



**VLS FINANCE LTD.**

2nd Floor, 13, Sant Nagar,  
East of Kailash,  
New Delhi - 110 065, India  
Tel. : + 91 -11-46656666  
Fax : + 91 -11-46656699  
E-mail : vls@vsnl.com  
Web : www.vlsfinance.com  
CIN : L65910DL1986PLC023129

September 21, 2018

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001  
Scrip Code: 511333

The National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra (E), Mumbai - 400 05 I.  
Scrip Code: VLSFINAC

Dear Sir/Madam,

**Sub: 31<sup>st</sup> Annual General Meeting ('AGM') and voting results.**

This is to inform you that 31<sup>st</sup> Annual General Meeting ('AGM') of the Company was held on 20/09/2018 and the business mentioned in the Notice dated 19/07/2018 were transacted.

In this regard, Please find enclosed the following-

- (1) Summary of proceedings as required under Regulation 30, Part-A of Schedule -III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as **Annexure – I**.
- (2) Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations alongwith Report of Scrutinizer dated September 21, 2018, Pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014 as **Annexure – II**.
- (3) Annual Report for the financial year 2017-18 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking You,  
For VLS Finance Ltd.

(H. Consul)  
Company Secretary  
M. No. A11183

CC: The Calcutta Stock Exchange Association. Ltd., 7, Lyons Range, Kolkata- 700 001.

**Annexure – I**

**Summary of proceedings of the 31<sup>st</sup> Annual General Meeting:**

The 31<sup>st</sup> Annual General Meeting (AGM) of the Members of VLS Finance Limited held on Thursday, 20<sup>th</sup> September, 2018 at 3:30 P.M. at The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003. Shri S. K. Agarwal-Managing Director, chaired the meeting. The requisite quorum being present, the Chairman called the meeting to order. The Chairman welcome the members and in his address briefed about activities of company. The Chairman informed that the Company had provided the Members the facility to cast their vote electronically, on all resolutions set forth in the Notice for the meeting. Members who were present at the AGM and had not cast their votes electronically were provided an opportunity to cast their votes through ballot at the end the meeting. It was further informed that there would be no voting by show of hands. Shri H. Consul - Company Secretary, read the Auditors' Report.

The following items of business, as per the Notice of AGM dated July 19, 2018, were transacted at the meeting.

<b>Resolution number</b>	<b>Type of Resolution</b>	<b>Description</b>
1	Ordinary Resolution	To receive, consider and adopt the Audited Balance Sheet of the Company as at 31 <sup>st</sup> March, 2018, 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	Ordinary Resolution	To approve dividend of Rupee 1/- per equity share.
3	Ordinary Resolution	To appoint a Director in place of Shri K. K. Soni (DIN: 00106037) who retires by rotation and being eligible, offers himself for re-appointment.
4	Ordinary Resolution	To appoint a Director in place of Shri Vikas Mehrotra (DIN: 06476150) who retires by rotation and being eligible, offers himself for re-appointment.
5	Ordinary Resolution	To fix the remuneration of Statutory Auditors.
6	Ordinary Resolution	To approve revision of remuneration of Shri S. K. Agarwal (DIN: 00106763) - Managing Director of the Company.
7	Ordinary Resolution	To approve revision of remuneration of Shri K. K. Soni (DIN: 00106037) – Director-Finance & CFO of the Company.



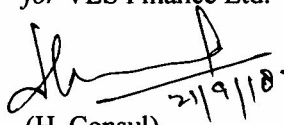
8	<i>Special Resolution</i>	To approve the continuation of appointment of Shri Ajit Kumar (DIN: 00106597) as a Non – Executive Director of the Company.
9	<i>Special Resolution</i>	To approve the continuation of appointment of Dr. Srinivasan Ramesh (DIN: 00126120) as a Non – Executive Director of the Company.

Clarifications were provided to the queries raised by the members.

The Board of Directors had appointed Mr. V. B. Aggarwal –Practicing Company Secretary as the Scrutinizer to supervise the entire voting process. The scrutinizer's report was received and accordingly all the resolutions as set out in the notice were declared as passed. The meeting was concluded at 4:45 p.m.

This is for your information and records.

Thanking you,  
for VLS Finance Ltd.

  
21/9/18

(H. Consul)  
Company Secretary  
M. No. A11183



*V. B. Aggarwal*

B.Com (Hons), FICWA, ACS  
COMPANY SECRETARY  
C.P. No. 1583

*CHIEF ACCOUNTANT*

7223, DLF Phase IV  
GURGAON-122009  
Phone : 9810530637  
0124-3298398

Date.....

**Scrutinizer's Report**  
**[Combined Report of E-voting, voting by Post & Poll]**

---

September 21, 2018

To,  
The Chairman- 31<sup>st</sup> Annual General Meeting ("AGM"),  
VLS Finance Limited,  
Regd off: 2<sup>nd</sup> Floor, 13, Sant Nagar,  
East of Kailash, New Delhi-110 065

Dear Sir,

Scrutinizer's Report for combined result of poll conducted at the 31<sup>st</sup> AGM of VLS Finance Limited held on Thursday, 20<sup>th</sup> September, 2018 at 3:30 p.m., electronic voting and voting by post on agenda items of said Annual General Meeting.

1. I, V. B. Aggarwal, practicing Company Secretary had been appointed as the Scrutinizer for conducting the scrutiny of voting by poll, post and the e-voting, pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, by the Board of Directors of VLS Finance Limited vide its resolution dated 17/05/2018.
2. The Company had appointed National Securities Depositories Limited (NSDL) as the Service Provider, for extending the facility of electronic voting to the members of the Company from 9.00 A.M. on Monday, 17<sup>th</sup> September, 2018 till 5.00 p.m. on Wednesday, 19<sup>th</sup> September, 2018. E-voting was disabled by NSDL at 5.00 p.m. on 19<sup>th</sup> September, 2018.
3. Voting rights were reckoned on the paid-up value of shares registered in the name of the members as on 13<sup>th</sup> September, 2018, the cut-off date for votes on the resolutions either by e-voting, post or poll.
4. The e-voting results were unblocked on September 20, 2018 around 5.20 p.m. in the presence of two witnesses. For details please refer to Scrutinizer's Report on e-voting dated 21/09/2018.



5. As the Chairman of the 31<sup>st</sup> AGM of the Company, you had also consented to my appointment as the Scrutinizer for the Poll pursuant to the provisions of Section 109 of the Companies Act, 2013 read with Rule 21 of the Companies (Management and Administration) Rules, 2014, for the resolutions contained in the Notice dated July 19, 2018. The poll was called for at the said AGM to facilitate members to cast their votes who could not participate in e-voting or voting by post. For further details please refer to Scrutinizer's Report for the poll in the form MGT-13 dated September 21, 2018.
6. The combined result of E-voting together with that of poll and voting by post is attached as an annexure to this report.
7. All the resolutions proposed in the agenda items of the 31<sup>st</sup> AGM have secured assent (approval) by requisite majority in accordance with provisions of Companies Act, 2013 as per the combined result.

I hereby confirm that I am maintaining the registers received from service provider both electronically and manually in respect of votes cast through e-voting. I shall arrange to handover these records to you or person authorised by the Company upon receipt of copy of authenticated minutes of said AGM.

Thanking you,  
Yours faithfully,



(V. B. Aggarwal)  
Practicing Company Secretary  
ACS 4240 CP No. 1583



*M. declare the  
results.  
R  
21/09/2018*

Place: Gurugram

Date: September 21, 2018

**VLS Finance Limited**  
CIN: L65910DL1986PLC023129

**Annexure to the Scrutinizer Report on Combined Results of voting in 31st Annual General Meeting held on 20/09/2018**

Scrip code: VLSFINACE (NSE)

Scrip code: 511333 (BSE)

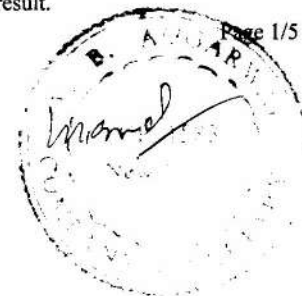
Scrip code: 032019 (CSE)

<b>Date of AGM/EGM</b>	20/09/2018	
<b>Total number of shareholders on record date</b>	24994	
<b>No. of shareholders present in the meeting either in person or through proxy:</b>	61	
Promoters and Promoter Group:	1	1 Corporate Member through authorised representative
Public:	60	
<b>No. of shareholders attended the meeting through Video Conferencing:</b>	Facility not provided	
Promoters and Promoter Group:		
Public:		

**Agenda wise disclosure (to be disclosed separately for each agenda item)**

<b>Resolution required: (Ordinary/Special)</b>		<b>1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2018, the statement of Profit &amp; 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.</b>						
<b>Whether promoter/promoter group are interested in the agenda/resolution?</b>		No						
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
<b>Promoter and Promoter Group</b>	<b>E-Voting</b>	17570123	15820126	90.04	15820126	0	100.0000	0.0000
	<b>Poll</b>		0	0.00	0	0	0.0000	0.0000
	<b>Postal Ballot (if applicable)</b>		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		17570123	15820126	90.04	15820126	0	100.0000
<b>Public- Institutions</b>	<b>E-Voting</b>	50915	0	0.00	0	0	0.0000	0.0000
	<b>Poll</b>		0	0.00	0	0	0.0000	0.0000
	<b>Postal Ballot (if applicable)</b>		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		50915	0	0.00	0	0	0.0000
<b>Public- Non Institutions</b>	<b>E-Voting</b>	21040979	3560	0.02	3560	0	100.0000	0.0000
	<b>Poll</b>		575447	2.73	575424	23	99.9960	0.0040
	<b>Postal Ballot (if applicable)</b>		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		21040979	579007	2.75	578984	23	99.9960
<b>Total</b>		<b>38662017</b>	<b>16399133</b>	<b>42.42</b>	<b>16399110</b>	<b>23</b>	<b>99.9999</b>	<b>0.0001</b>

\$ Out of 61 members present, 17 members voted and vote of 2 members who voted through ballot by post for 1200 equity shares in aggregate have been included in above result.



Resolution required: (Ordinary/Special)			2. To approve dividend of Rupee 1/- per equity share.					
Whether promoter/promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
Promoter and Promoter Group	E-Voting	17570123	15820126	90.04	15820126	0	100.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		17570123	15820126	90.04	15820126	0	100.0000
Public-Institutions	E-Voting	50915	0	0.00	0.00	0.00	0.0000	0.0000
	Poll		0	0.00	0.00	0.00	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		50915	0	0.00	0	0	0.0000
Public- Non Institutions	E-Voting	21040979	3560	0.02	3560	0	100.0000	0.0000
	Poll \$		575447	2.73	575424	23	99.9960	0.0040
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		21040979	579007	2.75	578984	23	99.9960
<b>Total</b>		<b>38662017</b>	<b>16399133</b>	<b>42.42</b>	<b>16399110</b>	<b>23</b>	<b>99.9999</b>	<b>0.0001</b>

\$ Out of 61 members present, 17 members voted and vote of 2 members who voted through ballot by post for 1200 equity shares in aggregate have been included in above result.

Resolution required: (Ordinary/Special)			3. To appoint a Director in place of Shri K. K. Soni (DIN: 00106037) who retires by rotation and being eligible, offers himself for re-appointment.					
Whether promoter/promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
Promoter and Promoter Group	E-Voting	17570123	15820126	90.04	15820126	0	100.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		17570123	15820126	90.04	15820126	0	100.0000
Public-Institutions	E-Voting	50915	0	0.00	0	0	0.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		50915	0	0.00	0	0	0.0000
Public- Non Institutions	E-Voting	21040979	3560	0.02	3560	0	100.0000	0.0000
	Poll \$		575447	2.73	575424	23	99.9960	0.0040
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		21040979	579007	2.75	578984	23	99.9960
<b>Total</b>		<b>38662017</b>	<b>16399133</b>	<b>42.42</b>	<b>16399110</b>	<b>23</b>	<b>99.9999</b>	<b>0.0001</b>

\$ Out of 61 members present, 17 members voted and vote of 2 members who voted through ballot by post for 1200 equity shares in aggregate have been included in above result.

Resolution required: (Ordinary/Special)		4. To appoint a Director in place of Shri Vikas Mehrotra (DIN: 06476150) who retires by rotation and being eligible, offers himself for re-appointment.						
Whether promoter/promoter group are interested in the agenda/resolution?		No						
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
Promoter and Promoter Group	E-Voting	17570123	15820126	90.04	15820126	0	100.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		17570123	15820126	90.04	15820126	0	100.0000
Public-Institutions	E-Voting	50915	0	0.00	0	0	0.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		50915	0	0.00	0	0	0.0000
Public- Non Institutions	E-Voting	21040979	3560	0.02	3560	0	100.0000	0.0000
	Poll \$		575447	2.73	575424	23	99.9960	0.0040
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		21040979	579007	2.75	578984	23	99.9960
<b>Total</b>		<b>38662017</b>	<b>16399133</b>	<b>42.42</b>	<b>16399110</b>	<b>23</b>	<b>99.9999</b>	<b>0.0001</b>

\$ Out of 61 members present, 17 members voted and vote of 2 members who voted through ballot by post for 1200 equity shares in aggregate have been included in above result.

Resolution required: (Ordinary/Special)		5. To fix the remuneration of Statutory Auditors.						
Whether promoter/promoter group are interested in the agenda/resolution?		No						
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
Promoter and Promoter Group	E-Voting	17570123	15820126	90.04	15820126	0	100.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		17570123	15820126	90.04	15820126	0	100.0000
Public-Institutions	E-Voting	50915	0	0.00	0	0	0.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		50915	0	0.00	0	0	0.0000
Public- Non Institutions	E-Voting	21040979	3560	0.02	3560	0	100.0000	0.0000
	Poll \$		575447	2.73	575424	23	99.9960	0.0040
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		21040979	579007	2.75	578984	23	99.9960
<b>Total</b>		<b>38662017</b>	<b>16399133</b>	<b>42.42</b>	<b>16399110</b>	<b>23</b>	<b>99.9999</b>	<b>0.0001</b>

\$ Out of 61 members present, 17 members voted and vote of 2 members who voted through ballot by post for 1200 equity shares in aggregate have been included in above result.

*Mam*

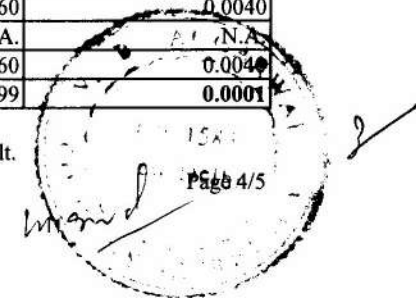


Resolution required: (Ordinary/Special)			6. To approve revision of remuneration of Shri S. K. Agarwal (DIN: 00106763) - Managing Director of the Company.					
Whether promoter/promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
Promoter and Promoter Group	E-Voting	17570123	15820126	90.04	15820126	0	100.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		15820126	90.04	15820126	0	100.0000	0.0000
Public-Institutions	E-Voting	50915	0	0.00	0	0	0.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		0	0.00	0	0	0.0000	0.0000
Public- Non Institutions	E-Voting	21040979	3560	0.02	3560	0	100.0000	0.0000
	Poll \$		575447	2.73	575424	23	99.9960	0.0040
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		579007	2.75	578984	23	99.9960	0.0040
<b>Total</b>		<b>38662017</b>	<b>16399133</b>	<b>42.42</b>	<b>16399110</b>	<b>23</b>	<b>99.9999</b>	<b>0.0001</b>

\$ Out of 61 members present, 17 members voted and vote of 2 members who voted through ballot by post for 1200 equity shares in aggregate have been included in above result.

Resolution required: (Ordinary/Special)			7. To approve revision of remuneration of Shri K. K. Soni (DIN: 00106037) – Director-Finance & CFO of the Company.					
Whether promoter/promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
Promoter and Promoter Group	E-Voting	17570123	15820126	90.04	15820126	0	100.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		15820126	90.04	15820126	0	100.0000	0.0000
Public-Institutions	E-Voting	50915	0	0.00	0	0	0.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		0	0.00	0	0	0.0000	0.0000
Public- Non Institutions	E-Voting	21040979	3560	0.02	3560	0	100.0000	0.0000
	Poll \$		575447	2.73	575424	23	99.9960	0.0040
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		579007	2.75	578984	23	99.9960	0.0040
<b>Total</b>		<b>38662017</b>	<b>16399133</b>	<b>42.42</b>	<b>16399110</b>	<b>23</b>	<b>99.9999</b>	<b>0.0001</b>

\$ Out of 61 members present, 17 members voted and vote of 2 members who voted through ballot by post for 1200 equity shares in aggregate have been included in above result.



Resolution required: (Ordinary/ Special)			8. To approve continuation of Shri Ajit Kumar (DIN: 00106597) as a Non – Executive Director of the Company.					
Whether promoter/promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
Promoter and Promoter Group	E-Voting	17570123	15820126	90.04	15820126	0	100.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		17570123	15820126	90.04	15820126	0	100.0000
Public- Institutions	E-Voting	50915	0	0.00	0	0	0.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		50915	0	0.00	0	0	0.0000
Public- Non Institutions	E-Voting	21040979	3560	0.02	3560	0	100.0000	0.0000
	Poll \$		575447	2.73	575424	23	99.9960	0.0040
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		21040979	579007	2.75	578984	23	99.9960
<b>Total</b>		<b>38662017</b>	<b>16399133</b>	<b>42.42</b>	<b>16399110</b>	<b>23</b>	<b>99.9999</b>	<b>0.0001</b>

\$ Out of 61 members present, 17 members voted and vote of 2 members who voted through ballot by post for 1200 equity shares in aggregate have been included in above result.

Resolution required: (Ordinary/ Special)			9. To approve continuation of Dr. Srinivasan Ramesh (DIN: 00126120) as a Non – Executive Director of the Company.					
Whether promoter/promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
Promoter and Promoter Group	E-Voting	17570123	15820126	90.04	15820126	0	100.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		17570123	15820126	90.04	15820126	0	100.0000
Public- Institutions	E-Voting	50915	0	0.00	0	0	0.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		50915	0	0.00	0	0	0.0000
Public- Non Institutions	E-Voting	21040979	3560	0.02	3560	0	100.0000	0.0000
	Poll \$		575447	2.73	575424	23	99.9960	0.0040
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>		21040979	579007	2.75	578984	23	99.9960
<b>Total</b>		<b>38662017</b>	<b>16399133</b>	<b>42.42</b>	<b>16399110</b>	<b>23</b>	<b>99.9999</b>	<b>0.0001</b>

\$ Out of 61 members present, 17 members voted and vote of 2 members who voted through ballot by post for 1200 equity shares in aggregate have been included in above result.



# XXXI ANNUAL REPORT 2017-2018

## **VLS FINANCE LTD.**

Regd Office : 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065  
CIN : L65910DL1986PLC023129, email : [vls@vsnl.com](mailto:vls@vsnl.com), Website : [www.vlsfinance.com](http://www.vlsfinance.com)  
Phone : 011-46656666 Fax : 011-46656699

### NOTICE

#### 31<sup>st</sup> 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 20<sup>th</sup> day of September, 2018

#### 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  
Ph. : 011 26387320-21-23 Fax : 011 26387322  
Email : investor.servies@rcmc.delhi.in

Our e-mail address :

✉ For investor services : hconsul@vlsfinance.com

✉ Other than above : vls@vsnl.com

visit us at www.vlsfinance.com

#### CONTENTS

#### Page No.

Directors' Report .....	1-29
Report on Corporate Governance .....	19-26
Auditors' Report .....	30-32
Balance Sheet .....	33
Profit & Loss Account .....	34
Notes .....	35-40
Cash Flow Statement .....	41
Annual Report of Subsidiaries .....	42-69
Consolidated Financial Statements .....	70-79

#### BOARD OF DIRECTORS :

Shri Ajit Kumar	Chairman-Independent Director (DIN : 00106597)
Shri M.P. Mehrotra	Executive Vice-Chairman (DIN : 00016768)
Shri S.K. Agarwal	Managing Director (DIN : 00106763)
Shri K. K. Soni	Director-Finance & CFO (DIN : 00106037)
Dr. (Mrs.) Neeraj Arora	Non-Executive Director (DIN : 07191167)
Shri Vikas Mehrotra	Non-Executive Director (DIN : 06476150)
Dr. S. Ramesh	Independent Director (DIN : 00126120)
Shri. D.K. Mehrotra	Independent Director (DIN : 00142711)
Shri R. Bandyopadhyay	Independent Director (DIN :01122778)

#### COMPANY SECRETARY

Shri H. Consul

#### AUDITORS

M/s. M.L. Puri & Co.  
Chartered Accountants,  
407, New Delhi House,  
27, Barakhamba Road,  
New Delhi-110001

#### 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 CALCUTTA STOCK EXCHANGE LTD.

7, Lyons Range, Kolkata-700 001.

#### Attention Members

In order to improve investor services and payment of dividend, we request you to update / register your postal, email address and Bank Account details 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/Printing

## DIRECTORS' REPORT

Your Directors are pleased to present the 31<sup>st</sup> Annual Report of the Company together with the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2018.

1. Financial Results	(Rs. in Lakhs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017*
<b>Gross Receipts</b>	<b>209316.72</b>	269227.74
Profit before Interest, Finance Charges & Depreciation	<b>2500.18</b>	6269.13
Less: Interest & Finance Charges	<b>1.07</b>	12.52
Profit before Depreciation	<b>2499.11</b>	6256.61
Less: Depreciation	<b>60.57</b>	35.53
Profit before exceptional & extraordinary items & tax	<b>2438.54</b>	6221.08
Less: Provision for diminution of value of assets (net)	<b>600.00</b>	1150.00
<b>Profit before Tax</b>	<b>1838.54</b>	5071.08
Less: Provision for Taxation/(Credits)	<b>353.71</b>	1321.49
<b>Profit after Tax</b>	<b>1484.83</b>	3749.59
Surplus brought forward from previous year	<b>8430.49</b>	5146.23
Less: i) Proposed dividend on Equity Shares	<b>386.62</b>	386.62
ii) Dividend distribution tax	<b>79.47</b>	78.71
Available for Appropriation	<b>9449.23</b>	8430.49
<b>Appropriations:</b>		
To General Reserve	<b>0.00</b>	0.00
Surplus c/f	<b>9449.23</b>	8430.49

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

## 2. Management Discussion and Analysis

### Financial Review

During the year under review, profit before tax was Rs. 1838.54 lakhs as compared to Rs. 5071.08 lakhs for the previous year. The profit after tax stood at Rs. 1484.83 lakhs as compared to Rs. 3749.59 lakhs during the previous year.

### Industry Structure and Development

The global economy growth according to Goldman Sachs economic survey estimation is now at 4 percent and growth of developing Asian economies is estimated to be 6 percent, by Asian Development Bank (ADB) report. The financial markets have been showing a confident run as compared to last financial year. ADB report pegs Indian economy to grow at 7.3 percent for the current financial year. However, increasing divergence in monetary policies and volatility of capital flows coupled with foreign economic decisions viz. Brexit, United States trade agreement re-negotiations etc. paints an uncertain time ahead for our economy.

The growth prospects of the Emerging Asian economies (Southeast Asia, China and India) are expected to remain robust over the medium term amid global economic uncertainty. The Asian region is expected to grow at 6 percent in 2018–2019.

### Outlook, Risks and Concerns

The country's equity markets remains promising for both global and domestic investors. The underlying strength of Indian consumption and demand, continues to remain healthy. The performance of your Company is closely linked to those of the stock markets. The growth tendencies for 2018-2019 are expected to be mostly reflective of the developments in these areas. Your Company has been making use of available opportunities in the capital markets for its operations, keeping in view its business objectives.

Our approach to risk management is based on our extensive experience and well placed risk management framework. The Company is exposed to normal industry risks such as credit, interest rate, economic, currency,

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

The continuing emphasis on 'Make in India' by government is expected to infuse further capital investment in the country and thus more opportunity for financial sector. The relaxation of foreign investment rules has received a positive response from the financial sector. The Company is looking forward to grasp the available opportunities. The Company will also focus on permitted avenues as a member of the Stock Exchange. The uncertain state of the global economy however remains a cause of concern.

### Adequacy of Internal Financial Control Systems

The management in consultation with Internal Auditors monitor and evaluate the efficacy and adequacy of internal financial control systems in the Company, its compliance with operating systems, accounting procedures and policies at all levels of the Company and its subsidiaries. The audit observations and the corrective actions thereon are presented to the Audit Committee of the Board. The control framework is established and maintained by the Company. The observations by the internal and statutory auditors are perused by the Management, the Audit committee as well as the Board for proper implementation. The Company's internal financial controls have been found to be adequate and effective.

### 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 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 & Reserve

The Board has recommended 10% dividend on equity shares i.e. Rs.1/- per equity share for the year 2017-18 subject to approval of members. The dividend, if approved, will be paid to the registered members as on the date of book closure for the purpose of Annual General Meeting scheduled to be held on 20/09/2018. No amount was proposed to be transferred to the reserve during the year under review.

## 4. Directors/ Key Managerial Personnel (KMP)

The following changes have occurred from 01/04/2017 till the date of this report in the composition of the Board of Directors/ Key Managerial Personnel of your Company:

### Directors:

In accordance with the provisions of Article 89 of the Articles of Association of the Company, Shri K. K. Soni- Director Finance & CFO and Shri Vikas Mehrotra -Director will retire by rotation at the ensuing Annual General Meeting of your Company ('AGM') and being eligible, offer themselves for re-election. The Board recommends their appointment.

In order to comply with recent amendment in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board also recommends for approval of Members by way of special resolution, the continuation of Non -Executive Directors, namely Shri Ajit Kumar (DIN:00106597) and Dr. S. Ramesh (DIN:00126120) – Independent Directors who have attained the age of 75 years, till their respective tenure of appointment, after 31/03/2019. Further details have been provided in the Notice for convening 31<sup>st</sup> Annual General Meeting of the Company.

### Key Managerial Personnel (KMP):

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons were Key Managerial Personnel of the Company as on March 31, 2018:

1. Shri S. K. Agarwal, Managing Director
2. Shri K. K. Soni, Director Finance & Chief Financial Officer
3. Shri H. Consul, Company Secretary

There was no change in the key managerial personnel of your Company during the year under review.

#### 5. Independent Directors

In terms of the provisions of sub-section (6) of Section 149 of the Act and Regulation 16 of the Listing Regulations, the Company has received declarations from all the Independent Directors of the Company that they meet with the criteria of independence as provided in the Act and the Listing Regulations. Further, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company.

#### 6. Annual Return extract (MGT-9)

The details forming part of the extract of the Annual Return for the year 2017-18 in Form MGT-9 is enclosed as **Annexure A**.

#### 7. Contracts with Related Party

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

#### 8. 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, 2018, 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, 2018 on a 'going concern' basis;
- that they have laid down Internal Financial controls to be followed by the Company and that such Internal Financial Controls are adequate and effective and
- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

#### 9. Evaluation of Board/Committees/Individual Directors

The Board routinely carries out the annual performance evaluation of its own performance, its Committees and Directors. The said exercise is led by the independent directors and the Chairman. The evaluation process focused on different aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competence, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual directors on parameters such as attendance, contribution and independent judgment. The aim was to assess the effectiveness of the Board's/Committees' processes, and to identify any actions required to improve effectiveness. The review thus focused on the following associated areas viz. structure, leadership, strategy, risks, decision making and development.

The evaluation process comprised the following:

- Review of Board, Committees 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.

Given the experience and qualifications of the Board members, it was not considered necessary to engage external persons to facilitate the evaluation process. Further, a meeting of Independent Directors, chaired by Shri Ajit Kumar, Chairman & Independent Director, was held pursuant to Schedule IV of the Act and the Listing Regulations to review the performance of the Chairman, Non-Independent Directors of the

Company and the performance of the Board as a whole. The Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board, which is necessary for the Board to effectively and reasonably perform their duties. Most directors have rich experience of corporate environment and so they are accustomed to having their performance regularly evaluated. The Directors have expressed their satisfaction with the evaluation process.

As per the provisions of section 178(2) of Companies Act, 2013, the Nomination and Remuneration Committee carried out annual evaluation of each Director's performance in its meeting held on 19th July, 2018.

#### 10. Independent Directors

Independent Directors of your Company have complied with the relevant provisions of the law relating to their appointment and they continue to comply with the provisions of the Companies Act, 2013 and the listing regulations. All Independent Directors are in their first five year term. During the year ended 31/03/2018, 1 (one) meeting of Independent Directors was held on 24/01/2018.

Details of meeting(s) attended by the Independent Directors in the relevant period are as below:

S. No.	Name of Director	Whether Chairman/ Member	No. of meetings attended during F.Y. 2017-18 & Dates	
1	Shri Ajit Kumar	Chairman	1	24/01/2018.
2	Dr. S. Ramesh	Member	1	24/01/2018.
3	Shri R. Bandyopadhyay	Member	1	24/01/2018.
4	Shri D.K. Mehrotra	Member	1	24/01/2018.

#### 11. Proper systems to ensure that compliances were adequate and effective

The professional conduct sets expectations that all employees shall comply with all laws and regulations governing company's conduct. 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.

#### 12. Corporate Social Responsibility (CSR)

The Company is covered under the threshold prescribed under the Act for CSR. The Company had spent a total of Rs. 25,50,000/- in the financial year 2017-2018 for its chosen CSR initiatives as per the CSR policy.

A contribution of Rs. 20 lakhs was made to Lal Bahadur Shastri National Memorial Trust ("LBST"), 1 Motilal Nehru Place, New Delhi-110011 for construction of Laboratory for Mechanical Engineering course at Lal Bahadur Shastri Polytechnic in Village Manda, Near Allahabad (U.P.). Additionally, a contribution of Rs. 5.50 lakhs was made to a Gurgaon based non-profit organisation namely, IIMPACT which promotes primary education of girls in rural areas of Kanpur Dehat, Uttar Pradesh. All the CSR proposals are vetted and recommended by the CSR Committee to the Board of Directors for their approval.

#### Statement of CSR allocation and expenditure

(in Rs.)

Financial Year	Allocated Amount	Amount Spent	Amount Unspent (cumulative)
2014-2015	6,47,440/-	0	6,47,440/-
2015-2016	8,46,347/-	6,48,000/-	14,93,787/-
2016-2017	7,98,376/-	1,00,000/-	16,44,163/-
		6,56,250/-	
		5,50,000/-	3,37,913/-
2017-2018	44,19,495/-		47,57,408/-
Less : Excess allocation	-7,66,667/-		-7,66,667/-#
			<b>39,90,741/-</b>
		20,00,000/-	
		5,50,000/-	14,40,741/-
2018-2019	42,12,952/-		56,53,693/-*

# In the financial year 2016-17 the figure of profit before tax of Rs. 62,21,07,779/- was inadvertently considered for CSR calculations instead of Rs. 50,71,07,779/-. Accordingly allocation figure of Rs.44,19,495/- was computed involving excess allocation of Rs.7,66,667/-. The anomaly has now been corrected.

\* Amount available for CSR expenditure in 2018-2019. The report of CSR Committee in terms of Section 135 of the Companies Act, 2013 is enclosed as **Annexure-C** to this report.

### 13. Number of Board Meetings

Relevant details have been provided in the report on corporate governance enclosed as **Annexure D** of this annual report.

### 14. Policies

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

#### A. Corporate Social Responsibility Policy

The CSR policy can be accessed at company's website viz. [www.vlsfinance.com](http://www.vlsfinance.com) under the head 'Investor Relations'.

#### B. Related Party Transaction

The detailed policy may be accessed at [www.vlsfinance.com](http://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 conforms to the requirements of regulation 23 of the Listing Regulations.

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](http://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](http://www.vlsfinance.com)

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](http://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 or otherwise during the year under review and no complaints were pending as on 31/03/2018.

#### 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 Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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:

- 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;
- 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:
- 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
- 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.
  - 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.
  - 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.
  - 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 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.
  - 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 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.
  - 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
- While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:
    - Criteria / norms for determining the remuneration of such employees prescribed in applicable statutory provisions and Company's internal criteria for remuneration.
    - Existing remuneration drawn.
    - Industry standards, if the data in this regard is available.
    - The job description.
    - Qualifications and experience levels of the candidate,
    - 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.
    - The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.
  - The determination of remuneration for other employees shall be governed by the HR Policy.
  - 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).
  - 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.
  - The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof.
  - 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:

- By providing reading material to the Independent Director(s) giving all relevant information about the Company, industry and the role of Independent Directors.
- 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.
- Such other manner as may be prescribed by applicable law or decided by the Board.

**Interpretation:**

- 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.
- The reference to the male gender in the Policy shall be deemed to include a reference to female gender.
- 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](http://www.vlsfinance.com).

**15. 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 Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**16. Auditors**

**Statutory Auditors**

In terms of Section 139 read with Companies (Audit and Auditors) Rules, 2014 M/s. M. L. Puri & Co. - Chartered Accountants, (FRN: 002312N)

had been appointed for a period of 5 years i.e. from the conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company subject to ratification of their appointment by members every year and other compliances, if any as per applicable regulations.

However, with the enforcement of Section 40 of the Companies Amendment Act, 2017 w.e.f. 07/05/2018 the provision relating to ratification of appointment of Statutory Auditors in the intervening period as envisaged in Section 139 of the Companies Act, 2013 from Members had been omitted. The Government had also notified the amendment in relevant rules to this effect from the same date. The ratification of appointment of Statutory Auditors by the Members is, therefore, no longer required. The remuneration of Statutory Auditors for each financial year during their tenure would however continue to be fixed by the Members though they may authorise the Board to fix the remuneration every year. Such authorisation can be made for the remaining tenure of Auditors to obviate yearly authorisation. The Board recommends for your approval the proposal for authorising the Board to fix the remuneration of Statutory Auditors for remaining period of their tenure as set out in relevant item in the Notice for ensuing AGM.

**Secretarial Auditor**

The Board in its meeting held on 17/05/2018 has appointed Ms. Pooja Gandhi –Practicing Company Secretary (CoP:11351) as Secretarial Auditor for the year 2018-2019.

The provisions relating to cost records and audit are not applicable to your company.

**17. Secretarial Audit Report**

The Secretarial Audit Report submitted by Secretarial Auditor in terms of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure E**. There are no adverse comments/observations by Secretarial Auditor requiring explanation by the Board.

**18. Auditors' Report**

The observations made by the Statutory 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. Statutory Information**

- During the year under review, the Company did not absorb any new technology or carry 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 its administration policies. The detailed disclosure is enclosed as **Annexure F** to this report.
- The shares of the Company are presently listed at BSE Ltd., The National Stock Exchange of India Ltd., Mumbai and The Calcutta Stock Exchange Ltd., Kolkata. The proposal to delist the shares from the Calcutta Stock Exchange Ltd., where no trading of the Company's shares had been done for past many years, is under consideration by the management.
- The Company has paid the annual listing fees for the year 2018-2019 to all the aforesaid Stock Exchanges.
- 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, sweat equity or 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 Board's Report has been made in terms of Section 131 of the Companies Act, 2013, during the year under review.
- For continuing the directorship of non-executive directors who have attained the age of seventy five years a special resolution would be required to be passed at the ensuing Annual General Meeting of the Company. This is pursuant to the SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 09, 2018 through which it has amended the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015. This amendment is going to be effective from April 01, 2019. 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.
- Executive Vice-Chairman, Managing Director and 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 requisite disclosures to the Board relating to all material financial and commercial transactions.

## 20. 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.

## 21. Human Resources

Employee relations continued to be cordial during the year. The number of employees stood at 30 (Thirty). 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.

## 22. Green initiative in Corporate Governance

As a continuing endeavor towards the Go Green Initiative, the Company has been sending documents like the notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email addresses provided by the members directly or made available to us by the depositories, besides regular correspondence. The electronic mode is both economical and speedier compared to physical documents. Members who hold shares in physical form are, therefore, requested to register their e-mail addresses and intimate any change in 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. You may kindly note that even after registration of e-mail ID, you are 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. 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](mailto:hconsul@vlsfinance.com).

## 23. Subsidiary/Associate Companies

Statement pursuant to Section 129(3) of the Companies Act, 2013 for the financial year ended 31/03/2018 in respect of the subsidiary/associate 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, though Sunair Hotels Ltd. and BMS IT Institute Pvt. Ltd are presently not in the same group still Accounting Standard 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 as the Company is in litigation with these companies. In the opinion of the Board, 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.

Separate section on performance and financial position of subsidiary and associate companies have been provided as note no. 23 sub-note 16 & 17 of Notes forming part of consolidated financial statement in the Annual Report for the year under review.

## 24. Consolidated Financial Statements

In compliance of Section 129(3) of the Companies Act, 2013, the consolidated financial statements in accordance with the prescribed accounting standards are annexed to the audited annual accounts for the year under review.

## 25. 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 and Stock Exchanges 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**  
**Date : 19/07/2018**

**S.K. Agarwal**  
**Managing Director**  
**DIN: 00106763**

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

## Annexure A

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on financial year ended on 31.03.2018**

**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	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., CIN: U67120DL1950PTC001854 INR:000000429 B-25/1 First Floor, Okhla Industrial Area Phase-II, New Delhi-110020 Phone Nos. 011 – 26387320, 21, 23, Fax 011-26387322 e-mail : investor.services@rcmcdelhi.com

**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	99.99

**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	38.09	2(6)
4	Sunair Hotels Ltd. A-7, 1st Floor, Geetanjali Enclave New Delhi-110017	U74899DL1977PLC008495	Associate	24.14	2(6)
5	BMS IT Institute Pvt. Ltd. B-14, Chirag Enclave New Delhi-110048	U80301DL2005PTC139764	Associate	28.24	2(6)

**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	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	3854685	0	3854685	9.97%	3854685	0	3854685	9.97%	0.00%
b) Central Govt. or State Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corporates	13686138	29300	13715438	35.48%	13686138	29300	13715438	35.48%	0.00%
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%
<b>SUB TOTAL:(A) (1)</b>	<b>17540823</b>	<b>29300</b>	<b>17570123</b>	<b>45.45%</b>	<b>17540823</b>	<b>29300</b>	<b>17570123</b>	<b>45.45%</b>	<b>0.00%</b>
(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%
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>17540823</b>	<b>29300</b>	<b>17570123</b>	<b>45.45%</b>	<b>17540823</b>	<b>29300</b>	<b>17570123</b>	<b>45.45%</b>	<b>0.00%</b>
<b>B PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	0	100	100	0.00%	0	100	100	0.00%	0.00%
b) Banks/FI	86887	500	87387	0.23%	49596	500	50096	0.13%	-0.10%
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%
a) NBFC regd. With RBI	2500	0	2500	0.01%	2200	0	2200	0.01%	0.00%
<b>SUB TOTAL (B)(1):</b>	<b>89387</b>	<b>900</b>	<b>90287</b>	<b>0.23%</b>	<b>51796</b>	<b>900</b>	<b>52696</b>	<b>0.14%</b>	<b>-0.10%</b>

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	
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	1449446	118500	1567946	4.06%	1440027	114200	1554227	4.02%	-0.04%
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.2 lakhs	10939765	3490472	14430237	37.32%	10843167	3262672	14105839	36.49%	-0.84%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	4552306	0	4552306	11.77%	4932395	0	4932395	12.76%	0.98%
c) Others (specify)									
a) NRI / OCB	175931	2800	178731	0.46%	188789	2800	191589	0.50%	0.03%
b) Foreign National	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Clearing Member	272387	0	272387	0.70%	255148	0	255148	0.66%	-0.04%
d) LLP	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Trust	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>SUB TOTAL (B)(2):</b>	<b>17389835</b>	<b>3611772</b>	<b>21001607</b>	<b>54.32%</b>	<b>17659526</b>	<b>3379672</b>	<b>21039198</b>	<b>54.42%</b>	<b>0.10%</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>17479222</b>	<b>3612672</b>	<b>21091894</b>	<b>54.55%</b>	<b>17711322</b>	<b>3380572</b>	<b>21091894</b>	<b>54.55%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>35020045</b>	<b>3641972</b>	<b>38662017</b>	<b>100.00%</b>	<b>35252145</b>	<b>3409872</b>	<b>38662017</b>	<b>100.00%</b>	<b>0.00%</b>

**(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	0	0.00%	0.00	0	0.00%	0.00	0.00%
2	VLS Commodities Pvt. Ltd.	377400	0.98%	0.00	377400	0.98%	0.00	0.00%
3	Vikas Mehrotra	486006	1.26%	0.00	486006	1.26%	0.00	0.00%
4	Ms. Divya Mehrotra	1424726	3.69%	0.00	1424726	3.69%	0.00	0.00%
5	M. P. Mehrotra (HUF)	510025	1.32%	0.00	510025	1.32%	0.00	0.00%
6	M. P. Mehrotra (HUF)	549237	1.42%	0.00	549237	1.42%	0.00	0.00%
7	VLS Capital Ltd.	13336538	34.50%	0.00	13336538	34.50%	0.00	0.00%
8	South Asian Enterprises Ltd.	1500	0.00%	0.00	1500	0.00%	0.00	0.00%
9	Pragati Moulders Ltd.	0	0.00%	0.00	0	0.00%	0.00	0.00%
10	Mrs. Sadhana Mehrotra	884691	2.29%	0.00	884691	2.29%	0.00	0.00%
11	Ms. Daya Mehrotra	0	0.00%	0.00	0	0.00%	0.00	0.00%
12	Shri Ramji Mehrotra	0	0.00%	0.00	0	0.00%	0.00	0.00%
13	Mrs. Sushma Mehrotra	0	0.00%	0.00	0	0.00%	0.00	0.00%
	<b>Total</b>	<b>17570123</b>	<b>45.45%</b>	<b>0.00</b>	<b>17570123</b>	<b>45.45%</b>	<b>0.00</b>	<b>0.00%</b>

**(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
	There was no change in shareholding of other constituents of promoter group detailed in subclause (ii) hereof during the year under review.				

There was no change in shareholding of other constituents of promoter group detailed in subclause (ii) hereof during the year under review.

**(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	PRATEEK BANSAL					
	At the beginning of the year 01/04/2017		466107	1.21	466107	1.21
	At the end of the year 31/03/2018				466107	1.21
2	ANURAG JAIN					
	At the beginning of the year 01/04/2017		451494	1.17	451494	1.17
	At the end of the year 31/03/2018				451494	1.17
3	RENU KABRA					
	At the beginning of the year 01/04/2017		306654	0.79	306654	0.79
	19/01/2018	Transfer	2003	0.01	308657	0.8
	26/01/2018	Transfer	2211	0.01	310868	0.8
	At the end of the year 31/03/2018				310868	0.8
4	KABIR MULJI					
	At the beginning of the year 01/04/2017		290000	0.75	290000	0.75
	At the end of the year 31/03/2018				290000	0.75
5	THE DHAMPUR SUGAR MILLS LTD					
	At the beginning of the year 01/04/2017		263142	0.68	263142	0.68
	At the end of the year 31/03/2018				263142	0.68
6	SURENDRA KUMAR GUPTA					
	At the beginning of the year 01/04/2017		256600	0.66	256600	0.66
	07/04/2017	Transfer	3400	0.01	260000	0.67
	04/08/2017	Transfer	51953	0.13	311953	0.81
	11/08/2017	Transfer	-64942	-0.17	247011	0.64
	18/08/2017	Transfer	-16299	-0.04	230712	0.6
	15/09/2017	Transfer	108288	0.28	339000	0.88
	03/11/2017	Transfer	-3252	-0.01	335748	0.87
	02/02/2018	Transfer	-1935	-0.01	333813	0.86
	09/02/2018	Transfer	-2576	-0.01	331237	0.86
	At the end of the year 31/03/2018				331237	0.86
7	PARVEEN KUMAR					
	At the beginning of the year 01/04/2017		183914	0.48	183914	0.48
	At the end of the year 31/03/2018				183914	0.48
8	UMA PATI KESHARI					
	At the beginning of the year 01/04/2017		150599	0.39	150599	0.39
	21/04/2017	Transfer	4675	0.01	155274	0.4
	05/05/2017	Transfer	20900	0.05	176174	0.46
	16/06/2017	Transfer	10154	0.03	186328	0.48
	23/06/2017	Transfer	-4352	-0.01	181976	0.47
	21/07/2017	Transfer	-6726	-0.02	175250	0.45
	28/07/2017	Transfer	5000	0.01	180250	0.47
	01/09/2017	Transfer	24000	0.06	204250	0.53
	15/09/2017	Transfer	-4250	-0.01	200000	0.52
	06/10/2017	Transfer	5500	0.01	205500	0.53
	13/10/2017	Transfer	473	0	205973	0.53

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
	20/10/2017	Transfer	-1473	0	204500	0.53
	03/11/2017	Transfer	4200	0.01	208700	0.54
	17/11/2017	Transfer	3500	0.01	212200	0.55
	01/12/2017	Transfer	-2000	-0.01	210200	0.54
	15/12/2017	Transfer	2000	0.01	212200	0.55
	29/12/2017	Transfer	-2400	-0.01	209800	0.54
	12/01/2018	Transfer	8500	0.02	218300	0.56
	19/01/2018	Transfer	142	0	218442	0.57
	16/02/2018	Transfer	3528	0.01	221970	0.57
	09/03/2018	Transfer	6274	0.02	228244	0.59
	16/03/2018	Transfer	4006	0.01	232250	0.6
	At the end of the year 31/03/2018				232250	0.6
9	ASHWINI NIKHIL RANE					
	At the beginning of the year 01/04/2017		128012	0.33	128012	0.33
	10/11/2017	Transfer	-15000	-0.04	113012	0.29
	09/02/2018	Transfer	7500	0.02	120512	0.31
	At the end of the year 31/03/2018				120512	0.31
10	ANUP KUMAR BAJPAI					
	At the beginning of the year 01/04/2017		118700	0.31	118700	0.31
	14/04/2017	Transfer	-2000	-0.01	116700	0.3
	17/11/2017	Transfer	2000	0.01	118700	0.31
	At the end of the year 31/03/2018				118700	0.31
11	ASHA DEVI					
	At the beginning of the year 01/04/2017		101794	0.26	101794	0.26
	21/04/2017	Transfer	806	0	102600	0.27
	28/04/2017	Transfer	1000	0	103600	0.27
	09/06/2017	Transfer	14912	0.04	118512	0.31
	23/06/2017	Transfer	720	0	119232	0.31
	14/07/2017	Transfer	-78	0	119154	0.31
	25/08/2017	Transfer	2190	0.01	121344	0.31
	08/09/2017	Transfer	356	0	121700	0.31
	15/09/2017	Transfer	100	0	121800	0.32
	13/10/2017	Transfer	-300	0	121500	0.31
	10/11/2017	Transfer	1996	0.01	123496	0.32
	24/11/2017	Transfer	1127	0	124623	0.32
	08/12/2017	Transfer	377	0	125000	0.32
	26/01/2018	Transfer	3500	0.01	128500	0.33
	09/02/2018	Transfer	-167	0	128333	0.33
	23/02/2018	Transfer	11160	0.03	139493	0.36
	16/03/2018	Transfer	3646	0.01	143139	0.37
	30/03/2018	Transfer	2254	0.01	145393	0.38
	At the end of the year 31/03/2018				145393	0.38
12	PANKAJKUMAR MAGANLAL BABARIYA					
	At the beginning of the year 01/04/2017		100000	0.26	100000	0.26
	09/06/2017	Transfer	50000	0.13	150000	0.39
	08/12/2017	Transfer	-50000	-0.13	100000	0.26
	15/12/2017	Transfer	-75000	-0.19	25000	0.06
	22/12/2017	Transfer	-25000	-0.06	0	0
	At the end of the year 31/03/2018				0	0
13	SHAREKHAN LIMITED					
	At the beginning of the year 01/04/2017		63614	0.16	63614	0.16
	07/04/2017	Transfer	-10584	-0.03	53030	0.14
	14/04/2017	Transfer	-8081	-0.02	44949	0.12
	21/04/2017	Transfer	-787	0	44162	0.11

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
	28/04/2017	Transfer	24797	0.06	68959	0.18
	05/05/2017	Transfer	-6484	-0.02	62475	0.16
	12/05/2017	Transfer	2264	0.01	64739	0.17
	19/05/2017	Transfer	-1082	0	63657	0.16
	26/05/2017	Transfer	4912	0.01	68569	0.18
	02/06/2017	Transfer	1350	0	69919	0.18
	09/06/2017	Transfer	-15438	-0.04	54481	0.14
	16/06/2017	Transfer	6711	0.02	61192	0.16
	23/06/2017	Transfer	-7011	-0.02	54181	0.14
	30/06/2017	Transfer	-275	0	53906	0.14
	07/07/2017	Transfer	-14517	-0.04	39389	0.1
	14/07/2017	Transfer	1439	0	40828	0.11
	21/07/2017	Transfer	23696	0.06	64524	0.17
	28/07/2017	Transfer	21413	0.06	85937	0.22
	04/08/2017	Transfer	-211	0	85726	0.22
	11/08/2017	Transfer	-6855	-0.02	78871	0.2
	18/08/2017	Transfer	-1251	0	77620	0.2
	25/08/2017	Transfer	3100	0.01	80720	0.21
	01/09/2017	Transfer	15265	0.04	95985	0.25
	08/09/2017	Transfer	67974	0.18	163959	0.42
	15/09/2017	Transfer	-70131	-0.18	93828	0.24
	22/09/2017	Transfer	658	0	94486	0.24
	29/09/2017	Transfer	-3946	-0.01	90540	0.23
	06/10/2017	Transfer	28219	0.07	118759	0.31
	13/10/2017	Transfer	-5498	-0.01	113261	0.29
	20/10/2017	Transfer	-12416	-0.03	100845	0.26
	27/10/2017	Transfer	2286	0.01	103131	0.27
	03/11/2017	Transfer	-4599	-0.01	98532	0.25
	10/11/2017	Transfer	30497	0.08	129029	0.33
	17/11/2017	Transfer	-90290	-0.23	38739	0.1
	24/11/2017	Transfer	-4553	-0.01	34186	0.09
	01/12/2017	Transfer	12696	0.03	46882	0.12
	08/12/2017	Transfer	21247	0.05	68129	0.18
	15/12/2017	Transfer	-37258	-0.1	30871	0.08
	22/12/2017	Transfer	20016	0.05	50887	0.13
	29/12/2017	Transfer	-8320	-0.02	42567	0.11
	05/01/2018	Transfer	38091	0.1	80658	0.21
	12/01/2018	Transfer	1722	0	82380	0.21
	19/01/2018	Transfer	13181	0.03	95561	0.25
	26/01/2018	Transfer	16510	0.04	112071	0.29
	02/02/2018	Transfer	-17014	-0.04	95057	0.25
	09/02/2018	Transfer	-13053	-0.03	82004	0.21
	16/02/2018	Transfer	-63	0	81941	0.21
	23/02/2018	Transfer	1875	0	83816	0.22
	02/03/2018	Transfer	-4453	-0.01	79363	0.21
	09/03/2018	Transfer	2612	0.01	81975	0.21
	16/03/2018	Transfer	890	0	82865	0.21
	23/03/2018	Transfer	-5055	-0.01	77810	0.2
	30/03/2018	Transfer	729	0	78539	0.2
	At the end of the year 31/03/2018				78539	0.2
14	GLOBE CAPITAL MARKET LTD					
	At the beginning of the year 01/04/2017		63561	0.16	63561	0.16
	07/04/2017	Transfer	-3310	-0.01	60251	0.16
	14/04/2017	Transfer	1200	0	61451	0.16

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
	21/04/2017	Transfer	2550	0.01	64001	0.17
	28/04/2017	Transfer	-4319	-0.01	59682	0.15
	05/05/2017	Transfer	-973	0	58709	0.15
	12/05/2017	Transfer	39423	0.1	98132	0.25
	19/05/2017	Transfer	-361	0	97771	0.25
	26/05/2017	Transfer	1008	0	98779	0.26
	02/06/2017	Transfer	41251	0.11	140030	0.36
	09/06/2017	Transfer	-310	0	139720	0.36
	16/06/2017	Transfer	2300	0.01	142020	0.37
	23/06/2017	Transfer	-4539	-0.01	137481	0.36
	30/06/2017	Transfer	-2100	-0.01	135381	0.35
	07/07/2017	Transfer	-908	0	134473	0.35
	14/07/2017	Transfer	1200	0	135673	0.35
	21/07/2017	Transfer	-2346	-0.01	133327	0.34
	28/07/2017	Transfer	234	0	133561	0.35
	04/08/2017	Transfer	-41924	-0.11	91637	0.24
	11/08/2017	Transfer	64729	0.17	156366	0.4
	18/08/2017	Transfer	16299	0.04	172665	0.45
	25/08/2017	Transfer	1700	0	174365	0.45
	01/09/2017	Transfer	250	0	174615	0.45
	08/09/2017	Transfer	-9510	-0.02	165105	0.43
	15/09/2017	Transfer	-105859	-0.27	59246	0.15
	22/09/2017	Transfer	-3349	-0.01	55897	0.14
	29/09/2017	Transfer	3566	0.01	59463	0.15
	06/10/2017	Transfer	6823	0.02	66286	0.17
	13/10/2017	Transfer	-3493	-0.01	62793	0.16
	20/10/2017	Transfer	5395	0.01	68188	0.18
	27/10/2017	Transfer	-1926	0	66262	0.17
	03/11/2017	Transfer	4263	0.01	70525	0.18
	10/11/2017	Transfer	3149	0.01	73674	0.19
	17/11/2017	Transfer	2510	0.01	76184	0.2
	24/11/2017	Transfer	-19715	-0.05	56469	0.15
	01/12/2017	Transfer	7888	0.02	64357	0.17
	08/12/2017	Transfer	239	0	64596	0.17
	15/12/2017	Transfer	-1945	-0.01	62651	0.16
	22/12/2017	Transfer	-1350	0	61301	0.16
	29/12/2017	Transfer	3714	0.01	65015	0.17
	05/01/2018	Transfer	-3096	-0.01	61919	0.16
	12/01/2018	Transfer	436	0	62355	0.16
	19/01/2018	Transfer	-9101	-0.02	53254	0.14
	26/01/2018	Transfer	3303	0.01	56557	0.15
	02/02/2018	Transfer	-2679	-0.01	53878	0.14
	09/02/2018	Transfer	2295	0.01	56173	0.15
	16/02/2018	Transfer	1000	0	57173	0.15
	23/02/2018	Transfer	485	0	57658	0.15
	02/03/2018	Transfer	200	0	57858	0.15
	09/03/2018	Transfer	-25	0	57833	0.15
	16/03/2018	Transfer	613	0	58446	0.15
	23/03/2018	Transfer	-800	0	57646	0.15
	30/03/2018	Transfer	2847	0.01	60493	0.16
	31/03/2018	Transfer	-42	0	60451	0.16
	At the end of the year 31/03/2018				60451	0.16
15	EDELWEISS CUSTODIAL SERVICES LTD					
	At the beginning of the year 01/04/2017		27455	0.07	27455	0.07



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
	07/04/2017	Transfer	50	0	27505	0.07
	14/04/2017	Transfer	-50	0	27455	0.07
	21/04/2017	Transfer	1325	0	28780	0.07
	28/04/2017	Transfer	12888	0.03	41668	0.11
	05/05/2017	Transfer	-9770	-0.03	31898	0.08
	12/05/2017	Transfer	-7501	-0.02	24397	0.06
	19/05/2017	Transfer	1222	0	25619	0.07
	26/05/2017	Transfer	1880	0	27499	0.07
	02/06/2017	Transfer	-7563	-0.02	19936	0.05
	09/06/2017	Transfer	5075	0.01	25011	0.06
	16/06/2017	Transfer	-560	0	24451	0.06
	23/06/2017	Transfer	275	0	24726	0.06
	30/06/2017	Transfer	350	0	25076	0.06
	07/07/2017	Transfer	-725	0	24351	0.06
	14/07/2017	Transfer	769	0	25120	0.06
	21/07/2017	Transfer	24900	0.06	50020	0.13
	28/07/2017	Transfer	472	0	50492	0.13
	04/08/2017	Transfer	-1000	0	49492	0.13
	11/08/2017	Transfer	1717	0	51209	0.13
	18/08/2017	Transfer	-2868	-0.01	48341	0.13
	25/08/2017	Transfer	-18760	-0.05	29581	0.08
	01/09/2017	Transfer	50	0	29631	0.08
	08/09/2017	Transfer	-6565	-0.02	23066	0.06
	15/09/2017	Transfer	-3217	-0.01	19849	0.05
	22/09/2017	Transfer	8983	0.02	28832	0.07
	29/09/2017	Transfer	884	0	29716	0.08
	06/10/2017	Transfer	-17	0	29699	0.08
	13/10/2017	Transfer	31094	0.08	60793	0.16
	20/10/2017	Transfer	252	0	61045	0.16
	27/10/2017	Transfer	5160	0.01	66205	0.17
	03/11/2017	Transfer	-37856	-0.1	28349	0.07
	10/11/2017	Transfer	5161	0.01	33510	0.09
	17/11/2017	Transfer	1619	0	35129	0.09
	24/11/2017	Transfer	-904	0	34225	0.09
	01/12/2017	Transfer	18941	0.05	53166	0.14
	08/12/2017	Transfer	5361	0.01	58527	0.15
	15/12/2017	Transfer	9483	0.02	68010	0.18
	22/12/2017	Transfer	-14013	-0.04	53997	0.14
	29/12/2017	Transfer	54112	0.14	108109	0.28
	05/01/2018	Transfer	-33259	-0.09	74850	0.19
	12/01/2018	Transfer	-5959	-0.02	68891	0.18
	19/01/2018	Transfer	-6940	-0.02	61951	0.16
	26/01/2018	Transfer	-220	0	61731	0.16
	02/02/2018	Transfer	100711	0.26	162442	0.42
	09/02/2018	Transfer	4808	0.01	167250	0.43
	16/02/2018	Transfer	690	0	167940	0.43
	23/02/2018	Transfer	-34073	-0.09	133867	0.35
	02/03/2018	Transfer	2290	0.01	136157	0.35
	09/03/2018	Transfer	737	0	136894	0.35
	16/03/2018	Transfer	14895	0.04	151789	0.39
	23/03/2018	Transfer	63755	0.16	215544	0.56
	At the end of the year 31/03/2018				215544	0.56
16	IL And FS Securities Services Limited					
	At the beginning of the year 01/04/2017		23662	0.06	23662	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
	07/04/2017	Transfer	2387	0.01	26049	0.07
	14/04/2017	Transfer	-1750	0	24299	0.06
	21/04/2017	Transfer	134	0	24433	0.06
	28/04/2017	Transfer	1700	0	26133	0.07
	05/05/2017	Transfer	7020	0.02	33153	0.09
	12/05/2017	Transfer	-10002	-0.03	23151	0.06
	19/05/2017	Transfer	4895	0.01	28046	0.07
	26/05/2017	Transfer	-1526	0	26520	0.07
	09/06/2017	Transfer	21515	0.06	48035	0.12
	16/06/2017	Transfer	2099	0.01	50134	0.13
	23/06/2017	Transfer	-5000	-0.01	45134	0.12
	30/06/2017	Transfer	-170	0	44964	0.12
	07/07/2017	Transfer	-3400	-0.01	41564	0.11
	14/07/2017	Transfer	4271	0.01	45835	0.12
	21/07/2017	Transfer	10533	0.03	56368	0.15
	28/07/2017	Transfer	1450	0	57818	0.15
	04/08/2017	Transfer	2553	0.01	60371	0.16
	11/08/2017	Transfer	-181	0	60190	0.16
	18/08/2017	Transfer	7200	0.02	67390	0.17
	25/08/2017	Transfer	-11099	-0.03	56291	0.15
	01/09/2017	Transfer	-8397	-0.02	47894	0.12
	08/09/2017	Transfer	-13850	-0.04	34044	0.09
	15/09/2017	Transfer	5324	0.01	39368	0.1
	22/09/2017	Transfer	-3875	-0.01	35493	0.09
	29/09/2017	Transfer	8331	0.02	43824	0.11
	06/10/2017	Transfer	2682	0.01	46506	0.12
	13/10/2017	Transfer	18867	0.05	65373	0.17
	20/10/2017	Transfer	5986	0.02	71359	0.18
	27/10/2017	Transfer	-202	0	71157	0.18
	03/11/2017	Transfer	32122	0.08	103279	0.27
	10/11/2017	Transfer	8991	0.02	112270	0.29
	17/11/2017	Transfer	3720	0.01	115990	0.3
	24/11/2017	Transfer	-13526	-0.03	102464	0.27
	01/12/2017	Transfer	-10794	-0.03	91670	0.24
	08/12/2017	Transfer	6745	0.02	98415	0.25
	15/12/2017	Transfer	28550	0.07	126965	0.33
	22/12/2017	Transfer	-5081	-0.01	121884	0.32
	29/12/2017	Transfer	-17891	-0.05	103993	0.27
	05/01/2018	Transfer	20226	0.05	124219	0.32
	12/01/2018	Transfer	2559	0.01	126778	0.33
	19/01/2018	Transfer	-1792	0	124986	0.32
	26/01/2018	Transfer	-4465	-0.01	120521	0.31
	02/02/2018	Transfer	-33208	-0.09	87313	0.23
	09/02/2018	Transfer	-4778	-0.01	82535	0.21
	16/02/2018	Transfer	-5196	-0.01	77339	0.2
	23/02/2018	Transfer	-6716	-0.02	70623	0.18
	02/03/2018	Transfer	7650	0.02	78273	0.2
	09/03/2018	Transfer	-448	0	77825	0.2
	16/03/2018	Transfer	-5175	-0.01	72650	0.19
	23/03/2018	Transfer	-11223	-0.03	61427	0.16
	30/03/2018	Transfer	20537	0.05	81964	0.21
	At the end of the year 31/03/2018				81964	0.21
17	HIMMAT SINGH					
	At the beginning of the year 01/04/2017		0	0	0	0

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
	29/09/2017	Transfer	5000	0.01	5000	0.01
	06/10/2017	Transfer	35000	0.09	40000	0.1
	27/10/2017	Transfer	10000	0.03	50000	0.13
	24/11/2017	Transfer	21383	0.06	71383	0.18
	01/12/2017	Transfer	18513	0.05	89896	0.23
	08/12/2017	Transfer	5104	0.01	95000	0.25
	15/12/2017	Transfer	5000	0.01	100000	0.26
	12/01/2018	Transfer	1932	0.01	101932	0.26
	19/01/2018	Transfer	16068	0.04	118000	0.31
	26/01/2018	Transfer	17000	0.04	135000	0.35
	09/02/2018	Transfer	1000	0	136000	0.35
	16/02/2018	Transfer	4000	0.01	140000	0.36
	23/02/2018	Transfer	13660	0.04	153660	0.4
	02/03/2018	Transfer	12064	0.03	165724	0.43
	09/03/2018	Transfer	176	0	165900	0.43
	16/03/2018	Transfer	26000	0.07	191900	0.5
	23/03/2018	Transfer	2100	0.01	194000	0.5
	At the end of the year 31/03/2018				194000	0.5
18	<b>RAMANJIT SINGH</b>					
	At the beginning of the year 01/04/2017		0	0	0	0
	30/06/2017	Transfer	5000	0.01	5000	0.01
	07/07/2017	Transfer	-5000	-0.01	0	0
	14/07/2017	Transfer	63127	0.16	63127	0.16
	21/07/2017	Transfer	28241	0.07	91368	0.24
	28/07/2017	Transfer	-3382	-0.01	87986	0.23
	04/08/2017	Transfer	4858	0.01	92844	0.24
	11/08/2017	Transfer	2	0	92846	0.24
	18/08/2017	Transfer	1587	0	94433	0.24
	25/08/2017	Transfer	3461	0.01	97894	0.25
	01/09/2017	Transfer	5000	0.01	102894	0.27
	15/09/2017	Transfer	34000	0.09	136894	0.35
	22/09/2017	Transfer	19865	0.05	156759	0.41
	06/10/2017	Transfer	5382	0.01	162141	0.42
	13/10/2017	Transfer	1	0	162142	0.42
	20/10/2017	Transfer	17	0	162159	0.42
	03/11/2017	Transfer	-59	0	162100	0.42
	19/01/2018	Transfer	-100	0	162000	0.42
	26/01/2018	Transfer	-500	0	161500	0.42
	16/03/2018	Transfer	7125	0.02	168625	0.44
	At the end of the year 31/03/2018				168625	0.44

(v) Shareholding of Directors & KMP:

S. No.	For Each of the Directors & KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Shri Vikas Mehrotra</b>					
	At the beginning of the year	01/04/2017	486006	1.26%	486006	1.26%
	At the end of the year	31/03/2018	486006	1.26%	486006	1.26%

No other Director or KMP held any shares of the Company in his/her individual capacity during the year or at the end of year i.e. 31/03/2018.

**V INDEBTEDNESS**

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

**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
		Shri M.P. Mehrotra* Executive Vice-Chairman	Shri S. K. Agarwal - Managing Director	Shri K. K. Soni - Director-Finance & CFO	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	4000000.00	3060000.00	2940000.00	10000000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	14995.00	14995.00	29990.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00	0.00
	as % of profit	0.00	0.00	0.00	0.00
	others (specify)	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00
	<b>Total (A)</b>	<b>4000000.00</b>	<b>3074995.00</b>	<b>2954995.00</b>	<b>10029990.00</b>
	<b>Ceiling as per the Act per annum</b>	<b>24000000.00</b>	<b>12000000.00</b>	<b>12000000.00</b>	

\* w.e.f. 01/08/2017

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors				Total Amount
		Dr. S Ramesh	Shri Ajit Kumar	Shri R. Bandyopadhyay	Shri D.K. Mehrotra	
1	Independent Directors					
	(a) Fee for attending board/ committee meetings	150000.00	280000.00	200000.00	140000.00	770000.00
	(b) Commission	0.00	0.00	0.00	0.00	0.00
	(c) Others, please specify	0.00	0.00	0.00	0.00	0.00
	<b>Total (1)</b>	<b>150000.00</b>	<b>280000.00</b>	<b>200000.00</b>	<b>140000.00</b>	<b>770000.00</b>
2	Other Non Executive Directors	Shri M.P. Mehrotra*	Dr. (Mrs.) Neeraj Arora	Shri Vikas Mehrotra		
	(a) Fee for attending Board/ committee meetings	100000.00	120000.00	100000.00		320000.00
	(b) Commission	0.00	0.00	0.00		0.00
	(c) Others, please specify.	0.00	0.00	0.00		0.00
	<b>Total (2)</b>	<b>100000.00</b>	<b>120000.00</b>	<b>100000.00</b>		<b>320000.00</b>
	<b>Total (B)=(1+2)</b>	<b>250000.00</b>	<b>400000.00</b>	<b>300000.00</b>		<b>1090000.00</b>
	<b>Total Managerial Remuneration</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>		<b>N.A.</b>
	<b>Overall Ceiling as per the Act. per meeting per person</b>	<b>100000.00</b>	<b>100000.00</b>	<b>100000.00</b>		<b>100000.00</b>

\* upto 31/07/2017

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

SI.No	Particulars of Remuneration	CEO	Key Managerial Personnel		Total
			Shri H. Consul Company Secretary	Shri K. K Soni CFO	
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		1908864		1908864
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		63000		63000
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		0		0
2	Stock Option	N.A	0	N.A.*	0
3	Sweat Equity		0		0
4	Commission		0		0
	1. as % of profit		0		0
	2. others, specify		0		0
5	Others, please specify		0		0
	<b>Total</b>		1971864		1971864

\* Shri K.K. Soni-Director Finance, being Whole Time Director, is holding position of CFO also, hence not applicable.

**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)
<b>A. COMPANY</b>					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
<b>B. DIRECTORS</b>					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*

\* No penalty, punishment imposed or compounding undertaken by the company or Directors or other officers in default during the year under review.

**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**

SI.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**

SI.No.	Particulars	Details
a)	Name(s) of the related party	NIL
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 received	

**Annual Report on CSR Initiatives**

- (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 CSR policy of the Company provides that the Company may undertake one or more project / CSR activity strictly in line with areas specified in schedule VII read with Section 135 of the Companies Act, 2013 and the same is placed on the website of the Company- [www.vlsfinance.com](http://www.vlsfinance.com).
- (2) The composition of the CSR Committee:  
Shri Ajit Kumar, Shri R. Bandyopadhyay, Shri M. P. Mehrotra, Shri S.K. Agarwal
- (3) Average Net Profit of the Company for last three financial years: Rs. 21,06,47,613/-
- (4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 42,12,952/-
- (5) Details of CSR spent during the financial year:
- Total amount to be spent for the financial year: Rs. 39,90,741/-\*
  - Amount unspent, if any (refer point no. 12 of Director's Report) Rs. 14,40,741/-
  - 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.	Laboratory for Mechanical Engineering Education Trust	Promoting Education	Lal Bahadur Shastri Polytechnic in Village Manda, Near Allahabad (U.P.)	Rs.20,00,000/-	1. Rs. 20,00,000/-		
2.	Girl Child Primary Education	Promoting Education	IIMPACT (NGO) - Kanpur Dehat Centre (U.P.)	Rs. 5,50,000/-	2. Rs. 5,50,000/-	Rs. 25,50,000/-	Rs. 25,50,000/-

\* Opening Balance as reported in last year : 47,57,408/-  
Reversal of excess allocation made in 2016-17 : -7,66,667/-  
Unspent amount c/f : 39,90,741/-

The CSR Committee evaluates a proposal both for conformity with CSR Policy and affirmative results from its due diligence carried out by Committee. Thus, all proposals do not qualify for recommendation of CSR Committee, though the allocated amount is expected to be spent in the relevant financial year. CSR committee confirms that the implementation and monitoring of the CSR policy is, in compliance with the CSR objectives and policy of the Company.

Place: New Delhi  
Date: 19/07/2018

Ajit Kumar  
(Chairman - CSR Committee)  
DIN: 00106597

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

**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**

- The present strength of the Board is 9 Directors and except the Executive –Vice Chairman, Managing Director and Director -Finance & CFO all are non-executive, consisting of 4 (four) independent directors and 2 (two) non-executive & non-independent directors. The Chairman is Non-Executive, Independent Director. About half of the Board being Independent Directors, the present constitution of Board adequately comply with the present requirement of composition of Board under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"). 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 31/03/2018 and other information about them as required under the Listing Regulations is as follows:

S.No.	Name of the Director	Whether Promoter/Executive or Non-Executive/ Independent	No. of Board Meetings attended during F.Y. 2017-2018	Whether attended AGM held on 25/09/2017	No. of Directorships in other Public Limited Companies as on 19/07/2018	No. of Committee positions held in other Public Limited Companies	
						Chairman	Member
1)	Shri Ajit Kumar (Chairman)	Independent, Non-Executive	4	No	0	0	0
2)	Shri M. P. Mehrotra (Vice-Chairman)	Promoter, Executive	4	No	6	3	1
3)	Shri S. K. Agarwal (Managing Director)	Executive	4	Yes	3	0	0
4)	Shri K. K. Soni (Director Finance & CFO)	Executive	4	Yes	5	2	3
5)	Dr. (Mrs.) Neeraj Arora	Non-Executive, Promoter	4	No	1	0	0
6)	Dr. S. Ramesh	Independent, Non-Executive	3	Yes	1	0	1
7)	Shri R. Bandyopadhyay	Independent, Non-Executive	4	No	1	0	0
8)	Shri D.K. Mehrotra	Independent, Non-Executive	3	No	8	1	4
9)	Shri Vikas Mehrotra	Promoter, Non-Executive	4	No	2	0	0

None of the directors is a member of more than 10 Board-level committees, namely the audit and the stakeholders relationship committee or a chairman of more than five such committees, as required under Regulation 26 of the Listing Regulations. The directorship in other companies excludes directorships in any foreign company, private company and company under section 8 of the Companies Act, 2013.

**b) Board meetings and attendance**

During the year ended 31/03/2018, 4(Four) board meetings were held with atleast one meeting in every quarter on 08/05/2017, 31/07/2017, 14/11/2017, and 24/01/2018 and the gap between two Board meetings did not exceed 120 days. The information as required under Schedule V (C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board and its committee meetings are circulated at least seven days prior to the meeting except when the meeting was called at a shorter notice. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions.

The dates on which Board meetings were held and directors present are as follows:

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors present	Leave of absence was granted to:
1	8 <sup>th</sup> May, 2017	9	9	Nil
2	31 <sup>st</sup> July, 2017	9	8	Shri D. K. Mehrotra
3	14 <sup>th</sup> November, 2017	9	8	Dr. S. Ramesh
4	24 <sup>th</sup> January, 2018	9	9	Nil

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 Regulation 17 of the listing regulations 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 Regulation 33 of the listing regulations.

e) Details of remuneration paid to the Directors during the Financial year ended on 31.03.2018:

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.	2,80,000	N.A.	2,80,000
2	Shri M. P. Mehrotra*	N.A.	N.A.	1,00,000	N.A.	1,00,000
	Shri M. P. Mehrotra*	40,00,000	N.A.	N.A.	N.A.	40,00,000
3	Shri S.K. Agarwal	30,60,000	14,995	N.A.	N.A.	30,74,995
4	Shri K. K. Soni	29,40,000	14,995	N.A.	N.A.	29,54,995
5	Shri Vikas Mehrotra	N.A.	N.A.	1,00,000	N.A.	1,00,000
6	Dr. S. Ramesh	N.A.	N.A.	1,50,000	N.A.	1,50,000
7	Dr. (Mrs.) Neeraj Arora	N.A.	N.A.	1,20,000	N.A.	1,20,000
8	Shri R Bandyopadhyay	N.A.	N.A.	2,00,000	N.A.	2,00,000
9	Shri D. K. Mehrotra	N.A.	N.A.	1,40,000	N.A.	1,40,000

\* Shri M P Mehrotra was paid sitting fee upto 31/07/2017 as he was a Non-Executive Director up till then. From 1/08/2018 his designation was changed to Executive Vice- Chairman and salary of Rs.5,00,000/- per month was paid for eight months and no sitting fee is paid to executive directors as per Company's policy.

**Notes:**

- Currently, the Company does not have any stock option scheme.
  - No other remuneration, except sitting fee is paid to Non-Executive Directors.
  - Shri Vikas Mehrotra held 486006 equity shares of the Company as on 31.03.2018. 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, Shri Vikas Mehrotra and Dr. (Mrs.) Neeraj Arora are related to each other.
  - The service contract in case of Managing Director is 3 years ending on 20/08/2019 with notice period of 3 months. The tenure of Director -Finance & CFO is upto 31/01/2019 with notice period of three months. Shri M. P. Mehrotra has been appointed as Executive Director designated as Executive Vice - Chairman by the Board in its meeting dated 31/07/2017 for a period of 3 years w.e.f. 01/08/2017 to 31/07/2020 with notice period of 3 months. Presently, all the directors other than independent directors are liable to retire by rotation as per provisions of the Companies Act, 2013.
  - Criteria of making payments to Non-Executive Directors: The non-executive directors of your Company are only paid sitting fees and they are not entitled to any stock options and no payment of commission has been approved by the members. The criteria can also be accessed at [www.vlsfinance.com](http://www.vlsfinance.com).
  - In case of Executive Directors the fixed component of salary and performance linked incentives, if any, are based on the recommendation of Nomination and Remuneration Committee of the Company, which takes into consideration the performance of relevant period and targets achieved. The performance criterion is provided in the section 'Evaluation of Board/ Committees/ Individual Directors' of the Directors' Report.
- 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 for compliance with the Code of Conduct**

Pursuant to regulation 26 read with Schedule V(D) of the Listing Regulations, 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 31/03/2018.

Date: 19/07/2018  
Place: New Delhi

S. K. Agarwal  
Managing Director  
DIN : 00106763

**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.

h) Details of familiarization program imparted to independent directors can be accessed at [www.vlsfinance.com](http://www.vlsfinance.com).



## 2. **Audit Committee**

### a) **Composition**

As on 01/04/2017 the audit committee consisted of Dr. S. Ramesh (Chairman) with Shri Ajit Kumar, Shri R. Bandyopadhyay, Shri D. K. Mehrotra, Shri M. P. Mehrotra and Shri S. K. Agarwal as members. 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 Regulation 18 of the listing regulations and three members have extensive experience in areas of finance, taxation and other financial services. There was no change in the constitution of the Committee during the year under review. The present constitution of the Committee complies with the norms stipulated in Listing Regulations.

### b) **Terms of reference**

The role, terms of reference, authority and powers of the Committee were in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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 Auditors are regularly invited for meetings of the Committee. The Internal Auditors, the Director-Finance & CFO 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.

### c) **Meetings and attendance**

During the year ended on 31/03/2018, 4 (Four) meetings of Audit committee were held on 08/05/2017, 31/07/2017, 14/11/2017, and 24/01/2018. The summary of attendance of members is as under:

Name	Shri Ajit Kumar	Shri M. P. Mehrotra	Dr. S. Ramesh	Shri S. K. Agarwal	Shri R. Bandyopadhyay	Shri D. K. Mehrotra
Attendance in meetings	4	4	3	4	4	3

The dates on which Audit Committee meetings were held and the Committee Members present are as follows:

Sr. No.	Date of Audit Committee Meeting	Audit Committee Strength	No. of Directors present	Leave of absence was granted to:
1	8 <sup>th</sup> May, 2017	6	6	Nil
2	31 <sup>st</sup> July, 2017	6	5	Shri D. K. Mehrotra
3	14 <sup>th</sup> November, 2017	6	5	Dr. S. Ramesh
4	24 <sup>th</sup> January, 2018	6	6	Nil

## 3. **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee ('NRC') as on 01/04/2017 comprised Shri R. Bandyopadhyay - Chairman of the Committee with Shri Ajit Kumar, Shri D. K. Mehrotra, Dr. S. Ramesh -Independent Directors, Shri M. P. Mehrotra and Dr. (Mrs.) Neeraj Arora-Director as members. The Company Secretary acts as Secretary of the Committee. The Board in its meeting held on 14/11/2017 had withdrawn the nomination of Shri M. P. Mehrotra from the Committee in view of his appointment as Executive –Vice Chairman of the Company w.e.f. 01/08/2017 in terms of regulation 19(1)(b) of the Listing Regulations.

The Committee formulates the remuneration package for directors including senior managerial personnel subject to approval of the Board and performs other roles detailed out in the listing regulations or as assigned by the Board from time to time. During the year under review one meeting of NRC was held on 08/05/2017 and 31/07/2017. The summary of attendance of members is as under:

Name	Shri Ajit Kumar	Dr. S. Ramesh	Shri M. P. Mehrotra	Shri R. Bandyopadhyay	Shri D. K. Mehrotra	Dr. (Mrs.) Neeraj Arora
Attendance in meeting	2	2	2	2	1	2

The performance evaluation criteria for independent directors is based on participation, contribution, effective utilization of expertise & skill, relationship with stakeholders, maintenance of confidentiality, independent judgment, willingness to contribute time etc. The Committee has complied with composition and requirements of applicable regulations.

The dates on which NRC meetings were held and the Committee Members present are as follows:

Sr. No.	Date of NRC Meeting	NRC Strength	No. of Directors present	Leave of absence was granted to:
1	8 <sup>th</sup> May, 2017	6	6	Nil
2	31 <sup>st</sup> July, 2017	6	5	Shri D. K. Mehrotra

## 4. **Stakeholders Relationship Committee**

### a) **Composition and terms of reference**

The Committee as on 01/04/2017 consisted of Shri Ajit Kumar – Independent Director as Chairman, Shri S. K. Agarwal and Shri K. K. Soni as its members. 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. Shri H. Consul- 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 Stakeholders Relationship Committee ('SRC') were held on 19/04/2017, 25/05/2017, 30/06/2017, 31/07/2017, 21/09/2017, 31/10/2017, 25/11/2017, 28/12/2017, 31/01/2018, 28/02/2018, 16/03/2018 and 29/03/2018. On one instance resolution were passed by circulation.

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

Name	Shri Ajit Kumar	Shri S. K. Agarwal	Shri K. K. Soni
Attendance in meetings	12	12	9

The dates on which SRC meetings were held and the committee members present are as follows:

Sr. No.	Date of NRC Meeting	SRC Strength	No. of Directors present	Leave of absence was granted to:
1	19/04/2017	3	3	Nil
2	25/05/2017	3	2	Shri K. K. Soni
3	30/06/2017	3	2	Shri K. K. Soni
4	31/07/2017	3	3	Nil
5	21/09/2017	3	3	Nil
6	31/10/2017	3	3	Nil
7	25/11/2017	3	3	Nil
8	28/12/2017	3	3	Nil
9	31/01/2018	3	2	Shri K. K. Soni
10	28/02/2018	3	3	Nil
11	16/03/2018	3	3	Nil
12	29/03/2018	3	3	Nil

**c) Shareholders Complaints**

The Company had received 4 (four) complaints during the financial year ended 31<sup>st</sup> March, 2018. All the complaints whether received through SEBI, stock exchanges 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/Dividend	1	1
Non-receipt of Bonus Shares	1	1
Non-receipt of Name change sticker	0	0
Non- receipt of share certificate after Rejection of Demat request	0	0
Others (SCORES, exchanges etc.)	2	2
<b>Total</b>	<b>4</b>	<b>4</b>

\*\* 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 exchanges has been treated as a fresh complaint.

General correspondence e.g. change of address, enquiry on dividend for the year, ISIN of the Company etc. have been excluded from above.

**5. CSR Committee**

**a) Composition and terms of reference**

As on 01/04/2017 the Committee consisted of Shri Ajit Kumar- Independent Director as Chairman, Shri R. Bandyopadhyay, Shri M.P. Mehrotra – Director and Shri S. K. Agarwal-Managing Director as members. The terms of reference of CSR Committee are in compliance with the applicable regulations. During the year 2 (two) meetings of the Committee were held on 31/07/2017 and 24/01/2018.

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

Name	Shri M. P. Mehrotra	Shri Ajit Kumar	Shri S. K. Agarwal	Shri R. Bandyopadhyay
Attendance in meetings	2	2	2	2

The dates on which CSR Committee meetings were held and the Committee Members present are as follows:

Sr. No.	Date of Audit Committee Meeting	Audit Committee Strength	No. of Directors present	Leave of absence was granted to:
1	31/07/2017	4	4	Nil
2	24/01/2018	4	4	Nil

**6. GENERAL BODY MEETINGS**

**a) Details of the last three annual general meetings (AGM) and extraordinary general meeting (EGM).**

Financial year ended	Date	Time	Venue
March 31, 2017 (AGM)	September 25, 2017	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.
March 31, 2016 (AGM)	September 15, 2016	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.
EGM	December 19, 2015	1.00 p.m.	Mikky House, K-Block, Kidwai Nagar, Kanpur-208011
March 31, 2015 (AGM)	September 24, 2015	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 AGMs**

- In the AGM held on 25.09.2017, appointment of Shri M. P. Mehrotra as Executive Vice-Chairman was required to be approved by special resolution.
- In the AGM held on 15.09.2016, no agenda item was required to be approved by special resolution.
- In the AGM held on 24.9.2015, no agenda item was required to be approved by special resolution.

**c) Postal ballot**

During the year under review, no item was approved through postal ballot:

**7. 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) Whistle Blower Policy**

The Company has adopted the whistle blower policy and no personnel have been denied access to the audit committee.

**e) Compliance of Non-mandatory requirements**
**i) Operations and Management Committee**

The Board delegated some of the powers to this committee including opening of various bank / demat accounts, borrowing money subject to the upper limit approved by the members and such other assignments as may be given by the Board from time to time. No meeting was held during the year under review.

**ii) 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.**
**iii) Presently, the positions of chairman and CEO/ Managing Director are held by separate persons.**
**iv) There was no qualification in the auditor's report on the annual accounts of the Company for the year under review.**
**v) The report of internal auditor is placed before the audit committee and the internal auditor is regularly invited to meeting of audit committee.**
**8. 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 various regulations of the listing regulations alongwith reconciliation of share capital are uploaded on NEAPS a platform provided by NSE, <http://listing.bseindia.com> a platform provided by BSE Ltd. as well as emailed to [listing@cse-india.com](mailto:listing@cse-india.com) the official email ID of The Calcutta Stock Exchange Ltd., Kolkata and the said results are also made available on the Company's website <http://www.vlsfinance.com> in terms of regulation 46 of the listing regulations. Further, disclosures pursuant to the listing regulations 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](http://www.mca.gov.in), 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 has dedicated an e-mail ID exclusively for redressal of investor complaints in compliance of regulation 46 of the listing regulations namely [hconsul@vlsfinance.com](mailto:hconsul@vlsfinance.com) which is displayed on the Company's website [www.vlsfinance.com](http://www.vlsfinance.com) under heading 'contact us'. The queries may also be addressed at the registered office of the Company i.e. 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065.**
**9. Shareholders Information**
**a) Annual General Meeting**

-	<b>Date and time</b>	: Thursday, 20 <sup>th</sup> September, 2018 at 3.30 p.m.
-	<b>Venue</b>	: The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003
-	<b>Financial Year</b>	: April 2017 to March 2018
-	<b>Book Closure</b>	: From 15-09-2018 to 20-09-2018 (both days inclusive)
-	<b>Buy back of shares</b>	: No buy back of shares made/proposed during the period under review.
-	<b>Dividend payment date</b>	: On or after 27/09/2018

**b) Listing at Stock Exchanges**

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

1. BSE Limited (BSE), (Scrip Code:511333)
2. The National Stock Exchange of India Ltd. (NSE), (Scrip Code: VLSFINANCE)
3. The Calcutta Stock Exchange Ltd. (CSE) (Scrip Code:032019)

The annual listing fee has been paid to BSE, NSE and CSE as mentioned above up to the year 2018-2019.

**c) Stock Market data**

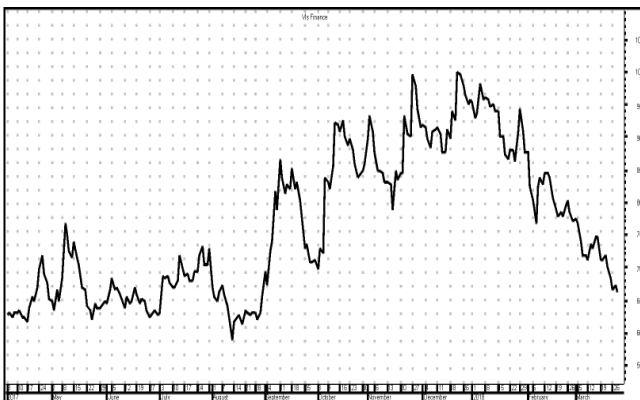
(Source: Metastock)

Monthly highs, lows and trading volume for the Financial Year 2017-2018:

<b>NSE</b>			<b>BSE</b>			
Months	High Rs.	Low Rs.	Volume Nos.	High Rs.	Low Rs.	Volume Nos.
Apr-17	74.00	61.40	3804047	73.95	61.00	1134446
May-17	79.25	60.95	4010093	79.00	61.15	1282638
Jun-17	69.60	61.40	1320184	69.60	61.60	434750
Jul-17	75.15	62.70	3158987	75.00	62.70	841728
Aug-17	71.40	57.00	2356098	71.40	57.50	562597
Sep-17	90.00	65.00	11610607	89.80	64.95	3186394
Oct-17	99.60	68.75	12260358	99.60	69.10	3408756
Nov-17	102.85	78.05	10326918	102.90	78.25	2717651
Dec-17	104.80	85.00	7179208	105.00	85.25	1376258
Jan-18	99.40	84.95	4155432	99.00	84.55	1125718
Feb-18	90.85	74.55	1585536	90.85	75.00	422296
Mar-18	78.90	65.00	1053158	78.60	65.25	261311
<b>Total</b>			62820626			16754543

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. 01/04/2018 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 :

**RCMC Share Registry Pvt. Ltd.,  
B-25/1, First Floor, Okhla Industrial Area,  
Phase-II, New Delhi-110020  
Phone Nos. 011 – 26387320-21-23  
Fax 011-26387322  
Email- [investor.services@rcmcdelhi.com](mailto:investor.services@rcmcdelhi.com)**

For any further assistance in said matters, queries may be addressed to the Company Secretary at the registered office of the Company. Information update in respect of shares held electronically can be done by submitting respective depository participant.

**f) Distribution of shareholding as on March 31, 2018**

Slab of share holdings (No. of shares)	No. of share holders	%age	(No. of shares)	Nominal value of shares held	%age
				(Rs.)	
1-500	14760	59.76	2880427	28804270	7.45
501-1000	7440	30.13	4901306	49013060	12.68
1001-2000	1395	5.65	2017813	20178130	5.22
2001-3000	381	1.54	977910	9779100	2.53
3001-4000	176	0.71	636215	6362150	1.65
4001-5000	137	0.55	648734	6487340	1.68
5001-10000	214	0.87	1527819	15278190	3.95
10001 and above	194	0.79	25071793	250717930	64.85
Total	24697	100.00	38662017	386620170	100.00

**According to categories of shareholders as on March 31, 2018**

Sl. No.	Categories	No. of shares	Amount in Rs.	Percentage of shareholding
1	Promoters, Directors and Relatives	17570123	175701230	45.45
2	Financial Institution and Banks	50096	500960	0.13
3	Mutual Fund	100	1000	0.00
4	FIs	300	3000	0.00
5	Corporate Bodies	1554227	15542270	4.02
6	Clearing Members	255148	2551480	0.66
7	Indian Public	19038234	190382340	49.24
8	NRI/OCBs/FN	191589	1915890	0.50
9	NBFC	2200	22000	0.01
	<b>Grand Total</b>	<b>38662017</b>	<b>386620170</b>	<b>100.00</b>

**g) Dematerialisation of Shares and liquidity**

91.18% of the total share capital of Company was held in dematerialized form as on 31/03/2018 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. 28<sup>th</sup> August 2000.

**h)** There were no ADRs/ GDRs/ Warrants or other convertible instruments outstanding as on 31/03/2018.

**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, 2018	Mid of July, 2018
Quarter ending September 30, 2018	Mid of November, 2018
Quarter ending December 31, 2018	Mid of February, 2018
Year ending March 31, 2019 #	End of May, 2019
Annual General Meeting for the year ended March 31, 2018	20 <sup>th</sup> September, 2018

# For the quarter ending 31/03/2019 un-audited results may not be published and only audited results will be published, unless decided otherwise.

**k) Subsidiary Companies**

The Company does not have any material non-listed Indian subsidiary in terms of Regulation 24 of the listing regulations, as amended as per financial results of the period under review.

**l) Plant Location**

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

**Auditors' Certificate on Corporate Governance**

As required by Regulation 34(3) of the listing regulations, the certificate by a practicing Company Secretary is annexed hereto.

---

**CERTIFICATE**

To,

The Members of VLS Finance Ltd.

I have examined the compliance of applicable conditions of Corporate Governance by VLS Finance Ltd ("the Company"), for the year ended on March 31, 2018, and particularly in respect of:

- Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from April 01, 2017 to March 31, 2018.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has in general complied with the conditions of Corporate Governance including regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations, during the year ended March 31, 2018.

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

**V. B. Aggarwal**

**Company Secretary**

**ACS 4240 CP No. 1583**

**PAN:AACPA1845P**

**Place: Gurugram**

**Date: 18/07/2018**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018  
Form MR-3**

[Pursuant to section 204(1) of

the Companies Act, 2013 and Rule 9 of the Companies

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

**Annexure-E**

To,  
The Members,  
VLS Finance Limited  
2<sup>nd</sup> 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 conduct/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, 2018** 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, 2018 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;
- (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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations 2014;
  - (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;  
(Not applicable as Company has not registered as Registrar to Issue and Transfer Agent during the year under review.)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as Company has not delisted/proposed to delist its equity shares from any stock exchange during the year under review)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as Company has not brought back/proposed to buyback its securities during the financial year under review).
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Company had properly complied the other laws viz. Income tax Act 1961, Prevention of Money Laundering Act, 2002 and rules made thereunder, other applicable tax laws, labour laws, local revenues laws, Insurance Act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder, Water (Prevention and control of Pollution) Act, 1974 and rules made thereunder, Environment (Protection) Act, 1986, local revenue laws, etc. as applicable to it.

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 Agreement entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015,
- iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Company has been filing requisite forms and returns with Registrar of Companies within time. However, additional filing fee was paid in respect of some forms for exceeding stipulated period of filing.

**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 except when meeting was called at shorter notice and duly recorded so. 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 properly recorded as part of the minutes.

The Company has spent Rs. 25,50,000/- under its CSR initiative as per its CSR policy for the year 2017-18. During the year under review, an anomaly in computation of CSR allocation for the year 2016-17 was found whereby Rs.44,18,495/- was allocated for the year 2016-17 instead of Rs. 36,52,828/- resulting in excess allocation of Rs.7,66,667/- for said period. The said amount of Rs. 7,66,667/- has been reduced from CSR corpus available for spending during the year 2018-19. Accordingly, the amount available in CSR corpus is Rs.56,53,693/- after allocation of Rs.42,12,952/-, for the year 2018-19. As per the examination of records and explanations given to me, all proposals which the Company receives do not qualify for recommendation of CSR Committee. Hence entire amount allocated for the financial year was not spent in the financial year. In my opinion, the explanations given by management is reasonable. Further, on the basis of my examination of records and explanations given to me, I am of the opinion that the expenditure made is accordance with the applicable regulations and CSR policy of the Company.

**I further report that** based on review of compliance mechanism established by the Company and on the basis of compliance certificate issued inter-alia by Company Secretary which were taken on record by Board of Directors, I am of the opinion that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the company has not taken any action having major bearing on affairs of the Company pursuant to above referred laws.

**CS Pooja Gandhi**  
**Company Secretary**  
**ACS No.:20092**  
**C P No.:11351**  
**Place:New Delhi**  
**Date: 30<sup>th</sup> June, 2018**

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  
2<sup>nd</sup> 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.

**CS Pooja Gandhi**  
**Company Secretary**  
**ACS No.:20092**  
**C P No.:11351**  
**Place:New Delhi**  
**Date: 30<sup>th</sup> June, 2018**

**Annexure-F**

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and forming part of directors' report for the year ended 31<sup>st</sup> March, 2018.

**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 : Nil

For and on behalf of the Board of Directors

Place : New Delhi  
 Date : 19/07/2018

S.K. Agarwal  
 Managing Director  
 DIN: 00106763

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

**Annexure-G**

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 financial year 2017-18:**

Sl.No	Name of the Directors	Designation	% increase of remuneration in 2018 compared to 2017	Ratio of the Median remuneration for the year 2017-18
1	Shri Ajit Kumar	Non-Executive independent Director ( Chairman)	36.59	0.47:1
2	Dr. S. Ramesh	Non-Executive independent Director	50.00	0.25:1
3	Shri R. Bandyopadhyay#	Non-Executive independent Director	Not comparable	0.33:1
4	Shri D. K. Mehrotra#	Non-Executive independent Director	Not comparable	0.23:1
5	Shri Vikas Mehrotra #	Non-Executive non independent Director	Not comparable	0.17:1
6	Shri M. P. Mehrotra*	Executive Vice-Chairman	Not comparable	6.82:1
7	Dr. (Mrs.) Neeraj Arora	Non-Executive non independent Director	100.00	0.20:1
8	Mr. S. K. Agarwal	Managing Director	0.00	5.11 : 1
9	Mr. K. K. Soni	Director- Finance & CFO	0.00	4.91 : 1

# appointed w.e.f. 28/05/2016

\* Appointed as Executive Director w.e.f. 01/08/2017

The Non-Executive Directors of the Company are entitled for sitting fees and reimbursement of expenses for attending meetings and the same are within the prescribed limits as per statutory provisions. The detail of sitting fees of Non Executive Directors is provided in the Corporate Governance Report which is part of this Director's Report. The sitting fees of the Non-Executive Directors attending Meeting of the Board and Audit Committee was revised upwards on 14/11/2017 effective from the next meeting onwards. Besides, the overall increase/decrease in the sitting fee paid compared to previous year is also due to number of meetings attended by them. Further, remuneration paid to Directors appointed during previous year i.e. 2016-17 being not for full year is not comparable to remuneration paid in year 2017-18 i.e. for the full year. Similarly, due to change in position from Non Executive -Director to Executive Director in case of Shri M. P. Mehrotra, the change in remuneration is not comparable.

**2. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year 2017-18:**

Sl.No	Name of the Company Secretary	Designation	% increase of remuneration in 2018 as compared to 2017
1	Mr. H. Consul	Company Secretary	12.74*

\* % 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.

Please refer clause -1 above for disclosure in respect of Directors.



**3. The percentage increase in the median remuneration of employees in the financial year 2017-2018**

There was percentage increase in the median remuneration of employees in the financial year of around 13.18%

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

30( Thirty)

**5. 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 salaries of employees other than managerial personnel in 2017-18 was about 15.54% and there was no increase in remuneration paid to Executive Directors.

**6. Affirmation that the remuneration is as per the remuneration policy of the company:**

The remuneration is as per the Remuneration policy of the Company.

**7. Top 10 employees in items of remuneration drawn in the financial year 2017-18:**

S. No.	Name/Designation of employee	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of such employee (Years)	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2)	Whether any such employee is a relative of any director or manager of the company and if so name of such director or manager
1	M. P. Mehrotra@ Executive Vice-Chairman	40,00,000	Contractual	B.Com., FCA, LL.B.-55 years	01/08/2017	78	Self Employed.	—	—
2	S. K. Agarwal Managing Director	30,74,995	Contractual	B.Com(Hons.), CAIIB-46 years	31/07/1995	67	VLS View Asset Management Ltd.	—	—
3	K.K. Soni Director-Finance & CFO	29,54,995	Contractual	B.Com, FCA, FCS-42 years	28/07/2006	65	VLS Capital Ltd.	—	—
4	H. Consul Company Secretary	19,71,864	Permanent	B.Com. (Hons.), ACS, LL.B.-32 years	02/02/1998	54	Prakash Ispat Ltd.	—	—
5	S.C. Agarwal* Vice President	17,79,699	Permanent	B.A. 34 years	01/02/2006	56	South Asian Enterprises Ltd.	—	—
6	L. Thirumorthy Vice President (Accounts)	15,11,164	Permanent	B.Com 38 years	10/07/2002	58	Self Employed	—	—
7	Dinesh Negi Group Head (Accounts)	8,02,672	Permanent	B.Com 30 years	25/09/1995	53	Universal Subscription Agency Pvt. Ltd.	—	—
8	Ramesh C. Pandey Group Head (Secretarial)	7,39,267	Permanent	B. Sc., LL.B. 30 years	01/04/1994	54	Self Employed	—	—
9	Manoj Jain Group Head (Front Office-Broking Division)	7,06,892	Permanent	B. Com. 27 years	05/02/2008	49	VLS Securities Ltd.	—	—
10	Nand Gopal Garg Group Member	7,17,240	Permanent	B. Sc (Bio), C.A. (Inter) 1st Group 28 years	01/04/2016	54	VLS Capital Limited.	—	—

\* for part of the year upto 28/02/2018 @ For part of the year from 01/08/2017 excluding sitting fees of Rs.1,00,000/- paid as Non- Executive Director.

There was no employee during the year drawing remuneration in terms of Rule 2(iii) of Companies (Appointment and Remuneration) Rules 2014.

**For and on behalf of the Board of Directors**

**Place : New Delhi  
Date : 19/07/2018**

**S.K. Agarwal  
Managing Director  
DIN: 00106763**

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

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF VLS FINANCE LIMITED**

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of VLS FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 standalone 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 standalone 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 & 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 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 standalone 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 on the effectiveness of the entity's internal financial 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 standalone 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 standalone 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, 2018 and its profit and its Cash Flow for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016, 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", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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, the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone 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 written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) in our opinion, proper books of accounts and records as specified in Rule 15 of the Securities Contract (Regulation) Rules, 1957 have been kept in so far as it appears from our examination of such books
  - g) 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 adequacy of the Internal Financial Controls over Financial Reporting of the Company and operating effectiveness of such controls, refer to our separate Report in Annexure- B; and
  - i) 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 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 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 (P) 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 company, there is no adverse impact of such litigations on investments/advances made by it in these associates.
    - ii. The Company has informed & explained to us that pending litigations has no adverse effect on its financial position in its financial statements as at 31<sup>st</sup> March, 2018.
    - iii. The Company has made provision as at 31<sup>st</sup> March, 2018, as

required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

- iv. 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 31<sup>st</sup> March, 2018.

**For M.L. PURI & CO.**  
Chartered Accountants  
Firm's registration number: 002312N

New Delhi  
17<sup>th</sup> May, 2018

**CA M.L. PURI**  
Partner  
Membership No. 009198

#### **ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets, except assets on lease which are in the possession of the lessees, have been physically verified by the Management according to the program of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- (c) As per the records and information and explanations given to us, title deeds of immovable properties are held in the name of the Company.
- ii. The company generally deals in shares, securities and Units of Mutual funds. Primarily these are held in electronic form so inventory of the Company has been electronically verified by the management at reasonable intervals and the procedures of verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. There were no discrepancies noticed on such verification of inventory as compared to book records.
- iii. The Company has granted interest free unsecured loan to one subsidiary company covered under section 189 of companies Act, 2013. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - a) As per the 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. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions under the Act. Accordingly, paragraph v of the Order is not applicable to the Company.
- vi. Clause 3 (vi) of CARO is not applicable as the Company is not engaged in production of such goods and providing such services as prescribed by Central Government under sub section (1) of section 148 of the Companies Act, 2013 for maintenance of cost records.
- 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 31.03.2018 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 31.03.2018.
- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans and/or borrowings to financial institutions and banks. No debentures are outstanding as on 31.03.2018.
- ix. During the year, no monies have been raised by public offer of shares. Money raised on term loans has been applied for the purposes for which loans were raised.
- x. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and on the Company by its officers or employees has been noticed or reported during the course of the audit.
- xi. On the basis of records and information and explanations made available, managerial remuneration which has been paid or provided is in accordance with the requisite approvals mandated under Section 197 read with Schedule V of the Act.
- xii. In our opinion and according to information & explanation given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related parties transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained, details of related parties transactions are disclosed as per the applicable Accounting Standards.
- xiv. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not made any preferential allotment or private placement of shares during the financial year ended on 31<sup>st</sup> March, 2018, hence clause (xiv) is not applicable.
- xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him.
- xvi. The Company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934.

**For M.L. PURI & CO.**  
Chartered Accountants  
Firm's registration number: 002312N

**CA M.L. PURI**  
Partner  
Membership No. 009198

New Delhi  
17<sup>th</sup> May, 2018

## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of VLS Finance Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M.L. PURI & CO.**  
Chartered Accountants  
Firm's registration number: 002312N

New Delhi  
17<sup>th</sup> May, 2018

**CA M.L. PURI**  
Partner  
Membership No. 009198

**BALANCE SHEET AS AT 31st March, 2018**

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	38,78,42,420	38,78,42,420
(b) Reserves & Surplus	3	221,58,85,047	211,40,11,001
<b>(2) Non-current liabilities</b>			
(a) Long Term Provisions	4	39,60,97,737	33,50,21,125
<b>(3) Current liabilities</b>			
(a) Trade payables	5	1,08,25,233	15,49,181
(b) Other Current Liabilities	6	26,75,220	18,48,656
(c) Short Term Provisions	7	4,73,73,628	4,72,81,474
<b>Total</b>		<b>306,06,99,285</b>	<b>288,75,53,857</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed Assets</b>			
- Tangible Assets	8	9,52,26,747	10,05,23,674
- Intangible Assets	8	1,24,656	1,89,365
- Capital Work-in-Progress		2,14,91,536	1,72,500
(b) Non-current Investments	9	264,32,14,838	250,86,19,717
(c) Deferred tax assets (Net)	10	1,27,81,618	1,37,87,469
(d) Long-term loans and advances	11	13,57,54,863	13,67,79,809
<b>(2) Current assets</b>			
(a) Inventories- Share stock-in-trade	12	7,35,00,004	4,96,23,658
(b) Trade receivables	13	0	1,23,84,970
(c) Cash and cash equivalents	14	1,64,96,856	2,15,46,856
(d) Short-term loans and advances	15	3,77,86,047	2,13,62,315
(e) Other current assets	16	2,43,22,120	2,25,63,524
<b>Total</b>		<b>306,06,99,285</b>	<b>288,75,53,857</b>
<b>Significant Accounting Policies and Notes forming part of accounts</b>		<b>1 to 23</b>	

As per our report of even date.

 For M.L.Puri & Co.  
*Chartered Accountants*  
 (Firm's Registration Number: 002312N)

 M.L. Puri  
 Partner  
 Membership No.009198  
 May 17th, 2018  
 New Delhi

For and behalf of the Board

 S.K.Agarwal  
*Managing Director*  
 DIN : 00106763

 M.P. Mehrotra  
*Executive Vice Chairman*  
 DIN : 00016768

 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, 2018**

(Amount in Rupees)

	Note No.	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
<b>I Revenue from operations</b>	17	<b>2093,15,26,727</b>	2692,26,30,012
<b>II Other Income</b>	18	<b>1,45,592</b>	1,44,221
<b>III Total Revenue (I+II)</b>		<b>2093,16,72,319</b>	2692,27,74,233
<b>IV Expenses</b>			
Purchase of Shares/Securities/Commodities		2060,09,70,524	2618,98,59,560
Change in stock of shares	19	(2,38,76,346)	(606,751)
Employee benefits expenses	20	3,16,77,140	2,45,76,774
Finance costs	21	1,06,902	12,51,803
Depreciation and Amortisation expense	8	60,56,847	35,52,839
Administrative & Other Expenses	22	7,28,83,325	8,20,32,229
<b>Total Expenses</b>		<b>2068,78,18,392</b>	2630,06,66,454
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>24,38,53,927</b>	62,21,07,779
<b>VI. Exceptional items</b>			
Provision for Diminuation in value of assets (net)		6,00,00,000	11,50,00,000
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>18,38,53,927</b>	50,71,07,779
<b>VIII. Extraordinary items</b>		<b>0</b>	0
<b>IX. Profit before tax (VII-VIII)</b>		<b>18,38,53,927</b>	50,71,07,779
<b>X. Less: Tax Expenses</b>			
Current Tax/MAT		3,47,55,256	11,97,10,110
Tax adjustments for earlier years		(390,334)	1,16,50,000
Deferred Tax		10,05,851	7,88,702
<b>XI. Profit for the year (IX-X)</b>		<b>14,84,83,154</b>	37,49,58,967
<b>EARNING PER SHARE</b>			
<b>Basic Earning per Share (Rs.)</b>		<b>3.84</b>	9.70
<b>Diluted Earning per Share (Rs.)</b>		<b>3.84</b>	9.70
<b>Face Value per Share (Rs.)</b>		<b>10.00</b>	10.00
<b>Significant Accounting Policies and Notes forming part of accounts</b>			
	<b>1 to 23</b>		

As per our report of even date.

For M.L.Puri &amp; Co.

Chartered Accountants

(Firm's Registration Number: 002312N)

M.L. Puri

Partner

Membership No.009198

May 17th, 2018

New Delhi

For and behalf of the Board

S.K.Agarwal

Managing Director

DIN : 00106763

M.P. Mehrotra

Executive Vice Chairman

DIN : 00016768

K.K.Soni

Director-Finance &amp; CFO

DIN : 00106037

H.Consul

Company Secretary

M. No : A-11183

**NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended 31<sup>st</sup> March, 2018.**
**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 and the Company has already started broking activity during the year under review.

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

- 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.
- 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.

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Amount in Rupees)**

	As at 31st March, 2018	As at 31st March, 2017
<b>2 SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
15,00,00,000 Equity Shares of Rs.10/- each	<b>150,00,00,000</b>	<b>150,00,00,000</b>
(Previous year 15,00,00,000 Equity shares of Rs.10/-each)		
<b>ISSUED CAPITAL</b>		
3,91,29,517 Equity Shares of Rs.10/- each	<b>39,12,95,170</b>	<b>39,12,95,170</b>
(Previous year 3,91,29,517 Equity shares of Rs.10/-each)		
	<b>39,12,95,170</b>	<b>39,12,95,170</b>
<i>(4,02,62,500 less 11,32,983 Equity Shares of Rs. 10/- each issued as fully paid up for cash bought back on 11-2-2014)</i>		
<b>SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
3,86,62,017 Equity Shares of Rs.10/- each fully paid up for cash	<b>38,66,20,170</b>	<b>38,66,20,170</b>
(Previous year 3,86,62,017 Equity Shares of Rs.10/- each)		
	<b>38,66,20,170</b>	<b>38,66,20,170</b>
Add: Amount forfeited on 4,67,500 equity shares (Previous year 4,67,500 equity shares)	<b>12,22,250</b>	<b>12,22,250</b>
	<b>38,78,42,420</b>	<b>38,78,42,420</b>
<i>(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) (11,32,983 Equity Shares of Rs.10/-each fully paid up for cash bought back on 11-02-2014)</i>		

	As at 31/03/2018		As at 31/03/2017	
	Number	in Rupees	Number	In Rupees
Equity Shares at the beginning of the year	3,86,62,017	38,66,20,170	3,86,62,017	38,66,20,170
Equity Shares at the end of the year	3,86,62,017	38,66,20,170	3,86,62,017	38,66,20,170

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)**
**(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, 2018		As at 31st March, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
VLS Capital Limited	1,33,36,538	34.50	1,33,36,538	34.50

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, 2018	As at 31st March, 2017
--	------------------------	------------------------

**3 RESERVES & SURPLUS**

<b>a) GENERAL RESERVE</b>		
As per last Balance Sheet	29,68,83,930	29,68,83,930
Total (a)	29,68,83,930	29,68,83,930
<b>b) SECURITY PREMIUM RESERVE ACCOUNT</b>		
As per last Balance Sheet	96,27,47,811	96,27,47,811
Closing Balance	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 (Rs. 50,98,424/- adjusted against Premium @ 4.50/- per share 11,32,983 shares bought back on 11-02-2014)</i>		
<b>c) CAPITAL REDEMPTION RESERVE ACCOUNT</b>		
Opening Balance	1,13,29,830	1,13,29,830
Closing Balance	1,13,29,830	1,13,29,830
<i>(Transfer from Surplus in the statement of Profit &amp; Loss towards 11,32,983 Equity Shares of Rs. 10/- each fully paid up for cash bought back on 11-02-2014)</i>		
<b>d) SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>		
Opening Balance	84,30,49,430	51,46,23,157
Add: Transfer from statement of Profit and loss	14,84,83,154	37,49,58,967
Less: Proposed Dividend on Equity (Rs.1/- per Equity share)	3,86,62,017	3,86,62,017
Less: Distribution tax on Equity Dividend	79,47,091	78,70,677
Closing Balance	94,49,23,476	84,30,49,430
<b>Grand Total (a) to (d)</b>	<b>221,58,85,047</b>	<b>211,40,11,001</b>

**8. FIXED ASSETS**

(Amount in Rupees)

Sl. No.	Description	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
		Cost As at 01.04.2017	Additions during the year	Sales/ Adjust-ments	Cost As at 31-03-2018	Upto 31.03.2017	For the Period	Sales/ Adjust-ments	Upto 31-03-2018	As at 31-03-2018	As at 31.03.2017
<b>1</b>	<b>TANGIBLE ASSETS</b>										
	<b>Assets for own use:</b>										
A	Buildings	11,10,96,285	0	0	11,10,96,285	1,38,39,797	47,33,409	0	1,85,73,206	9,25,23,079	9,72,56,488
B	Temporary Structures	6,88,735	0	0	6,88,735	6,88,734	0	0	6,88,734	1	1
C	Vehicles	71,78,260	0	0	71,78,260	53,59,866	5,56,346	0	59,16,212	12,62,048	18,18,394
D	Office Equipments	19,73,903	2,96,809	0	22,70,712	14,47,926	2,93,501	0	17,41,427	5,29,285	5,29,977
E	Furniture & Fixtures	12,80,027	0	0	12,80,027	10,24,916	61,411	0	10,86,327	1,93,700	2,55,111
F	Air Conditioners	14,81,287	34,685	0	15,15,972	11,47,614	1,01,777	0	12,49,391	2,66,581	3,33,673
G	Computers	19,80,345	3,41,917	0	23,22,262	17,80,108	2,23,894	0	20,04,002	3,18,260	2,00,237
H	Electrical Installations	2,44,954	0	0	2,44,954	2,32,706	0	0	2,32,706	12,248	12,248
I	Generator	4,30,905	0	0	4,30,905	4,09,360	0	0	4,09,360	21,545	21,545
2	<b>Assets on Lease</b>	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
	<b>Grand Total</b>	<b>133,30,21,269</b>	<b>6,73,411</b>	<b>0</b>	<b>133,36,94,680</b>	<b>123,24,97,595</b>	<b>59,70,338</b>	<b>0</b>	<b>123,84,67,933</b>	<b>9,52,26,747</b>	<b>10,05,23,674</b>
	<b>INTANGIBLE ASSETS</b>										
	Computer Software	9,54,636	21,800	0	9,76,436	7,65,271	86,509	0	8,51,780	1,24,656	1,89,365
	<b>Grand Total</b>	<b>133,39,75,905</b>	<b>6,95,211</b>	<b>0</b>	<b>133,46,71,116</b>	<b>123,32,62,866</b>	<b>60,56,847</b>	<b>0</b>	<b>123,93,19,713</b>	<b>9,53,51,403</b>	<b>10,07,13,039</b>
	Previous Year	124,02,11,758	9,37,64,147	0	133,39,75,905	122,97,10,027	35,52,839	0	123,32,62,866	10,07,13,039	1,05,01,731

**9. NON-CURRENT INVESTMENTS (at cost)**

PARTICULARS	QUANTITY			AMOUNT (In Rupees)	
	FACE VALUE	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017
<b>A. IN EQUITY SHARES</b>					
<b>A1. Un-quoted &amp; Fully Paid</b>					
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
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
Runeecha Textiles Ltd	10	3,57,600	3,57,600	17,88,000	17,88,000
BMS IT Institute Private Ltd (#)	10	56,00,000	56,00,000	24,92,00,000	24,92,00,000
		SUB-TOTAL (A1)		68,35,60,187	68,35,60,187
<b>A2. Quoted &amp; Fully Paid</b>					
ICDS Ltd (*)	10	21,929	21,929	0	0
KASHIPUR SUGAR MILLS LTD	10	89,767	89,767	7,99,032	7,99,032
3I INFOTECH LTD	10	2,00,000	0	11,60,155	0
ARTSON ENGINEERING LTD	1	0	4,104	0	1,00,376
ACCELYA KALE SOLUTIONS LTD	10	2,75,218	2,82,418	11,61,72,330	11,81,68,776
AMBIKA COTTON MILLS LTD	10	1,00,000	1,00,000	4,55,67,080	4,55,67,080
ASHAPURA INTIMATES FASHION LTD.	10	1,03,868	0	4,32,18,416	0
ASHOK LEYLAND LTD	1	25,000	0	30,12,791	0

**NON-CURRENT INVESTMENTS (at cost)**

PARTICULARS	FACE VALUE	QUANTITY			AMOUNT (In Rupees)	
		AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017	
ALLCARGO LOGISTICS LTD	2	3,500	0	5,77,502	0	
BANK OF BARODA	2	0	5	0	251	
BOMBAY BURMAH TRADING CORP LTD	2	7,000	2,000	93,96,962	9,70,869	
BHARAT PETROLEUM CORP LTD (+)	10	40,350	26,900	3,24,648	3,24,648	
BEML LTD	10	0	3,000	0	27,55,329	
BHARAT FORGE LTD.	2	7,900	0	1,24,100	0	
CANTABIL RETAIL INDIA LTD	10	1,75,000	0	2,15,83,020	0	
CENTRAL BANK OF INDIA LTD	10	0	13,500	0	13,78,802	
CHOLAMANDALAM INVEST & FINANCE CO LTD	10	0	2,600	0	23,28,759	
COAL INDIA LTD	10	0	22,000	0	66,27,917	
CONTAINER CORP OF INDIA LTD	10	0	3,100	0	39,33,915	
COX & KINGS LTD.	5	20,000	0	54,38,655	0	
DCB BANK LTD	10	19,000	0	33,06,979	0	
DHANLAXMI BANK LTD	10	0	37,000	0	8,29,195	
EQUITAS HOLDING LTD	10	0	5,000	0	7,15,666	
ENGINEERS INDIA LTD (+)	5	0	1,46,000	0	50,97,433	
FEDERAL BANK LTD	2	65,000	0	71,79,186	0	
FIRST SOURCE LTD	10	25,000	0	11,94,720	0	
FORTIS HEALTHCARE LTD	10	59,500	0	74,46,685	0	
GUJARAT HOTELS LTD	10	2,500	5,134	1,23,884	2,71,813	
GUANULES INDIA LTD	1	4,34,388	5,00,000	4,42,62,618	4,86,76,630	
GAIL INDIA LTD (+)	10	0	22,666	0	72,76,605	



**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)**
**NON-CURRENT INVESTMENTS (at cost)**

PARTICULARS	FACE VALUE	QUANTITY		AMOUNT (In Rupees)	
		AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017
HCL TECHNOLOGIES LTD (+)	2	41,946	66,500	4,37,138	4,37,138
HINDALCO INDUSTRIES LTD	1	15,000	18,000	34,49,182	28,30,666
HINDUSTAN PETROLEUM CORP LTD (+)	10	2,69,325	2,21,250	3,88,901	3,88,901
HINDUSTAN UNILEVER LTD	1	15,000	12,500	1,65,72,876	1,11,27,386
HITECH CORP. LTD.	10	36,000	0	63,53,044	0
HATSUN AGRO PRODUCTED LTD	1	10,000	0	75,30,303	0
INFOSYS LTD (+)	5	2,45,099	2,79,000	10,39,211	10,39,211
ITC LTD (+)	1	20,000	13,250	54,28,671	32,00,348
IFGL REFRACTORIES LTD	10	77,541	77,541	1,14,59,516	1,14,59,516
INFINITE COMPUTER SOLUTIONS (INDIA) LTD	10	0	1,52,895	0	2,89,12,846
IDBI BANK LTD	10	0	33,866	0	23,11,861
IDFC LTD	10	20,000	65,000	11,01,794	32,75,892
IDFC BANK LTD	10	0	57,000	0	38,78,811
ICICI PRUDENTIAL LIFE INSURANCE LTD	10	20,000	18,000	69,41,985	55,22,069
INDIA GRID TRUST	100	5,103	0	4,88,687	0
INDIAN HOTEL CO LTD	1	22,000	0	30,62,813	0
IRB INVIT FUND	102	5,000	0	4,69,454	0
INDIABULLS REAL ESTATE LTD	2	1,000	0	2,18,186	0
JAIN IRRIGATION SYSTEMS LTD.	2	42,000	0	49,30,271	0
JAIPRAKASH ASSOCIATES LTD.	2	6,00,000	0	1,31,75,734	0
L&T FINANCE HOLDING LTD	10	20,000	10,000	27,74,654	8,82,010
LARSEN & TOUBRO LTD	2	10,000	0	1,16,88,245	0
LUPIN LTD.	2	20,000	0	1,91,67,677	0
KALYANI STEEL LTD	5	5,41,383	5,51,383	8,43,10,517	8,57,11,347
KARNATAKA BANK LTD	10	5,000	25,000	8,20,137	27,57,535
MEGHMANI ORGANICS LTD	1	62,30,000	75,00,000	11,84,31,023	13,40,24,345
M & M FINANCIAL SERVICES LTD	2	0	4,600	0	12,83,702
MAX VENTURES INDIA LTD	10	0	32,334	0	20,07,669
MMTC LTD.	1	1,00,000	0	65,95,892	0
MERCATOR LTD	1	2,00,000	0	66,89,687	0
NEO CORP INTERNATIONAL LTD	10	0	37,12,515	0	5,90,18,390
NATIONAL ALUMINIUM CO LTD	1	19,000	60,583	12,19,201	30,14,073
NIRLON LTD	10	3,000	7,000	6,07,776	14,85,793
NBCC INDIA LTD	2	6,500	0	12,50,003	0
NCC LTD	2	80,000	0	88,03,786	0
NEW DELHI TELEVISION LTD	4	60,102	0	36,67,965	0
NAVKAR CORPORATION LTD	10	5,000	0	9,72,424	0
NETWORK 18 MEDIA & INVESTMENTS LTD	5	35,000	0	17,06,841	0
ORRISA SPONGE IRON & STEEL LTD	10	2,936	2,936	16,13,828	16,13,828
OIL INDIA LTD (+)	10	0	16,000	0	53,40,960
PILANI INVESTMENT & IND CO LTD	10	0	605	0	8,12,599
PRAKASH INDUSTRIES LTD.	10	15,000	0	26,55,444	0
PNC INFRATECH LTD	10	3,000	0	4,92,583	0
POWER GRID CORPORATION OF INDIA LTD	10	15,000	0	29,47,236	0
RELAXO FOOTWEAR LTD (+)	1	62,86,791	62,86,791	2,15,42,482	2,10,27,788
RELIANCE INDUSTRIES LTD	10	0	3,400	0	33,56,459
RELIGARE ENTERPRISES LTD	10	0	2,50,000	0	5,39,25,181
RASHTRIYA CHEM & FERT. LTD.	10	1,00,000	0	1,01,77,171	0
SHILPI CABLE TECH LTD (+)	10	0	11,67,295	0	4,40,23,621
SHIPPING CORPORATION OF INDIA LTD	10	0	1,91,000	0	1,13,31,082
STEL HOLDINGS LTD	10	2,90,259	2,90,259	85,38,293	85,38,293
SUMMIT SECURITIES LTD	10	1,81,561	1,81,561	4,51,33,451	4,51,33,451
SURYA ROSHNI LTD	10	8,02,000	9,52,500	8,92,44,620	10,52,51,250
SREE RAVALASEMIA ALKALIES & ALLIED CHEMICALS LTD	10	0	1,04,901	0	18,10,465
SHRIRAM TRANSPORT FINANCE CO LTD	10	0	7,250	0	59,76,789
SANGHI INDUSTRIES LTD	10	0	4,29,756	0	2,57,90,841
STATE BANK OF INDIA	1	42,000	20,000	1,15,47,949	49,85,184
STATE BANK OF TRAVANCORE	10	0	81,216	0	4,70,54,082
STATE BANK OF BIKENER & JAIPUR	10	0	3,216	0	23,70,727
STATE BANK OF MYSORE	10	0	636	0	3,70,584
SJVN LTD	10	0	50,000	0	15,74,057
SURANA INDUSTRIES LTD	10	4,50,000	4,50,000	18,00,000	18,00,000
STEEL AUTHORITY OF INDIA LTD	10	60,000	0	47,35,063	0
SHREE PUSHKAR CHEMICALS & FERTILIZER LTD	10	27,960	0	69,12,487	0
SINTEX PLASTICS TECHNOLOGY LTD	1	20,000	0	13,15,112	0
SUN PHARMACEUTICALS IND LTD	1	10,000	0	54,39,464	0
SOMI CONVEYOR BELTINGS LTD	10	40,000	0	19,26,772	0
SOM DISTILLERIES & BREWERIES LTD	10	5,000	0	12,92,580	0
TATA STEEL LTD	10	5,933	300	39,50,010	2,05,413
TECHNOCRAFT INDUSTRIES (INDIA) LTD	10	3,80,424	3,87,424	7,13,30,514	7,27,12,518

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)**
**NON-CURRENT INVESTMENTS (at cost)**

PARTICULARS	FACE VALUE	QUANTITY		AMOUNT (In Rupees)			
		AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017		
TORRENT POWER LTD	10	30,000	0	81,28,834	0		
THOMAS SCOTT (INDIA) LTD	10	5,477	0	1,05,555	0		
TRIDENT LTD	10	20,000	0	15,65,862	0		
TRIVENI TURBINE LTD	1	20,000	0	26,34,651	0		
TCI INDUSTRIES LTD	10	9,544	9,699	5,71,947	5,76,607		
UFLEX LTD	10	0	1,400	0	1,68,701		
UNIPLY INDUSTRIES LTD.	10	10,000	0	34,36,251	0		
UJAAS ENERGY LTD	1	2,75,000	0	45,36,524	0		
VASCON ENGINEERS LTD	10	10,000	0	3,93,605	0		
AYM SYNTAX LTD (welspunSyntax Ltd)	10	0	48,260	0	18,41,464		
WELSPUN ENTERPRISES LTD	10	20,000	0	33,05,173	0		
		SUB-TOTAL (A2)		97,99,15,818	107,79,84,549		
<b>A3. IN PREFERENCE SHARES</b>							
<b>Quoted &amp; Fully Paid</b>							
VEDANTA LIMITED	10	6,86,000	0	68,60,000	0		
(7.5 % redeemable preference shares)							
<b>Quoted &amp; Partly Paid</b>							
TATA STEEL LIMITED	2,504	500	0	77,000	0		
		SUB-TOTAL (A3)		69,37,000	0		
<b>B. IN EQUITY SHARES OF SUBSIDIARIES</b>							
<b>Un-quoted &amp; Fully Paid-up</b>							
VLS Securities Ltd.	10	2,99,00,000	2,99,00,000	29,90,00,000	29,90,00,000		
VLS Asset Management Ltd.	10	70,100	70,100	7,01,000	7,01,000		
		SUB-TOTAL B		29,97,01,000	29,97,01,000		
<b>C. IN UNITS, BONDS AND DEBENTURES</b>							
<b>IN DEBENTURES</b>							
<b>Unquoted &amp; Fully Paid-up</b>							
SRGP CORPORATION LIMITED	100	3,50,000	0	3,50,00,000	0		
(18% Secured and Non convertible)							
		SUB-TOTAL C1		3,50,00,000	0		
<b>IN BONDS</b>							
<b>Quoted &amp; Fully Paid-up</b>							
- IRFC (NO)	1,000	16,507	16,507	1,72,16,130	1,72,16,130		
- NHAI (NA)	1,000	2,81,528	2,81,528	29,64,21,357	29,82,76,243		
- NHAI (NE)	1,000	85,378	85,378	8,97,87,199	8,97,87,199		
		SUB-TOTAL C2		40,34,24,686	40,52,79,572		
<b>D. IN INVESTMENT FUND/ MUTUAL/PMS</b>							
<b>UNITS IN ICICI PRUDENTIAL REAL ESTATE AIF -II</b>							
UNITS IN IIFL REAL ESTATE FUND(DOMESTIC SERIES 3 BARODA PIONEER BALANCE FUND-PLAN B (DIV)		149,185.176	149,185.176	1,50,00,000	1,50,00,000		
EDELWEISS CROSSOVER OPPORTUNITIES FUND-CLASS A1 UTI STRUCTURED DEBT OPPORTUNITIES FUND I -CLASS A4		1,926,893.655	1,926,893.655	1,82,44,385	2,00,00,000		
ACCURACAP CONSULTANTCT SERVICES P LTD	PMS	966,701.366	0.000	2,00,00,000	0		
MOTILAL OSWAL ASSET MANAGEMENT CO LTD	PMS	770,508.677	0.000	80,00,000	0		
GLOBE CAPITAL MARKETS LTD	PMS	25,174,522.094	0.000	2,50,00,000	0		
		SUB-TOTAL D		22,75,81,738	3,50,00,000		
		<b>TOTAL E (A1+A2+A3+B+C1+C2+D)</b>		263,61,20,429	250,15,25,308		
<b>I. Aggregate value of quoted investments</b>				At Cost	139,02,77,504	148,32,64,121	
				Market Value	712,33,43,999	627,47,35,902	
<b>II. Aggregate value of un-quoted investments - In Subsidiaries</b>				At Cost	29,97,01,000	29,97,01,000	
				- Others	At Cost	94,61,41,925	71,85,60,187
<b>F. INVESTMENT IN IMMOVABLE PROPERTIES:-</b>					70,94,409	70,94,409	
				<b>TOTAL (F)</b>	70,94,409	70,94,409	
				<b>GRAND TOTAL (E+F)</b>	264,32,14,838	250,86,19,717	
(*) Bonus Shares received, hence cost of acquisition is NIL							
(+ ) Includes Bonus Shares received							
#) Associate Companies							

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

	(Amount in Rupees)	
	As at	As at
	31st March, 2018	31st March, 2017
<b>10 Deferred tax</b>		
a) Deferred tax Assets		
i) Accumulated Losses	1,45,72,675	1,45,72,675
ii) Employee Benefits	16,82,730	13,04,689
Total (a)	1,62,55,405	1,58,77,364
b) Deferred tax Liabilities		
i) Depreciation on Fixed Assets	34,73,787	20,89,895
Total (b)	34,73,787	20,89,895
<b>Deferred tax assets (net)</b>	<b>(Total a-b)</b>	<b>1,27,81,618</b>

	(Amount in Rupees)	
	As at	As at
	31st March, 2018	31st March, 2017
<b>11 Long Term Loans and advances</b>		
<b>A) Unsecured, considered good</b>		
i) Loans & Advances to Related Parties		
Loans to subsidiaries	9,36,594	9,32,352
Total (i)	9,36,594	9,32,352
ii) Loans & advances	8,05,00,000	8,30,00,000
Total (ii)	8,05,00,000	8,30,00,000
iii) Staff Loans and advances	8,66,666	5,68,012
Total (iii)	8,66,666	5,68,012
iv) Advances recoverable in cash or kind or for value to be received-	8,524	8,000
Total (iv)	8,524	8,000
v) Security Deposit with Govt Department	1,500	1,500
vi) Security Deposit with others	63,42,574	63,17,824
vii) Advance Income Tax and Tax Deducted at Source	22,08,14,371	20,44,18,561
Less: Tax Provisions	17,37,15,366	15,84,66,440
Total (vii)	4,70,99,005	4,59,52,121
<b>Total A (i+ii+iii+iv+v+vi+vii)</b>	<b>13,57,54,863</b>	<b>13,67,79,809</b>
<b>B) Doubtful</b>		
Advances recoverable in cash or kind or for value to be received-	0	1,21,220
Less: Provision for Bad & Doubtful Debts	0	1,21,220
Total B	0	0
<b>Total (A+B)</b>	<b>13,57,54,863</b>	<b>13,67,79,809</b>

**12. INVENTORIES-SHARE STOCK IN TRADE**  
*(At Cost or market price, whichever is lower)*

Name of the Company	As on 31.03.2018		As on 31.03.2017	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>Stock of Quoted Equity shares (Fully Paid)</b>				
ARIHANT COTSYN LTD	2,000	1	2,000	1
CENTRAL ROADLINES CORPORATION LTD	2,82,700	1	2,82,700	1
HINDUSTAN ADHESIVES LTD	0	0	1,000	13,000
INTERCRAFT LTD	29,000	1	29,000	1
KOTHARI PRODUCTS LTD (+)	0	0	45	3,903
SWEDE INDIA LTD	200	1	200	1
RELIANCE LIQUID FUND	0	0	666.36	26,06,751
BARODA PIONEER FUND LIQUID FUND	36,829.25	7,35,00,000	0	0
DSP BLACK ROCK MUTUAL FUND COLLECTION	0	0	20,280.33	4,70,00,000
<b>Total</b>	<b>350729.25</b>	<b>7,35,00,004</b>	<b>335,891.69</b>	<b>4,96,23,658</b>

(+) Includes 20 Bonus Shares received during the year 2014-15 and 15 Bonus Shares received during the year 2015-16

<b>13 Trade Receivables</b>		
<b>Unsecured-Considered good</b>		
<b>Due from share brokers</b>		
a. Due for more than six months	0	0
b. Others	0	1,23,84,970
<b>Total (a+b)</b>	<b>0</b>	<b>1,23,84,970</b>

<b>14 Cash and Cash Equivalents</b>		
a) Cash on Hand	3,19,331	71,902
b) Balances with banks		
1. In Current Accounts	54,78,561	1,08,79,019
2. In Fixed Deposits	1,06,98,964	1,05,95,935
<i>Fixed Deposits with banks include deposits of Rs.Nil (Previous Year: Rs.Nil) with maturity of more than 12 months.</i>		
<b>Total (a+b)</b>	<b>1,64,96,856</b>	<b>2,15,46,856</b>

	(Amount in Rupees)	
	As at	As at
	31st March, 2018	31st March, 2017
<b>15 Short Term Loans and advances</b>		
<b>Unsecured, considered good</b>		
i) Advances to Related Parties		
Receivables from subsidiaries	2,79,987	8,15,942
Margin Money with subsidiaries	3,35,45,965	1,75,90,318
ii) Staff Loans and advances	12,77,119	9,84,414
iii) Advances Recoverable in cash or in kind or for value to be received	122,09,894	15,73,541
iv) Prepaid Expenses	4,73,082	3,98,100
<b>Total(i+ii+iii+iv)</b>	<b>3,77,86,047</b>	<b>2,13,62,315</b>

<b>16 Other Current Assets</b>		
Interest Accrued but not due	2,43,22,120	2,25,63,524
<b>Total</b>	<b>2,43,22,120</b>	<b>2,25,63,524</b>

	Year ended	Year ended
	31st March, 2018	31st March, 2017

<b>17. REVENUE FROM OPERATIONS</b>		
Sale of Shares/Securities/Commodities	2058,84,47,640	2619,57,80,141
Income from Other credit operations	3,35,98,445	3,23,98,267
Income from Investments	30,94,80,642	69,44,51,604
<b>Total</b>	<b>2093,15,26,727</b>	<b>2692,26,30,012</b>

<b>18. OTHER INCOME</b>		
Others	1,45,592	1,44,221
<b>Total</b>	<b>1,45,592</b>	<b>1,44,221</b>

<b>19. CHANGE IN STOCK OF SHARES</b>		
Closing Stock of Shares	7,35,00,004	4,96,23,658
Less: Opening Stock of Shares	4,96,23,658	4,90,16,907
Change in Stock of Shares -Increase/(Decrease)	2,38,76,346	6,06,751

<b>20. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries	2,75,80,283	2,15,48,007
Staff Amenities/Welfare expenses	6,21,265	6,80,557
Employer's Contribution to PF, ESI, Gratuity Fund etc.	34,75,592	23,48,210
<b>Total</b>	<b>3,16,77,140</b>	<b>2,45,76,774</b>

<b>21. FINANCE COST</b>		
Bank / Finance Charges	96,025	13,256
Interest Payment on Loans/ overdraft facilities	10,877	12,38,547
<b>Total</b>	<b>1,06,902</b>	<b>12,51,803</b>

<b>22. ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Advertisement & Business Promotion	28,76,234	30,78,840
Consultancy, Legal & Service Charges	3,00,79,505	3,39,80,452
Communication Expenses	12,43,831	16,04,965
Electricity & Water Charges	9,32,985	8,14,695
Insurance	81,614	89,915
Office Expenses	47,13,453	52,74,064
Shares Transaction Charges	26,31,174	8,64,714
Travelling Expenses & Conveyance	20,58,416	16,20,775
Rates & Taxes	86,86,518	89,25,807
Rent	61,53,000	61,20,000
Repairs & Maintenance		
— Others	13,63,709	13,40,399
Miscellaneous Expenses	72,27,288	71,51,225
CSR Expenditure	25,50,000	16,44,163
Auditors' Remuneration		
a) Audit Fees	1,70,000	1,70,000
b) For Other Services		
— For Tax audit	90,000	90,000
— For certification	1,90,600	1,81,600
— Out of pocket expenses	35,750	36,470
Internal Auditors' Remuneration		
— Fees	80,000	80,000
— For certification	10,000	10,000
Directors' Sitting Fees	10,90,000	7,63,000
Provision for Non performing Assets	(121,220)	0
Bad debts written off (Net)	0	75,89,871
Prior year adjustments	7,40,468	6,01,274
<b>Total</b>	<b>7,28,83,325</b>	<b>8,20,32,229</b>

**23. NOTES FORMING PART OF FINANCIAL STATEMENT**

1. a) Contingent Liability:- NIL.  
b) Estimated amount of contracts remaining to be executed on Capital Account: Rs.68.71 lakhs.
2. 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.
3. Cash & Bank Balances :  
Bank Deposits include fixed deposits of Rs.1,06,98,964/- (Previous Year – Rs.1,05,95,935/-) pledged with the banks as security for availing overdraft facilities.
4. Quantitative details of shares/liquid funds/commodities in units/lots as detailed below:

Trading Items	Opening Stock in trade as on 01.04.2017		Purchases		Sales		Closing Stock in trade as on 31.03.2018	
	Qty.*	Value Rs.	Qty*	Value Rs.	Qty*	Value Rs.	Qty*	Value Rs.
Shares	314945	16907	23011216	3202464386	23012261	3207383098	313900	4
(Previous year)	314945	16907	7444574	2106128966	7444574	2100330649	314945	16907
Commodities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(Previous year)	Nil	Nil	1074769	2603430593	1074769	2608479441	Nil	Nil
Liquid Fund	20946	49606751	8165464	17398506138	8149581	17381064542	36829	73500000
(Previous year)	15543	49000000	10397965	21480300000	10392562	21486970050	20946	49606751

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

5. Income from investments include:

	Current Year (Rs.)	Previous Year (Rs.)
Dividend Income ( Gross )	5,26,65,542	3,74,70,398

6. Interest Receipts (Gross) Rs.3,21,19,665/- (inclusive of interest of Rs.9,68,631/- on Fixed Deposits, Rs.17,32,941/- on margin money with share brokers, interest on Tax Free bonds of Rs.2,82,15,006/- and other interest received of Rs.12,03,086/-) (Previous Year Rs. 3,15,08,756/-, inclusive of interest of Rs.10,60,044/- on Fixed Deposits and Rs.41,46,367/- on margin money with share brokers, interest on Tax Free bonds of Rs.2,62,13,595/- and other interest received of Rs.88,750/-) grouped under Income from Operations includes Tax Deducted at Source amounting to Rs.3,56,781/- (Previous Year Rs. 5,20,641/-).
7. In the opinion of the Management, 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.
8. 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.
9. Related Party Disclosure :  
Followings are the related parties:-  
Subsidiaries: - VLS Securities Ltd. (99.67%) and VLS Asset Management Ltd (99.15%),  
Key Managerial Personnel: - 1) Shri M.P. Mehrotra (Executive Vice Chairman)  
2) Shri S.K.Agarwal (Managing Director)  
3) Shri K.K.Soni (Director Finance & CFO)  
4) Shri H Consul, Company Secretary  
Associates:- (as defined in the Companies Act 2013) 1) VLS Capital Ltd  
2) Sunair Hotels Ltd  
3) BMS IT Institute Private Ltd.  
Others: - South Asian Enterprises Limited.  
Summary of transactions with the above related parties is as follows:-

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Others
Purchase of Securities	Rs.3,30,15,92,857 (Previous year. Rs. 2,78,82,92,874)			
Sale of Securities	Rs.3,46,98,26,710 (Previous year Rs.3,26,36,09,893)			
Rent and other Charges received	Rs.1,41,600 (Previous year. Rs. 1,38,000)			
Other charges paid	Rs.51,77,555 (Previous year. Rs.49,19,145)			
Loan to Subsidiary	Rs. Nil (Previous year : Rs.13,00,00,000)			
Security Deposit received / paid to VLS Capital Ltd		Rs. Nil (Previous year: Rs.2,00,000)		
Remuneration to Executive Vice Chairman (with effect from 01/08/2017)			Rs.40,00,000/- (Previous year NIL)	
Remuneration to Managing Director			Rs.30,74,995 (Previous year. Rs. 30,75,000)	
Remuneration to Director-Finance & CFO			Rs.29,54,995 (Previous year. Rs. 29,55,000)	

(Amount in Rs.)

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Others
Remuneration to . Company Secretary			Rs.19,71,864 (Previous year. Rs. 17,48,962)	
Due from Subsidiaries (including margin money deposits - outstanding balance as on 31.03.2018)	Rs.3,47,62,546 (Previous year. Rs. 1,93,38,612)			
Advertisement Charges Paid				Rs.5,75,000 (Previous year. Rs. Nil)

**10. Managerial Remuneration**

Particulars	Remuneration	Perquisites
Paid to Shri M P Mehrotra Executive Vice Chairman (with effective from 01/08/2017)	Rs.40,00,000/- (Previous Year Nil)	Rs. Nil (Previous Year Nil)
Paid to Shri S.K. Agarwal Managing Director	Rs.30,60,000/- (Previous Year: Rs.30,60,000/-)	Rs.14,995/- (Previous Year: : Rs. 15,000/-)
Paid to Shri K.K. Soni Director-Finance & CFO	Rs.29,40,000/- (Previous Year Rs.29,40,000/-)	Rs. 14,995/- (Previous Year Rs. 15,000/-)

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.

**11. Earning Per Share**

Calculation of EPS (Basic and Diluted)

Particulars	Equivalent No. of Shares	
	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March. 2017
<b>Basic and Diluted</b>		
Total Shares Outstanding	3,86,62,017	3,86,62,017
Profit after Taxes	Rs. 14,84,83,154	Rs. 37,49,58,967
EPS -Basic	Rs. 3.84	Rs. 9.70
EPS –Diluted	Rs. 3.84	Rs. 9.70

**12. Expenditure in Foreign Exchange: – Nil**

13. A non interest bearing amount of Rs.9,36,594/- (maximum amount outstanding during the year is Rs.9,36,594/-) is due from VLS Asset Management Ltd., the subsidiary of the Company.
14. 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.
15. 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	2017-18	2016-17
	(in Rupees)	
Employer's Contribution to Provident Fund	14,38,810	13,26,189
Employer's Contribution to Pension Fund	3,49,692	3,65,851

**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 years 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, 2018 (in Rupees)	As at March 31, 2017 (in Rupees)
<b>Change in present value of obligation</b>		
Present value of obligation as at the beginning of the year	76,29,725	70,54,773
Current service cost	19,90,067	4,55,037
Interest cost	5,91,304	5,29,108
Actuarial ( gain ) / loss	5,25,593	(4,09,193)
Benefits paid	(6,57,692)	0
Present value of obligation as at the end of the year	1,00,78,997	76,29,725

	As at March 31, 2018 ( in Rupees)	As at March 31, 2017 ( in Rupees)
--	-----------------------------------------	-----------------------------------------

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

<b>Change in present value of obligation</b>		
Fair Value of Plan Assets as at the beginning of the year	62,98,117	55,61,890
Expected return on plan assets	4,88,104	4,38,426
Contributions	4,17,848	2,83,786
Benefits paid	(657,692)	0
Actuarial gain/(loss) on Plan assets	(13,490)	14,015
Fair Value of Plan Assets as at the end of the year	65,32,887	62,98,117

**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	1,00,78,997	76,29,725
Fair Value of Plan Assets as at the end of the year	65,32,887	62,98,117
Excess of Fair value of Plan Assets over present value of obligations	(3,546,110)	(1,331,608)

**III) Expenses charged to Profit & Loss Account**

Expenses charged to Profit & Loss Account	9,82,275	1,22,511
-------------------------------------------	----------	----------

**Main actuarial assumptions**

Discount rate	7.75%	7.50%
Salary Escalation	5.00%	5.00%

**16 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, 2018	As at March 31, 2017
<b>Change in present value of obligation</b>		
Present value of obligation as at the beginning of the year	12,06,070	12,39,917
Current service cost	95,012	91,548
Interest cost	93,470	92,994
Actuarial ( gain ) / loss	64,095	(2,18,389)
Benefits paid	(1,42,500)	0
Present value of obligation as at the end of the year	13,16,147	12,06,070
<b>Change in plan assets</b>	Not Applicable	Not Applicable
Plan assets at the beginning of the year		
Expected return on plan assets		
Contribution by the Company		
Benefits paid		
Actuarial ( gain ) / loss		
Plan assets at the end of the year		
<b>Liability recognised in the financial statement</b>		

As per our report of even date.

For M.L.Puri & Co.  
Chartered Accountants  
(FRN : 002312N)

M.L. Puri  
Partner  
Membership No.009198  
May 17th, 2018  
New Delhi

	As at March 31, 2018 ( in Rupees)	As at March 31, 2017 ( in Rupees)
Cost for the year		
Current service cost	95,012	91,548
Interest cost	93,470	92,994
Return on plan assets	0	0
Actuarial ( gain ) / loss	64,095	(2,18,389)
Net cost	2,52,577	(33,847)
Constitution of plan assets	Not Applicable	Not Applicable
Other than equity, debt, property and bank a/c Funded with LIC		
<b>Present value of obligation as at the end of the year</b>		
Current Liability	7,64,520	7,48,780
Non Current Liability	5,51,627	4,57,290
Total	13,16,147	12,06,070
<b>Main actuarial assumptions</b>		
Discount rate	7.75%	7.50%
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.

- Provision for non-performing assets/diminution in value of assets of Rs. 6,00,00,000/- has been made during year and provision Rs.121,220/- is being written back on non-performing assets/diminution in value of assets (Previous Year: Provision for non-performing assets/diminution in value of assets of Rs. 11,50,00,000/- has been arrived after netting off of Rs. 13,50,00,000/- being excess provision written back of non-performing assets/diminution in value of assets.)
- 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.
- Bad Debts written off / Bad Debts recovery:-Nil (Previous Year: Bad debts written off of Rs.75,89,871 is net off of bad debts recovery of Rs.24,10,129)
- Notes 1 to 23 form an integral part of financial statements.
- Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and behalf of the Board

S.K.Agarwal  
Managing Director  
DIN : 00106763

M.P. Mehrotra  
Executive Vice Chairman  
DIN : 00016768

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, 2018**
**(In Rupees )**

	For the Year ended 31/03/2018		For the Year ended 31/03/2017	
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>				
<b>Net Profit Before Tax</b>		<b>18,38,53,927</b>		<b>50,71,07,779</b>
<i>Adjustments for :</i>				
Interest and Finance Charges	1,06,902		12,51,803	
Depreciation	60,56,847		35,52,839	
(Income)/Loss from Investments	(25,68,15,100)		(65,69,81,206)	
Dividend Income	(5,26,65,542)		(3,74,70,398)	
NPA Provisions and adjustments	6,00,00,000		12,00,00,000	
Leave encashment/gratuity Provisions	10,92,352		88,664	
		<b>(24,22,24,541)</b>		<b>(56,95,58,298)</b>
<b>Operating Profit before Working Capital Changes</b>		<b>(5,83,70,614)</b>		<b>(6,24,50,519)</b>
<i>Adjustments for :</i>				
Trade & Other Payables	1,01,02,616		(54,05,238)	
Inventories	(2,38,76,346)		(6,06,751)	
Dividend Distribution including tax paid	(4,65,32,694)			
Trade & Other Receivables	1,06,26,374		2,62,04,352	
Short Term Loans and Advances	(1,64,23,732)	(6,61,03,782)	5,80,68,263	7,82,60,626
<b>Cash Generated from Operations</b>		<b>(12,44,74,396)</b>		<b>1,58,10,107</b>
Less: Taxes Paid (Net of Refunds)		<b>3,55,11,806</b>		<b>13,14,56,703</b>
<b>Net Cash Flow from Operating Activities (A)</b>		<b>(15,99,86,202)</b>		<b>(11,56,46,596)</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Net Proceeds from Fixed Assets		(6,95,211)		(9,37,64,147)
Capital work-in-Progress		(2,13,19,036)		(1,72,500)
In Shares and Securities (Net)		12,22,19,979		89,26,49,241
Long Term Loans and Advances		21,71,830		(15,50,820)
Investment in Subsidiaries		0		(14,95,00,000)
Investment in tax free bonds		0		(40,52,79,572)
Dividend Income		5,26,65,542		3,74,70,398
<b>Net Cash used/generated from Investing Activities (B)</b>		<b>15,50,43,104</b>		<b>27,98,52,600</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from/(Repayment of) Short Term Borrowings		0		(17,00,00,000)
Interest Paid		(1,06,902)		(12,51,803)
<b>Net Cash Flow from Financing Activities (C)</b>		<b>(1,06,902)</b>		<b>(17,12,51,803)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents(A+B+C)</b>		<b>(50,50,000)</b>		<b>(70,45,799)</b>
Opening Balance of Cash & Cash Equivalents		2,15,46,856		2,85,92,655
Closing Balance of Cash & Cash Equivalents		1,64,96,856		2,15,46,856
Notes:-				
1. Cash & Cash Equivalents ( Closing) includes deposits with banks amounting to Rs. 1,06,98,964 (Previous Year Rs.1,05,95,935), 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 and behalf of the Board

For M.L.Puri & Co.  
Chartered Accountants  
(Firm's Registration Number: 002312N)

S.K.Agarwal  
Managing Director  
DIN : 00106763

M.P. Mehrotra  
Executive Vice Chairman  
DIN : 00016768

M.L. Puri  
Partner  
Membership No.009198  
May 17th, 2018  
New Delhi

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

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

**VLS SECURITIES LIMITED**

Regd. Off : 2nd Floor, 13 Sant Nagar, East of Kailash, New Delhi-110065

Ph: 011-46656666, FAX: 011-46656699

CIN: U74899DL1994PLC062123,

email: vlssec@vlssecurities.com, website: [www.vlssecurities.com](http://www.vlssecurities.com)**Director's Report**

To

The Members of **VLS Securities Limited**

Your Directors are pleased to present the 24th Annual Report of your Company together with audited annual accounts for the year ended on 31st March, 2018.

**Financial Summary**

During the year under review, your Company generated revenue from operations of Rs. 63.68 Crore as against Rs. 79.46 lacs in the previous year. The other income was Rs. 5.43 Crore for the year under review as against Rs. 54.84 lacs in the previous year. The profit before tax of the Company stood at Rs. 5.34 Crore for the year under review as against the figure of Rs. 2.89 lacs in the preceding year. After providing for taxes the Company has earned a net profit of Rs. 4.49 crores for the year under review compared to loss of Rs. 24.31 lakhs reported in previous year.

**Dividend /Reserves**

In order to conserve resources, no dividend has been recommended and no amount has been proposed to be transferred to General Reserve.

**Operations**

Your Company earned brokerage of Rs. 23.52 lacs during the year under review, as compared to Rs. 29.40 lacs earned during the previous year. The Company is continuing its efforts to increase its retail broking business.

The Company is a Trading and Clearing Member in cash segment of The National Stock Exchange of India Ltd. ('NSE') besides being registered as Merchant Banker with Securities and Exchange Board of India (SEBI). It is also a Trading Member of NSE in Future & Options segment.

**Future Outlook**

The Company is looking for new possibilities. The Merchant Banking Division of the Company is continuing to explore possibilities of making inroads on consultancy and similar fee based services.

**Directors/Key Managerial Personnel****Directors**

Shri P. K. Sharan (DIN: 00107048) Independent Director of the Company, left for his heavenly abode on 19/10/2017 and ceased to be the Director from same date. The requisite vacancy was required to be filled within 3 months. However it was decided to appoint an Independent Director afresh for 5 years instead of filling the aforesaid casual vacancy.

Accordingly, the Board of Directors on the recommendation of Nomination and Remuneration Committee had appointed Dr. Rajeev Lochan Bishnoi (DIN: 00130335) as an Additional Director. The proposal for his appointment in the category of Independent Director for a period of five years subject to requisite approvals will be considered at the ensuing Annual General Meeting and details thereof have been set out in the Notice of the aforesaid meeting. Your Directors recommend appointment of Dr. Rajeev Lochan Bishnoi as an Independent Director in order to have his continued guidance.

There was no other change in the Board. The Company has complied with the relevant provisions with respect to constitution of the Board during the year under review.

Shri T. B. Gupta – Director (DIN: 00106181) shall be retiring by rotation as a Director at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Concurring to recommendation of Nomination and Remuneration Committee of the Company your Directors recommend his re-appointment.

**Key Managerial Personnel**

There was no change in the Key Managerial Personnel of your Company during the year under review.

**Internal Financial Control Systems**

The Company has in place proper and adequate systems 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.

**Meetings of Board of Directors**

During the year, 4 Board meetings were held on 03/05/2017, 28/07/2017, 29/12/2017 (post adjournment on 17/11/2017) and 10/03/2018 respectively.

Details of meetings attended by the Directors in the relevant period are as below:

S. No.	Name of Director	Whether Chairman/ Member	No. of meetings attended during F.Y. 2017-18 & Dates	
1	Shri P.K. Sharan*	Elected as Chairman in all the meetings attended.	2	3 May, 2017 28 July, 2017
2	Shri R.K Goswami	Member Elected as Chairman in the meeting dated 29/12/2017.	4	3 May, 2017 28 July, 2017 29 Dec. 2017 10 March 2017
3	Shri K. K. Soni	Member	4	3 May, 2017 28 July, 2017 29 Dec. 2017 10 March 2017
4	Shri T.B. Gupta	Member	2	28 July, 2017 10 March 2017
5	Shri S.K. Agarwal	Member	4	3 May, 2017 28 July, 2017 29 Dec. 2017 10 March 2017
6	Shri Vikas Mehrotra	Member	2	28 July, 2017 10 March 2017
7	Ms. Divya Mehrotra	Member	2	28 July, 2017 10 March 2017
8	Dr. R. L. Bishnoi	Member Elected as Chairman in the meeting dated 10/03/2018.	2	29 Dec. 2017 10 March 2017

\* Left for his heavenly abode and consequently ceased to be Director w.e.f. 19/10/2017.

Further, the Board evaluated the performance of Directors in its meeting held on 12th May, 2018.

**Audit Committee**

During the year, 3 meetings of the Audit Committee were held on 03/05/2017, 28/07/2017, 29/12/2017 (post adjournment on 17/11/2017) respectively. The Audit Committee comprised Shri P. K. Sharan and Shri R. K. Goswami-Independent Directors and Shri K. K. Soni – Director. Upon the cessation of Shri P. K. Sharan as Director and thus Member of Committee, the Board in its meeting held on 29/12/2017 had nominated Dr. R. L. Bishnoi to the Audit Committee. Post nomination the Committee comprises Shri K. K. Soni, Shri R. K. Goswami and Dr. R. L. Bishnoi. All the recommendations made by the Committee were accepted by the Board in entirety.

Details of meetings attended by the Committee Members in the relevant period are as below:

S. No.	Name of Director	Whether Chairman/ Member	No. of meetings attended during F.Y. 2017-18 & Dates	
1	Shri P.K. Sharan*	Elected as Chairman in all the meetings attended.	2	3 May, 2017 28 July, 2017
2	Shri R.K Goswami	Member Elected as Chairman in the meeting dated 29/12/2017.	3	3 May, 2017 28 July, 2017 29 Dec. 2017
3	Shri K. K. Soni	Member	3	3 May, 2017 28 July, 2017 29 Dec. 2017
4	Dr. R. L. Bishnoi #	Member	0	-

\* Left for his heavenly abode and consequently ceased to be member of Committee w.e.f. 19/10/2017.

# Nominated w.e.f. 29/12/2017.

**Nomination and Remuneration Committee**

During the year, 2 meetings of the Nomination and Remuneration Committee were held on 03/05/2017 and 29/12/2017, respectively. On 1/04/2017 the Nomination and Remuneration Committee consisted of Shri P. K. Sharan, Shri R. K. Goswami and Shri K. K. Soni. Upon the cessation of Shri P. K. Sharan as Director and thus Member of Committee, the Board in its meeting held on 29/12/2017 had nominated Dr. Rajeev Lochan Bishnoi to the



Nomination and Remuneration Committee. Shri K. K. Soni is the Chairman of the Committee. Post nomination, the Committee comprises Shri K. K. Soni, Shri R. K. Goswami and Dr. Rajeev Lochan Bishnoi. All the recommendations made by the Committee were accepted by the Board in entirety.

Details of meetings attended by the Committee Members in the relevant period are as below:

S. No.	Name of Director	Whether Chairman/Member	No. of meetings attended during F.Y. 2017-18 & Dates	
1	Shri K. K. Soni	Chairman	2	3 May, 2017 29 Dec. 2017
2	Shri R.K Goswami	Member	2	3 May, 2017 29 Dec. 2017
3	Shri P.K. Sharan*	Member	1	3 May, 2017
4	Dr. Rajeev Lochan Bishnoi#	Member	0	-

\* Left for his heavenly abode and consequently ceased to be member of Committee w.e.f. 19/10/2017.

# Nominated w.e.f. 29/12/2017.

As per the provisions of section 178(2) of Companies Act, 2013, the Nomination and Remuneration Committee carried out annual evaluation of each Director's performance in its meeting held on 12th May, 2018.

#### **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.

The Independent Directors carried out the evaluation of performance of Non-Independent Directors, the Chairman and the Board as a whole in its meeting held on 10th March, 2018 as per Schedule IV of Companies Act, 2013.

#### **Annual Return Extract**

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

#### **Related Party**

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)

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 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	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	Not applicable for points 1 & 2 of serial no 'c' above, since entered into prior to enforcement of provisions of section 188 of Companies Act, 2013
h)	Amount paid	Please refer note no. 27 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('Act') with respect to Directors' Responsibility statement, it is hereby confirmed:

1. that in preparation of annual accounts for the financial year ended 31st March 2018, the applicable accounting standards have been followed;
2. 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 of the Company for that period;
3. 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;
4. that the Directors have prepared the annual accounts for the financial year ended 31st March, 2018 on a going concern basis;
5. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

#### **Anti-sexual harassment mechanism**

The detailed mechanism may be accessed at [www.vlssecurities.com](http://www.vlssecurities.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, if any, inter-alia (permanent, contractual, temporary, trainees) are covered under this policy.

The Internal Complaints Committee is presently headed by a Woman Director on the Board of the holding company. There were no complaints received from any employee or otherwise during the year under review and no complaints were pending as on 31/03/2018.

#### **Risk Management Policy**

The Company has developed and implemented a risk management policy for

identification therein of elements of risk which in the opinion of the Board may threaten the existence of the Company. The policy of the company is available on Company's website.

**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 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 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:

- 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) The Independent Directors being inducted in by the COO, CFO and the Compliance Officer.
- d) 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 provision or replace this Policy entirely with a new Policy."

Auditors

In terms of Section 139 read with Companies (Audit and Auditors) Rules, 2014 M/s. Anil Pariek & Garg- Chartered Accountants, (FRN: 0676C) had been appointed for a period of 5 years i.e. from the conclusion of 23rd Annual General Meeting ('AGM') till the conclusion of 28th Annual General Meeting of the Company subject to ratification of their appointment by members every year and other compliances, if any as per applicable regulations. However, with the enforcement of Section 40 of the Companies Amendment Act, 2017 w.e.f. 07/05/2018 the provision relating to ratification of appointment of Statutory Auditors in the intervening period as envisaged in Section 139 of the Companies Act, 2013 from Members had been omitted. The Government had also notified the amendment in relevant rules to this effect from the same date. The ratification of appointment of Statutory Auditors by the Members is, therefore, no longer required. The remuneration of Statutory Auditors for each financial year during their tenure would however continue to be fixed by the Members though they may authorise the Board to fix the remuneration every year. Such authorisation can be made for the remaining tenure of Auditor to obviate yearly authorisation. The Board recommends your approval for authorising the Board to fix the remuneration of Statutory Auditors for remaining period of their tenure as set out in relevant item in the Notice for ensuing AGM.

Auditors Report

The auditors' report to the members on annual accounts for the year under review does not contain any qualification or remark requiring explanation thereto by the Board.

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

The Company does not have any other subsidiary.

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

Information as per section 134(3)(m) of 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, 2018.

**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

None of the employees of the Company are in receipt of remuneration in excess of limits specified in section 134(3) of the Companies Act, 2013 read with the Companies (Appointment and 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.

The Company has complied with SEBI (Stock Brokers and Sub Brokers) Regulations 1992, SEBI (Merchant Bankers) Regulations, 1992 and other applicable laws/ regulations, as amended. There was no proposal during the year under review for buy back of shares by the Company.

Your company's principle business is stock broking, investing in securities and merchant banking; hence section 186 of the Act is not applicable (S.186 (g)).

Your company has not issued equity shares with differential voting rights or under ESOP. (S.43a,62(1)(b))

Your company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees. (S.67(3)(b))

No revision of financial statements or Board's report has been made.(S.131(1))  
 No independent director has been appointed by a special resolution by the Company. (S.149 (10)) during the year under review.

The Managing Director of your company is also the Managing Director of VLS Finance Ltd.-Holding Company and receives remuneration from the holding company. (S.197(14))

There has been no change in the nature of business of Company during the year under review.

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.

The provisions relating to Corporate Social Responsibility, Secretarial Audit and Cost Audit 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) as on 31/03/2018.

**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**

**S.K. Agarwal**

**K.K. Soni**

**Managing Director**

**Director**

**Place : New Delhi**

**DIN: 00106763**

**DIN: 00106037**

**Date : 28/07/2018**

**Annexure-A**
**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**

**as on financial year ended on 31.03.2018**

**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	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 & Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Stock Broking	99717020	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name & 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. SHAREHOLDING PATTERN (Equity Share capital Breakup as % to total Equity)**
**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	600	600	0.002%	0	600	600	0.002%	0.000%
b) Central Govt. or State Govt.	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) Bodies Corporates	0	29899400	29899400	99.665%	0	29899400	29899400	99.665%	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%
<b>SUB TOTAL:(A) (1)</b>	0	29900000	29900000	99.667%	0	29900000	29900000	99.667%	0.000%
<b>(2) Foreign</b>									
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%
<b>SUB TOTAL (A) (2)</b>	0	0	0	0.000%	0	0	0	0.000%	0.000%
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	0	29900000	29900000	99.667%	0	29900000	29900000	99.667%	0.000%
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
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%
<b>SUB TOTAL (B)(1):</b>	0	0	0	0.000%	0	0	0	0.00%	0.000%
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	0	100000	100000	0.333%	0	100000	100000	0.333%	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%
<b>SUB TOTAL (B)(2):</b>	0	100000	100000	0.333%	0	100000	100000	0.333%	0.000%
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	0	100000	100000	0.333%	0	100000	100000	0.333%	0.000%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.000%	0	0	0	0.000%	0.000%
<b>Grand Total (A+B+C)</b>	0	30000000	30000000	100.000%	0	30000000	30000000	100.000%	0.000%


**(ii) Shareholding of Promoters**

S.No	Shareholders 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*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
2	Ms. Divya Mehrotra*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
3	Shri Harsh Consul*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
4	Shri Vikas Mehrotra*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
5	Shri Ramji Mehrotra*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
6	Shri K. K. Soni*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
7	VLS Finance Ltd.	29899400	99.6647%	0.00	29899400	99.6647%	0.00	0.0000%
	<b>Total</b>	29900000	99.6667%	0.00	29900000.00	99.6667%	0.00	0.0000%

\* Shares held as nominee of VLS Finance Ltd., the holding Company.

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

SI.No	Shareholders Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	VLS Finance Ltd.					
	At the beginning of the year	01/04/2017	29899400	99.665%	29899400	99.665%
	At the end of the year	31/03/2018	29899400	99.665%		

There is no change in shareholding of other constituents of promoter group except as above.

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

SI.No	For Each of the Top 10 Shareholders	Date	Shareholding at the end of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	VLS Capital Ltd.					
	At the beginning of the year	01/04/2017	100000	0.3333%	100000	0.3333%
	At the end of the year	31/03/2018	100000	0.3333%		

**(v) Shareholding of Directors & KMP**

SI.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
1	Shri K. K. Soni*					
	At the beginning of the year	01/04/2017	100	0.0003%	100	0.0003%
	At the end of the year	31/03/2018	100	0.0003%		
2	Ms. Divya Mehrotra*					
	At the beginning of the year	01/04/2017	100	0.0003%	100	0.0003%
	At the end of the year	31/03/2018	100	0.0003%		
3	Shri Vikas Mehrotra*					
	At the beginning of the year	01/04/2017	100	0.0003%	100	0.0003%
	At the end of the year	31/03/2018	100	0.0003%		

\* Shares held as nominee of VLS Finance Ltd., the holding Company.

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	0	0	0.00	0.00
ii) Interest due but not paid	0	0	0.00	0.00
iii) Interest accrued but not due	0	0	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	0	0	0.00	0.00
Reduction	0	0	0.00	0.00
<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	0	0.00	0.00
ii) Interest due but not paid	0	0	0.00	0.00
iii) Interest accrued but not due	0	0	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

**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
1	<b>Gross salary</b>	Mr 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	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
	<b>Total (A)</b>	0.00	0.00
	<b>Ceiling as per the Act per annum</b>	8400000.00	8400000.00

**B. Remuneration to other directors:**

SI.No	Particulars of Remuneration	Name of the Directors			
1	Independent Directors	Shri R. K. Goswami	Shri P K Sharan	Dr. R. L. Bishnoi	
	(a) Fee for attending board committee meetings	17000.00	9000.00	3000.00	
	(b) Commission	0.00	0.00	0.00	
	(c ) Others, please specify	0.00	0.00	0.00	
	<b>Total (1)</b>	<b>17000.00</b>	<b>9000.00</b>	<b>3000.00</b>	
2	Other Non Executive Directors				
	Non Independent Directors	Shri K. K. Soni	Shri T. B. Gupta	Shri Vikas Mehrotra	Ms. Divya Mehrotra
	(a) Fee for attending board/ committee meetings	0.00	0.00	4000.00	4000.0
	(b) Commission	0.00	0.00	0.00	
	(c) Others, please specify.	0.00	0.00	0.00	
	<b>Total (2)</b>	<b>0.00</b>	<b>0.00</b>	<b>4000.00</b>	<b>4000.00</b>
	<b>Total (B)=(1+2)</b>	<b>17000.00</b>	<b>9000.00</b>	<b>7000.00</b>	<b>4000.00</b>
	<b>Total Managerial Remuneration</b>				N.A.
	<b>Overall Ceiling as per the Act per meeting per Director</b>	100000.00			

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

SI.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Shri IJS Aujla Company Secretary	Shri Anurag Bhatnagar CFO	Total
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N. A.	0.00	1793664.00	1793664.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N. A.	0.00	53994.00	53994.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N. A.	0.00	0.00	0.00
2	Stock Option	N. A.	0.00	0.00	0.00
3	Sweat Equity	N. A.	0.00	0.00	0.00
4	Commission	N. A.	0.00	0.00	0.00
	as % of profit	N. A.	0.00	0.00	0.00
	others, specify	N. A.	0.00	0.00	0.00
5	Others, please specify	N. A.	0.00	1847658.00	1847658.00
	<b>Total</b>	N. A.	0.00	1847658.00	1847658.00

**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)
<b>A. COMPANY</b>					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
<b>B. DIRECTORS</b>					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*

\* No Penalty, punishment imposed or compounding undertaken by the company or Directors or other officers in default during the year under review.

**INDEPENDENT AUDITOR'S 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 March 31, 2018, 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, 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. 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 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, 2018 and its Profits and its Cash Flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the companies (Auditor's Report) Order, 2016, 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' a statement on the matters specified in paragraph 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 in accordance with provisions of Companies Act, 2013 and Securities Contracts (Regulation) Rules, 1957 in so far as it appears from our examination of those books.

- c) 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.
- d) 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.
- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- 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 adequacy of the Internal Financial Controls over the Financial Reporting of the company and operating effectiveness of such controls, please refer to our report in Annexure-'B'.
- 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. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2018 on its financial position in its financial statements.
  - ii. The Company has made provision as at 31<sup>st</sup> March, 2018, 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 31<sup>st</sup> March, 2018.

**For Anil Pariek and Garg  
Chartered Accountants  
(FRN : 01676C)**

**H K Pariek  
Partner**

Place : New Delhi  
Date : 12th May, 2018

**Membership No. 070250**

**ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT****REFERRED TO IN OUR REPORT OF EVEN DATE****RE: VLS SECURITIES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the Management according to the program of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- (c) As per the records and information and explanations given to us, title deeds of immovable properties are held in the name of the Company.
- ii. The company generally deals in shares and securities and Liquid funds, primarily these are in electronic form so inventory of the Company has been electronically verified by the management at reasonable intervals commensurate with the nature and size of the company and no material discrepancies have been noticed in the same.
- 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. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security the Company have complied with the provisions of the Section 185 and 186 of the Companies Act, 2013, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions under the Act. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
- vi. According to the information & explanations given to us, maintenance of cost records has not been specified by Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the company.



- 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 31.03.2018 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 31.03.2018.
- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company does not have any outstanding dues to financial institutions or banks during the year.
- ix. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, during the year no monies have been raised by public offer of shares. No money has been raised on term loans during the year.
- x. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of the audit.
- xi. On the basis of records and information and explanations made available, managerial remuneration has been paid or provided in accordance with the requisite parameters mandated under Section 197 read with Schedule V of the Act.
- xii. In our opinion and according to information & explanation given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related parties transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where it applicable. As explained and as per records / details of related parties transactions are disclosed as per the applicable Accounting Standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully / partly convertible debentures during the year.
- xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him.
- xvi. The Company is not required to be registered under 45-IA of the Reserve Bank of India Act 1934.

**For Anil Pariek and Garg  
Chartered Accountants  
(FRN : 01676C)**

**H K Pariek  
Partner**

Place : New Delhi  
Date : 12th May, 2018

**Membership No. 070250**

**Annexure – 'B' to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **VLS SECURITIES LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its

business, including adherence to company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Anil Pariek and Garg  
Chartered Accountants  
(FRN : 01676C)**

**H K Pariek  
Partner**

Place : New Delhi  
Date : 12th May, 2018

**Membership No. 070250**





## BALANCE SHEET AS AT 31ST, MARCH, 2018

Amount (in Rs.)

Particulars	Note No	As at 31.03.2018	As at 31.3.2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	30,00,00,000	30,00,00,000
(b) Reserves and Surplus	4	5,52,06,366	1,02,65,323
<b>Total 1</b>		<b>35,52,06,366</b>	<b>31,02,65,323</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Provisions	5	16,09,696	4,56,269
<b>Total 2</b>		<b>16,09,696</b>	<b>4,56,269</b>
<b>(3) Current Liabilities</b>			
(a) Trade Payables	6	3,29,39,546	2,18,00,221
(b) Other Current Liabilities	7	15,26,154	11,37,764
(c) Short-Term Provision	8	14,606	14,012
<b>Total 3</b>		<b>3,44,80,306</b>	<b>2,29,51,997</b>
<b>Total (1+2+3)</b>		<b>39,12,96,368</b>	<b>33,36,73,589</b>
<b>II. Assets</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
Tangible Assets	9 (i)	1,39,480	2,13,093
Intangible Assets	9 (ii)	1	1
(b) Non-Current Investments	10	24,91,46,793	21,32,17,231
(c) Deferred Tax Assets (Net)	11	5,59,944	2,03,190
(d) Long-Term Loans and Advances	12	94,84,874	89,35,615
<b>Total 4</b>		<b>25,93,31,092</b>	<b>22,25,69,130</b>
<b>(2) Current Assets</b>			
(a) Inventories-Shares stock in trade	13	1,35,00,000	-
(b) Cash and Cash Equivalents	14	3,61,16,612	6,81,09,373
(c) Short-Term Loans and Advances	15	8,17,96,109	4,20,59,005
(d) Other Current Assets	16	5,52,555	9,36,081
<b>Total 5</b>		<b>13,19,65,276</b>	<b>11,11,04,459</b>
<b>Total (4+5)</b>		<b>39,12,96,368</b>	<b>33,36,73,589</b>

Significant Accounting Policies and

Notes forming part of accounts

1 to 30

As per our report of even date

For Anil Pariek and Garg

For and on behalf of the Board

(F.R.N. 01676C)

Chartered Accountants

H. K. Pariek

S.K. Agarwal

K.K.Soni

Anurag Bhatnagar

IJS Aujla

Partner

Managing

Director

Chief

Company

Membership No. 070250

Director

Financial Officer

Secretary

M.No. : A34144

Place : New Delhi

DIN : 00106763

DIN : 00106037

PAN : AAJPB6607R

M.No. : A34144

Date : 12/05/2018

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
<b>I. Revenue from Operations</b>	17	<b>63,68,71,036</b>	<b>79,46,338</b>
<b>II. Other Income</b>	18	<b>5,43,32,110</b>	<b>54,84,013</b>
<b>III. Total Revenue (I+II)</b>		<b>69,12,03,146</b>	<b>1,34,30,351</b>
<b>IV. Expenses:</b>			
Purchase of Shares/Securities		643,201,671	5,000,000
Changes in Inventories of Stock-in-Trade	19	(13,500,000)	-
Operating Expenses	20	8,15,281	6,91,431
Employee Benefit Expense	21	60,83,547	43,61,822
Depreciation and Amortization Expense		87,934	1,60,408
Finance Cost		-	1,514,521
Other Expenses	22	10,79,424	14,13,189
<b>Total Expenses (IV)</b>		<b>63,77,67,856</b>	<b>1,31,41,371</b>
<b>V. Profit/(Loss) before tax (III-IV)</b>		<b>5,34,35,289</b>	<b>2,88,980</b>
<b>VI. Less: Tax Expenses</b>			
(1) MAT/Current Tax		88,51,000	27,56,000
(2) Deferred Tax		(3,56,754)	(36,416)
(3) Earlier Year Adjustments		-	-
<b>VII. Profit After Tax</b>		<b>4,49,41,043</b>	<b>(24,30,604)</b>
Less: Adjustment of Tax Provision of Earlier Year		-	-
<b>VII. Profit(Loss) For The Year (V-VI)</b>		<b>4,49,41,043</b>	<b>(24,30,604)</b>
<b>VIII. Earning Per Equity Share (of Rs.10/- each)</b>			
Basic and Diluted		1.50	(0.08)
Significant Accounting Policies and Notes forming part of accounts	1 to 30		

As per our report of even date

For Anil Pariek and Garg

For and on behalf of the Board

(F.R.N. 01676C)

Chartered Accountants

H. K. Pariek

S.K. Agarwal

K.K.Soni

Anurag Bhatnagar

IJS Aujla

Partner

Managing

Director

Chief

Company

Membership No. 070250

Director

Financial Officer

Secretary

M.No. : A34144

Place : New Delhi

DIN : 00106763

DIN : 00106037

PAN : AAJPB6607R

M.No. : A34144

Date : 12/05/2018

## 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 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:**

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

**2.1 Basis of preparation of financial statements**

The financial statements are prepared and presented under the historical cost convention except otherwise stated, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 ('the Act'), and the accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounts) Rules, 2014 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

**2.2 Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**2.3 Fixed assets and depreciation/amortization**

The Company follows the WDV method in computing depreciation.

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 31.03.2018.

Depreciation on assets not exceeding Rs.5,000/- is provided for at 100%.

**2.4 Investments**

The investments of the Company in trade account or others, quoted or unquoted are long-term investments and valued at cost/book value. The Company has adopted the policy to recognize the permanent decline in the value of investments and provide accordingly. The Company follows "FIFO Method" for calculating the cost of each investment sold by the Company for arriving at the profit/loss.

**2.5 Inventories**

Inventories of shares are valued at cost or net realisable value whichever is lower. Cost includes all charges incurred for bringing the inventories to their present condition and location.

**2.6 Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

## 2.7 Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the year end exchange rates. Exchange gains/losses are recognized in the profit and loss account. Exchange difference arising on settlement of Capital Liabilities is adjusted with Capital Assets.

Forward exchange contracts outstanding as at the period end on account of firm commitment/highly probable forecast transaction are marked to market and the resultant gain/loss is dealt in the statement of profit and loss.

## 2.8 Employee benefits:

### (a) Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

### (b) Post-employment benefits

#### **Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

#### **Defined benefit plan:**

The Company's gratuity benefit scheme is a defined benefit plan. This is funded with LIC. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

### (c) Long term employment benefits

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned

in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

### (d) Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of the assumption that such benefits are payable to the employees at the end of the accounting year.

## 2.9 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

## 2.10 Taxation

Income tax expense comprises current income tax and deferred tax charge or credit. Current tax provision is made annually based on the tax liability computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

### 2.11 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### 2.12 Provisions and contingent liabilities

Provisions are recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of amount of obligation.

Contingent liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company.

Accounting policies not specifically referred to are consistent with the accepted accounting practices.


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

	As at 31.03.2018	As at 31.03.2017
Amount (in Rs.)		
<b>Note 3</b>		
<b>Share Capital</b>		
Authorised 3,00,00,000 Equity Shares (Previous Year 3,00,00,000 Equity Shares) of Rs.10/- each	<b>30,00,00,000</b>	30,00,00,000
Issued, Subscribed & Paid up 3,00,00,000 Equity shares (Previous Year 3,00,00,000 Equity Shares) of Rs.10/- each, fully paid up in cash	<b>30,00,00,000</b>	30,00,00,000

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

	As at 31.03.2018		As at 31.03.2017	
<b>Equity Shares</b>	No. of shares	Rupees	No. of shares	Rupees
At the beginning of the year	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>3,00,00,000</b>	<b>30,00,00,000</b>	3,00,00,000	30,00,00,000

**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 31.03.2018	As at 31.03.2017
VLS Finance Ltd. (including 600 shares held through its nominees)	2,99,00,000	2,99,00,000

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

	As at 31.03.2018		As at 31.03.2017	
	No. of shares	% of holding	No. of shares	% of holding
VLS Finance Ltd. (including 600 shares held through its nominees)	2,99,00,000	99.67	2,99,00,000	99.67

**Fixed assets - Tangible Assets**
**Note -9 (i)**

	Amount (in Rs.)				
Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
Balance as at 01 April 2016	38,81,079	2,88,205	71,112	579,099	<b>48,19,495</b>
Additions	39,900	-	-	-	<b>39,900</b>
Deduction	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>39,20,979</b>	<b>2,88,205</b>	<b>71,112</b>	<b>5,79,099</b>	<b>48,59,395</b>
Balance as at 01 April 2017	39,20,979	2,88,205	71,112	5,79,099	48,59,395
Additions	14,321	-	-	-	<b>14,321</b>
Deduction	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>39,35,300</b>	<b>2,88,205</b>	<b>71,112</b>	<b>5,79,099</b>	<b>48,73,716</b>
<b>Depreciation</b>					
Balance as at 01 April 2016	38,77,206	2,88,204	71,111	249,373	<b>44,85,894</b>
Depreciation for the year	10,642	-	-	149,766	160,408
adjustment on account of transition effect	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>38,87,848</b>	<b>2,88,204</b>	<b>71,111</b>	<b>3,99,139</b>	<b>46,46,302</b>
Balance as at 01 April 2017	38,87,848	2,88,204	71,111	399,139	46,46,302
Depreciation for the year	19,166	-	-	68,768	87,934
adjustment on account of transition effect	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>39,07,014</b>	<b>2,88,204</b>	<b>71,111</b>	<b>4,67,907</b>	<b>47,34,236</b>
<b>Fixed assets (Continued)</b>					
Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
<b>Net block</b>					
As at 31 March 2017	33,131	1	1	1,79,960	2,13,093
As at 31st March 2018	<b>28,286</b>	<b>1</b>	<b>1</b>	<b>1,11,192</b>	<b>1,39,480</b>

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

Opening Balance	1,02,65,323	12,695,927
Add: Profit for the year	<b>44,941,043</b>	(2,430,604)
<b>Total</b>	<b>5,52,06,366</b>	<b>1,02,65,323</b>

**Note 5**
**Long Term Provisions**

Provision for Employee Benefits	16,09,696	4,56,269
<b>Total</b>	<b>16,09,696</b>	<b>4,56,269</b>

**Note 6**
**Trade Payables**
**Related Party**

Holding Company (VLS Finance Ltd.)	2,79,987	8,15,942
Others Payables	<b>3,26,59,559</b>	2,09,84,279
<b>Total</b>	<b>3,29,39,546</b>	<b>2,18,00,221</b>

**Note 7**
**Other Current Liabilities**

Statutory Liabilities	4,01,358	1,79,945
Others Payables	<b>11,24,796</b>	9,57,819
<b>Total</b>	<b>15,26,154</b>	<b>11,37,764</b>

**Note 8**
**Short-Term Provisions**

Provision for Employee Benefits	14,606	14,012
<b>Total</b>	<b>14,606</b>	<b>14,012</b>



NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

Fixed assets - Intangible Assets		
Note -9 (ii)		
	Amount (in Rs.)	
Description	Software	Total
Balance as at 01 April 2016	1,04,000	1,04,000
<b>Balance as at 31 March 2017</b>	<b>1,04,000</b>	<b>1,04,000</b>
Balance as at 01 April 2017	1,04,000	1,04,000
<b>Balance as at 31 March 2018</b>	<b>1,04,000</b>	<b>1,04,000</b>
<b>Depreciation</b>		
Balance as at 01 April 2016	1,03,999	1,03,999
<b>Balance as at 31 March 2017</b>	<b>1,03,999</b>	<b>1,03,999</b>
Balance as at 01 April 2017	1,03,999	1,03,999
<b>Balance as at 31 March 2018</b>	<b>1,03,999</b>	<b>1,03,999</b>
<b>Fixed assets (Continued)</b>		
Description	Computer	Total
<b>Net block</b>		
As at 31 March 2017	1	1
As at 31st March 2018	1	1

Note - 10

PARTICULARS	As at 31.03.2018	As at 31.03.2017
	Rs	Rs
<b>Non-Current Investments</b>		
<b>Non trade -At cost-Fully paid up (QUOTED)</b>		
<b>Investment in Equity Instruments of Other entities</b>		
81,50,000 (P.Y.81,50,000) Equity Shares of Rs.1/- of Relaxo Footwears Limited	9,72,35,355	9,72,35,355
200 Equity Shares of Rs.10/- each of D Pharma Limited	1	1
500 Equity Shares of Rs.10/- each of Punjab Wireless Systems Limited	1	1
5 (P.Y. 5) Equity Shares of Rs.2/- each of Bank of Baroda	251	251
5,000 Equity Shares of Rs.1/- each of Lanco Infratech Limited	1,66,198	1,66,198
200 Equity Shares of Rs.10/- each of UTI Master Plus 91	3,252	3,252
7,00,000 Equity Shares of Rs.2/- JK Tyre & Industries Limited	6,00,60,000	7,63,62,000
16,069 Equity Shares of Rs.10/- Visaka Industries Limited	54,70,941	53,46,518
Nil (P.Y. 3,00,000) Equity Shares of Rs.5/- Balasore Alloys Limited	-	55,65,000
18,000 Equity Shares of Rs.2/- Bombay Burmah Trading Corporation Limited	68,94,000	88,09,000
3,50,000 (P.Y.4,05,000) Equity Shares of Rs.10/- MBL Infrastructures Limited	63,63,007	1,97,29,655
37,12,515 Equity Shares of Rs.10/- Neo Corp International Limited	1,20,65,674	-
5,000 Equity Shares of Rs.10/- Capital First Limited	31,86,001	-
1,20,000 Equity Shares of Rs.10/- Jaypee Infratech Limited	11,91,504	-
6,06,103 Equity Shares of Rs.5/- Parsvnath Developers Limited	94,32,509	-
12,000 Equity Shares of Rs.2/- PNC Infratech Limited	18,82,450	-
5,00,000 Equity Shares of Rs.10/- Jaiprakash Power Ventures Limited	25,77,833	-
65,000 Equity Shares of Rs.2/- NBCC (India) Limited	1,27,55,980	-
2,00,000 Equity Shares of Rs.1/- The South Indian Bank Limited	48,15,291	-
12,000 Equity Shares of Rs.2/- Allcargo Logistics Limited	18,08,592	-
50,000 Equity Shares of Rs.10/- GIC Housing Finance Limited	1,80,76,782	-
1,25,000 Equity Shares of Rs.1/- GMR Infrastructure Limited	22,14,934	-
20,000 Equity Shares of Rs.1/- Himadri Speciality Chemical Limited	29,46,237	-
<b>Total Non-Current Investment</b>	<b>24,91,46,793</b>	<b>4,32,17,231</b>
Aggregate amount of quoted investments	24,91,46,793	21,32,17,231
Aggregate market value of quoted investments	5,45,46,60,861	4,25,14,12,657

	As at 31.03.2018	As at 31.03.2017
--	---------------------	---------------------

Note 11

Deferred Tax

a. Deferred Tax Liabilities	-	-
b. Deferred Tax Assets		
Depreciation on Fixed Assets	58,035	57,873
Employee Benefits	5,01,909	1,45,317
<b>Net Deferred Tax Assets</b>	<b>5,59,944</b>	<b>2,03,190</b>

Note 12

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

Deposits with Others	77,00,000	77,00,000
Advance Income Tax and Tax Deducted as source	11,68,611	7,09,353
Staff Loan and Advances	6,05,228	5,14,963
Advances recoverable in cash or kind or for value to be received	11,035	11,299
<b>Total</b>	<b>94,84,874</b>	<b>89,35,615</b>

Note 13

Inventories - Share stock-in-trade

DSP Black Rock Mutual Fund Collection	1,35,00,000	-
<b>Total</b>	<b>1,35,00,000</b>	<b>-</b>

Note 14

Cash & Cash Equivalents

	As at 31.03.2018	As at 31.03.2017
Cash on Hand	37,494	31,095
Balance with Banks		
- Current Account	3,60,79,118	2,50,78,278
- Fixed Deposit with Banks*	-	4,30,00,000
<b>Total</b>	<b>3,61,16,612</b>	<b>6,81,09,373</b>

\* Fixed deposit with bank include deposits of Rs. NIL (Previous Year Rs. 3,10,00,000 /-) with maturity of less than 12 months

Note 15

Short Term Loans & Advances (Unsecured, considered good)

Margin Deposit with F&O Clearing Members	8,08,00,000	4,08,00,000
Prepaid Expenses	3,37,402	6,31,040
Staff Loan and Advances	6,58,707	6,02,221
Advances recoverable in cash or kind or for value to be received	-	25,744
<b>Total</b>	<b>8,17,96,109</b>	<b>4,20,59,005</b>

Note 16

Other Current Assets

Interest Accrued but not due	5,47,403	9,11,563
Others	5,152	24,518
<b>Total</b>	<b>5,52,555</b>	<b>9,36,081</b>

	For the year ended 31.03.2018	For the year ended 31.3.2017
--	----------------------------------	---------------------------------

Note 17

Revenue From Operations

Sale of Shares/Securities	63,45,19,343	50,06,205
Income from Brokerage	23,51,693	29,40,133
<b>Total</b>	<b>63,68,71,036</b>	<b>79,46,338</b>

Note 18

Other Income

Interest on Fixed Deposit with Bank	41,57,242	46,99,580
Dividend on non current Investments	1,05,06,374	80,66,862
Profit/(Loss) on Sale of non current Investment (Net)	3,96,11,130	(77,37,682)
Interest Income	46,453	54,835
Unspent Liabilities Written Back	3,510	-
Miscellaneous Income	7,401	4,00,418
<b>Total</b>	<b>5,43,32,110</b>	<b>54,84,013</b>

Note 19

Changes in Inventories of Stock-in-Trade

Stock-in-Trade		
At the beginning of financial year	-	-
At the end of financial year	1,35,00,000	-
<b>Net [(Increase)/decrease]</b>	<b>(1,35,00,000)</b>	<b>-</b>

Note 20

Operating Expenditure

SEBI Fees	3,00,030	3,22,814
V-Sat Charges	23,950	23,950
Transaction and Other NSE Charges	4,91,301	3,44,667
<b>Total</b>	<b>8,15,281</b>	<b>6,91,431</b>

Note 21

Employee Benefit Expenses

Salaries and Wages	40,42,872	36,78,700
Staff Welfare Expenses	14,168	440
Contribution to Provident and other Funds	20,26,507	6,82,682
<b>Total</b>	<b>60,83,547</b>	<b>43,61,822</b>

Note 22

Other Expenses

Rent	60,000	60,000
Rates & Taxes	64,733	2,65,639
Electricity Charges	36,000	36,000
Office Maintenance	24,000	24,000
Legal and professional Charges	1,83,200	2,24,333
Repair & Maintenance	15,910	6,000
Travelling and Conveyance	2,19,049	2,82,996
Insurance	16,290	19,081
Miscellaneous Expenses	91,731	32,566
Business Promotion	1,22,913	1,35,161
News Papers, Books & Periodicals	1,00,678	1,11,007
Communication Expenses	55,385	1,33,942
Printing & Stationery	1,035	1,714
Directors Sitting Fee	39,000	32,000
Auditors Remuneration		
- Statutory Audit fees	23,600	23,000
- Tax audit fees	5,900	5,750
- Out of pocket expenses	20,000	20,000
<b>Total</b>	<b>10,79,424</b>	<b>14,13,189</b>



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

**23. Commitments:-**

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

**24. Contingent Liabilities:-** - Nil

25. 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.

26. 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.6,35,830/- (Previous Year Rs. 6,02,656/-) 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. 20 lakhs. The gratuity plan is funded.

**Long Term Compensated Absences as per actuarial valuation as on 31.03.2018** (Amount in Rs.)

Actuarial Assumptions	Gratuity As at 31st March, 2018	Gratuity As at 31st March, 2017	Leave Encashment As at 31st March, 2018	Leave Encashment As at 31st March, 2017
Discount rate (per annum)	7.75%	7.5%	7.75%	7.5%
Salary Growth Rate	5%	5%	5%	5%
Expected rate of return	7.75%	7.5%	NA	NA
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
<b>I. Expenses recognized in statement of profit and loss</b>				
Interest cost	2,03,458	1,76,199	36,447	32,490
Current service cost	1,93,811	72,194	21,147	22,696
Past service cost	13,81,716	—	—	—
Expected return on plan assets	(2,25,685)	(2,01,760)	—	—
Net actuarial loss/ (gain) recognized in the year	99,179	7,373	(61,104)	(18,107)
<b>Net expenses recognized</b>	<b>16,52,479*</b>	<b>54,006</b>	<b>(3,510)</b>	<b>37,079</b>
<b>II. Net liability/(assets) recognized in the balance sheet at the year end</b>				
Present value of obligation at the end of period	45,03,018	26,25,264	4,66,771	4,70,281
Fair value of the plan asset at the end of period	33,45,487	29,12,066	—	—
Funded status [(surplus)/(deficit)]	11,57,531	(2,86,802)	(4,66,771)	(4,70,281)
<b>Net asset/(liability) as at 31.03.2018</b>	<b>(11,57,531)</b>	<b>2,86,802</b>	<b>(4,66,771)</b>	<b>(4,70,281)</b>
<b>III. Change in present value of obligation during the year</b>				
Present value of obligation at the beginning of period	26,25,264	23,49,322	4,70,281	4,33,202
Interest cost	2,03,458	1,76,199	36,447	32,490
Current service cost	1,93,811	72,194	21,147	22,696
Past service cost	13,81,716	—	—	—
Benefits paid	—	—	—	—
Actuarial loss/ (gain) on obligations	98,769	27,549	(61,104)	(18,107)
<b>Present value of obligation at the year end</b>	<b>45,03,018</b>	<b>26,25,264</b>	<b>4,66,771</b>	<b>4,70,281</b>
<b>IV. Change in present value of fair value of plan assets</b>				
Fair value of plan assets as at the beginning of period	2912066	26,90,130	—	—
Expected return on plan assets	225685	2,01,760	—	—
Contributions	208146	—	—	—
Benefits paid	—	—	—	—
Actuarial loss/ (gain)	(410)	20,176	—	—
<b>Fair value of plan assets at the year end</b>	<b>33,45,487</b>	<b>29,12,066</b>	<b>—</b>	<b>—</b>

\* Taken in Profit and Loss account after adjusting the previous year surplus of Asset amounting to Rs.2,86,802/-

**27. 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.  
 : Mr. IJS Aujla, Company Secretary

Transactions during the year with the related parties: -

Nature of Transactions	Holding Company		Other Related Parties	
	As at 31st March 2018	As at 31st March, 2017	As at 31st March 2018	As at 31st March, 2017
Remuneration to KMP	-	-	18,47,658/-	16,88,200/-
Brokerage earned	22,15,760/-	23,63,763/-	Nil	Nil
Reimbursement amount claimed	51,77,555/-	49,19,145/-	Nil	Nil
Rent and other charges paid	1,41,600/-	1,38,000/-	Nil	Nil
Loan	-	13,00,00,000/-	Nil	Nil
Payable to Holding Company at the year end	2,79,987	8,15,942/-	Nil	Nil

**28. Calculation of Earning per share :-**

Particulars	Equivalent No. of Shares	
	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Basic and diluted</b>		
Total Shares outstanding	3,00,00,000	3,00,00,000
Weighted Average of Shares	—	—
Profits after taxes	4,49,41,043	(24,30,604/-)
EPS (In Rs.)	1.50	(0.08)

**29. Expenditure in Foreign Exchange:-** (Amount in Rs.)

S No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
1	Payment of Fees to Consultant	—	48,833/-
2	Payment of Registration Fees	—	—
3	Payment of Flexi Desk Fees (for office space)	—	—
	<b>Total</b>	<b>—</b>	<b>48,833/-</b>

30. 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 Anil Pariek and Garg**

(F.R.N. 01676C)

Chartered Accountants

**H. K. Pariek**

Partner  
 Membership No. 070250  
 Place : New Delhi  
 Date : 12/05/2018

For and on behalf of the Board

**S.K. Agarwal** Managing Director  
**K.K.Soni** Director  
**Anurag Bhatnagar** Chief Financial Officer  
**IJS Aujla** Company Secretary  
 DIN : 00106763 DIN : 00106037 PAN : AAJPB6607R M.No. : A34144


**Cash Flow Statement for the Year ended 31st March, 2018**
**Amount (In Rupees )**

	For the Year ended 31/03/2018		For the Year ended 31/03/2017	
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before Tax		5,34,35,289		2,88,980
Adjustments for:-				
Dividend Income	(1,05,06,374)		(80,66,862)	
Depreciation	87,934		1,60,408	
Loss (Gain) on Sale of Investments	(3,96,11,130)		77,37,682	
Provision for Leave Encashment	11,54,021		37,079	
Finance Cost	-		15,14,521	
Interest on FD & Others	(42,03,695)		(47,54,415)	
		(5,30,79,244)		(33,71,587)
<b>Operating Profit before Working Capital Changes</b>		<b>3,56,045</b>		<b>(30,82,607)</b>
<i>Adjusted for:</i>				
Trade Payables	1,15,27,716		(4,88,59,679)	
Inventories	(1,35,00,000)			
Other Receivable	3,83,526		7,03,272	
Short Term Loans and Advances	(3,97,37,104)		4,54,25,962	
		(4,13,25,862)		(27,30,445)
<b>Cash Generated from Operations</b>		<b>(4,09,69,817)</b>		<b>(58,13,052)</b>
Less: Tax Payment		(88,51,000)		(27,56,000)
<b>Cash Flow from Operating Activities</b>		<b>(4,98,20,817)</b>		<b>(85,69,052)</b>
Prior Period Items		-		-
<b>Net Cash used in Operating Activities</b>		<b>(4,98,20,817)</b>		<b>(85,69,052)</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Investments		(7,94,41,217)		(14,89,23,849)
Sale of Investments		8,31,22,785		5,10,23,995
Additions in Fixed Assets		(14,321)		(39,900)
Long Term Loans and Advances		(5,49,259)		1,11,12,692
Proceeds from Sale of Fixed Assets		-		-
Dividend Income		1,05,06,374		80,66,862
Interest on FD		42,03,695		47,54,414
<b>Net Cash (used in)/ Generated from Investing Activities</b>		<b>1,78,28,057</b>		<b>(7,40,05,786)</b>
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from Issue of Share		-		15,00,00,000
Interest paid		-		(15,14,521)
<b>Net Cash (used in)/ Generated from Financing Activities</b>		<b>-</b>		<b>14,84,85,479</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>(3,19,92,760)</b>		<b>6,59,10,641</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>		<b>6,81,09,373</b>		<b>21,98,732</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>		<b>3,61,16,612</b>		<b>6,81,09,373</b>

**Note:**

- The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in the Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- Cash & Cash equivalents as above **3,61,16,612** 2,51,09,373  
Other bank balances - 4,30,00,000  
Cash and Bank balances as per Note 14 **3,61,16,612** **6,81,09,373**

As per our report of even date.

**For Anil Pariek and Garg**

Chartered Accountants  
(F.R.N. 01676C)

**H. K. Pariek**

Partner  
Membership No. 070250  
Place : New Delhi  
Date :12/05/2018

For and behalf of the Board

**S.K.Agarwal**  
Managing Director  
DIN : 00106763

**Anurag Bhatnagar**  
Chief Financial Officer  
PAN : AAJPB6607R

**K.K.Soni**  
Director  
DIN : 00106037

**IJS Aujla**  
Company Secretary  
M.No. : A34144

**VLS ASSET MANAGEMENT LTD.**

Regd. Off : 2nd Floor, 13, Sant Nagar, East of Kallash, New Delhi-110065  
 Ph: 46656666, FAX: 011-46656699  
 CIN: U74899DL1995PLC065812, email: vaml@vlsfinance.com

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the 23<sup>rd</sup> Annual Report of your Company together with the Balance Sheet as at 31<sup>st</sup> March, 2018 and the Statement of Profit & Loss for the year ended on that date.

**Financial Results**

The Company has incurred a loss of Rs. 311/- on account of administrative expenses incurred. No income was generated during the year under review. The amount of Rs.5431/- stated under the head 'Other Income' is due to writing back of a liability which has become time barred. 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 31/03/2018, 4 (four) Board Meetings were held with one meeting in every quarter on 08/05/2017, 01/08/2017, 11/12/2017, and 20/03/2018.

Details of meetings attended by the Directors in the relevant period are as below:

S. No.	Name of the Director	No. of meetings attended during F. Y. 2017-18
1	Shri S.K. Agarwal	4
2	Shri K. K. Soni	4
3	Shri Rajesh Jhalani	3
4	Shri S.C. Agarwal	2
5	Shri Anurag Bhatnagar	4

**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 Board. The Board ensures that all regulatory guidelines are being complied with at all levels.

**Risk Management**

Although the Company has not carried out any business during the year under review, the risk management mechanism of the Company was in place as consented to by the Board.

**Dividend/Reserves**

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

**Directors**

During the year under review Shri S.C. Agarwal-Director resigned as Director from the Company w.e.f. 02/08/2017. Shri S.K. Agarwal and Shri Rajesh Jhalani-Directors shall be retiring by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment. Your Directors recommend their reappointment in order to have their 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 in prescribed format.

**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 borrowings
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 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:

- a. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2018, 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 loss 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;
- d. that they have prepared the Annual Accounts for the financial year ended 31st March, 2018 on a 'going concern' basis;
- e. 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.

**Auditors**

The Members of the Company had appointed M/s. Agiwal & Associates-Chartered Accountants, (FRN: 000181N) as Statutory Auditors, in the 20<sup>th</sup> Annual General Meeting held on 23/09/2015 for a period of 5 years i.e. upto conclusion of 25<sup>th</sup> Annual General Meeting of the Company to be held in 2020 subject to ratification by members at every annual general meeting in intervening period or such other confirmation as may be required under applicable regulations. With the enforcement of Section 40 of the Companies Amendment Act, 2017 w.e.f. 07/05/2018 the provision relating to ratification of appointment of Statutory Auditors in the intervening period as envisaged in Section 139 of the Companies Act, 2013 from Members has been omitted. The Government has also notified the amendment in relevant rules to this effect from the same date. The ratification of appointment of Statutory Auditors by the Members is, therefore, no longer required. However, the remuneration of Statutory Auditors for each financial year during their tenure would continue to be fixed by the Members though they may authorise the Board to fix the remuneration every year. Such authorisation can be made for the remaining tenure of Auditor to obviate yearly authorisation. The Board recommends your approval for authorising the Board to fix the remuneration of Statutory Auditors for remaining period of their tenure as set out in relevant item in the Notice for ensuing AGM.

**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 did not have any employee during the relevant financial year 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 also 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.

Provisions for appointment of Independent directors are not applicable on your Company nor is it covered under sections 134(3)(p), 177, 178, 203 and 204 of the Companies Act, 2013.

The Company has no subsidiaries and associates as defined under the Companies Act, 2013

**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  
Date : 16/05/2018**

**S.K. Agarwal  
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 31.03.2018****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	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 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	Asset Management	99999999999999	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. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total equity)**
**(i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01/04/2017				No. of Shares held at the end of the year i.e. 31/03/2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Central Govt.or State Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corporates	0	70100	70100	99.15%	0	70100	70100	99.15%	0.00%
d) Bank/Fl	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%
<b>SUB TOTAL:(A) (1)</b>	0	70100	70100	99.15%	0	70100	70100	99.15%	0.00%
(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/Fl	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%
<b>SUB TOTAL (A) (2)</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	0	70100	70100	99.15%	0	70100	70100	99.15%	0.00%
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks/Fl	0	0	0	0.00%	0	0	0	0.00%	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	0	0	0.00%	0	0	0	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%
<b>SUB TOTAL (B)(1):</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	100	100	0.14%	0	100	100	0.14%	0.00%
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	0	500	500	0.71%	0	500	500	0.71%	0.00%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
a) NRI / OCB	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Foreign National	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Clearing Member	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) LLP	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Trust	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>SUB TOTAL (B)(2):</b>	0	600	600	0.85%	0	600	600	0.85%	0.00%
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	600	600	0.85%	0	600	600	0.85%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	0	70700	70700	100.00%	0	70700	70700	100.00%	0.00%


**(ii) SHAREHOLDING OF PROMOTERS**

Sl.No	Shareholders Name	Shareholding at the beginning of the year i.e. 01/04/2017			Shareholding at the end of the year i.e. 31/03/2018			% 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	VLS Finance Ltd.	70100	99.15%	0.00	70100	99.15%	0.00	0.00%
	<b>Total</b>	70100	99.15%	0.00	70100	99.15%	0.00	0.00%

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

S.No	Shareholder's Name	Date	Share holding at the beginning of the year i.e. 01/04/2017		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	VLS Finance Ltd.		There is no change in promotor holding			
	At the beginning of the year	01/04/2017	70100	99.15%	70100	99.15%
	At the end of the year	31/03/2018	70100	99.15%		

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

Sl.No	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year i.e. 01/04/2017		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	01/04/2017	100	0.14%	100	0.14%
	At the end of the year	31/03/2018	100	0.14%		
2	Dr. (Mrs) Sushma Mehrotra					
	At the beginning of the year	01/04/2017	100	0.14%	100	0.14%
	At the end of the year	31/03/2018	100	0.14%		
3	Shri Somesh Mehrotra					
	At the beginning of the year	01/04/2017	100	0.14%	100	0.14%
	At the end of the year	31/03/2018	100	0.14%		
4	Shri Vikas Mehrotra					
	At the beginning of the year	01/04/2017	100	0.14%	100	0.14%
	At the end of the year	31/03/2018	100	0.14%		
5	Shri Ramji Mehrotra					
	At the beginning of the year	01/04/2017	100	0.14%	100	0.14%
	At the end of the year	31/03/2018	100	0.14%		
6	VLS Capital Ltd.					
	At the beginning of the year	01/04/2017	100	0.14%	100	0.14%
	At the end of the year	31/03/2018	100	0.14%		

**(v) Shareholding of Directors & KMP : None of the Directors or KMP hold any shares in the Company.**

Sl.No	For Each of the Directors & KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding 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	01/04/2017	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	31/03/2018	0	0.00%	0	0.00%



V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Indebtness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	0	932352	0	932352
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	932352	0	932352
Change in Indebtedness during the financial year				
Additions	0	4242	0	4242
Reduction	0	0	0	0
<b>Net Change</b>	0	4242	0	4242
Indebtedness at the end of the financial year				
i) Principal Amount	0	936594	0	936594
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	936594	0	936594

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: NIL

Since appointment of Key Managerial personnel is not mandatory for the Company.

Sl.No	Particulars of Remuneration	Name of the MD/WTD/ Manager	Total Amount
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	0
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock options	0	0
3	Sweat Equity	0	0
4	Commission as % of profit others (specify)	0	0
5	Others, please specify	0	0
	<b>Total (A)</b>	0	0
	<b>Ceiling as per the Act per annum</b>	0	0

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

Sl.No	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors	No Independent Directors					
	(a) Fee for attending board/ committee meetings						
	(b) Commission						
	(c) Others, please specify						
	<b>Total (1)</b>						
2	Other Non Executive 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	0
	(b) Commission	0	0	0	0	0	0
	(c) Others, please specify.	0	0	0	0	0	0
	<b>Total (2)</b>	0	0	0	0	0	0
	<b>Total (B)=(1+2)</b>	0	0	0	0	0	0
	<b>Total Managerial Remuneration</b>	0	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 : Nil**

Since appointment of Key Managerial personnel is not mandatory for the Company.

Sl.No	Particulars of Remuneration	CEO	Key Managerial Personnel		
			Company Secretary	CFO	Total
1	<b>Gross Salary</b>				
	(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 as % of profit others, specify	N. A.	N. A.	N. A.	N. A.
5	Others, please specify	N. A.	N. A.	N. A.	N. A.
	<b>Total</b>	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)
<b>A. COMPANY</b>					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
<b>B. DIRECTORS</b>					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*

\* No Penalty, punishment imposed or compounding undertaken by the company or Directors or other officers in default during the year under review.

**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 31<sup>st</sup> March, 2018.**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 : 16/05/2018

S.K. Agarwal

Director

DIN : 00106763

K. K. Soni

Director

DIN : 00106037

**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 March 31, 2018, 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, 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. 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 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, 2018 and its loss and its Cash Flows for the year ended on that date.

The Company has accumulated losses as at the end of the year and has incurred cash losses during the current financial year and in the immediately preceding Financial Year.

**Report on Other Legal and Regulatory Requirements**

As required by the companies (Auditor's Report ) Order, 2016, 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' a statement on the matters specified in paragraph 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 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the Internal Financial Controls over the Financial Reporting of the company and operating effectiveness of such controls, please refer to our report in Annexure-'B'.
- g) 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. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2018 on its financial position in its financial statements.
  - ii. The Company is not required to provision as at 31<sup>st</sup> March, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts as it has not taken any business activity during the year under review.
  - iii. The Company is not required to make provision as at 31<sup>st</sup> March, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts as it has not taken any business activity during the year under review.

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 31<sup>st</sup> March, 2018

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

**P.C. Agiwal**  
**Partner**

**Membership No. 080475**

**Place: New Delhi**  
**Date: 16/05/2018**

**ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT****REFERRED TO OUR REPORT OF EVEN DATE****Re: VLS ASSET MANAGEMENT LIMITED for the year ended****31<sup>st</sup> March, 2018**

- i. The Company did not have any Fixed Assets during the relevant financial year. Hence, comments of physical verification of assets and ownership thereof are not required.
- ii. Since there were no operations during the year hence comments on physical verification of stock is not required.
- 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. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security the Company have not made any loans, investments, guarantees and security thus no comments are required on compliance of Section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions under the Act. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
- vi. According to the information & explanations given to us, maintenance of cost records has not been specified by Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the company.
- 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 31.03.2018 for a period of more than six months from the date they became payable.
- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company does not have any outstanding dues to financial institutions or banks during the year.
- ix. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, during the year no moneys have been raised by public offer of shares. No money has been raised on term loans during the year.
- x. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of the audit.
- xi. On the basis of records and information and explanations made available, no managerial remuneration has been paid or provided hence no comment is required on compliance of Section 197 Read with Schedule V of the Act.
- xii. In our opinion and according to information & explanation given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related parties transactions entered during the year, the Company

has complied with the provisions of Section 177 and 188 of the Act, where it applicable. As explained and as per records / details of related parties transactions are disclosed as per the applicable Accounting Standards.

- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully / partly convertible debentures during the year.
- xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him.
- xvi. The Company is not required to be registered under 45-IA of the Reserve Bank of India Act 1934.

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

**P.C. Agiwal**  
**Partner**

**Place: New Delhi**  
**Date: 16/05/2018**

**Membership No. 080475**

**Annexure – 'B' to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **VLS ASSET MANAGEMENT LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and



their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**P.C. Agiwal**  
**Partner**

**Place: New Delhi**  
**Date: 16/05/2018**

**Membership No. 080475**

BALANCE SHEET AS AT 31st MARCH, 2018		Amount (in Rs.)	
Particulars	Note No.	As at 31.3. 2018	As at 31.3. 2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	7,07,000	7,07,000
(b) Reserves and Surplus	4	(16,28,871)	(16,28,560)
		<u>(9,21,871)</u>	<u>(9,21,560)</u>
<b>(2) Non-Current Liabilities</b>			
Long- Term Borrowings	5	9,36,594	9,32,352
		<u>9,36,594</u>	<u>9,32,352</u>
<b>(3) Current Liabilities</b>			
Other Current Liabilities	6	1,500	5,431
		<u>1,500</u>	<u>5,431</u>
<b>Total</b>		<u><u>16,223</u></u>	<u><u>16,223</u></u>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
		-	-
<b>(2) Current assets</b>			
Cash and Cash Equivalents	7	16,223	16,223
		<u>16,223</u>	<u>16,223</u>
<b>Total</b>		<u><u>16,223</u></u>	<u><u>16,223</u></u>

Significant Accounting Policies

and Notes forming part of the accounts As our report of even date 1 to 12

**For Agiwal & Associates**  
(F.R.N. 000181N)  
Chartered Accountants

**For and on behalf of the Board**

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

**S. K. Agarwal**  
Director  
DIN : 00106763

**K. K. Soni**  
Director  
DIN : 00106037

Place : New Delhi  
Date : 16/05/2018

STATEMENT PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018		Amount (in Rs.)	
Particulars	Note No.	Year Ended 31.3.2018	Year Ended 31.3.2017
I. Revenue from Operations		-	-
II. Other Income		5,431	-
<b>III. Total Revenue (I +II)</b>		<u>5,431</u>	-
<b>IV. Expenses:</b>			
Employee Benefit Expense		-	-
Financial Costs		-	-
Depreciation and Amortization Expense		-	-
Other Expenses	8	5,742	3,342
<b>Total Expenses (IV)</b>		<u>5,742</u>	<u>3,342</u>
V. Profit/(Loss) before tax (III-IV)		(311)	(3,342)
		<u>(311)</u>	<u>(3,342)</u>
VI. Profit/(Loss) for the year		<u>(311)</u>	<u>(3,342)</u>
VII. Earning per equity share (OF Rs.10/- each)			
Basic and Diluted	11	(0.004)	(0.047)
Significant Accounting Policies and Notes forming part of the accounts 1 to 12			
As our report of even date			
<b>For Agiwal &amp; Associates</b> (F.R.N. 000181N) Chartered Accountants		<b>For and on behalf of the Board</b>	
<b>P.C. Agiwal</b> Partner Membership No. 080475	<b>S. K. Agarwal</b> Director DIN : 00106763	<b>K. K. Soni</b> Director DIN : 00106037	
Place : New Delhi Date : 16/05/2018			



**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**

	Amount (in Rs.)	
	As at 31.03.2018	As at 31.3.2017
Authorised		
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000	10,00,00,000
	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Issued, Subscribed & Paid up		
70700 Equity Shares of Rs.10/- each	7,07,000	7,07,000
	<u>7,07,000</u>	<u>7,07,000</u>

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

	As at 31.03.2018		As at 31.3.2017	
	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	<u>70,700</u>	<u>7,07,000</u>	<u>70,700</u>	<u>7,07,000</u>

**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 31.03.2018	As at 31.3.2017
VLS Finance Ltd.	70,100	70,100

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

	As at 31.03.2017		As at 31.3.2016	
	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**

	Amount (in Rs.)	
	As at 31.03.2018	As at 31.3.2017
Surplus		
At the Beginning of the Accounting year	(16,28,560)	(16,25,218)
Additions during the year	(311)	(3,342)
Total	<u>(16,28,871)</u>	<u>(16,28,560)</u>

**Note 5****Unsecured Long Term Borrowings**

From Holding Company i. e. VLS Finance Ltd.

(Non- interest bearing)	9,36,594	9,32,352
Total	<u>9,36,594</u>	<u>9,32,352</u>

**Note 6****Other Current Liabilities**

Audit Fee Payable	-	5,431
Expenses Payable	1,500	-
Total	<u>1,500</u>	<u>5,431</u>

**Note 7****Cash & Cash Equivalents**

(a) Balance with Banks		
- Current Account	16,223	16,223
(b) Cash-in-Hand	-	-
Total	<u>16,223</u>	<u>16,223</u>

**Note 8****Other Expenses**

	As at 31.03.2018	As at 31.3.2017
Filing Charges	4,242	1,842
Certification Charges	1,500	1,500
Total	<u>5,742</u>	<u>3,342</u>

**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 31st March, 2018	As at 31st March, 2017
Holding Company	Opening Balance	9,32,352	9,29,010
	Transactions during the year	4,242	3,342
	Closing Balance	9,36,594	9,32,352

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

S. No.	Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
1.	Net Profit/Loss after Tax	(4,242)	(3,342)
2.	Weighted Average number of Equity Shares	70,700	70,700
3.	Face value per Share	10	10
4.	Basic & Diluted Earning Per Share	(0.060)	(0.047)

12. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's 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 : 16/05/2018

For and on behalf of the Board

**S. K. Agarwal**

Director

DIN : 00106763

**K. K. Soni**

Director

DIN : 00106037

**Cash Flow Statement for the Year ended 31st March 2018**

	Amount (in Rs.)	
	As at 31.03.2018	As at 31.03.2017
<b>A. Cash Flow from operating activities</b>		
Net Profit (Loss) before Tax	(311)	(3342)
Adjustment for :-		
<b>Operating Profit before working capital changes</b>	(311)	(3342)
Increase / (Decrease) in trade payables & Others	-	-
Cash Generated from Operations	(311)	(3342)
Net Cash From Operating Activities	(311)	(3342)
<b>B. Cash Flow From Financing activities</b>		
Proceeds from borrowings	5742	3342
Net Cash From Financing Activities	5742	3342
Net increase in Cash & Cash Equivalents (A+B)	-	-
<b>C. Cash &amp; Cash Equivalents at the beginning of the Year</b>	16223	16223
<b>D. Cash &amp; Cash Equivalents at the end of the year</b>	16223	16223
Increase/(Decrease) in Cash & Cash Equivalents (D-C)	-	-

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 : 16/05/2018

For and on behalf of the Board

**S. K. Agarwal**

Director

DIN : 00106763

**K. K. Soni**

Director

DIN : 00106037

**CONSOLIDATED FINANCIAL STATEMENTS****INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF VLS FINANCE LIMITED****REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

1. We have audited the accompanying consolidated financial statements of VLS FINANCE LIMITED ('the Holding Company') and its subsidiaries and associate Companies; (collectively referred to as 'the Company' or 'the Group'), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'Consolidated Financial Statements').

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 Pvt. 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 year ended 31.03.2017 and 31.03.2015 respectively as provided by the management. However, we are not offering any comment on the same in view of statement of the Management of Holding company contained in Para 2 of this report. For the remaining associate VLS Capital Ltd, we have taken the figures from its financial statements for the year ended 31.03.2018.

We have also not audited any of the two subsidiaries namely VLS Securities Ltd and VLS Asset Management Ltd, the financial statement of which have been included in the consolidated financial results for the year ended 31 March, 2018. As these financial statements have been audited by other auditors so in both these cases, we have taken the figures from their financial statements for the year ended 31.03.2018 for the consolidation purpose and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the reports of the audit conducted by other auditors.

**Management's Responsibility for the consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of 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 associates namely Sunair Hotels Ltd. and BMS IT institute (P) Ltd. which are in litigation with the Holding Company. The respective Board of Directors of 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 judgements and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financials control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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**

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

4. 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 Rules made there under.

5. 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 in Para 1. 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.

6. 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 controls relevant to the Holding Company's preparation and presentation of the consolidated financial statements that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, on the effectiveness of the entity's internal financial control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements, except in case of two Associate companies which are in litigation with the Holding Company.

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

8. We believe that the audit evidence we have obtained 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 evidences obtained by the other auditors of two associate companies as referred above.

**Opinion**

9. In our opinion, based on our audit and to the best information and according to the explanations given to us and based on the consideration of the reports of the other auditors, on the financial statements/ consolidated financial statements of the subsidiaries and associate except in the case of two associates namely Sunair Hotels Ltd. and BMS IT institute (P) Ltd., in respect of which we have already expressed our inability to comment, 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 the affairs of the Group as at 31<sup>st</sup> March, 2018 and its consolidated Profit and its consolidated cash flows for the year ended on that date.

**Other Matter**

10. We did not audit the financial statements of all the three associate companies (namely VLS Capital Ltd., Sunair Hotels Ltd., and BMS IT Institute Pvt. Ltd.) the financial statements of which have been considered for the limited purpose of consolidation the financial statements of which reflect total assets of Rs. 2,92,07,61,207 as at 31<sup>st</sup> March 2018, total revenues of Rs.66,23,48,617 and net cash flows amounting to Rs. 10,45,70,294 for the year ended on that date, as considered in the consolidated financial statements. Further we did not audit the financial statements of both the subsidiary companies (namely VLS Securities Ltd., and VLS Asset Management Ltd.) the financial statements of which have been considered for the purpose of consolidation the financial statements of which reflect total assets of Rs. 39,13,12,591 as at 31<sup>st</sup> March 2018, total revenues of Rs.69,12,08,577 and net cash flows amounting to Rs.(3,19,92,760) for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates and subsidiaries and our report in terms of sub section 3 and 11 of section 143 of the Act, in so far as it relates to the aforesaid associates and subsidiaries, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements and on our report on the Other Legal and Regularity 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 (P) Ltd.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by Section 143(3) of the Act, we report that, to the extent applicable, except in the case of two associate companies namely Sunair Hotels Ltd. and BMS IT Institute (P) 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



## CONSOLIDATED FINANCIAL STATEMENTS

## Annexure - A to the Auditors' Report

- kept by the Company so far as it appears from our examination of those books and reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and 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 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 written representations received from the directors of the Holding Company as on 31 March, 2018, 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 its associate company namely VLS Capital Ltd. incorporated in India, none of the directors of the Holding Company, its subsidiary companies and the associate company incorporated in India is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the Internal Financial Controls over the Financial Reporting of the company and operating effectiveness of such controls, refer to our Report in Annexure A, which is based on the auditor's report of the Holding Company, the two subsidiary companies and one associate company incorporated in India. Our report express an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of Holding company, both subsidiary companies and VLS Capital Ltd., as associate company incorporated in India. We are unable to comment on the Internal Financial Control over Financial Reporting of two Associate Companies as defined under the Companies Act, 2013 as the Holding Company is in litigation with these two associate companies namely Sunair Hotels Ltd. and BMS IT Institute (P) Ltd.
- 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 the best of our knowledge and belief and according to the information and explanations given to us:
- After coming into effect of the Companies Act 2013, the definition of "Associate" covers a Company or Companies in which 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 (P) 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 associate companies, in the opinion of 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 31<sup>st</sup> March, 2018, as required under the applicable law or accounting standards, for foreseeable losses, if any, on long term contracts including derivative contracts. We are unable to comment on the provisions for foreseeable losses on long term contracts including derivative contracts in case of Associate Companies as defined under the Companies Act, 2013 as the Company is in litigation with two of these associate companies namely Sunair Hotels Ltd. and BMS IT Institute (P) Ltd.
  - There were no amounts, which were required to be transferred, to the Investors Education and Protection Fund by the Holding Company, its subsidiary companies and associate company namely VLS Capital Ltd., incorporated in India. We are unable to comment on the same in case of two Associate Companies as defined under the Companies Act, 2013 namely Sunair Hotels Ltd. and BMS IT Institute (P) Ltd. as the Company is in litigation with these two associate companies.

It is stated that Group consists only of Holding Company, its Subsidiary Companies and one of its associate company namely VLS Capital Ltd. because two associate companies Sunair Hotels Ltd. and BMS IT Institute (P) 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 M.L. PURI & CO.**  
Chartered Accountants  
Firm's registration number: 002312N

**CA M.L. PURI**  
Partner  
Membership No. 009198

Place: New Delhi  
Date: 17<sup>th</sup> May, 2018

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of VLS Finance Limited ("the Holding Company") as on that date. 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 Pvt. Ltd. and the two subsidiary companies namely VLS Securities Ltd and VLS Asset Management Ltd., the financial statements of which have been considered for the purpose of consolidation. Further for the two associate 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 31.03.2017 and 31.03.2015 respectively and for the VLS Capital Ltd., we have taken the figures from its financial statements for the period ended 31.03.2018. 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 associates namely Sunair Hotels Ltd. and BMS IT institute (P) Ltd. which are in litigation with the Holding Company. Due to this we are unable to comment or report on the Internal Financial Control under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") of these two associates.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. However, the Management is not taking any responsibility of Internal Financial Control of two Associate Companies as mentioned above due to litigation with these two Associate Companies.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'other matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting in case of Holding Company, two subsidiary companies and one associate company namely VLS Capital Ltd. However, management is not taking any responsibility regarding internal financial control under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") in case of two associate companies as mentioned above because litigation is going on between the Company and two of these Associate companies as defined under the Companies Act, 2013.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's



## CONSOLIDATED FINANCIAL STATEMENTS

internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Holding Company, two subsidiary companies and one associate company namely VLS Capital Ltd which are companies incorporated

in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI. Regarding other two associate companies namely Sunair Hotels Ltd. and BMS IT Institute Private Ltd, we are unable to comment or report on internal financial control over financial reporting for the reason as stated above.

#### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act are on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Holding company, two subsidiary companies and one associate company namely VLS Capital Ltd, which are companies incorporated in India. We are unable to comment on the adequacy and operative effectiveness controls over financial reporting of the two associate Companies namely Sunair Hotels Ltd. and BMS IT Institute Private Ltd for the reasons already stated above.

For M.L. PURI & CO.  
Chartered Accountants  
Firm's registration number: 002312N

CA M.L. PURI

Partner

Membership No. 009198

Place: New Delhi

Date: 17<sup>th</sup> May, 2018

#### CONSOLIDATED BALANCE SHEET AS AT 31st March, 2018

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	2	38,78,42,420	38,78,42,420
(b) Reserves & Surplus	3	263,84,18,211	243,34,38,092
(2) Minority Interests			
(a) Share Capital		10,06,000	10,06,000
(b) Reserves & Surplus			
- Opening		24,966	33,096
- Add: For the year		1,49,814	(8,130)
		1,74,780	24,966
(3) Non-current liabilities			
Long Term Provisions	4	39,77,07,433	33,54,77,394
(4) Current liabilities			
(a) Trade payables	5	4,46,09,588	2,34,96,709
(b) Other Current Liabilities	6	30,76,578	20,28,601
(c) Short Term Provisions	7	4,73,88,234	4,72,95,486
<b>Total</b>		<b>352,02,23,244</b>	<b>323,06,09,668</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed Assets			
- Tangible Assets	8	9,53,66,228	10,07,36,767
- Intangible Assets	8	1,24,657	1,89,366
- Work-in-Progress		2,14,91,536	1,72,500
(b) Non-current Investments	9	296,17,89,579	273,29,51,240
(c) Deferred tax assets (Net)	10	1,33,41,562	1,39,90,659
(d) Long-term loans and advances	11	14,43,03,143	14,47,83,072
(2) Current assets			
(a) Inventories- Share stock-in-trade	12	8,70,00,004	4,96,23,658
(b) Trade receivables	13	0	1,23,84,970
(c) Cash and cash equivalents	14	5,26,29,691	8,96,72,452
(d) Short-term loans and advances	15	11,93,02,169	6,26,05,379
(e) Other current assets	16	2,48,74,675	2,34,99,605
<b>Total</b>		<b>352,02,23,244</b>	<b>323,06,09,668</b>
<b>Significant Accounting Policies and Notes forming part of accounts</b>	<b>1 to 23</b>		

As per our report of even date.

For M.L. PURI & CO.  
Chartered Accountants  
Firm's Registration Number: 002312N  
M.L. PURI  
Partner  
Membership No. 009198  
May 17<sup>th</sup>, 2018  
New Delhi

For and behalf of the Board

S.K. Agarwal  
Managing Director  
DIN : 00106763

M.P. Mehrotra  
Executive Vice-Chairman  
DIN : 00016768

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

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


**CONSOLIDATED FINANCIAL STATEMENTS**

<b>CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31st March, 2018</b>		<b>(Amount in Rupees)</b>	
	<b>Note No</b>	<b>For the year ended 31st March, 2018</b>	<b>For the year ended 31st March, 2017</b>
<b>I Revenue from operations</b>	<b>17</b>	<b>2162,27,18,962</b>	2693,56,59,945
<b>II Other Income</b>	<b>18</b>	<b>5,84,15,590</b>	6,98,15,084
<b>III Total Revenue ( I+II)</b>		<b>2168,11,34,552</b>	2700,54,75,029
<b>IV Expenses</b>			
Purchase of Shares/Securities/Commodities		<b>2124,41,72,195</b>	2619,48,59,560
Change in stock of shares	<b>19</b>	<b>(3,73,76,346)</b>	(6,06,751)
Employee benefits expenses	<b>20</b>	<b>3,77,60,687</b>	2,89,38,596
Finance cost	<b>21</b>	<b>1,11,468</b>	27,69,538
Depreciation and Amortisation expenses	<b>8</b>	<b>61,44,781</b>	37,13,247
Administrative & Other Expenses	<b>22</b>	<b>7,47,17,707</b>	8,40,76,977
<b>Total Expenses</b>		<b>2132,55,30,492</b>	2631,37,51,167
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>35,56,04,060</b>	69,17,23,862
<b>VI. Exceptional items</b>			
Provision for Diminuation in value of assets (net)		<b>6,00,00,000</b>	11,50,00,000
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>29,56,04,060</b>	57,67,23,862
<b>VIII Extraordinary items</b>		<b>0</b>	0
<b>IX. Profit before tax (VII-VIII)</b>		<b>29,56,04,060</b>	57,67,23,862
<b>X. Less: Tax Expenses</b>			
Current Tax /MAT		<b>4,36,06,256</b>	12,24,66,110
Tax adjustments for earlier years		<b>(3,90,334)</b>	1,16,50,000
Deferred Tax		<b>6,49,097</b>	7,52,286
<b>XI. Profit before Minority interest share of P/L (IX-X)</b>		<b>25,17,39,041</b>	44,18,55,466
Less: Minority Interest share on Profit		<b>1,49,814</b>	(8,130)
<b>X Profit for the year</b>		<b>25,15,89,227</b>	44,18,63,596
<b>EARNING PER SHARE</b>			
Basic Earning per Share (Rs.)		<b>6.51</b>	11.43
Diluted Earning per Share (Rs.)		<b>6.51</b>	11.43
Face Value per Share (Rs.)		<b>10.00</b>	10.00
<b>Significant Accounting Policies and Notes forming part of accounts</b>		<b>1 to 23</b>	

As per our report of even date.

For and behalf of the Board

For M.L. PURI & CO.  
Chartered Accountants  
Firm's Registration Number: 002312N  
M.L. PURI  
Partner  
Membership No. 009198  
May 17<sup>th</sup>, 2018  
New Delhi

S.K.Agarwal  
Managing Director  
DIN : 00106763

M.P. Mehrotra  
Executive Vice-Chairman  
DIN : 00016768

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

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

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT for the year ended 31<sup>st</sup> March, 2018.**
**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<sup>th</sup> 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)

	(Amount in Rupees)	
	As at 31st March, 2018	As at 31st March, 2017
<b>2. SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
15,00,00,000 Equity Shares of Rs.10/- each (Previous year 15,00,00,000 Equity shares of Rs.10/-each)	<b>150,00,00,000</b>	150,00,00,000
<b>ISSUED CAPITAL</b>		
3,91,29,517 Equity Shares of Rs.10/- each (Previous year 3,91,29,517 Equity shares of Rs.10/-each)	<b>39,12,95,170</b>	39,12,95,170
Less : 11,32,983 Equity Shares of Rs. 10/- each issued as fully paid-up for cash bought back on 11/02/2014	<b>0</b>	0
	<b>39,12,95,170</b>	<b>39,12,95,170</b>
(4,02,62,500 less 11,32,983 Equity Shares of Rs.10/-each issued as fully paid up for cash bought back on 11/02/2014)		
<b>SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
3,86,62,017 Equity Shares of Rs.10/- each fully paid up for cash (Previous year 3,86,62,017 Equity Shares of Rs.10/- each)	<b>38,66,20,170</b>	38,66,20,170
Less : 11,32,983 Equity Shares of Rs. 10/- each fully paid-up for cash bought back on 11/02/2014	<b>0</b>	0
	<b>38,66,20,170</b>	<b>38,66,20,170</b>
Add : Amount forfeited on 4,67,500 equity shares (Previous year 4,67,500 equity shares)	<b>12,22,250</b>	12,22,250
	<b>38,78,42,420</b>	<b>38,78,42,420</b>

(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)  
(11,32,983 Equity Shares of Rs.10/-each fully paid up for cash bought back on 11/02/2014)

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

	As at 31/03/2018		As at 31/03/2017	
	Number	In Rupees	Number	In Rupees
Equity Shares at the beginning of the year	3,86,62,017	38,66,20,170	3,86,62,017	38,66,20,170
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 Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares held	% of Holding	No. of shares held	% of Holding
VLS Capital Limited	1,33,36,538	34.50	1,33,36,538	34.50

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.

**8 FIXED ASSETS**

(Amount in Rupees)

Sl. No	Description	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
		Cost As at 01.04.2017	Additions during the year	Sales/ Adjustments	Cost As at 31-03-2018	Upto 31.03.2017	For the year	Sales/ Adjustments	Upto 31-03-2018	As at 31-03-2018	As at 31.03.2017
	<b>TANGIBLE ASSETS</b>										
<b>1</b>	<b>Assets for own use:</b>										
A	Buildings	11,10,96,285		0	11,10,96,285	1,38,39,797	47,33,409	0	1,85,73,206	9,25,23,079	9,72,56,488
B	Temporary Structures	6,88,735		0	6,88,735	6,88,734		0	6,88,734	1	1
C	Vehicles	77,57,359		0	77,57,359	57,59,006	6,25,114	0	63,84,120	13,73,239	19,98,353
D	Office Equipments	22,62,113	2,96,809	0	25,58,922	17,36,131	2,93,501	0	20,29,632	5,29,290	5,25,982
E	Furniture & Fixtures	13,51,141		0	13,51,141	10,96,025	61,411	0	11,57,436	1,93,705	2,55,116
F	Air Conditioners	14,81,287	34,685	0	15,15,972	11,47,614	1,01,777	0	12,49,391	2,66,581	3,33,673
G	Computers	59,01,325	3,56,239	0	62,57,564	56,67,964	2,43,060	0	59,11,024	3,46,540	2,33,361
H	Electrical Installations	2,44,954		0	2,44,954	2,32,706	0	0	2,32,706	12,248	12,248
I	Generator	4,30,905		0	4,30,905	4,09,360	0	0	4,09,360	21,545	21,545
<b>2</b>	<b>Assets on Lease</b>	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
		<b>133,78,80,672</b>	<b>6,87,733</b>	<b>0</b>	<b>133,85,68,405</b>	<b>123,71,43,905</b>	<b>60,58,272</b>	<b>0</b>	<b>124,32,02,177</b>	<b>9,53,66,228</b>	<b>10,07,36,767</b>
	<b>INTANGIBLE ASSETS</b>										
	Computer Software	10,58,636	21,800	0	10,80,436	8,69,270	86,509	0	9,55,779	1,24,657	1,89,366
	Grand Total	<b>133,89,39,308</b>	<b>7,09,533</b>	<b>0</b>	<b>133,96,48,841</b>	<b>123,80,13,175</b>	<b>61,44,781</b>	<b>0</b>	<b>124,41,57,956</b>	<b>9,54,90,885</b>	<b>10,09,26,133</b>
	Previous Year	124,51,35,261	9,38,04,047	0	133,89,39,308	123,42,99,928	37,13,247	0	123,80,13,175	10,09,26,133	1,08,35,333



## CONSOLIDATED FINANCIAL STATEMENTS

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

## 9. NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	QUANTITY			AMOUNT (In Rs.)		
	FACE VALUE	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017	
<b>A. IN EQUITY SHARES</b>						
<b>1. Un-quoted &amp; Fully Paid</b>						
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	43,61,09,002	42,74,89,565	
VLS Capital Ltd (#)	10	88,20,833	88,20,833	36,28,22,134	31,31,27,915	
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	
Runecha Textiles Ltd	10	3,57,600	3,57,600	17,88,000	17,88,000	
BMS IT Institute Private Ltd (#)	10	56,00,000	56,00,000	24,92,00,000	24,92,00,000	
		SUB-TOTAL (A-1)			105,26,89,136	99,43,75,480
<b>2. Quoted &amp; Fully Paid</b>						
ICDS Ltd (*)	10	21,929	21,929	0	0	
KASHIPUR SUGAR MILLS LTD	10	89,767	89,767	7,99,032	7,99,032	
3I INFOTECH LTD.	10	2,00,000	0	11,60,155	0	
ARTSON ENGINEERING LTD	1	0	4,104	0	1,00,376	
ACCLEYA KALE SOLUTIONS LTD	10	2,75,218	2,82,418	11,61,72,330	11,81,68,776	
AMBIKA COTTON MILLS LTD	10	1,00,000	1,00,000	4,55,67,080	4,55,67,080	
ASHAPURAIMTIMATES FASHION LTD.	10	1,03,868	0	4,32,18,416	0	
ASHOKLEYLAND LTD.	1	25,000	0	30,12,791	0	
ALLCARGO LOGISTICS LTD.	2	15,500	0	23,86,094	0	
BANK OF BARODA	2	5	10	251	502	
BALASORE ALLOYS LTD	5	0	3,00,000	0	55,65,000	
BOMBAY BURMAH TRADING CORPORATION LTD	2	25,000	25,000	1,62,90,962	97,79,869	
BHARAT PETROLEUM CORP LTD (+)	10	40,350	26,900	3,24,648	3,24,648	
BEML LTD	10	0	3,000	0	27,55,329	
BHARAT FORGE LTD.	2	7,900	0	1,24,100	0	
CANTABIL RETAIL INDIA LTD.	10	1,75,000	0	2,15,83,020	0	
CENTRAL BANK OF INDIA LTD	10	0	13,500	0	13,78,802	
CHOLAMANDALAM INVEST & FINANCE CO LTD	10	0	2,600	0	23,28,759	
COAL INDIA LTD	10	0	22,000	0	66,27,917	
CONTAINER CORP OF INDIA LTD	10	0	3,100	0	39,33,915	
COX & KINGS LTD.	5	20,000	0	54,38,655	0	
CAPITAL FIRST LTD	10	5,000	0	31,86,001	0	
DCB BANK LTD.	10	19,000	0	33,06,979	0	
DHANLAXMI BANK LTD	10	0	37,000	0	8,29,195	
D PHARMA LTD	10	200	200	1	1	
EQUITAS HOLDING LTD	10	0	5,000	0	7,15,666	
ENGINEERS INDIA LTD (+)	5	0	1,46,000	0	50,97,433	
FEDERAL BANK LTD.	2	65,000	0	71,79,186	0	
FIRST SOURCE LTD.	10	25,000	0	11,94,720	0	
FORTIS HEALTHCARE LTD.	10	59,500	0	74,46,685	0	
GUJARAT HOTELS LTD	10	2,500	5,134	1,23,884	2,71,813	
GRANULES INDIA LTD	1	4,34,388	5,00,000	4,42,62,618	4,86,76,630	
GAIL INDIA LTD (+)	10	0	22,666	0	72,76,605	
GIC HOUSING FINANCE LTD	10	50,000	0	1,80,76,783	0	
GMR INFRASTRUCTURE LTD	1	1,25,000	0	22,14,934	0	
HCL TECHNOLOGIES LTD (+)	2	41,946	66,500	4,37,138	4,37,138	
HINDALCO INDUSTRIES LTD	1	15,000	18,000	34,49,182	28,30,666	
HINDUSTAN PETROLEUM CORP LTD (+)	10	2,69,325	2,21,250	3,88,901	3,88,901	
HINDUSTAN UNILEVER LTD	1	15,000	12,500	1,65,72,876	1,11,27,386	
HITECH CORPORATION LTD.	10	36,000	0	63,53,044	0	
HATSUN AGRO PRODUCTED LTD.	1	10,000	0	75,30,303	0	
HIMADRI SPECIALITY CHEMICAL LTD	1	20,000	0	29,46,237	0	
INFOSYS LTD (+)	5	2,45,099	2,79,000	10,39,211	10,39,211	
ITC LTD (+)	1	20,000	13,250	54,28,671	32,00,348	
IFGL REFRACTORIES LTD	10	77,541	77,541	1,14,59,516	1,14,59,516	
INFINITE COMPUTER SOLUTIONS (INDIA) LTD	10	0	1,52,895	0	2,89,12,846	
IDBI BANK LTD	10	0	33,866	0	23,11,861	
IDFC LTD	10	20,000	65,000	11,01,794	32,75,892	
IDFC BANK LTD	10	0	57,000	0	38,78,811	
ICICI PRUDENTIAL LIFE INSURANCE LTD	10	20,000	18,000	69,41,985	55,22,069	
INDIA GRID TRUST	100	5,103	0	4,88,687	0	
INDIAN HOTELS LTD.	1	22,000	0	30,62,813	0	
IRB INVIT FUND	102	5,000	0	4,69,454	0	
INDIABULLS REAL ESTATE LTD.	2	1,000	0	2,18,186	0	
JAIN IRRIGATION SYSTEMS LTD.	2	42,000	0	49,30,271	0	
JAIPRAKASH ASSOCIATES LTD.	2	6,00,000	0	1,31,75,734	0	
JAYPEE INFRA TECH LTD	10	1,20,000	0	11,91,504	0	
JAIPRAKASH POWER VENTURES LTD.	10	5,00,000	0	25,77,833	0	
JK TYRE & INDUSTRIES LTD	2	7,00,000	8,90,000	6,00,60,000	7,63,62,000	
L&T FINANCE HOLDING LTD	10	20,000	10,000	27,74,654	8,82,010	
LARSEN & TOUBRO Ltd.	2	10,000	0	1,16,88,245	0	
LUPIN	2	20,000	0	1,91,67,677	0	
LANCO INFRA TECH LTD	1	5,000	5,000	1,66,198	1,66,198	
KALYANI STEEL LTD	5	5,41,383	5,51,383	8,43,10,517	8,57,11,347	
KARNATAKA BANK LTD	10	5,000	25,000	8,20,137	27,57,535	
MEGHMANI ORGANICS LTD	1	62,30,000	75,00,000	11,84,31,023	13,40,24,345	
M & M FINANCIAL SERVICES LTD	2	0	4,600	0	12,83,702	
MBL INFRASTRUCTURE LTD	10	3,50,000	4,05,000	63,63,007	1,97,29,654	
MAX VENTURES INDIA LTD	10	0	32,334	0	20,07,669	
MMTC LTD.	1	1,00,000	0	65,95,892	0	
MERCATOR LTD.	1	2,00,000	0	66,89,687	0	
NEOCORP INTERNATIONAL LTD	10	37,12,515	37,12,515	1,20,85,674	5,90,18,390	
NATIONAL ALUMINIUM CO LTD	1	19,000	60,583	12,19,201	30,14,073	
NIRLON LTD	10	3,000	7,000	6,07,776	14,85,793	
NBCC INDIA LTD.	2	71,500	0	1,40,05,983	0	
NCC LTD.	2	80,000	0	88,03,786	0	
NEW DELHI TELEVISION LTD.	4	60,102	0	36,67,965	0	
NAVVAR CORPORATION LTD.	10	5,000	0	9,72,424	0	

PARTICULARS	FACE VALUE	QUANTITY		AMOUNT (In Rs.)	
		AS AT 1.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017
NETWORK 18 MEDIA & INVESTMENTS LTD.	5	35,000	0	17,06,841	0
ORRISA SPONGE LTD	10	2,936	2,936	16,13,828	16,13,828
OIL INDIA LTD (+)	10	0	16,000	0	53,40,960
PARSNATH DEVELOPERS LTD	5	6,06,103	0	94,32,509	0
PILANI INVESTMENT & IND CO LTD	10	0	605	0	8,12,599
PUNJAB WIRELESS SYSTEMS LTD	10	500	500	1	1
PRAKASH INDUSTRIES LTD.	10	15,000	0	26,55,444	0
PNC INFRA TECH LTD.	10	15,000	0	23,75,033	0
POWER GRID CORPORATION OF INDIA LTD.	10	15,000	0	29,47,236	0
RELAXO FOOTWEAR LTD (+)	1	1,44,36,791	1,44,36,791	11,82,63,143	11,82,63,143
RELIANCE INDUSTRIES LTD	10	0	3,400	0	33,56,459
RELIGARE ENTERPRISES LTD	10	0	2,50,000	0	5,39,25,181
RASHTRIYA CHEMICAL & FERTILIZERS LTD.	10	1,00,000	0	1,01,77,171	0
SHILPI CABLE TECH LTD (+)	10	0	11,67,295	0	4,40,23,621
SHIPPING CORPORATION OF INDIA LTD	10	0	1,91,000	0	1,13,31,082
STEL HOLDINGS LTD	10	2,90,259	2,90,259	85,38,293	85,38,293
SUMIT SECURITIES LTD	10	1,81,561	1,81,561	4,51,33,451	4,51,33,451
SURYA ROSHNI LTD	10	8,02,000	9,52,500	8,92,44,620	10,52,51,250
SREE RAVILAKSHMI ALKALIES & ALLIED CHEMICALS LTD	10	0	1,04,901	0	18,10,465
SHIRAM TRANSPORT FINANCE CO LTD	10	0	7,250	0	59,76,789
SANGHI INDUSTRIES LTD	10	0	4,29,756	0	2,57,90,841
STATE BANK OF INDIA	1	42,000	20,000	1,15,47,949	49,85,184
STATE BANK OF TRAVANCORE	10	0	81,216	0	4,70,54,082
STATE BANK OF BIKANER & JAIPUR	10	0	3,216	0	23,70,727
STATE BANK OF MYSORE	10	0	636	0	3,70,584
SJVN LTD	10	0	50,000	0	15,74,507
SURANA INDUSTRIES LTD	10	4,50,000	4,50,000	18,00,000	18,00,000
STEEL AUTHORITY OF INDIA LTD.	10	60,000	0	47,35,063	0
SHREE PUSHKAR CHEMICALS & FERTILIZER LTD.	10	27,960	0	69,12,487	0
SINTEX PLASTICS TECHNOLOGY LTD.	1	20,000	0	13,15,112	0
SUN PHARMACEUTICALS INDUSTRIES LTD.	1	10,000	0	54,39,464	0
SOMI CONVEYOR BELTINGS LTD.	10	40,000	0	19,26,772	0
SOM DISTILLERIES & BREWERIES LTD.	10	5,000	0	12,92,580	0
TATA STEEL LTD	10	5,933	300	39,50,010	2,05,413
TORRENT POWER LTD.	10	30,000	0	81,28,834	0
TECHNOCRAT INDUSTRIES (INDIA) LTD	10	3,80,424	3,87,424	7,13,30,514	7,27,12,518
THOMAS SCOTT (INDIA) LTD.	10	5,477	0	1,05,555	0
TRIDENT LTD.	10	20,000	0	15,65,862	0
TRIVENI TURBINE LTD.	1	20,000	0	26,34,651	0
THE SOUTH INDIAN BANK LTD	1	2,00,000	0	48,15,291	0
UFLEX LTD	10	0	1,400	0	1,68,701
TCI INDUSTRIES LTD	10	9,544	9,699	5,71,947	5,76,607
UNIPLY INDUSTRIES LTD.	10	10,000	0	34,36,251	0
UJAAS ENERGY LTD.	1	2,75,000	0	45,36,524	0
VASCON ENGINEERS LTD.	10	10,000	0	3,93,605	0
VISAKA INDUSTRIES LTD	10	16,069	38,478	54,70,941	53,46,518
AYM SYNTEX LTD	10	0	48,260	0	18,41,464
WELSPUN ENTERPRISES LTD.	10	20,000	0	33,05,173	0
UTI MASTER PLUS 91	0	200	200	3,252	3,252
		SUB-TOTAL (A-2)		122,90,62,610	129,12,01,779
<b>A3. IN PREFERENCE SHARES</b>					
<b>Quoted &amp; Fully Paid</b>					
VENDANTA LIMITED (7.5 % redeemable preference shares)	10	6,86,000	0	68,60,000	0
<b>Quoted &amp; Partly Paid</b>					
TATA STEEL LIMITED	2,504	500	0	77,000	0
		SUB-TOTAL (A-3)		69,37,000	0
<b>B. UNITS &amp; BONDS</b>					
<b>Quoted &amp; Fully Paid</b>					
<b>Unquoted &amp; Fully Paid-up</b>					
SRGP CORPORATION LIMITED (18% Secured and Non convertible)	100	3,50,000	0	3,50,00,000	0
		SUB-TOTAL (B)		3,50,00,000	0
<b>C. IN UNITS &amp; BONDS</b>					
<b>Quoted &amp; Fully Paid-up</b>					
- IRFC (NO)	1,000	16,507	16,507	1,72,16,130	1,72,16,130
- NHAI (NA)	1,000	2,81,528	2,81,528	29,64,21,357	29,82,76,243
- NHAI (NE)	1,000	85,378	85,378	8,97,87,199	8,97,87,199
		SUB-TOTAL (C)		40,34,24,686	40,52,79,572
<b>D. IN INVESTMENT FUND/MUTUAL FUNDS/PMS</b>					
<b>Unquoted &amp; Fully Paid-up</b>					
UNITS IN ICICI PRUDENTIAL REAL ESTATE AIF-II		149,182.176	149,185.176	1,50,00,000	1,50,00,000
UNITS IN IIFL REAL ESTATE FUND DOMESTIC SERIES 3		192,689.655	192,689.655	1,82,44,385	2,00,00,000
BARODA PIONEER BALANCE FUND-PLAN B (DIV)		966,701.666	0.000	2,00,00,000	0
EDELWEISS CROSSOVER OPPORTUNITIES FUND-CLASS A1		770,508.677	0.000	80,00,000	0
LTI STRUCTURED DEBT OPPORTUNITIES FUND I - CLASS A4		251,745,22.094	0.000	2,50,00,000	0
ACCURACAP CONSULTANT SERVICES P LTD	PMS			50,00,000	0
MOTILAL OSWAL ASSET MANAGEMENT CO LTD	PMS			2,50,00,000	0
GLOBE CAPITAL MARKET LTD	PMS			11,13,37,353	0
		SUB-TOTAL (D)		22,75,81,738	3,50,00,


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

	( Amount In Rupees )	
	As at 31st March, 2018	As at 31st March, 2017
<b>10 Deferred tax</b>		
a) Deferred tax Assets		
i) Accumulated Losses	1,45,72,675	1,45,72,675
ii) Employee Benefits	21,84,639	14,50,006
Total (a)	<u>1,67,57,314</u>	<u>1,60,22,681</u>
b) Deferred tax Liabilities		
i) Depreciation on Fixed Assets	34,15,752	20,32,022
Total (b)	<u>34,15,752</u>	<u>20,32,022</u>
<b>Deferred tax assets (net)</b> (Total a-b)	<u>1,33,41,562</u>	<u>1,39,90,659</u>
<b>11 Long Term Loans and advances</b>		
<b>A) Unsecured, considered good</b>		
i) Loans & advances	8,05,00,000	8,30,00,000
	<u>8,05,00,000</u>	<u>8,30,00,000</u>
ii) Staff Loans and advances	14,71,894	10,82,975
	<u>14,71,894</u>	<u>10,82,975</u>
iii) Advances recoverable in cash or kind or for value to be received-	19,559	19,299
	<u>19,559</u>	<u>19,299</u>
iv) Security Deposit with Govt Department	1,500	1,500
v) Security Deposit with others	1,40,42,574	1,40,17,824
vi) Advance Income Tax and Tax Deducted at Source	23,35,89,982	20,78,83,914
Less: Tax Provisions	<u>18,53,22,366</u>	<u>16,12,22,440</u>
	<u>4,82,67,616</u>	<u>4,66,61,474</u>
<b>Total A (i+ii+iii+iv+v+vi)</b>	<u>14,43,03,143</u>	<u>14,47,83,072</u>
<b>B) Doubtful</b>		
<b>Advances recoverable in cash or kind or for value to be received-</b>	0	1,21,220
Less: Provision for Bad & doubtful Debts	0	1,21,220
<b>Total B</b>	<u>0</u>	<u>0</u>
<b>Total (A+B)</b>	<u>14,43,03,143</u>	<u>14,47,83,072</u>

**12 INVENTORIES - SHARE STOCK IN TRADE**  
*(At Cost or market price, whichever is lower)*

Name of the Company	As on 31.03.2018		As on 31.03.2017	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>Stock of Quoted Equity shares (Fully Paid)</b>				
ARIHANT COTSYN LTD	2,000	1	2,000	1
CENTRAL ROADLINES CORPORATION LTD	2,82,700	1	2,82,700	1
HINDUSTAN ADHESIVES LTD	0	0	1,000	13,000
INTERCRAFT LTD	29,000	1	29,000	1
KOTHARI PRODUCTS LTD (+)	0	0	45	3,903
SWEDE INDIA LTD	200	1	200	1
RELIANCE LIQUID FUND	0.00	0	666.36	26,06,751
DSP BLACK ROCK MUTUAL FUND COLLEGE	5,465.44	1,35,00,000	20,280.33	4,70,00,000
BARODA PIONEER LIQUID FUND	36,829.25	7,35,00,000	0	0
<b>Total</b>	<u>356,194.69</u>	<u>8,70,00,004</u>	<u>335,891.69</u>	<u>4,96,23,658</u>

(+) Includes 20 Bonus shares received during the year 2014-15 and 15 Bonus shares received during the year 2015-16.

**13 Trade Receivables**
**Unsecured-Considered good**
**Due from share brokers**

a) Due for more than six months	0	0
b) Others	0	1,23,84,970
<b>Total (a+b)</b>	<u>0</u>	<u>1,23,84,970</u>

**14 Cash and Cash Equivalents**

a) Cash on Hand	3,56,825	1,02,997
b) Balances with banks		
1. In Current Accounts	4,15,73,902	3,59,73,520
2. In Deposit Accounts-less than 12 months maturity (Previous year Rs. 415.95 Lakh)	1,06,98,964	4,15,95,935
3. In Deposit Accounts - more than 12 months maturity (Previous year Rs. 120.00 Lakh)	0	1,20,00,000
<b>Total (a+b)</b>	<u>5,26,29,691</u>	<u>8,96,72,452</u>

**15 Short Term Loans and advances**
**Unsecured and considered good**

i) Staff Loans and advances	19,35,826	15,86,635
ii) Advances Recoverable in cash or in kind or for value to be received	22,09,894	15,99,285
iii) Margin Money deposit with share brokers	11,43,45,965	5,83,90,318
iv) Prepaid Expenses	8,10,484	10,29,141
<b>Total (i+ii+iii+iv)</b>	<u>11,93,02,169</u>	<u>6,26,05,379</u>

**16 Other Current Assets**

a) Interest Accrued but not due	2,48,69,523	2,34,75,087
b) Others	5,152	24,518
<b>Total (a+b)</b>	<u>2,48,74,675</u>	<u>2,34,99,605</u>

	Year ended 31st March, 2018	Year ended 31st March, 2017
--	--------------------------------	--------------------------------

**17 REVENUE FROM OPERATIONS**

Sale of Shares/Securities/Commodities	2122,29,66,983	2620,07,86,346
Income from Other credit operations	4,01,53,833	4,00,92,815
Income from Investments	35,95,98,146	69,47,80,784
<b>Total</b>	<u>2162,27,18,962</u>	<u>2693,56,59,945</u>

**18 OTHER INCOME**

Share in Income of Associates	5,83,13,656	6,93,30,445
Others	1,01,934	4,84,639
<b>Total</b>	<u>5,84,15,590</u>	<u>6,98,15,084</u>

**19 CHANGE IN STOCK OF SHARES**

Closing Stock of Shares	8,70,00,004	4,96,23,658
Less: Opening Stock of Shares	4,96,23,658	4,90,16,907
Change in Stock of Shares - Increase / (Decrease)	<u>3,73,76,346</u>	<u>6,06,751</u>

**20 EMPLOYEE BENEFITS EXPENSES**

Salaries	3,16,23,155	2,52,26,707
Staff Amenities/welfare expenses	6,35,433	6,80,997
Employer's Contribution to PF, ESI, Gratuity Fund etc.	55,02,099	30,30,892
<b>Total</b>	<u>3,77,60,687</u>	<u>2,89,38,596</u>

**21 FINANCE COST**

Bank / Finance Charges	1,00,591	16,470
Interest Payment on Loans/overdraft facilities	10,877	27,53,068
<b>Total</b>	<u>1,11,468</u>	<u>27,69,538</u>

**22 ADMINISTRATIVE & OTHER EXPENSES**

Advertisement & Business Promotion	29,99,147	32,14,001
Consultancy, Legal & Service Charges	3,02,15,505	3,41,76,285
Communication Expenses	12,99,216	17,38,907
Electricity & Water Charges	9,68,985	8,50,695
Insurance	97,904	1,08,996
Office Expenses	48,83,916	54,73,698
Securities Transaction Tax		
Shares Transaction Charges	31,46,426	12,33,331
SEBI Membership Fees	3,00,030	3,22,814
Travelling Expenses & Conveyance	20,83,885	17,22,082
Rates & Taxes	87,57,593	91,24,838
Rent	61,53,000	61,20,000
Repairs & Maintenance		
—Others	15,84,922	15,46,188
Miscellaneous Expenses	72,48,104	71,65,864
CSR Expenditure	25,50,000	16,44,163
Auditors' Remuneration		
a) Audit Fees	1,90,000	1,90,000
b) For Other Services		
— For Tax audit	95,000	95,000
— For certification	1,97,800	1,81,600
— Out of pocket expenses	68,027	62,370
Internal Auditors' Remuneration		
— Fees	1,10,000	1,10,000
— For certification	20,000	10,000
Directors' Sitting Fees	11,29,000	7,95,000
Provision for Non-performing assets (Net)	(121,220)	0
Bad debts written off (net)	0	75,89,871
Prior year adjustments	7,40,467	6,01,274
<b>Total</b>	<u>7,47,17,707</u>	<u>8,40,76,977</u>





**CONSOLIDATED FINANCIAL STATEMENTS**

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

**23. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT**

1. a) Contingent Liability:- Nil  
b) Estimated amount of contracts remaining to be executed on Capital Account: Rs.68.71 lakh in respect of VLS Finance Limited.
2. 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.
3. Cash & Bank Balances :-  
Bank Deposits include fixed deposits of Rs.1,06,98,964/- (Previous Year – Rs.1,05,95,935/-) pledged by VLS Finance Ltd with the banks as security for availing overdraft facilities.
4. In the opinion of the Management, 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.
5. The term of lease agreements in all Leased Assets of VLS Finance Ltd 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 VLS Finance Ltd pending the transfer of titles.
6. Related Party Disclosure: Followings are the related parties:-  
(i) Key Managerial Personnel: -  
1) Shri M.P. Mehrotra ( Executive Vice Chairman in VLS Finance Ltd)  
2) Shri S.K. Agarwal (Managing Director in VLS Finance Ltd. and VLS Securities Ltd.)  
3) Shri K.K. Soni (Director-Finance & CFO in VLS Finance Ltd)  
4) Shri H Consul (Company Secretary in VLS Finance Ltd)  
5) Shri Anurag Bhatnagar (Chief Financial Officer in VLS Securities Ltd)  
6) Shri IJS Aujla (Company Secretary in VLS Securities Ltd.)  
(ii) Associates: - (as defined in the Companies Act, 2013)  
1. VLS Capital Ltd  
2. Sunair Hotels Ltd  
3. BMS IT Institute Private Ltd  
(iii) Others: - South Asian Enterprises Limited.
7. Summary of transactions with the above related parties is as follows:-

( Amount in Rs.)

Particulars	Associates	Key Managerial Personnel	Others
Remuneration to Executive Vice Chairman (VLS Finance Ltd) (With effect from 01/08/2017)		40,00,000 (Previous year: Nil)	
Remuneration to Managing Director (VLS Finance Ltd)		30,74,995 (Previous year: 30,75,000)	
Remuneration to Director-Finance & CFO (VLS Finance Ltd)		29,54,995 (Previous year: 29,55,000)	
Remuneration to Company Secretary (VLS Finance Ltd)		19,71,864 (Previous year: 17,48,962)	
Remuneration to Chief Financial officer (VLS Securities Ltd)		18,47,658 (Previous year: 16,88,200)	
Security Deposit received /paid to VLS Capital Limited	Rs. Nil (Previous year: Rs.2,00,000)		
Advertisement Charges Paid			Rs.5,75,000 (Previous year: Rs. Nil)

**8. Managerial Remuneration**

Particulars	Remuneration	Perquisites
Paid to Shri M P Mehrotra Executive Vice Chairman (VLS Finance Ltd) (with effective from 01/08/2017)	Rs.40,00,000/- (Previous Year Nil)	Rs. Nil (Previous Year Nil)
Paid to Shri S.K. Agarwal Managing Director (VLS Finance Ltd)	Rs.30,60,000/- (Previous Year: Rs.30,60,000/-)	Rs.14,995/- (Previous Year: Rs. 15,000/-)
Paid to Shri K.K. Soni Director-Finance & CFO (VLS Finance Ltd)	Rs.29,40,000/- (Previous Year Rs.29,40,000/-)	Rs. 14,995/- (Previous Year – Rs. 15,000/-)

The perquisite figure does not include contribution made by VLS Finance Ltd 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 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Basic and Diluted</b>		
Total Shares Outstanding	3,86,62,017	3,86,62,017
Profit after Taxes	Rs. 25,17,39,041	Rs. 44,18,55,466
EPS - Basic	Rs. 6.51	Rs. 11.43
EPS - Diluted	Rs. 6.51	Rs. 11.43

10. The Company has made the provision for Taxation / MAT payable under the Income Tax Act, 1961 of Rs.3,47,55,256/- (Previous year Rs. 11,97,10,110/-) relates to VLS Finance Ltd and Rs. 88,51,000/- (Previous year: 27,56,000/-) 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)	6,31,71,916	4,55,37,260

13. Income from Other credit operations grouped under Revenue from Operations includes Interest Receipts (Gross) of Rs. 80,61,901/- and interest on tax free bonds of Rs.2,82,15,006/- (Previous Year Rs.99,94,741/- and interest on tax free bonds of Rs. 2,62,13,595/- ) and Tax Deducted at Source thereon of Rs.7,72,505/- (Previous Year Rs.9,90,599/-).
14. Expenditure in Foreign Exchange: - Nil
15. Provision for non-performing assets/diminution in value of assets of Rs.6,00,00,000/- has been made during year and provision of Rs.121,220/- is being written back on non-performing assets/diminution in value of assets (Previous Year: Provision for non-performing assets/ diminution in value of assets of Rs. 11,50,00,000/- has been arrived after netting off of Rs.13,50,00,000/- being excess provision written back of non-performing assets/diminution in value of assets.) in respect 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 in Rupees	As % of consolidated profit or loss	Amount in Rupees
<b>Parent</b> VLS Finance Limited	86.04	260,37,27,467	59.02	14,84,83,154
<b>Subsidiaries</b>				
<b>Indian</b>				
1. VLS Securities Limited	1.86	5,62,06,366	17.86	4,49,41,043
2. VLS Asset Management Limited	(0.05)	(16,21,371)	0.00	1,189
<b>Foreign</b>	0.00	0	0.00	0
<b>Minority Interests in all subsidiaries</b>	(0.04)	(11,80,780)	(0.06)	(149,814)
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
1. VLS Capital Limited	5.58	16,89,68,187	19.75	4,96,94,219
2. Sunair Hotels Limited	6.61	20,01,60,762	3.43	86,19,437
3. BMS IT Institute Private Ltd	0.00	0	0.00	0



## CONSOLIDATED FINANCIAL STATEMENTS

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

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	31/03/2018	31/03/2018
Reporting Currency	INR	INR
Share Capital	30,00,00,000	7,07,000
Reserves & Surplus	5,52,06,366	(16,27,371)
Total Assets	39,12,96,368	16,223
Total Liabilities	3,60,90,002	9,36,594
Investments	24,91,46,793	0
Turnover/Total Income	69,12,03,146	0
Profit before taxation	5,34,35,289	1,189
Provision for taxation	84,94,246	0
Profit after taxation	4,49,41,043	1,189
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	31/03/2018	31/03/2017	31/03/2015
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	28.34
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	4,96,94,219	86,19,437	-
6 Profit/Loss for the year	4,96,94,219	86,19,437	-
i) Considered in Consolidation	4,96,94,219	86,19,437	-
ii) Not considered in Consolidation	-	-	-

18 Bad Debts written off/ Bad Debts recovery: Nil ( Previous year : Bad Debts written off of Rs.75,89,871 is net off of bad debts recovery of Rs.24,10,129/-) in respect of VLS Finance Ltd

19 Notes 1 to 23 form an integral part of financial statements

20 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 and behalf of the Board

For M.L. Puri &amp; Co

Chartered Accountants

(Firm's Registration No.002312N)

S.K.Agarwal  
Managing Director  
DIN : 00106763M.P. Mehrotra  
Executive Vice-Chairman  
DIN : 00016768M.L. Puri  
Partner  
Membership No.009198  
May 17th, 2018  
New DelhiK.K.Soni  
Director-Finance & CFO  
DIN : 00106037H.Consul  
Company Secretary  
M. No : A-11183



**CONSOLIDATED FINANCIAL STATEMENTS**

**VLS FINANCE LTD.**

**Consolidated Cash Flow Statement for the year 31st March, 2018**

(in Rupees)

	For the year ended on 31/03/2018		For the year ended 31/03/2017	
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>				
<b>Net Profit Before Tax</b>		<b>29,56,04,060</b>		<b>57,67,23,862</b>
<i>Adjustments for :</i>				
Interest and Finance Charges	1,06,902		27,69,538	
Depreciation	61,44,781		37,13,247	
(Income)/Loss from Investments	(29,64,26,230)		(64,92,43,524)	
Dividend Income	(6,31,71,916)		(4,55,37,260)	
Share in (Income)/Loss of Associates	(5,83,13,656)		(6,93,30,445)	
Leave encashment/gratuity Provisions	22,46,373		1,25,743	
NPA Provisions and adjustments	6,00,00,000	<u>(34,94,13,746)</u>	12,00,00,000	<u>(63,75,02,701)</u>
<b>Operating Profit before Working Capital Changes</b>		<b>(5,38,09,686)</b>		<b>(6,07,78,839)</b>
<i>Adjustments for :</i>				
Trade & Other Payables	2,16,24,901		(5,42,64,917)	
Inventories	(3,73,76,346)		(6,06,751)	
Dividend Distribution including tax paid	(4,65,32,694)		0	
Trade & Other Receivables	1,10,14,142		2,69,10,965	
Short Term Loans and Advances	<u>(5,61,60,836)</u>	<u>(10,74,30,833)</u>	<u>10,34,94,225</u>	<u>7,55,33,522</u>
<b>Cash Generated from Operations</b>		<b>(16,12,40,519)</b>		<b>1,47,54,683</b>
Less: Taxes Paid (Net of Refunds)		4,43,62,806		13,42,12,703
<b>Net Cash Flow from Operating Activities (A)</b>		<b><u>(20,56,03,325)</u></b>		<b><u>(11,94,58,020)</u></b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Net Proceeds from Fixed Assets		(7,09,532)		(9,38,04,047)
Capital work-in-progress		(2,13,19,036)		(1,72,500)
In Shares and Securities (Net)		12,59,01,547		79,47,49,387
Long Term Loans and Advances		16,22,571		95,61,872
Investment in tax free bonds		0		(40,52,79,572)
Dividend Income		6,31,71,916		4,55,37,260
<b>Net Cash used/generated from Investing Activities (B)</b>		<b><u>16,86,67,466</u></b>		<b><u>35,05,92,400</u></b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of shares		0		5,00,000
Proceeds from/(Repayment of) Short Term Borrowings		0		(17,00,00,000)
Interest Paid		<u>(1,06,902)</u>		<u>(27,69,538)</u>
<b>Net Cash Flow from Financing Activities (C)</b>		<b><u>(1,06,902)</u></b>		<b><u>(17,22,69,538)</u></b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents(A+B+C)</b>		<b><u>(3,70,42,761)</u></b>		<b><u>5,88,64,842</u></b>
Opening Balance of Cash & Cash Equivalents		8,96,72,452		3,08,07,610
Closing Balance of Cash & Cash Equivalents		5,26,29,691		8,96,72,452

Notes:-

- Cash & Cash Equivalents ( Closing) includes deposits with banks amounting to Rs. 1,06,98,964/- (Previous Year Rs.1,05,95,935) 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 M.L. Puri & Co  
Chartered Accountants  
(Firm's Registration No.002312N)

M.L. Puri  
Partner  
Membership No.009198  
May 17th, 2018  
New Delhi

For and behalf of the Board

S.K.Agarwal  
Managing Director  
DIN : 00106763

M.P. Mehrotra  
Executive Vice-Chairman  
DIN : 00016768

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

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

\* \* \*

:: 79 ::



# VLS FINANCE LIMITED

CIN: L65910DL1986PLC023129

Registered Office: 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065

email: vls@vsnl.com, Website: [www.vlsfinance.com](http://www.vlsfinance.com), Phone: 011-4665 6666, FAX: 011-4665 6699

## Proxy Form

(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), holder 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 31<sup>st</sup> Annual General Meeting of the Company, to be held on the 20<sup>th</sup> day of September, 2018 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
<b>Ordinary Business</b>			
1	To receive, consider and adopt the Audited Balance Sheet of the Company as at 31 <sup>st</sup> March, 2018, 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 approve dividend of Rupee 1/- per equity share.		
3	To appoint a Director in place of Shri K. K. Soni (DIN: 00106037) who retires by rotation and being eligible, offers himself for re-appointment.		
4	To appoint a Director in place of Shri Vikas Mehrotra (DIN: 06476150) who retires by rotation and being eligible, offers himself for re-appointment.		
5	To fix the remuneration of Statutory Auditors.		
<b>Special Business</b>			
6	To approve revision of remuneration of Shri S. K. Agarwal (DIN: 00106763) - Managing Director of the Company.		
7	To approve revision of remuneration of Shri K. K. Soni (DIN: 00106037) – Director-Finance & CFO of the Company.		
8	<b>Special Resolution</b> for continuation of appointment of Shri Ajit Kumar (DIN: 00106597) as a Non – Executive Director of the Company.		
9	<b>Special Resolution</b> for continuation of appointment of Dr. Srinivasan Ramesh (DIN: 00126120) as a Non – Executive Director of the Company.		

Signed this      day of                      2018

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.



CIN: L65910DL1986PLC023129

Registered Office: 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065

email: [vls@vsnl.com](mailto:vls@vsnl.com), Website: [www.vlsfinance.com](http://www.vlsfinance.com), Phone: 011-4665 6666, FAX: 011-4665 6699

**ATTENDANCE CARD**

**31<sup>st</sup> ANNUAL GENERAL MEETING**

**Thursday, the 20<sup>th</sup> day of September, 2018**

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/We hereby record my/our presence at the 31<sup>st</sup> Annual General Meeting of the Company on 20<sup>th</sup> day of September, 2018 at 3:30 p.m. at The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110 003.

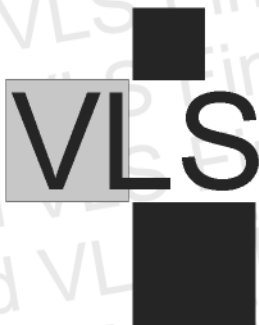
\* Applicable in case of shares held in physical form.

\_\_\_\_\_  
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 : 011-4665 6666**  
**Fax : 011-4665 6699**