (Closing) includes deposits with banks amounting to Rs. 112.83 lacs (Previous Year Rs.211.75 lacs), which are pledged with them as security for overdraft facility.
- Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of even date.

For Agiwal & Associates

Chartered Accountants

(F.R.N. 000181N)

P.C.Agiwal

Partner

M.No.80475

May 30th, 2015

New Delhi

For and behalf of the Board

S.K.Agarwal

Managing Director

DIN : 00106763

B.M. Oza

Director

DIN : 00138488

K.K.Soni

Director-Finance & CFO

DIN : 00106037

H.Consul

Company Secretary

M. No : A-11183

* * *



VLS FINANCE LIMITED

CIN: L65910DL1986PLC023129

Registered Office: 2ndFloor, 13, Sant Nagar, East of Kailash, New Delhi-110065

email: vls@vsnl.com, Website: www.vlsfinance.com, Phone: 011-46656666, FAX: 011-46656699

Form of Proxy

(Pursuant to Section 105(6) of Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s):	
Registered Address:	
E-Mail id:	
Folio No./DP ID/Client ID:	
No. of Shares Held	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1.	Name:		Signature of proxy
	Address:		
	E-Mail id:		
Or failing him			
2.	Name:		Signature of proxy
	Address:		
	E-Mail id:		
Or failing him			
3.	Name:		Signature of proxy
	Address:		
	E-Mail id:		

as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on the 24th day of September, 2015 at 3:30 P.M. at The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Description	(Optional)	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Balance Sheet of the Company as at 31 st March, 2015, the statement of Profit & Loss for the year ended on that date together with the Report of Auditors and Directors thereon and the consolidated Financial Statements for the said period.		
2.	To appoint a Director in place of Shri S. K. Agarwal (DIN: 00106763) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint the Auditors and to fix their remuneration.		
Special Business			
4.	Appointment of Dr. (Mrs.) Neeraj Arora (DIN: 07191167) as Director.		
5.	To approve the related party transaction of the Company for using office premises by VLS Securities Ltd. (Subsidiary) in Mumbai for opening its branch office.		
6.	Approval for investment in Limited Liability Partnership (LLP) to be formed with related parties.		

Signed this _____ day of _____ 2015

Signature of Shareholder _____ Signature of Proxy Holder(s) _____

Affix Revenue Stamp

NOTE:

- The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting. A Proxy need not be a Member.
- The form should be signed across the stamp by the member as per specimen signature registered with the Company.
- In case of jointholding, all the jointholders must sign the proxy form.
- It is optional to put a "X" in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

VLS VLS FINANCE LIMITED

CIN: L65910DL1986PLC023129

Registered Office: 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065
email: vls@vsnl.com, Website: www.vlsfinance.com, Phone: 011-46656666, FAX: 011-46656699

ATTENDANCE CARD

TWENTY EIGHTH ANNUAL GENERAL MEETING
Thursday, the 24th day of September, 2015

NAME OF THE ATTENDING MEMBER(S) (IN BLOCK LETTERS)	
* Folio No.	
DP ID No.	
Client ID No.	
No. of Shares Held	
NAME OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF MEMBER)	

I hereby record my presence at the 28th Annual General Meeting of the Company at 24th day of September, 2015 at 3:30P.M. at The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.

* Applicable in case of shares held in physical form.

Member/ Proxy Signature

NOTES:

1. Member/Proxy wishing to attend the meeting must present this card duly filled in at the Entrance of the Venue.
2. No Gift/Coupon or equivalent will be given to members who are present in the meeting.
3. For convenience of members, persons other than member/proxy will not be allowed inside the Auditorium.

Book Post



If not delivered, please return to :
VLS FINANCE LIMITED
2nd Floor, 13, Sant Nagar,
East of Kailash,
New Delhi-110 065
Phone : 011-46656666
Fax : 011-46656699