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 27, 2017

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: 30th Annual General Meeting ('AGM') and voting results.

This is to inform you that 30th Annual General Meeting ('AGM') of the Company was held on 25/09/2017 and the business mentioned in the Notice dated 31/07/2017 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 26, 2017, 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 2016-17 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.

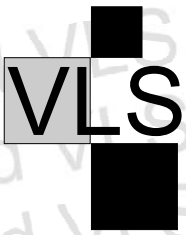
This is for your information and records.

Thanking You
Yours Sincerely,
For VLS Finance Ltd.

27/9/17

H. Consul
Company Secretary
M. No. A11183

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



XXX ANNUAL REPORT 2016-2017

VLS FINANCE LTD.

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

NOTICE

30TH 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 Monday,
the 25th day of September, 2017

SHARE TRANSFER & INVESTOR SERVICES
M/s RCMC Share Registry Pvt. Ltd.
Unit: VLS Finance Ltd.
B-25/1, Ist Floor, Okhla Industrial Area, Phase-II,
New Delhi-110020
Ph. : 011 26387320-21-23 Fax : 011 26387322

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 1-27
Report on Corporate Governance 18-24
Auditors' Report 28-30
Balance Sheet 31
Profit & Loss Account 32
Notes 33-37
Cash Flow Statement 38
Annual Accounts of Subsidiaries 39-65
Consolidated Financial Statements 66-75

BOARD OF DIRECTORS :

Shri Ajit Kumar	Chairman
Shri M.P. Mehrotra	Executive Vice-Chairman
Shri S.K. Agarwal	Managing Director
Shri K. K. Soni	Director-Finance & CFO
Dr. S. Ramesh	Director
Shri. D.K. Mehrotra	Director
Shri R. Bandyopadhyay	Director
Dr. (Mrs.) Neeraj Arora	Director
Shri Vikas Mehrotra	Director

COMPANY SECRETARY
Shri H. Consul

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

BANKERS
HDFC Bank
UCO Bank
Bank of Baroda

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 30th Annual Report of the Company together with the Audited Annual Accounts for the year ended 31st March, 2017.

1. Financial Results

(Rs. in Lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016*
Gross Receipts	**269227.74**	191660.62
Profit before Interest & Depreciation	**6269.12**	1036.81
Less: Interest & Finance Charges	**12.52**	195.79
Profit before Depreciation	**6256.61**	841.02
Less: Depreciation	**35.53**	44.96
Profit before exceptional & extraordinary items & Tax	**6221.08**	796.06
Less: Provision for diminution of value of assets (net)	**1150.00**	0.00
Profit before Tax	**5071.08**	796.06
Less : Provision for Taxation/(Credits)	**1321.49**	94.08
Profit after Tax	**3749.59**	701.98
Surplus brought forward from previous year	**5146.23**	4444.25
Less: i) Proposed dividend on Equity Shares	**386.62**	0.00
ii) Dividend distribution tax	**78.71**	0.00
Available for Appropriation	**8430.49**	5146.23
Appropriations:		
To General Reserve	**0.00**	0.00
Surplus c/f	**8430.49**	5146.23

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

2. Management Discussion and Analysis

Financial Review

During the year under review, profit before tax was Rs.5071.08 Lakhs as compared to Rs. 796.06 Lakhs for the previous year and profit after tax was also higher at Rs. 3749.59 Lakhs as compared to Rs. 701.98 Lakhs during the previous year.

Industry Structure and Development

The global economy growth according to International Monetary fund estimation is now at 3.1 percent and growth of emerging market and developing economies is estimated to be 3.6 percent, with aggregate demand and private consumption seeing slow upward movement in the current financial year. The financial markets have been relatively stable as compared to last year. A Crisil Limited's report pegs Indian economy to grow at 7.9 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 and exciting time ahead for our economy, though the implementation of the Goods and Services Tax would support competitiveness, investment and economic growth.

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 6.4% percent in 2017–2018.

Outlook, Risks and Concerns

The country's equity markets remains favorable 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 2017-2018 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 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 including corporate advisory and other related services. 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 2016-17 subject to approval of members. The dividend, if approved, will be paid to members as on date of Annual General Meeting i.e. 25/09/2017. 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 01/04/2016 till the date of this report in the composition of the Board of Directors/ Key Managerial Personnel of your Company:

Directors:

Due to untimely demise of Shri B. M. Oza on 30/06/2016, he ceased to the Director from that date. Shri V .G. Kannan was appointed as an Additional Director in the category of Independent Director w .e.f. 28.12.2016 but resigned due to personal reasons on 05/01/2017.

Shri R. Bandyopadhyay and Shri D.K. Mehrotra had been appointed as Additional Directors in the category of Independent Director w .e.f. 28.05.2016 besides Shri V ikas Mehrotra who was also appointed an Additional Director on 28.05.2016 in the category of Non-Independent Director. Shri Vikas Mehrotra is son of Shri M. P . Mehrotra- Promoter and Director of the Comp any and is related to him as such. The respective appointment s of Shri R. Bandyop adhyay and Shri D. K. Mehrotra as Independent Directors and Shri Vikas Mehrotra as Director liable to retire by rotation was approved by the members in 29th Annual General Meeting held on 15/09/2016.

In accordance with the provisions of Article 89 of the Articles of Association of the Company, Shri S. K. Agarwal-Managing Director and Dr. (Mrs.) Neeraj Arora -Director will retire by rot ation at the ensuing Annual General Meeting of your Comp any and being eligible, of fer themselves for re-election. The Board recommends their appointment.

The term of Shri M. P. Mehrotra –Director who was appointed to fill in the casual vacancy , caused due to untimely demise of Shri Somesh Mehrotra is upto the forthcoming Annual General Meeting. The Board in its meeting held on 31/07/2017 had recommended for his re-appointment as Director and also for approval of his appointment as Executive Director designated as Executive Vice-Chairman.

Key Managerial Personnel (KMP):

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

5. **Independent Directors**

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

6. Annual Return extract (MGT-9)

The details forming p art of the extract of the Annual Return in Form MGT-9 is annexed herewith 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:

a. that in the preparation of the annual account s for the financial year ended 31st March, 2017, the applicable accounting standards have been followed, along with proper explanation relating to material departures;

b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Comp anies Act, 2013 for safeguarding the asset s 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, 2017 on a 'going concern' basis;

e. that they have laid down Internal Financial controls to be followed by the Comp any and that such Internal Financial Controls are adequate and effective and

f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

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 dif ferent 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; structure, leadership, strategy, risks, decision making and development:

The evaluation process comprised of 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 facilit ate the evaluation process. 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.

10. Proper systems to ensure that compliances were adequate and effective

The professional conduct sets expect ations that all employees shall comply with all laws and regulations governing comp any'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.

11. Number of board meetings

Relevant det ails have been provided in the report on corporate governance annexed to this annual report.

12. Corporate Social Responsibility (CSR)

The Company is covered under the threshold prescribed under the Act for CSR.

The Comp any had spent Rs. 13,06,250/- in the financial year 2016-2017 out of the remaining unspent amount of Rs. 16,44,163/- as given

in the previous report. Rs. 1 Lac was approved on 06/06/2016 to be expended by way of contribution made by the Company to Janakanksha Pratishthan's (a non-government organisation) 'Flying Feet' initiative'. Further, Rs. 6,56,250/- was approved by the CSR Committee in its meeting held on 14/11/2016 to be spent by way of contribution made by the Company to Arya Samaj, a charitable Society interalia for promoting health care and Rs, 5,50,000/- was approved by the CSR committee in its meeting held on 13/02/2017 to be expended by the Company by way of contribution made to a Gurgaon based NGO namely IIMPACT which promotes primary education of girls in rural area.The Company aims to facilitate five education centers run by said NGO located in Kanpur Dehat District in Uttar Pradesh. The total unspent amount from balance carried forward from previous year under CSR as on date of this report is Rs. 3,37,913/- and after allocation of Rs.44,19,495/- for the year 2016-17, the amount available be spent in 2017-18 would be Rs. 47,57,408/-. All the recommendations made by CSR committee were approved by the Board of Directors of the Company. Given below is the summary of the amount expended on CSR

Statement of CSR allocation and expenditure

(in Rs.)

Financial Year	Allocated Amount	Amount Spent	Amount Unspent (cumulative)
2013-2014	8,46,347	Not applicable	8,46,347
2014-2015	6,47,440	0	14,93,787
2015-2016	7,98,376	6,48,000	16,44,163
2016-2017	44,19,495	1. 1,00,000 2. 6,56,250 3. 5,50,000 Total 13,06,250	47,57,408*

* Amount available for CSR expenditure in 2017-18

The report of CSR Committee in terms of section 135 of the Companies Act, 2013 is enclosed as **Annexure –C** to this report.

13. Policies

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

A. Corporate Social Responsibility Policy

The expenditure under CSR activity is enclosed as **Annexure-C.** The CSR policy can be accessed at company's website viz. www.vlsfinance.com under the head 'Investor Relations'.

B. Related Party Transaction

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

The Board of Directors (the "Board") of VLS Finance Limited (the "Company") has adopted this Policy. The said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions ("Policy") in compliance with the requirements of Section 188 of the Companies Act, 2013 and 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 PartyTransactions including material transactions.

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

C. Board diversity

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

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

D. Risk Management

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

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 management 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 atwww.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 31/03/2017.

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 27(2) 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 Bœard 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 Comp any 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 Comp any 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 st atutory 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 Comp any 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 employeesof 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 PositiveAttributes of Directors

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

b) In case of appointment as an Executive Director , the candidate must have the relevant technical or professional qualifications and experience as are considered necessary based on the job description of the position. In case no specific qualification or experience is prescribed or thought necessary for the position then, while recommending the appointment, the HR Department shall provide the job description to the Committee and justify that the qualifications, experience and expertise of the recommended candidate are satisfactory for the relevant appointment. In such circumstances, the Committee may , if considered necessary, call for an expert opinion on the appropriateness of the qualifications and experience of the candidate for the position of the Executive Director

c) In case of appointment as a Non-Executive Director , the candidate must be a graduate or possess diploma or a professional qualification in the field of his practice / profession / service and shall have not less than five years of working experience in such field as a professional in practice, advisor , consultant or as an employee, provided that the Board may waive the requirements of qualification and /or experience under this paragraph for a deserving candidate.

d) The Board, while making the appointment of a Director shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and open mind.

(III) Process for Appointment of Directors and Key Managerial Personnel

(A) Process for the appointment of Executive Directors and Key Managerial Personnel:

a) A proposal for the appointment of an Executive Director / Key Managerial Personnel with such details as may be prescribed shall be submitted for the consideration of the Committee. The proposal with recommendation of committee will be placed before the Board.

b) The Board shall, based on the information available in the proposal and recommendation of committee deliberate upon the necessity for appointment, expertise, skill and knowledge of the candidate and reasonableness of the remuneration.

c) The Board may call and seek the help of any other Company Official including the recommender or a Key Managerial Personnel while finalizing the appointment. The recommender shall not take part in the discussion or voting on the appointment of a Key Managerial Personnel.

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

a) A proposal for the appointment of a Non-Executive Director with such details as may be prescribed shall be submitted for the consideration of the committee. The proposal with recommendation of committee will be placed before the Board.

b) The Board, based on the information available in the proposal, shall deliberate upon the necessity for appointment, integrity, qualifications, expertise, skill and knowledge of the candidate.

(IV) Remuneration of Directors, Key Managerial Personnel and other Employees

a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:

i) Criteria / norms for determining the remuneration of such employees prescribed in applicable statutory provisions and Company's internal criteria for remuneration.

ii) Existing remuneration drawn.

iii Industry standards, if the data in this regard is available.

iv) The job description.

v) Qualifications and experience levels of the candidate,

vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.

vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.

b) The determination of remuneration for other employees shall be governed by the HR Policy.

c) The proposal for the appointment of an Executive Director / Key Managerial Personnel shall provide necessary information in this regard including recommendation of Committee to the Board in arriving at the conclusion as to whether or not the remuneration offered to the candidate is appropriate, reasonable and balanced as to the fixed and variable portions (including the commission).

d) The remuneration payable to the Executive Directors, including the Commission and value of the perquisites, shall not exceed the permissible limits as are mentioned within the provisions of the Companies Act, 2013.

e) The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof.

f) The Non-Executive Directors shall not be eligible to receive any remuneration / salary from the Company. However, the Non-Executive Directors shall be paid sitting fees for attending the meeting of the Board or committees thereof and commission, as may be decided by the Board / shareholders from time to time.

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

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

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

(V) Training of Independent Directors

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

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

a) By providing reading material to the Independent Director(s) giving all relevant information about the Company, industry and the role of Independent Directors.

b) An induction program devised for the Independent Director(s) wherein structured training is provided to the Independent Director(s) either exclusively or with other officials of the Company who are due for such induction / training.

c) Such other manner as may be prescribed by applicable law or decided by the Board.

Interpretation:

a) Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company.

b) The reference to the male gender in the Policy shall be deemed to include a reference to female gender.

c) In case of any dispute or difference upon the meaning / interpretation of any word or provision in this Policy , the same shall be referred to the Committee and the decision of the Committee in such a case shall be final. In interpreting such term / provision, the Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

Amendments:

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

G. Vigil Mechanism /Whistle Blower

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

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

14. 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 27 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

15. Auditors

The term of the Statutory Auditors, M/s. Agiwal & Associates - Chartered Accountants (FRN: 000181N), will end at the forthcoming annual general meeting and they are subject to compulsory retirement as per provisions of section 139 of the Companies Act, 2013 and rules thereunder Hence, they are not eligible for reappointment as Statutory Auditors. It is proposed to appoint M/s. M. L. Puri & Co. - Chartered Accountants, (FRN: 002312N) as statutory auditors of the Company. The Company has received a certificate from M/s. M. L.Puri & Co. - Chartered Accountants that they are qualified under section 139 of the Companies Act, 2013 ('Act') to act as the Auditors of the Company, if appointed.

Concurring to the recommendation of the Audit Committee, the Board of Directors recommends their appointment. The Board may also be authorised to fix their remuneration. In terms of section 139 read with Companies (Audit and Auditors) Rules, 2014 M/s. M. L. Puri & Co. - Chartered Accountants will be 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 their appointment being ratified by the members every year and any other compliance to be made in this regard. Further, the Board in its meeting held on 08/05/2017 has appointed Ms. Pooja Gandhi–Practicing Company Secretary (CoP:11351) as secretarial auditor for the year 2017-2018. The provisions relating to cost records and audit are not applicable to your company.

16. 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.

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. 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 Company has paid the annual listing fees for the year 2017-2018 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.
- No independent director was reappointed through special resolution during the year under review.
- Disclosure relating to ratio of the remuneration of each director to the median employee's remuneration in terms of section 197(12) of the Companies Act, 2013 is enclosed as **annexure G** to this report.
- The Managing Director and Whole Time Director 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 all the disclosures to the Board relating to all material, financial and commercial transactions.

19. 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.

20. Human Resources

Employee relations continued to be cordial during the year. The number of employees stood at 29. 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.

21. 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, and auditors' reports etc. in the electronic form, to the email addresses provided by the Members and made available to us by the Depositories. Members who hold shares in the physical form are requested to register their e-mail addresses and intimate any changes in their e-mail id, with the Company or with the Registrar & Share Transfer Agents viz. RCMC Share Registry Pvt. Ltd. In respect of electronic holdings, members are requested to register their e-mail addresses with the Depository through their concerned Depository Participants. However, in case you desire to receive Company's communication and documents in physical form, you are requested to intimate us through email at hconsul@vlsfinance.com. You may kindly note that as a member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time.

22. Subsidiary/Associate Companies

Statement pursuant to section 129(3) of the Companies Act, 2013 for the financial year ended 31/3/2017 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 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 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. 24 sub-note 17 and 18 of Notes forming part of consolidated financial statement in the Annual Report for the year under review.

23. 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.

24. 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

Place : New Delhi	**S.K. Agarwal**	**K.K. Soni**
Date : 31/07/2017	**Managing Director**	**Director-Finance & CFO**
	DIN: 00106763	**DIN: 00106037**

Annexure A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2017
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., B-25/1 First Floor, Okhla Industrial Area Phase-II, New Delhi-110020 Phone Nos. 011 – 26387320 Fax 011-26387322

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Investment	9999999	99.99

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. 56, Navjeevan Vihar New Delhi- 110017	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	
A. Promoters									
(1) Indian									
a) Individual/HUF	3637594	0	3637594	9.41%	3854685	0	3854685	9.97%	0.56%
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%
SUB TOTAL:(A) (1)	17323732	29300	17353032	44.88%	17540823	29300	17570123	45.45%	0.56%
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other…	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	17323732	29300	17353032	44.88%	17540823	29300	17570123	45.45%	0.56%
B PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	100	100	0.00%	0	100	100	0.00%	0.00%
b) Banks/FI	9000	500	9500	0.02%	86887	500	87387	0.23%	0.20%
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	0	0	0	0.00%	2500	0	2500	0.01%	0.01%
SUB TOTAL (B)(1):	9000	900	9900	0.03%	89387	900	90287	0.23%	0.21%

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	1707950	119900	1827850	4.73%	1449446	118500	1567946	4.06%	-0.67%
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	11169728	3582972	14752700	38.16%	10939765	3490472	14430237	37.32%	-0.83%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	4100418	800	4101218	10.61%	4552306	0	4552306	11.77%	1.17%
c) Others (specify)									
a) NRI / OCB	250588	2800	253388	0.66%	175931	2800	178731	0.46%	-0.19%
b) Foreign National	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Clearing Member	363929	0	363929	0.94%	272387	0	272387	0.70%	-0.24%
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%
SUB TOTAL (B)(2):	17592613	3706472	21299085	55.09%	17389835	3611772	21001607	54.32%	-0.77%
Total Public Shareholding (B)= (B)(1)+(B)(2)	17601613	3707372	21308985	55.12%	17479222	3612672	21091894	54.55%	-0.56%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	34925345	3736672	38662017	100.00%	35020045	3641972	38662017	100.00%	0.00%

(ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Shri M. P. Mehrotra	285	0.00%	0.00	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	1207350	3.12%	0.00	1424726	3.69%	0.00	0.56%
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%
	Total	17353032	44.88%	0.00	17570123	45.45%	0.00	0.56%

(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
1	Mahesh Prasad Mehrotra					
	At the beginning of the year 01/04/2016		285	0	285	0
	31/03/2017	Transfer	-285	0	0	0
	At the end of the year 31/03/2017				0	0
2	Divya Mehrotra					
	At the beginning of the year 01/04/2016		1207350	3.12	1207350	3.12
	12/04/2016	Transfer	9589	0.02	1216939	3.14
	12/04/2016	Transfer	6476	0.02	1223415	3.16
	13/4/2016	Transfer	29299	0.08	1252714	3.24
	13/4/2016	Transfer	11265	0.03	1263979	3.27
	20/4/2016	Transfer	20000	0.05	1283979	3.32
	20/4/2016	Transfer	5000	0.01	1288979	3.33
	07/06/2016	Transfer	26356	0.07	1315335	3.40
	07/06/2016	Transfer	3644	0.01	1318979	3.41
	08/06/2016	Transfer	7347	0.02	1326326	3.43
	08/06/2016	Transfer	2653	0.01	1328979	3.43
	10/06/2016	Transfer	6350	0.02	1335329	3.45
	10/06/2016	Transfer	3650	0.01	1338979	3.46
	15/06/2016	Transfer	28321	0.07	1367300	3.53
	15/06/2016	Transfer	4505	0.01	1371805	3.55
	16/06/2016	Transfer	12471	0.03	1384276	3.58
	16/06/2016	Transfer	2890	0.01	1387166	3.59
	17/06/2016	Transfer	11160	0.03	1398326	3.61
	17/06/2016	Transfer	6077	0.02	1404403	3.63
	20/06/2016	Transfer	1608	0.00	1406011	3.63
	20/06/2016	Transfer	1723	0.00	1407734	3.64
	21/06/2016	Transfer	13238	0.03	1420972	3.67
	21/06/2016	Transfer	3469	0.01	1424441	3.68
	29/03/2017	Transfer	285	0.00	1424726	3.69
	At the end of the year 31/03/2017				1424726	3.69

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	ANURAG JAIN					
	At the beginning of the year 01/04/2016		431254	1.12	431254	1.12
	29/04/2016	Transfer	20240	0.05	451494	1.17
	At the end of the year 31/03/2017				451494	1.17
2	PRATEEK BANSAL					
	At the beginning of the year 01/04/2016		394536	1.02	394536	1.02
	08/04/2016	Transfer	75000	0.19	469536	1.21
	29/04/2016	Transfer	1196	0	470732	1.22
	14/10/2016	Transfer	2000	0.01	472732	1.22
	11/11/2016	Transfer	865	0	473597	1.22
	18/11/2016	Transfer	-2890	-0.01	470707	1.22
	25/11/2016	Transfer	-4600	-0.01	466107	1.21
	At the end of the year 31/03/2017				466107	1.21
3	KABIR MULJI					
	At the beginning of the year 01/04/2016		290000	0.75	290000	0.75
	At the end of the year 31/03/2017				290000	0.75

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
4	THE DHAMPUR SUGAR MILLS LTD					
	At the beginning of the year 01/04/2016		263142	0.68	263142	0.68
	At the end of the year 31/03/2017				263142	0.68
5	RENU KABRA					
	At the beginning of the year 01/04/2016		255602	0.66	255602	0.66
	26/08/2016	Transfer	-4750	-0.01	250852	0.65
	04/11/2016	Transfer	-1000	0	249852	0.65
	25/11/2016	Transfer	700	0	250552	0.65
	02/12/2016	Transfer	24909	0.06	275461	0.71
	09/12/2016	Transfer	5711	0.01	281172	0.73
	16/12/2016	Transfer	5750	0.01	286922	0.74
	23/12/2016	Transfer	17110	0.04	304032	0.79
	17/02/2017	Transfer	2622	0.01	306654	0.79
	At the end of the year 31/03/2017				306654	0.79
6	GLOBE CAPITAL MARKET LTD					
	At the beginning of the year 01/04/2016		171464	0.44	171464	0.44
	08/04/2016	Transfer	36960	0.1	208424	0.54
	15/04/2016	Transfer	4300	0.01	212724	0.55
	22/04/2016	Transfer	95779	0.25	308503	0.8
	20/05/2016	Transfer	10800	0.03	319303	0.83
	27/05/2016	Transfer	-10000	-0.03	309303	0.8
	03/06/2016	Transfer	-1000	0	308303	0.8
	10/06/2016	Transfer	40000	0.1	348303	0.9
	17/06/2016	Transfer	80916	0.21	429219	1.11
	24/06/2016	Transfer	55786	0.14	485005	1.25
	01/07/2016	Transfer	-210909	-0.55	274096	0.71
	08/07/2016	Transfer	-200	0	273896	0.71
	15/07/2016	Transfer	-1000	0	272896	0.71
	22/07/2016	Transfer	410	0	273306	0.71
	29/07/2016	Transfer	26275	0.07	299581	0.77
	05/08/2016	Transfer	4925	0.01	304506	0.79
	12/08/2016	Transfer	150	0	304656	0.79
	19/08/2016	Transfer	-950	0	303706	0.79
	26/08/2016	Transfer	-8950	-0.02	294756	0.76
	02/09/2016	Transfer	3270	0.01	298026	0.77
	09/09/2016	Transfer	1950	0.01	299976	0.78
	16/09/2016	Transfer	-376	0	299600	0.77
	23/09/2016	Transfer	-300	0	299300	0.77
	30/09/2016	Transfer	-236354	-0.61	62946	0.16
	07/10/2016	Transfer	510	0	63456	0.16
	14/10/2016	Transfer	100	0	63556	0.16
	21/10/2016	Transfer	400	0	63956	0.17
	28/10/2016	Transfer	-1982	-0.01	61974	0.16
	04/11/2016	Transfer	-660	0	61314	0.16
	11/11/2016	Transfer	4550	0.01	65864	0.17
	18/11/2016	Transfer	-3721	-0.01	62143	0.16
	25/11/2016	Transfer	-845	0	61298	0.16
	02/12/2016	Transfer	-2300	-0.01	58998	0.15
	09/12/2016	Transfer	-150	0	58848	0.15
	16/12/2016	Transfer	-1708	0	57140	0.15
	23/12/2016	Transfer	2298	0.01	59438	0.15
	30/12/2016	Transfer	-398	0	59040	0.15
	06/01/2017	Transfer	-1914	0	57126	0.15
	13/01/2017	Transfer	272	0	57398	0.15

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
	20/01/2017	Transfer	-772	0	56626	0.15
	03/02/2017	Transfer	-50	0	56576	0.15
	10/02/2017	Transfer	150	0	56726	0.15
	17/02/2017	Transfer	560	0	57286	0.15
	24/02/2017	Transfer	200	0	57486	0.15
	03/03/2017	Transfer	-1136	0	56350	0.15
	10/03/2017	Transfer	4061	0.01	60411	0.16
	17/03/2017	Transfer	-1850	0	58561	0.15
	24/03/2017	Transfer	6222	0.02	64783	0.17
	31/03/2017	Transfer	-1222	0	63561	0.16
	At the end of the year 31/03/2017				63561	0.16
7	MUKESH KANOOGA S					
	At the beginning of the year 01/04/2016		132943	0.34	132943	0.34
	08/04/2016	Transfer	-5508	-0.01	127435	0.33
	15/04/2016	Transfer	-6000	-0.02	121435	0.31
	08/07/2016	Transfer	-2000	-0.01	119435	0.31
	26/08/2016	Transfer	-2000	-0.01	117435	0.3
	02/12/2016	Transfer	9150	0.02	126585	0.33
	09/12/2016	Transfer	-4950	-0.01	121635	0.31
	23/12/2016	Transfer	-5437	-0.01	116198	0.3
	06/01/2017	Transfer	-3600	-0.01	112598	0.29
	At the end of the year 31/03/2017				112598	0.29
8	UMA PATI KESHARI					
	At the beginning of the year 01/04/2016		131400	0.34	131400	0.34
	06/05/2016	Transfer	7400	0.02	138800	0.36
	20/05/2016	Transfer	1640	0	140440	0.36
	27/05/2016	Transfer	-20	0	140420	0.36
	10/06/2016	Transfer	-3300	-0.01	137120	0.35
	17/06/2016	Transfer	120	0	137240	0.35
	08/07/2016	Transfer	5129	0.01	142369	0.37
	22/07/2016	Transfer	-10969	-0.03	131400	0.34
	26/08/2016	Transfer	-3700	-0.01	127700	0.33
	21/10/2016	Transfer	2189	0.01	129889	0.34
	04/11/2016	Transfer	-3389	-0.01	126500	0.33
	02/12/2016	Transfer	13463	0.03	139963	0.36
	16/12/2016	Transfer	2007	0.01	141970	0.37
	20/01/2017	Transfer	3439	0.01	145409	0.38
	03/02/2017	Transfer	-502	0	144907	0.37
	10/03/2017	Transfer	6192	0.02	151099	0.39
	17/03/2017	Transfer	-500	0	150599	0.39
	At the end of the year 31/03/2017				150599	0.39
9	MARWADI SHARES AND FINANCE LTD.					
	At the beginning of the year 01/04/2016		130969	0.34	130969	0.34
	08/04/2016	Transfer	-47078	-0.12	83891	0.22
	15/04/2016	Transfer	-4018	-0.01	79873	0.21
	22/04/2016	Transfer	-10300	-0.03	69573	0.18
	29/04/2016	Transfer	250	0	69823	0.18
	06/05/2016	Transfer	449	0	70272	0.18
	13/05/2016	Transfer	250	0	70522	0.18
	20/05/2016	Transfer	2750	0.01	73272	0.19
	27/05/2016	Transfer	886	0	74158	0.19
	03/06/2016	Transfer	-936	0	73222	0.19
	10/06/2016	Transfer	4961	0.01	78183	0.2
	17/06/2016	Transfer	-7311	-0.02	70872	0.18

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
	24/06/2016	Transfer	-3975	-0.01	66897	0.17
	01/07/2016	Transfer	-200	0	66697	0.17
	08/07/2016	Transfer	1000	0	67697	0.18
	15/07/2016	Transfer	13926	0.04	81623	0.21
	22/07/2016	Transfer	-2269	-0.01	79354	0.21
	29/07/2016	Transfer	-6291	-0.02	73063	0.19
	05/08/2016	Transfer	1435	0	74498	0.19
	12/08/2016	Transfer	-4195	-0.01	70303	0.18
	19/08/2016	Transfer	3225	0.01	73528	0.19
	26/08/2016	Transfer	4701	0.01	78229	0.2
	02/09/2016	Transfer	14051	0.04	92280	0.24
	09/09/2016	Transfer	62357	0.16	154637	0.4
	16/09/2016	Transfer	-17741	-0.05	136896	0.35
	23/09/2016	Transfer	-16818	-0.04	120078	0.31
	30/09/2016	Transfer	5350	0.01	125428	0.32
	07/10/2016	Transfer	6970	0.02	132398	0.34
	14/10/2016	Transfer	2286	0.01	134684	0.35
	21/10/2016	Transfer	-11631	-0.03	123053	0.32
	28/10/2016	Transfer	-28150	-0.07	94903	0.25
	04/11/2016	Transfer	-5111	-0.01	89792	0.23
	11/11/2016	Transfer	1676	0	91468	0.24
	18/11/2016	Transfer	-1366	0	90102	0.23
	25/11/2016	Transfer	1986	0.01	92088	0.24
	02/12/2016	Transfer	9621	0.02	101709	0.26
	09/12/2016	Transfer	2305	0.01	104014	0.27
	16/12/2016	Transfer	-5036	-0.01	98978	0.26
	23/12/2016	Transfer	-11399	-0.03	87579	0.23
	30/12/2016	Transfer	-427	0	87152	0.23
	06/01/2017	Transfer	-14391	-0.04	72761	0.19
	13/01/2017	Transfer	3915	0.01	76676	0.2
	20/01/2017	Transfer	906	0	77582	0.2
	27/01/2017	Transfer	1019	0	78601	0.2
	03/02/2017	Transfer	-1035	0	77566	0.2
	10/02/2017	Transfer	-464	0	77102	0.2
	17/02/2017	Transfer	-2985	-0.01	74117	0.19
	24/02/2017	Transfer	-48635	-0.13	25482	0.07
	03/03/2017	Transfer	350	0	25832	0.07
	10/03/2017	Transfer	-653	0	25179	0.07
	17/03/2017	Transfer	47563	0.12	72742	0.19
	24/03/2017	Transfer	1945	0.01	74687	0.19
	31/03/2017	Transfer	-12004	-0.03	62683	0.16
	At the end of the year 31/03/2017				62683	0.16
10	ASHWINI NIKHIL RANE					
	At the beginning of the year 01/04/2016		128012	0.33	128012	0.33
	At the end of the year 31/03/2017				128012	0.33
11	ANUP KUMAR BAJPAI					
	At the beginning of the year 01/04/2016		115110	0.3	115110	0.3
	22/07/2016	Transfer	1590	0	116700	0.3
	10/02/2017	Transfer	2000	0.01	118700	0.31
	At the end of the year 31/03/2017				118700	0.31
12	PARVEEN KUMAR					
	At the beginning of the year 01/04/2016		60932	0.16	60932	0.16
	08/04/2016	Transfer	15000	0.04	75932	0.2
	22/04/2016	Transfer	17497	0.05	93429	0.24

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
	29/04/2016	Transfer	6300	0.02	99729	0.26
	06/05/2016	Transfer	400	0	100129	0.26
	27/05/2016	Transfer	18236	0.05	118365	0.31
	17/06/2016	Transfer	5648	0.01	124013	0.32
	01/07/2016	Transfer	20013	0.05	144026	0.37
	15/07/2016	Transfer	2000	0.01	146026	0.38
	22/07/2016	Transfer	5386	0.01	151412	0.39
	29/07/2016	Transfer	10000	0.03	161412	0.42
	07/10/2016	Transfer	2332	0.01	163744	0.42
	14/10/2016	Transfer	9570	0.02	173314	0.45
	21/10/2016	Transfer	1000	0	174314	0.45
	11/11/2016	Transfer	2000	0.01	176314	0.46
	18/11/2016	Transfer	3000	0.01	179314	0.46
	25/11/2016	Transfer	4600	0.01	183914	0.48
	At the end of the year 31/03/2017				183914	0.48
13	SURENDRA KUMAR GUPTA					
	At the beginning of the year 01/04/2016		20126	0.05	20126	0.05
	30/09/2016	Transfer	236474	0.61	256600	0.66
	At the end of the year 31/03/2017				256600	0.66
14	MODEX INTERNATIONAL SECURITIES LTD					
	At the beginning of the year 01/04/2016		0	0	0	0
	26/08/2016	Transfer	1	0	1	0
	07/10/2016	Transfer	0	0	1	0
	28/10/2016	Transfer	94449	0.24	94450	0.24
	04/11/2016	Transfer	79934	0.21	174384	0.45
	02/12/2016	Transfer	-165084	-0.43	9300	0.02
	23/12/2016	Transfer	40	0	9340	0.02
	10/02/2017	Transfer	-40	0	9300	0.02
	17/02/2017	Transfer	500	0	9800	0.03
	24/02/2017	Transfer	-500	0	9300	0.02
	10/03/2017	Transfer	-9000	-0.02	300	0
	At the end of the year 31/03/2017				300	0

(v) Shareholding of Directors & KMP:

S.No	For Each of the Directors & KMP		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	**Shri M. P. Mehrotra**					
	At the beginning of the year		285	0.00%	285	0.00%
	At the end of the year		0	0.00%	0	0.00%
2	**Shri Vikas Mehrotra**					
	At the beginning of the year		486006	1.26%	486006	1.26%
	At the end of the year		486006	1.26%	486006	1.26%

Shri Ajit Kumar, Dr. S. Ramesh and Shri D. K. Mehrotra and Shri R. Bandyopadhyay - Independent Directors did not hold any shares of the Company as on 31/03/2017.

Shri M. P. Mehrotra Non Executive -Non Independent Director do not hold any shares of the Company as on 31/03/2017

Shri S. K. Agarwal- Managing Director, Shri K. K. Soni- Director Finance & CFO and Shri H. Consul being KMP did not hold any shares in the Company as on 31/03/2017.

V **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtness at the beginning of the financial year				
i) Principal Amount	170000000.00	0.00	0.00	170000000.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1122000.00	0.00	0.00	1122000.00
Total (i+ii+iii)	171122000.00	0.00	0.00	171122000.00
Change in Indebtedness during the financial year				
Additions	261500000.00	0.00	0.00	261500000.00
Reduction	432622000.00	0.00	0.00	432622000.00
Net Change	-171122000.00	0.00	0.00	-171122000.00
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	0.00	0.00	0.00

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/ Manager		Total Amount
1	**Gross salary**	Mr S K Agarwal - Managing Director	Mr K K Soni - Director-Finance & CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	3060000.00	2940000.00	6000000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	15000.00	15000.00	30000.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	as % of profit	0.00	0.00	0.00
	others (specify)	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total (A)	3075000.00	2955000.00	6030000.00
	Ceiling as per the Act per annum	12000000.00	12000000.00	

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors	Dr. S Ramesh	Shri Ajit Kumar	Shri B M Oza*	Shri R. Bandyopadhyay	Shri D.K. Mehrotra	
	(a) Fee for attending board/ committee meetings	100000.00	205000.00	48000.00	110000.00	90000.00	553000.00
	(b) Commission	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00
	Total (1)	100000.00	205000.00	48000.00	110000.00	90000.00	553000.00
2	Other Non Executive Directors	Shri M.P. Mehrotra	Dr. (Mrs.) Neeraj Arora	Shri Vikas Mehrotra			
	(a) Fee for attending board/ committee meetings	110000.00	60000.00	40000.00			210000.00
	(b) Commission	0.00	0.00	0.00			0.00
	(c) Others, please specify.	0.00	0.00	0.00			0.00
	Total (2)	110000.00	60000.00	40000.00			210000.00
	Total (B)=(1+2)	210000.00	265000.00	88000.00			763000.00
	Total Managerial Remuneration	N.A.	N.A.	N.A.			N.A.
	Overall Ceiling as per the Act. per meeting	100000.00	100000.00	100000.00			

* Died on 30/06/2016

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

Sl.No	Particulars of Remuneration		Key Managerial Personnel		
1	**Gross Salary**		**Shri H. Consul**	**Shri K. K Soni**	**Total**
		CEO	**Company Secretary**	**CFO**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N.A	1685964	Details given in Part A	1685964
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N.A	62998		62998
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A	0		0
2	Stock Option	N.A	0		0
3	Sweat Equity	N.A	0		0
4	Commission	N.A	0		0
	as % of profit	N.A	0		0
	others, specify	N.A	0		0
5	Others, please specify	N.A	0		0
	Total		1748962		1748962

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

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

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

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

Sl.No.	Particulars	Details
a)	Name(s) of the related party	NIL
b)	Nature of relationship	NIL
c)	Nature of contracts/ arrangements/ transactions	NIL
d)	Duration of the contracts / arrangements/transactions	NIL
e)	Salient terms of the contracts or arrangements or transactions	NIL
f)	Justification for entering into such contracts or arrangements or transactions	NIL
g)	Date(s) of approval by the Board	NIL
h)	Amount paid	NIL

Annexure C

Annual Report on CSR Inititatives

(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 of the Companies Act, 2013 and the same is placed on the website of the Company- www.vlsfinance.com.

(2) The composition of the CSR Committee:
Shri Ajit Kumar, Shri M. P. Mehrotra, Shri S.K. Agarwal, Shri R. Bandyopadhyay

(3) Average Net Profit of the Company for last three financial years: Rs. 22,09,74,750/-

(4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 44,19,495/-

(5) Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year: Rs. 16,44,163/-

b) Amount unspent, if any- Rs. 3,37,913/-

c) 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.	Developing skills for self-reliance.	Promoting Education	Aya Nagar, New Delhi	Rs.1,00,000/-	1. Rs. 100,000/-		
2.	Medical Equipment	Promoting Health Care	Arya Samaj, G.K. –II, New Delhi-110049	Rs. 6,56,250/-	1. Rs. 6,56,250/-		
3.	Girl Child Primary Education	Promoting Education	IIMPACT (NGO) - Kanpur Dehat Centre	Rs. 5,50,000/-	1. Rs. 5,50,000/-	Rs. 13,06,250/-	Rs. 13,06,250/-

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.

Ajit Kumar (Chairman - CSR Committee) DIN: 00106597
S.K. Agarwal (Managing Director) DIN: 00106763

Place: New Delhi
Date: 31/07/2017

Annexure-D

REPORT ON CORPORATE GOVERNANCE

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

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

1. Board of Directors

a) The present strength of the Board is 9 Directors and except the Managing Director and Director -Finance & CFO, all are non-executive, consisting of 4 (four) independent directors and 3 (three) non-executive & non–independent directors. The Chairman is non-executive independent director. About half of the members 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 ("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 31/03/2017 and other information about them as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('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 2016-2017	Whether attended AGM held on 15/09/2016	No. of Directorships in other Public Limited Companies as on 31/07/2017	No. of Committee positions held in other Public Limited Companies	
						Chairman	Member
1)	Shri Ajit Kumar *(Chairman)*	Independent, Non-Executive	4	No	0	-	-
2)	Shri S. K. Agarwal *(Managing Director)*	Executive	4	Yes	3	0	0
3)	Dr. (Mrs.) Neeraj Arora	Non-Executive,Promoter	3	No	1	-	-
4)	Dr. S. Ramesh	Independent, Non-Executive	3	Yes	1	-	1
5)	Shri M. P. Mehrotra	Promoter director, Non-Executive, Vice Chairman	3	No	7	2	3
6)	Shri K. K. Soni	Executive	4	Yes	5	-	1
7)	Shri R. Bandyopadhyay	Independent, Non-Executive	3	No	0	0	0
8)	Shri D.K. Mehrotra	Independent, Non-Executive	3	No	7	1	4
9)	Shri Vikas Mehrotra	Non-Executive,Promoter	2	No	1	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) During the year ended 31/03/2017, 4(Four) board meetings were held with atleast one meeting in every quarter on 28/05/2016, 2 9/07/2016, 14/11/2016, and 13/02/2017.

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 Comp any. All other relevant information as and when required including those envisaged in regulation 17 of the listing regulations was regularly provided t o 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 31.03.2017:

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.	2,05,000	N.A.	2,05,000
2	Shri S.K. Agarwal	30,60,000	15,000	N.A.	N.A.	30,75,000
3	Shri Vikas Mehrotra	N.A.	N.A.	40,000	N.A.	40,000
4	Shri B.M. Oza*	N.A.	N.A.	48,000	N.A.	48,000
5	Dr. S. Ramesh	N.A.	N.A.	1,00,000	N.A.	1,00,000
6	Shri M. P. Mehrotra	N.A.	N.A.	1,10,000	N.A.	1,10,000
7	Dr. (Mrs.) Neeraj Arora	N.A.	N.A.	60,000	N.A.	60,000
8	Shri R Bandyopadhyay	N.A.	N.A.	1,10,000	N.A.	1,10,000
9	Shri D. K. Mehrotra	N.A.	N.A.	90,000	N.A.	90,000
10	Shri K. K. Soni	29,40,000	15,000	N.A.	N.A.	29,55,000

* Died on 30/06/2016

Notes:

i) Currently, the Company does not have any stock option scheme.

ii) No other remuneration, except sitting fee is paid to non-executive directors.

iii) Shri Vikas Mehrotra held 486006 equity shares of the Comp any as on 31.03.2017. No other director held any shares of the Com pany 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.

iv) Shri S. K. Agarwal-Managing Director was reappointed by the Board in it s meeting dated 28/05/2016 for another period of 3 ye ars w.e.f. 21/08/2016 to 20/08/2019. The service contract in case of Managing Director is 3 years with notice period of 3 months. The tenure of Director Finance & CFO is upto 31/01/2019 with notice period of three months. Shri M. PMehrotra has been appointed as Executive Direc tor 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. The service contract in case of Executive V ice - Chairman is 3 years with notice period of 3 months. Presently , all the directors other tha n independent directors are liable to retire by rotation as per provisions of the Comp anies Act, 2013.

v) 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 p ayment of commission has been approved by the members. The criteria can also be accessed at www.vlsfinance.com.

vi) In case of Executive Directors the fixed component of salary and performance linked incentives, if any , are based on the rec ommendation of Nomination and Remuneration Committee of the Comp any, which t akes into consideration the performance of relevant period and t argets 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 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 31/03/2017.

S. K. Agarwal
Managing Director
DIN : 00106763

Date: 31/7/2017
Place: New Delhi

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.

2. Audit Committee

a) Composition
As on 01/04/2016 the audit committee consisted of Dr . S. Ramesh (Chairman) with Shri Ajit Kumar, Shri B. M. Oza, Shri M. P . Meh rotra and Shri S. K. Agarwal as members. The Board in its meeting held on 29/07/2016 nominated Shri R. Bandyopadhyay and Shri D.K. Mehrotra, Independent Directors to the Committee in view of cessation of Shri B.M. Oza as member of committee due his demise on 30/06/2016. 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. 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 ar eas where systems, processes, measures for controlling and monitoring revenue, internal audit and risk management can be improved. The Company Secretary is the secretary of the committee. The Statutory Auditor is regularly invited for meetings of the committee. The internal auditor, the 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 31/03/2017, 4 (Four) meetings of Audit committee were held on 28/05/2016, 29/07/2016, 14/11/2016 and 13/02/2017. The summary of attendance of members is as under:

Name	Shri Ajit Kumar	Shri M. P. Mehrotra	Dr. S. Ramesh	Shri B. M. Oza	Shri S. K. Agarwal	Shri R. Bandyopadhyay	Shri D. K. Mehrotra
Attendance in 4 meetings	4	3	3	1	4	2	2

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee as on 01/04/2016 comprised Shri B.M. Oza - Chairman of the Committee with Shri Ajit Kumar, Shri M. P. Mehrotra and Dr. S. Ramesh as members. The Company Secretary acts as Secretary of the Committee. Upon demise of Shri B.M. Oza on 30/06/2016, he ceased to be member of the committee and the Board nominated Shri R. Bandyopadhyay and Shri D.K. Mehrotra- Independent Directors and Dr. (Mrs.) Neeraj Arora-Director as members on 29/07/2016. Shri R. Bandyopadhyay has been elected by members to be Chairman of the Committee.

The Committee formulates the remuneration package for managerial personnel including executive directors 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 nomination and remuneration committee was held on 28/05/2016. The summary of attendance of members is as under:

Name	Shri B. M. Oza	Shri Ajit Kumar	Dr. S. Ramesh	Shri M.P. Mehrotra	Shri R. Bandyopadhyay	Shri D. K. Mehrotra	Dr. (Mrs.) Neeraj Arora
Attendance in 1 meeting.	1	1	0	1	NA	NA	NA

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.

4. Stakeholders Relationship Committee

a) Composition and terms of reference

The Committee as on 01/04/2016 consisted of Shri B.M. Oza – Independent Director as Chairman, Shri S. K. Agarwal and Shri K. K. Soni as its member. 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. The Board in its meeting held on 29/07/2016 nominated Shri Ajit Kumar to the committee in view of cessation of Shri B. M. Oza as member of committee. Shri Ajit Kumar is Chairman 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, 14 (Fourteen) meetings of Stakeholders Relationship Committee were held on 11/04/2016, 27/04/2016, 28/05/2016, 20/06/2016, 18/07/2016, 25/08/2016, 13/09/2016, 30/09/2016, 27/10/2016, 28/11/2016, 23/12/2016, 12/01/2017, 13/02/2017 and 10/03/2017.

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

Name	Shri B. M. Oza	Shri Ajit Kumar	Shri S. K. Agarwal	Shri K. K. Soni
Attendance in 14 Meetings	4	9	13	12

c) Shareholders Complaints

The Company had received 4 complaint during the financial year ended 31st March, 2017. 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 out standing 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
Total	4	4

** 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 01/04/2016 the Committee consisted of Shri Ajit Kumar- Independent Director as Chairman, Shri M.P. Mehrotra –Director and Shri S. K. Agarwal-Managing Director as members. The Board in its meeting held on 29/07/2016 had nominated Shri R. Bandyopadhyay to the Committee. The terms of reference of CSR Committee are in compliance with the applicable regulations. During the year 2 meetings of the Committee were held on 14/11/2016 and 13/02/2017.

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 2 Meetings	1	2	2	2

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, 2016	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	September 24, 2015	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.
March 31, 2014	September 25, 2014	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.

b) Special resolution passed in the previous 3 AGMs

- 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.
- In the AGM held on 25.9.2014 the following items were approved by Special Resolution:
  - Borrowing limits upto Rs.500 crores.

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 Comp any, 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 sep arate 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 plat form provided by NSE, http://listing.bseindia.com a platform provided by BSE Ltd. as well as emailed to 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 Comp any's website **http://www.vlsfinance.com** in terms of regulation 46 of the listing regulations. Further, disclosures pursuant to the under 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**, 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 which is displayed on the Company's website www.vlsfinance.com under heading 'contact us'. The queries may also be addressed at the registered office of the Company i.e. 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065.

9. Shareholders Information

a) Annual General Meeting

-	**Date and time**	:	Monday, 25th September, 2017 at 3.30 p.m.
-	**Venue**	:	The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003
-	**Financial Year**	:	April to March
-	**Book Closure**	:	From 21-09-2017 to 25-09-2017 (both days inclusive)
-	**Buy back of shares**	:	No buy back of shares made/proposed during the period under review.
-	**Dividend payment date**	:	On or after 02/10/2017

b) Listing at Stock Exchanges

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

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

The annual listing fee has been paid to BSE, NSE and CSE as mentioned above up to the year 2017-2018.

c) Stock Market data (Source: Metastock)

Monthly highs, lows and trading volume for the Financial Year 2016-2017:

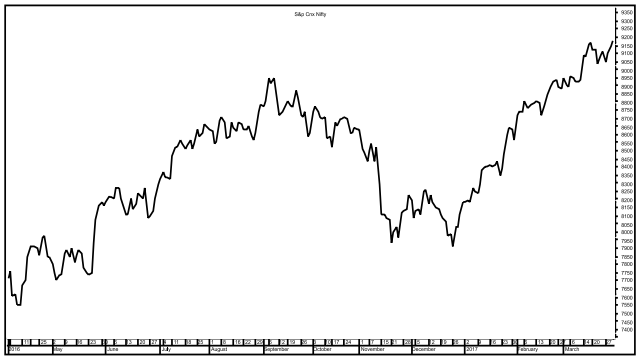
	NSE			BSE		
Months	High Rs.	Low Rs.	Volume Nos.	High Rs.	Low Rs.	Volume Nos.
Apr-16	43.70	30.85	2196785	43.50	31.05	1498582
May-16	44.30	36.45	1545216	44.40	36.00	452289
Jun-16	52.40	40.15	4038760	52.50	40.50	1451813
Jul-16	57.40	45.10	2861094	57.40	45.00	1343817
Aug-16	84.90	50.50	11401294	84.90	50.00	5271346
Sep-16	86.40	62.00	7556226	86.20	62.00	3213299
Oct-16	79.80	69.00	3832850	79.70	69.00	1413889
Nov-16	78.85	44.20	2488523	79.00	44.30	1065083
Dec-16	53.95	45.40	845948	53.90	45.60	410459
Jan-17	60.00	47.50	1340368	59.55	48.15	453494
Feb-17	61.95	52.55	1113332	61.75	52.65	461456
Mar-17	68.50	55.00	2910962	68.25	55.60	1153835
Total			42131358			18189362

Graphical representation of Shares Price in NSE and BSE vis-à-vis Index Movement:

NSE Graph of VLS Finance Ltd.



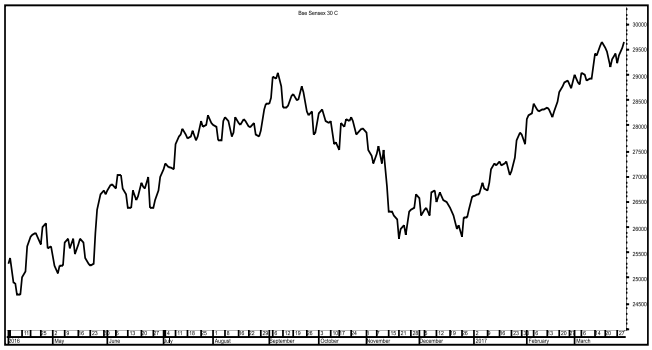
Nifty :



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. 01/04/2017 for entire shareholder services viz. processing request for transfer , other shareholder services, dematerialisation of holding, providing connectivity services with depositories in compliance of SEBI's circular No.D&CC/F/TTC/CIR-15/2002 dated 27/12/2002.

e) Investors Correspondence

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

f) Distribution of shareholding as on March 31, 2017

Slab of share holdings (No. of shares)	No. of share holders	%age	Nominal value of shares held (Rs.)	%age
1-500	13152	55.34	27515750	7.12
501-1000	7992	33.63	52438190	13.56
1001-2000	1476	6.21	21462790	5.55
2001-3000	414	1.74	10689660	2.76
3001-4000	171	0.72	6180910	1.60
4001-5000	149	0.63	7040600	1.82
5001-10000	220	0.93	16082180	4.16
10001 and above	192	0.81	245210090	63.42
Total	23766	100	386620170	100

According to categories of shareholders as on March 31, 2017

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	87387	873870	0.23
3	Mutual Fund	100	1000	0.00
4	FIIs	300	3000	0.00
5	Corporate Bodies	1568546	15685460	4.06
6	Clearing Members	272387	2723870	0.70
7	Indian Public	18981943	189819430	49.10
8	NRI/OCBs/FN	178731	1787310	0.46
9	NBFC	2500	25000	0.01
	Grand Total	38662017	386620170.00	100.00

g) Dematerialisation of Shares and liquidity

90.58% of the total share capital of Company was held in dematerialized form as on 31/03/2017 the shares of Company are actively traded in BSE Ltd. and The National Stock Exchange of India Ltd. The shares of the Company are traded only in demat segment w.e.f. 28th August 2000.

h) There were no ADRs/ GDRs/ Warrants or other convertible instruments outstanding as on 31/03/2017.

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, 2017	Mid of August, 2017
Quarter ending	September 30, 2017	Mid of November, 2017
Quarter ending	December 31, 2017	Mid of February, 2017
Year ending	March 31, 2018 #	End of May, 2018
Annual General Meeting for the year ended March 31, 2017		25th September, 2017

For the quarter ending 31/03/2018 un-audited results may not be published and only audited results will be published, unless decided otherwise.

h) Subsidiary Companies

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

i) Plant Location

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

Auditors' Certificate on Corporate Governance

As required by regulation 27 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the auditors' certificate is annexed hereto.

CERTIFICATE

The Members of VLS Finance Ltd.

1. We have examined the compliance of applicable conditions of Corporate Governance by VLS Finance Ltd ("the Company"), for the year ended on March 31, 2017, 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 the Listing Regulations for the period from April 01, 2016 to March 31, 2017.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our 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.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we 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 for the respective period, during the year ended March 31, 2017.
5. We 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.

For and on behalf of
Agiwal & Associates
(Firm Registration No: 000181N)
Chartered Accountants

(P.C. Agiwal) **Date: 31/7/2017**
(Partner) **Place: New Delhi**
Membership No. 80475

Annexure-E

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[Pursuant to section 204(1) of
the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Form MR-3

SECRETARIAL AUDIT REPORT

To,
The Members,
VLS Finance Limited
2nd Floor, 13, Sant Nagar
East of Kailash
New Delhi-110065.

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

Based on my verification of VLS Finance Limited' sbooks, 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, 2017** 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, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable for the financial year under review);
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable as Company has not issued further capital during the financial year under review.)
  (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) and
  (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).
(vi) The Company had properly complied the other laws viz. Income tax Act 1961, Prevention of Money Laundering Act, 2002 and rules made thereunder, Service tax law, 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, Stock Exchange regulations applicable to member of Exchange, the SEBI regulations for stock brokers and intermediaries, 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 Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Ltd.;
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 regularly filing the forms and returns with Registrar within the prescribed time.

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 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

The Company has spent Rs. 13,06,250/- under its CSR initiative as per its CSR policy as against an outlay of Rs. 16,44,163/-. The above amount was required to be spent under Section 135(5) of Companies Act, 2013 for the financial year 2016-17. The unspent amount of Rs.3,37,913/- would be carried forward to its CSR corpus of the next financial year i.e. 2017-18. An amount of Rs.44,19,495/- calculated as per applicable regulations being 2% of average profit of past 3 years is to be spent in the year 2017-18 together with carried forward unspent amount. The aggregate amount of Rs.47,57,408/- is available in the Company's CSR corpus for the Financial year 2017-18.

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 may not be spent in that 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: 17th May, 2017

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

Annexure 1

To,
The Members,
VLS Finance Limited
2nd Floor, 13, Sant Nagar,
East of Kailash,
New Delhi-110065.

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

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

CS Pooja Gandhi
Company Secretary
ACS No.:20092
C P No.:11351
Place:New Delhi
Date: 17th May, 2017

Annexure-F

Annexure to Directors' Report

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, 2017.

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 : 31/07/2017

S.K. Agarwal
Managing Director
DIN: 00106763

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

Annexure-G

Annexure to the Board's Report

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 2016-17:

Sl.No	Name of the Directors	Designation	% increase of remuneration in 2017 compared to 2016	Ratio of the Median remuneration of the year 2016-17
1	Shri Ajit Kumar	Non-Executive independent Director (Chairman)	0	0.5:1
2	Shri B. M. Oza *	Non-Executive independent Director	0	0.1:1
3	Dr. S. Ramesh	Non-Executive independent Director	0	0.2:1
4	Shri R. Bandyopadhyay#	Non-Executive independent Director	Not comparable	0.2:1
5	Shri D. K. Mehrotra#	Non-Executive independent Director	Not comparable	0.2:1
6	Shri Vikas Mehrotra #	Non-Executive non independent Director	Not comparable	0.1:1
7	Shri M. P. Mehrotra@	Non-Executive non independent Director	Not comparable	0.2:1
8	Dr. (Mrs.) Neeraj Arora $	Non-Executive non independent Director	Not comparable	0.1:1
9	Mr. S. K. Agarwal	Managing Director	0	7.0 : 1
10	Mr. K. K. Soni	Director- Finance & CFO	0	6.7 : 1

* died on 30/06/2016 # appointed w.e.f. 28/05/2016 @ appointed w.e.f. 12/09/2015 $ appointed w.e.f. 30/05/2015

The Non-Executive Independent 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 details of sitting fees of independent directors are provided in the Corporate Governance Report which is part of this Director's Report. There was no change in sitting fees of the Non-Executive Independent Directors during the FY 2016-2017 and thus there was no percentagewise increase in remuneration paid to them. The overall increase/decrease in the sitting fee paid compared to previous year is due to number of meetings attended by them, hence ignored. Further, remuneration paid to Directors appointed during previous year i.e. 2015-16 being not for full year is not comparable to remuneration paid in year 2016-17 i.e. for the full year.

2. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year 2016-17 :

Sl.No	Name of the Company Secretary	Designation	% increase of remuneration in 2017 as compared to 2016
1	Mr. H. Consul	Company Secretary	0

* % 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 2016-2017

There was percentage increase in the median remuneration of employees in the financial year of around 23.49%

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

29 (Twenty nine)

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**

Since there was no increment in salaries of employees including managerial personnel in 2016-17 the difference in percentile increase in salaries of employees and managerial personnel can not be commented upon.

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 iterms of remuneration drawn in the financial year 2016-17:

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	S. K. Agarwal- Managing Director	30,75,000	Contractual	B.Com(Hons.), CAIIB-45 years	31/07/1995	66	VLS View Asset . Management Ltd	—	—
2	K.K. Soni- Director-Finance & CFO	26,55,000	Contractual	B.Com, FCA, FCS-41 years	28/07/2006	64	VLS Capital Ltd.	—	—
3	S.C. Agarwal- Vice President	17,96,200	Permanent	B.A. 33 years	01/02/2006	55	South Asian Enterprises Ltd.	—	—
4	H. Consul Comapny Secretary	17,48,962	Permanent	B.Com. (Hons.), ACS, LL.B. 31 Years	02/02/1998	53	Prakash Ispat Ltd.		
5	L. Thirumoorthy- Vice President (Accounts)	12,77,080	Permanent	B.Com. 37 years	10/07/2002	57	Self Employed	—	—-
6	Dinesh Negi -Group Head (Accounts)	6,97,584	Permanent	B.Com. 29 years	25/09/1995	52	Universal Subscription Agency Pvt. Ltd.	—	—
7	Kartik Chugh - Group Member - (Research)	6,91,759	Permanent	MBA 9 years	15/01/2014	32	Escorts Ltd.	—	—
8	Ramesh C. Pandey - Group Head (Secretarial)	6,71,865	Permanent	B. Sc., LL.B. 29 years	01/04/1994	53	Self Employed	—	—
9	Nand Gopal Garg -Group Member	6,57,520	Permanent	B. Sc (Bio), C.A. (Inter) 1st Group 26 years	01/04/2016	53	VLS Capital Ltd.	—	—
10	Divakaran P .-Group Member (Accounts)	6,42,037	Permanent	B.Com 36 years	23/02/1990	57	Super Seals India Ltd.	—	—

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 : 31/07/2017

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, 2017, the S tatement 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 st ated in section 134(5) of the Comp anies Act, 2013 ("the Act") with respect to the preparation of these standalone financial st atements 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 Comp anies (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 ef fectively 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 st andalone 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 st andalone financial st atements. 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 Comp any's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obt ained is suf ficient 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, 2017 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 Comp any 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 Comp any 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 st andalone financial st atements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account s) Rules, 2014;
   e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
   f) On 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 Comp any 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 1 1 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 ef fect of the Comp anies 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 comp any or those comp anies 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 31st March, 2017.

iii. The Company has made provision as at 31st March, 2017, 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 out standing during the year ended 31st March, 2017.

v. The Company has provided requisite disclosure in its Standalone Financial as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Point No.19 of Note 24 to the Standalone Financial Statements.

For Agiwal & Associates
Chartered Accountants
Firm's registration number : 000181N

CA P.C. Agiwal
Partner
Membership No. 080475

New Delhi
08th May, 2017

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 31 March 2017, 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 in the register maintained under section 189 of Companies Act, 2013. The Company has not granted any secured/ unsecured loans to the firms and parties covered in the register maintained under section 189 of the Act.

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. 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 31.03.2017 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 out standing of any disputed statutory dues as on 31.03.2017.

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 31.03.2017.

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, 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
Firm's registration number : 000181N

CA P.C. Agiwal
Partner
Membership No. 080475

New Delhi
08th May, 2017

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 2017 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 2017, 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
Firm's registration number : 000181N

CA P.C. Agiwal
Partner
Membership No. 080475

New Delhi
08th May, 2017

BALANCE SHEET AS AT 31st March, 2017

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	**2**	**38,78,42,420**	38,78,42,420
(b) Reserves & Surplus	**3**	**211,40,11,001**	178,55,84,728
(2) Non-current liabilities			
(a) Long Term Provisions	**4**	**33,50,21,125**	21,50,17,547
(3) Current liabilities			
(a) Short-Term borowings	**5**	**0**	17,00,00,000
(b) Trade payables	**6**	**15,49,181**	55,44,410
(c) Other Current Liabilities	**7**	**18,48,656**	32,58,665
(d) Short Term Provisions	**8**	**4,72,81,474**	6,63,694
Total		**288,75,53,857**	256,79,11,464
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
- Tangible Assets	**9**	**10,05,23,674**	1,01,66,829
- Intangible Assets	**9**	**1,89,365**	3,34,902
- Capital Work-in-Progress		**1,72,500**	0
(b) Non-current Investments	**10**	**250,86,19,717**	218,95,08,180
(c) Deferred tax assets (Net)	**11**	**1,37,87,469**	1,45,76,171
(d) Long-term loans and advances	**12**	**13,67,79,809**	13,51,32,396
(2) Current assets			
(a) Inventories- Share stock-in-trade	**13**	**4,96,23,658**	4,90,16,907
(b) Trade receivables	**14**	**1,23,84,970**	6,10,62,806
(c) Cash and cash equivalents	**15**	**2,15,46,856**	2,85,92,655
(d) Short-term loans and advances	**16**	**2,13,62,315**	7,94,30,578
(e) Other current assets	**17**	**2,25,63,524**	90,040
Total		**288,75,53,857**	256,79,11,464
Significant Accounting Policies and Notes forming part of accounts	**1 to 24**		

As per our report of even date.
For Agiwal & Associates
Chartered Accountants
(F.R.N. 000181N)
P.C.Agiwal
Partner
M.No.80475

May 8th, 2017
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

M.P. Mehrotra
Director
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, 2017

(Amount in Rupees)

		Note No.	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
I	**Revenue from operations**	18	**2692,26,30,012**	1913,43,09,882
II	**Other Income**	19	**1,44,221**	3,17,51,668
III	**Total Revenue (I+II)**		**2692,27,74,233**	1916,60,61,550
IV	**Expenses**			
	Purchase of Shares/Securities/Commodities		**2618,98,59,560**	1893,19,00,554
	Change in stock of shares	20	**(606,751)**	2,75,82,185
	Employee benefits expenses	21	**2,45,76,774**	2,46,91,489
	Finance costs	22	**12,51,803**	1,95,79,470
	Depreciation and Amorotisation expense	9	**35,52,839**	44,96,469
	Administrative & Other Expenses	23	**8,20,32,229**	7,82,05,595
	Total Expenses		**2630,06,66,454**	1908,64,55,762
V.	**Profit before exceptional and extraordinary items and tax**	(III-IV)	**62,21,07,779**	7,96,05,788
VI.	**Exceptional items**			
	Provision for Diminuation in value of assets (net)		**11,50,00,000**	0
VII.	**Profit before extraordinary items and tax (V-VI)**		**50,71,07,779**	7,96,05,788
VIII.	**Extraordinary items**		**0**	0
IX.	**Profit before tax (VII-VIII)**		**50,71,07,779**	7,96,05,788
X.	**Less: Tax Expenses**			
	Current Tax/MAT		**11,97,10,110**	74,76,524
	Tax adjustments for earlier years		**1,16,50,000**	(15,677)
	Deferred Tax		**7,88,702**	19,47,118
XI.	**Profit for the year (IX-X)**		**37,49,58,967**	7,01,97,823
	EARNING PER SHARE			
	Basic Earning per Share (Rs.)		**9.70**	1.82
	Diluted Earning per Share (Rs.)		**9.70**	1.82
	Face Value per Share (Rs.)		**10.00**	10.00
	Significant Accounting Policies and Notes forming part of accounts	**1 to 24**		

As per our report of even date.
For Agiwal & Associates
Chartered Accountants
(F.R.N. 000181N)
P.C.Agiwal
Partner
M.No.80475

May 8th, 2017
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

M.P. Mehrotra
Director
DIN : 00016768

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended 31st March, 2017.

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 it s 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 startered broking activity during the year under review.

1. Significant Accounting Policies.

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. The financial st atements have been prep ared under the historical cost convention method in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013 and rules made thereunder, as amended as adopted consistently by the Company.
2. Use of Estimates:
   The preparation of financial st atements requires cert ain estimates and assumptions to be made that ef fect the reported amount of asset s and liabilities as on the date of the financial st atements 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

1. The Company adopts accrual basis of accounting.
2. Income from Hire Purchase transactions is calculated following *Sum of Digits* method.
3. Installments of Leasing and Hire Purchase Loans are received one month in advance. Thus, the Inst allments 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.
4. 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

1. 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 Deposit s and the same is adjusted to the respective asset account on the expiry of the term of lease/hire purchase.
2. Assets for own use are accounted for in the books at Cost including incidental charges less accumulated depreciation, if any.
3. Depreciation is provided as under:
   a) On Own Assets:
   Tangible
   For the purpose of computing depreciation, the company has adopted the revised estimates of the useful life of the tangible asset, 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
   b) 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.
4. 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

1. Shares are valued at cost or market value whichever is lower.
2. 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 segment s are shown in the financial statements at their gross value.

E. INVESTMENTS

1. Investments are classified into Non-current investment s and current investments.
2. 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.
3. Current investments are valued, scrip wise, at cost or market price, whichever is lower.
4. 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

1. 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.
2. Defined Benefit Plans
   Leave Encashment – Provision for unavailed leave benefit p ayable to employees as per the scheme of the Comp any is made on the basis of actuarial valuation.
3. Short Term Employees Benefits
   Short Term Employees Benefit s are charged of f at the undiscounted amount in the year in which the related service is rendered.

H. TAXATION

1. 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.
2. 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 cert ainty that there would be adequate future taxable income against which such deferred t ax 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

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

(Amount in Rupees)

		As at 31st March, 2017	As at 31st March, 2016
2	**SHARE CAPITAL**		
	AUTHORISED CAPITAL		
	15,00,00,000 Equity Shares of Rs.10/- each	**150,00,00,000**	150,00,00,000
	(Previous year 15,00,00,000 Equity shares of Rs.10/-each)		
	ISSUED CAPITAL		
	3,91,29,517 Equity Shares of Rs.10/- each	**39,12,95,170**	39,12,95,170
	(Previous year 3,91,29,517 Equity shares of Rs.10/-each)		
		39,12,95,170	39,12,95,170
	(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)		
	SUBSCRIBED & PAID-UP CAPITAL		
	3,86,62,017 Equity Shares of Rs.10/- each fully paid up for cash	**38,66,20,170**	38,66,20,170
	(Previous year 3,86,62,017 Equity Shares of Rs.10/- each)		
	Add: Amount forfeited on 4,67,500 equity shares (Previous year 4,67,500 equity shares)	**12,22,250**	12,22,250
		38,78,42,420	38,78,42,420
	(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 p aid 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 31/03/2017		As at 31/03/2016	
	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, 2017		As at 31st March, 2016	
	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, 2017	As at 31st March, 2016
3	RESERVES & SURPLUS		
a)	GENERAL RESERVE		
	As per last Balance Sheet	29,68,83,930	29,68,83,930
	Total (a)	29,68,83,930	29,68,83,930
b)	SECURITY PREMIUM RESERVE ACCOUNT		
	As per last Balance Sheet	96,27,47,811	96,27,47,811
	Closing Balance Total (b)	96,27,47,811	96,27,47,811
	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)		
c)	CAPITAL REDEMPTION RESERVE ACCOUNT		
	Opening Balance	1,13,29,830	1,13,29,830
	Closing Balance Total (c)	1,13,29,830	1,13,29,830
	(Transfe from Surplus in the statement of Profit & Loss towards 11,32,983 Equity Shares of Rs. 10/- each fully paid up for cash bought back on 11-02-2014)		
c)	SURPLUS IN STATEMENT OF PROFIT AND LOSS		
	Opening Balance	51,46,23,157	44,44,25,334
	Add: Transfer from statement of Profit and loss	37,49,58,967	7,01,97,823
	Less: Proposed Dividend on Equity (Rs.1/- per Equity share)	3,86,62,017	0
	Less: Distribution tax on Equity Dividend	78,70,677	0
	Closing Balance Total (c)	84,30,49,430	51,46,23,157
	Grand Total (a) to (d)	211,40,11,001	178,55,84,728

(Amount in Rupees)

		As at 31st March, 2017	As at 31st March, 2016
4	Long-Term provisions		
	(a) Provision for Employee benefits	30,21,125	30,17,547
	(b) Provision for diminution in value of assets	33,20,00,000	21,20,00,000
	Total (a+b)	33,50,21,125	21,50,17,547
5	Short-Term borrowings		
	Secured Borrowings		
	Overdraft/Demand Loan Facility	0	17,00,00,000
	Total	0	17,00,00,000
	(Secured by pledge of Shares held as Investments / Fixed Deposits of the Company)		
6	Trade payables		
	(a) Micro, Small and Medium Enterprises	0	0
	(b) Other trade payables	15,49,181	55,44,410
	Total (a+b)	15,49,181	55,44,410
7	Other current liabilities		
	(a) Statutory liabilities	18,48,656	21,36,665
	(b) Interest Payable	0	11,22,000
	Total (a+b)	18,48,656	32,58,665
8	Short-Term provisions		
	(a) Provision for Employee benefits	7,48,780	6,63,694
	(b) Proposed Dividend-Equity	3,86,62,017	0
	(c) Provision for Distribution tax on proposed Dividend-Equity	78,70,677	0
	Total (a+b+c)	4,72,81,474	6,63,694

9. FIXED ASSETS

(Amount in Rupees)

Sl. No.	Description	GROSS BLOCK: Cost As at 01.04.2016	Additions during the year	Sales/ Adjust-ments	Cost As at 31-03-2017	DEPRECIATION AND AMORTIZATION: Upto 31.03.2016	For the Period	Sales/ Adjust-ments	Upto 31-03-2017	NET BLOCK: As at 31-03-2017	As at 31.03.2016
1	**TANGIBLE ASSETS**										
1	**Assets for own use:**										
A	Buildings	1,79,31,151	9,31,65,134	0	11,10,96,285	1,19,35,138	19,04,659	0	1,38,39,797	9,72,56,488	59,96,013
B	Temporary Structures	6,88,735	0	0	6,88,735	6,88,734	0	0	6,88,734	1	1
C	Vehicles	68,02,727	3,75,533	0	71,78,260	46,30,542	7,29,324	0	53,59,866	18,18,394	21,72,185
D	Office Equipments	18,38,872	1,35,031	0	19,73,903	10,80,931	3,66,995	0	14,47,926	5,25,977	7,57,941
E	Furniture & Fixtures	12,80,027	0	0	12,80,027	9,36,851	88,065	0	10,24,916	2,55,111	3,43,176
F	Air Conditioners	14,81,287	0	0	14,81,287	10,05,635	1,41,979	0	11,47,614	3,33,673	4,75,652
G	Computers	18,91,896	88,449	0	19,80,345	16,03,828	1,76,280	0	17,80,108	2,00,237	2,88,068
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	**Assets on Lease**	120,66,66,568	0	0	120,66,66,568	120,65,66,568	0	0	120,65,66,568	1,00,000	1,00,000
		123,92,57,122	**9,37,64,147**	**0**	**133,30,21,269**	**122,90,90,293**	**34,07,302**	**0**	**123,24,97,595**	**10,05,23,674**	**1,01,66,829**
	INTANGIBLE ASSETS										
	Computer Software	9,54,636	0	0	9,54,636	6,19,734	1,45,537	0	7,65,271	1,89,365	3,34,902
	Grand Total	**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**
	Previous Year	131,85,26,630	16,85,128	8,00,00,000	124,02,11,758	125,18,99,878	44,96,469	2,66,86,320	122,97,10,027	1,05,01,731	6,66,26,7524

10. NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	QUANTITY: FACE VALUE	AS AT 31.03.2017	AS AT 31.03.2016	AMOUNT (In Rupees): AS AT 31.03.2017	AS AT 31.03.2016
Indhradhan Agro Ltd.	10	1,50,000	1,50,000	15,00,000	15,00,000
Invest India Economic Foundation Private Ltd.	10	2,000	2,000	20,000	20,000
Sunair Hotels Ltd. (#)	10	95,94,824	95,94,824	23,59,48,240	23,59,48,240
Appu Ghar Entertainment Private Ltd	10	0	2,77,100	0	13,85,50,000
VLS Capital Ltd (#)	10	88,20,833	88,20,833	19,38,53,947	19,38,53,947
Dewdrop Career Solutions Private Ltd	10	10,000	10,000	12,50,000	12,50,000
MPL Enterprises Ltd (*)	10	5,482	5,482	0	0
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 (A-1)	68,35,60,187	82,21,10,187
2. Quoted & Fully Paid					
ICDS Ltd (*)	10	21,929	21,929	0	0
KASHIPUR SUGAR MILLS LTD	10	89,767	89,767	7,99,032	7,99,032
ARTSON ENGINEERING LTD	1	4,104	4,104	1,00,376	1,00,376
ACCELYA KALE SOLUTIONS LTD	10	2,82,418	3,00,000	11,81,68,776	12,42,69,774
AMBIKA COTTON MILLS LTD	10	1,00,000	1,00,000	4,55,67,080	4,55,67,080
METALYST FORGINGS LTD	10	0	1,000	0	1,51,214
BANK OF BARODA	2	5	5	251	251
BLISS GVS PHARMA LTD	1	0	1,000	0	44,990
BANCO PRODUCTS (INDIA) LTD	2	0	1,000	0	1,41,983
BALASORE ALLOYS LTD	5	0	12,00,000	0	2,75,25,869
BOMBAY BURMAH TRADING CORP LTD	2	2,000	23,000	9,70,869	1,24,57,409
BHARAT PETROLEUM CORP LTD (+)	10	26,900	0	3,24,648	0
BEML LTD	10	3,000	0	27,55,329	0

NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	QUANTITY: FACE VALUE	AS AT 31.03.2017	AS AT 31.03.2016	AMOUNT (In Rupees): AS AT 31.03.2017	AS AT 31.03.2016
CEAT LTD	10	0	8,000	0	34,22,874
CENTUM ELECTORNICS LTD	10	0	1,070	0	2,14,253
CENTRAL BANK OF INDIA LTD	10	13,500	0	13,78,802	0
CENTURY ENKA LTD	10	0	1,000	0	1,78,595
CHOLAMANDALAM INVEST & FINANCE CO LTD	10	2,600	0	23,28,759	0
COAL INDIA LTD	10	22,000	0	66,27,917	0
CONTAINER CORP OF INDIA LTD	10	3,100	0	39,33,915	0
DHANLAXMI BANK LTD	10	37,000	0	8,29,195	0
EQUITAS HOLDING LTD	10	5,000	0	7,15,666	0
ENGINEERS INDIA LTD (+)	5	1,46,000	0	50,97,433	0
GUJARAT HOTELS LTD	10	5,134	5,134	2,71,813	2,71,813
GHCL LTD	10	0	1,000	0	67,254
GARWARE WALL ROPES LTD	10	0	1,000	0	1,60,543
GRANULES INDIA LTD	1	5,00,000	5,00,000	4,86,76,630	4,86,76,630
GRASIM INDUSTRIES LTD	10	0	59	0	2,17,027
GAIL INDIA LTD (+)	10	22,666	0	72,76,605	0
HERITAGE FOODS LTD	10	0	1	0	342
HCL TECHNOLOGIES LTD (+)	2	66,500	66,000	4,37,138	0
HIMATSINGKA SEIDE LTD	5	0	1,000	0	84,156
HINDALCO INDUSTRIES LTD	1	18,000	0	28,30,666	0
HINDUSTAN PETROLEUM CORP LTD (+)	10	2,21,250	0	3,88,901	0
HINDUSTAN UNILEVER LTD	1	12,500	0	1,11,27,386	0
INFOSYS LTD (+)	5	2,79,000	2,78,000	10,39,211	0
ITC LTD (+)	1	13,250	500	32,00,348	97,020
IFGL REFRACTORIES LTD	10	77,541	2,50,000	1,14,59,516	3,03,64,337

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	FACE VALUE	QUANTITY AS AT 31.03.2017	QUANTITY AS AT 31.03.2016	AMOUNT (In Rupees) AS AT 31.03.2017	AMOUNT (In Rupees) AS AT 31.03.2016
INFINITE COMPUTER SOLUTIONS (INDIA) LTD	10	1,52,895	2,00,000	2,89,12,846	4,00,72,458
IDBI BANK LTD	10	33,866	2,000	23,11,861	1,64,588
IDFC LTD	10	65,000	45,000	32,75,892	22,22,345
IDFC BANK LTD	10	57,000	0	38,78,811	0
ICICI PRUDENTIAL LIFE INSURANCE LTD	10	18,000	0	55,22,069	0
JK TYRE & INDUSTRIES LTD	2	0	10,00,000	0	11,89,90,962
LLOYDS ELECTRIC & ENGG LTD	10	0	1,000	0	1,43,391
L&T FINANCE HOLDING LTD	10	10,000	0	8,82,010	0
KANSAI NEROLAC POINTS LTD	1	0	500	0	1,17,810
KALYANI STEEL LTD	5	5,51,383	6,15,000	8,57,11,347	9,43,27,507
KARNATAKA BANK LTD	10	25,000	0	27,57,535	0
MUNJAL SHOWA LTD	2	0	1,000	0	2,33,002
MEGHMANI ORGANICS LTD	1	75,00,000	75,00,000	13,40,24,345	13,40,24,345
MBL INFRASTURCTURE LTD	10	0	20,000	0	35,30,452
M & M FINANCIAL SERVICES LTD	2	4,600	0	12,83,702	0
MAX VENTURES INDIA LTD	10	32,334	0	20,07,669	0
NANDAN DENIM LTD	10	0	1,000	0	46,041
NEO CORP INTERNATIONAL LTD	10	37,12,515	31,52,109	5,90,18,390	5,44,33,931
NAHAR SPINNING MILLS LTD	5	0	25,000	0	34,46,925
NATIONAL ALUMINIUM CO LTD	1	60,583	0	30,14,073	0
NIRLON LTD	10	7,000	0	14,85,793	0
ORRISA SPONGE LTD	10	2,936	2,936	16,13,828	16,13,828
OIL INDIA LTD (+)	10	16,000	0	53,40,960	0
PINCON SPIRIT LTD	10	0	1,66,200	0	1,16,20,939
PILANI INVESTMENT & IND CO LTD	10	605	505	8,12,599	6,72,219
RELAXO FOOTWEAR LTD (+)	1	62,86,791	80,57,760	2,10,27,788	3,12,88,757
RELIANCE INDUSTRIES LTD	10	3,400	900	33,56,459	8,88,432
RELIGARE ENTERPRISES LTD	10	2,50,000	0	5,39,25,181	0
SHILPI CABLE TECH LTD (+)	10	11,67,295	17,64,146	4,40,23,621	4,73,99,985
SHIPPING CORPORATION OF INDIA LTD	10	1,91,000	1,00,000	1,13,31,082	51,59,938
STEL HOLDINGS LTD	10	2,90,259	4,28,775	85,38,293	1,15,13,727
SUMMIT SECURITIES LTD	10	1,81,561	1,93,490	4,51,33,451	4,69,45,868
SUVEN LIFE SCIENCE LTD	1	0	1,000	0	2,11,112
SURYA ROSHNI LTD	10	9,52,500	11,00,500	10,52,51,250	12,32,69,660
SREE RAYALASEEMA ALKALIES & ALLIED CHEMICALS LTD	10	1,04,901	15,98,792	18,10,465	2,62,95,009
SREE RAYALASEEMA HI STRENGTH HYPO LTD	10	0	500	0	30,204
SHRIRAM TRANSPORT FINANCE CO LTD	10	7,250	0	59,76,789	0
SANGHI INDUSTRIES LTD	10	4,29,756	0	2,57,90,841	0
STATE BANK OF INDIA	1	20,000	0	49,85,184	0
STATE BANK OF TRAVANCORE	10	81,216	0	4,70,54,082	0
STATE BANK OF BIKENER & JAIPUR	10	3,216	0	23,70,727	0
STATE BANK OF MYSORE	10	636	0	3,70,584	0
SJVN LTD	10	50,000	0	15,74,057	0
SURANA INDUSTRIES LTD	10	4,50,000	0	18,00,000	0
TATA STEEL LTD	10	300	300	2,05,413	2,05,413
TAMILNADU NEWSPRINT AND PAPERS LTD	10	0	250	0	36,221
TECHNOCRAFT INDUSTRIES (INDIA) LTD	10	3,87,424	6,40,958	7,27,12,518	12,02,38,976
TINPLATE CO OF INDIA LTD	10	0	11,500	0	8,21,791
UFLEX LTD	10	1,400	1,400	1,68,701	1,68,701
TCI INDUSTRIES LTD	10	9,699	9,699	5,76,607	5,76,607
VISAKA INDUSTRIES LTD	10	0	1,00,000	0	1,76,73,578
ZEE MEDIA CORP. LTD.	1	0	0	0	0
AYM SYNTEX LTD	10	48,260	50,000	18,41,464	19,05,040
			SUB-TOTAL (A-2)	107,79,84,549	119,51,02,584
B. IN EQUITY SHARES OF SUBSIDIARIES					
Un-quoted & Fully Paid-up					
VLS Securities Ltd.	10	2,99,00,000	1,49,50,000	29,90,00,000	14,95,00,000
VLS Asset Management Ltd.	10	70,100	70,100	7,01,000	7,01,000
			SUB-TOTAL B	29,97,01,000	15,02,01,000
C. IN UNITS & BONDS					
Quoted & Fully Paid-up					
- IRFC (NO)	1,000	16,507	0	1,72,16,130	0
- NHAI (NA)	1,000	2,81,528	0	29,82,76,243	0
- NHAI (NE)	1,000	85,378	0	8,97,87,199	0
			SUB-TOTAL C	40,52,79,572	0
D. IN INVESTMENT FUND					
Unquoted & Fully Paid-up					
UNITS IN ICICI PRUDENTIAL REAL ESTATE AIF -II		149185.176	149185.176	1,50,00,000	1,50,00,000
UNITS IN IIFL REAL ESTATE FUND (DOMESTIC SERIES 3		1926893.655	0.000	2,00,00,000	0
			SUB-TOTAL D	3,50,00,000	1,50,00,000
			TOTAL E (A1+A2+B+C+D)	250,15,25,308	218,24,13,771
I. Aggregate value of quoted investments			At Cost	148,32,64,121	119,51,02,584
			Market Value	627,47,35,902	475,63,42,663
II. Aggregate value of un-quoted investments - In Subsidiaries			At Cost	29,97,01,000	15,02,01,000
- Others			At Cost	71,85,60,187	83,71,10,187
F. INVESTMENT IN IMMOVABLE PROPERTIES:-				70,94,409	70,94,409
			TOTAL (F)	70,94,409	70,94,409
			GRAND TOTAL (E+F)	250,86,19,717	218,95,08,180

(*) Bonus Shares received, hence cost of acquisition is NIL
(+) Includes Bonus Shares received
(#) Associate Companies

(Amount in Rupees)

		As at 31st March, 2017	As at 31st March, 2016
11 Deferred tax			
a) Deferred tax Assets			
i) Accumulated Losses		**1,45,72,675**	1,45,72,675
ii) Employee Benefits		**13,04,689**	12,74,004
	Total (a)	**1,58,77,364**	1,58,46,679
b) Deferred tax Liabilities			
i) Depreciation on Fixed Assets		**20,89,895**	12,70,508
	Total (b)	**20,89,895**	12,70,508
Deferred tax assets (net)	**(Total a-b)**	**1,37,87,469**	1,45,76,171

(Amount in Rupees)

		As at 31st March, 2017	As at 31st March, 2016
12 Long Term Loans and advances			
A) Unsecured, considered good			
i) Loans & Advances to Related Parties			
Loans to subsidiaries		**9,32,352**	9,29,010
	Total (i)	**9,32,352**	9,29,010
ii) Loans & advances		**8,30,00,000**	8,05,00,000
	Total (ii)	**8,30,00,000**	8,05,00,000
iii) Staff Loans and advances		**5,68,012**	5,58,169
	Total (iii)	**5,68,012**	5,58,169
iv) Advances recoverable in cash or kind or for value to be received-		**8,000**	9,70,365
	Total (iv)	**8,000**	9,70,365
v) Secuity Deposit with Govt Department		**1,500**	1,500
vi) Secuity Deposit with others		**63,17,824**	63,17,824
vii) Advance Income Tax and Tax Deducted at Source		**20,44,18,561**	7,29,61,858
Less: Tax Provisions		**15,84,66,440**	2,71,06,330
	Total (vii)	**4,59,52,121**	4,58,55,528
	Total A (i+ii+iii+iv+v+vi+vii)	**13,67,79,809**	13,51,32,396
B) Doubtful			
Advances recoverable in cash or kind or for value to be received-		**1,21,220**	51,21,220
Less: Provision for Bad & Doubtful Debts		**1,21,220**	51,21,220
	Total B	**0**	0
	Total (A+B)	**13,67,79,809**	13,51,32,396

13. INVENTORIES-SHARE STOCK IN TRADE

(At Cost or market price, whichever is lower)

Name of the Company	As on 31.03.2017 Quantity	As on 31.03.2017 Value (Rs.)	As on 31.03.2016 Quantity	As on 31.03.2016 Value (Rs.)
Stock of Quoted Equity shares (Fully Paid)				
ARIHANT COTSYN LTD	2,000	1	2,000	1
CENTRAL ROADLINES CORPORATION LTD	2,82,700	1	2,82,700	1
HINDUSTAN ADHESIVES LTD	1,000	13,000	1,000	13,000
INTERCRAFT LTD	29,000	1	29,000	1
KOTHARI PRODUCTS LTD (+)	45	3,903	45	3,903
SWEDE INDIA LTD	200	1	200	1
RELIANCE LIQUID FUND	666.36	26,06,751	0	0
DSP BLACK ROCK MUTUAL FUND COLLECTION	20,280.33	4,70,00,000	0	0
HDFC LIQUID FUND	0	0	15,543	4,90,00,000
Total	3,35,892	4,96,23,658	3,30,488	4,90,16,907

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

(Amount In Rupees)

		As at 31st March, 2017	As at 31st March, 2016
14 Trade Receivables			
Unsecured-Considered good			
Due from share brokers			
1. Due for more than six months		**0**	0
2. Others		**1,23,84,970**	6,10,62,806
	Total	**1,23,84,970**	6,10,62,806
15 Cash and Cash Equivalents			
a) Cash on Hand		**71,902**	3,22,016
b) Balances with banks			
1. In Current Accounts		**1,08,79,019**	1,77,75,472
2. In Fixed Deposits (*)		**1,05,95,935**	1,04,95,167
(*) Fixed Deposits with banks include deposits of Rs.Nil (Previous Year: Rs.Nil) with maturity of more than 12 months.			
	Total (a+b)	**2,15,46,856**	2,85,92,655

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

(Amount In Rupees)

	As at 31st March, 2017	As at 31st March, 2016
16 Short Term Loans and advances		
Unsecured, considered good		
i) Advances to Related Parties		
Receivables from subsidiaries	8,15,942	4,46,791
Margin Money with subsidiaries	1,75,90,318	6,00,00,000
ii) Staff Loans and advances	9,84,414	9,12,826
iII) Advances Recoverable in cash or in kind or for value to be received	15,73,541	76,41,280
Iv) Margin Money deposit with share brokers	0	99,00,000
v) Prepaid Expenses	3,98,100	5,29,681
Total(i+ii+iii+iv+v)	2,13,62,315	7,94,30,578
17 Other Current Assets		
Interest Accrued but not due	2,25,63,524	90,040
Total	2,25,63,524	90,040
18. REVENUE FROM OPERATIONS		
Sale of Shares/Securities/Commodities	**2619,57,80,141**	1890,61,19,682
Income from Other credit operations	**3,23,98,267**	84,84,401
Income from Investments	**69,44,51,604**	21,97,05,799
Total	**2692,26,30,012**	1913,43,09,882
19. OTHER INCOME		
Profit on sale/written off of Fixed Assets	**0**	3,16,86,320
Others	**1,44,221**	65,348
Total	**1,44,221**	3,17,51,668
20. CHANGE IN STOCK OF SHARES		
Closing Stock of Shares	**4,96,23,658**	4,90,16,907
Less: Opening Stock of Shares	**4,90,16,907**	7,65,99,092
Change in Stock of Shares -Increase/(Decrease)	**6,06,751**	(27,582,185)
21. EMPLOYEE BENEFITS EXPENSES		
Salaries	**2,15,48,007**	2,05,25,003
Staff Amenities/Welfare expenses	**6,80,557**	8,34,865
Employer's Contribution to PF, ESI, Gratuity Fund etc.	**23,48,210**	33,31,621
Total	**2,45,76,774**	2,46,91,489
22. FINANCE COST		
Bank / Finance Charges	**13,256**	13,069
Interest Payment on Loans/ overdraft facilites	**12,38,547**	1,95,66,401
Total	**12,51,803**	1,95,79,470
23. ADMINISTRATIVE & OTHER EXPENSES		
Advertisement & Business Promotion	**30,78,840**	43,42,337
Consultancy, Legal & Service Charges	**3,39,80,452**	3,90,70,558
Communication Expenses	**16,04,965**	22,07,723
Electricity & Water Charges	**8,14,695**	7,42,360
Insurance	**89,915**	62,619
Office Expenses	**52,74,064**	64,49,582
Shares Transaction Charges	**8,64,714**	6,07,318
Travelling Expenses & Conveyance	**16,20,775**	17,38,603
Rates & Taxes	**89,00,307**	92,00,964
Rent	**61,20,000**	61,20,000
Repairs & Maintenance —Others	**13,40,399**	17,11,319
Miscellaneous Expenses	**71,51,225**	84,19,046
CSR Expenditure	**16,44,163**	6,48,000
Auditors' Remuneration		
a) Audit Fees	**1,95,500**	1,94,650
b) For Other Services		
— For Tax audit	**90,000**	90,000
— For certification	**1,81,600**	1,78,450
— Out of pocket expenses	**36,470**	35,000
Internal Auditors' Remuneration		
— Fees	**80,000**	80,000
— For certification	**10,000**	0
Directors' Sitting Fees	**7,63,000**	7,38,000
Bad debts written off (Net)	**75,89,871**	(4,117,000)
Prior year adjustments	**6,01,274**	(313,934)
Total	**8,20,32,229**	7,82,05,595

24. NOTES FORMING PART OF FINANCIAL STATEMENT

1. Contingent Liability:- NIL.
2. In some cases balances in the account s 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 deposit s of Rs.1,05,95,935/- (Previous Year – Rs.1,04,95,167/-) 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 01.04.2016		Purchases		Sales		Closing Stock in trade as on 31.03.2017	
Item Traded	Qty. *	Value Rs.	Qty *	Value Rs.	Qty *	Value Rs.	Qty *	Value Rs.
Shares	314945	16907	7444574	2106128966	7444574	2100330649	314945	16907
(Previous year)	314930	16907	12543565	5774135802	12543550	5712955015	314945	16907
Commodities	Nil	Nil	1074769	2603430593	1074769	2608479441	Nil	Nil
(Previous year)	Nil	Nil	406614	731564752	406614	735209610	Nil	Nil
Liquid Fund	15543	49000000	10397965	21480300000	10392562	21486970050	20946	49606751
(Previous year)	49272	76582185	104400265	12426200000	104433994	12457955057	15543	49000000

*** 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)	**3,74,70,398**	4,96,60,723

6 Interest Receipts (Gross) Rs.3,15,08,756/-(inclusive of interest of Rs.10,60,044/- on Fixed Deposits, 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/-) (Previous Year Rs. 84,84,401/-, inclusive of interest of Rs.12,93,639/- on Fixed Deposit s and Rs.59,71,809/-on margin money with share brokers and other interest received of Rs.12,18,953/-) grouped under Income from Operations includes Tax Deducted at Source amounting to Rs.5,20,641/-(Previous Year Rs. 8,37,661/-).

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 agreement s in respect of Leased Assets have expired and the assets continue in the possession of lessees. However , the said asset s 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 VLSAsset Management Ltd (99.15%),
   Key Managerial Personnel: - 1) Shri S.K.Agarwal (Managing Director)
   2) Shri K.K.Soni (Director Finance & CFO)
   3) Shri H Consul, Company Secretary
   Associates:- (as defined in the Companies Act 2013) 1) VLS Capital Ltd
   2) Sunair Hotels Ltd
   3) BMS ITInstitute Private Ltd.

(Amount in Rs.)

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Others
Purchase of Securities	Rs. 2,78,82,92,874 (Previous year Rs. 6,28,89,17,805)			
Sale of Securities	Rs. 3,26,36,09,893 (Previous year Rs.5,89,05,68,137)			
Rent and other charges received	Rs. 1,38,100 (Previous year Rs.1,37,100)			
Other charges paid	Rs. 49,19,145 (Previous year. Rs.46,55,552)			
Loan to Subsidiary (Since received-the outstanind loan became NIL on 19/07/2016)	Rs. 13,00,00,000 (Previous year. Rs.Nil)			
Security Deposit received/ paid to VLS Capital Ltd.		Rs. 2,00,000 (Previous year. Rs. 3,00,000)		
Remuneration to Managing Director			Rs. 30,75,000 (Previous year. Rs. 31,23,654)	
Remuneration to Director-Finance & CFO			Rs. 29,55,000 (Previous year Rs. 30,49,875)	
Remuneration to Company Secretary.			Rs. 17,48,962 (Previous year. Rs. 17,48,459)	
Due from Subsidiaries (including margin money deposits - outstanding balance as on 31.03.2017)	Rs. 1,93,38,612 (Previous year. Rs. 6,13,75,801)			

10. Managerial Remuneration

Particulars	Paid to Shri S.K. Agarwal Managing Director	Paid to Shri K. K. Soni Director-Finance & CFO
Remuneration	Rs. 30,60,000/- (Previous Year –Rs. 30,60,000/-)	Rs. 29,40,000/- (Previous Year –Rs. 29,40,000/-)
Perquisites	Rs. 15,000/- (Previous Year –Rs. 63,654/-)	Rs 15,000/- (Previous Year – Rs. 1,09,875/-)

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 31st March, 2017	Year ended 31st March, 2016
Basic and Diluted		
Total Shares Outstanding	3,86,62,017	3,86,62,017
Profit after Taxes	Rs.37,49,58,967	Rs. 7,01,97,823
EPS -Basic	Rs. 9.70	Rs. 1.82
EPS –Diluted	Rs. 9.70	Rs. 1.82

12. Expenditure in Foreign Exchange:–
Foreign Travel Expenses Rs. Nil (Previous year: Foreign Travel Expenses- Rs. 3,937) and Subscriptions Rs. Nil (Previous year: Rs. 56,935)

13. A non interest bearing amount of Rs. 9,32,352/- (maximum amount outstanding during the year is Rs.9,32,352/-) 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	2016-17	2015-16
	(in Rupees)	
Employer's Contribution to Provident Fund	13,26,189	13,06,662
Employer's Contribution to Pension Fund	3,65,851	3,49,388

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 Grautity 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 31,2017 (in Rupees)	As at March 31,2016 (in Rupees)
Change in present value of obligation		
Present value of obligation as at the beginning of the year	70,54,773	52,97,693
Current service cost	4,55,037	4,97,512
Interest cost	5,29,108	4,23,815
Actuarial (gain) / loss	(4,09,193)	8,35,753
Benefits paid	0	0
Present value of obligation as at the end of the year	76,29,725	70,54,773

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

Change in present value of obligation		
Fair Value of Plan Assets as at the beginning of the year	55,61,890	50,05,715
Expected return on plan assets	4,38,426	4,22,704
Contributions	2,83,786	1,36,486
Benefits paid	0	0
Actuarial gain/(loss) on Plan assets	14,015	(3,015)
Fair Value of Plan Assets as at the end of the year	62,98,117	55,61,890

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	76,29,725	70,54,773
Fair Value of Plan Assets as at the end of the year	62,98,117	55,61,890
Excess of Fair value of Plan Assets over present value of obligaitons	(13,31,608)	(14,92,883)

III) Expenses charged to Profit & Loss Account

Expenses charged to Profit & Loss Account	1,22,511	13,37,391

Main actuarial assumptions

Discount rate	7.50%	8.00%
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, 2017	As a March 31,2016
Change in present value of obligation		
Present value of obligation as at the beginning of the year	12,39,917	9,26,156
Current service cost	91,548	1,03,448
Interest cost	92,994	74,092
Actuarial (gain) / loss	(2,18,389)	1,36,221
Benefits paid	0	0
Present value of obligation as at the end of the year	12,06,070	12,39,917
Change in plan assets	Not Applicable	Not Applicable
Plan assets at the beginning of the year		
Expected return on plan assets		
Contribution by the Company		
Benefits paid		
Actuarial (gain) / loss		
Plan assets at the end of the year		
Liability recognised in the financial statement		
Cost for the year		
Current service cost	91,548	1,03,448
Interest cost	92,994	74,092
Return on plan assets	0	0
Actuarial (gain) / loss	(2,18,389)	1,36,221
Net cost	(33,847)	3,13,761
Constitution of plan assets	Not Applicable	Not Applicable
Other than equity, debt, property and bank a/c Funded with LIC		
Present value of obligation as at the end of the year		
Current Liability	7,48,780	6,63,694
Non Current Liability	4,57,290	5,76,223
Total	12,06,070	12,39,917
Main actuarial assumptions		
Discount rate	7.50%	8.00%
Rate of increase in compensation levels	5.00%	5.00%

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

17. 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.(Previous year: NIL)

18. 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.

19. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:

(Amount in Rupees)

	Formula	Specified Bank Notes (SBNs)*	Other Denomination Notes **	Total
		P	Q	R=P+Q
Closing Cash in hand as on 08/11/2016.	A	4,25,000	6,677	4,31,677
(+)Permitted Receipts:	B		6,51,000	6,51,000
(-)Permitted Payment :	C		4,14,282	4,14,282
(-)Amounts deposited in Banks	D	4,25,000		4,25,000
Closing Cash in Hand as on 30/12/2016.	E=A+B-C-D	0	2,43,395	2,43,395

20. Bad Debts written off of Rs.75,89,871 is net off of bad debts recovery of Rs.24,10,129/- (Previous Year: Bad debts written off of Rs.NIL is net off of bad debts recovery of Rs.41,17,000)

21. Notes 1 to 24 form an integral part of financial statements.

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

As per our report of even date
For Agiwal & Associates
(F.R.N. : 000181N)
Chartered Accountants
(P.C.Agiwal)
Partner
M.No. 80475
May 28, 2017
New Delhi

For and behalf of the Board

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

M.P. Mehrotra
Director
(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, 2017

(In Rupees)

		For the Year ended 31/03/2017		For the Year ended 31/03/2016	
A	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit Before Tax		**50,71,07,779**		**7,96,05,788**
	Adjustments for :				
	Interest and Finance Charges	12,51,803		1,95,79,470	
	Depreciation	35,52,839		44,96,469	
	(Profit)/Loss on sale of Fixed Assets	0		(31,686,320)	
	(Income)/Loss from Investments	(656,981,206)		(170,045,077)	
	Dividend Income	(37,470,398)		(49,660,723)	
	NPA Provisions and adjustments	12,00,00,000		0	
	Leave encashment/gratuity Provisions	88,664	(569,558,298)	16,51,152	(225,665,029)
	Operating Profit before Working Capital Changes		**(62,450,519)**		**(146,059,241)**
	Adjustments for :				
	Trade & Other Payables	(5,405,238)		(75,711,583)	
	Inventories	(606,751)		2,75,82,185	
	Trade & Other Receivables	2,62,04,352		(60,502,628)	
	Short Term Loans and Advances	5,80,68,263	78,260,626	21,76,65,277	10,90,33,251
	Cash Generated from Operations		1,58,10,107		(37,025,990)
	Less: Taxes Paid (Net of Refunds)		13,14,56,703		89,68,915
	Net Cash Flow from Operating Activities (A)		**(115,646,596)**		**(45,994,905)**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Net Proceeds from Fixed Assets		(93,764,147)		8,33,14,872
	Capital work-in-Progress		(172,500)		0
	Investment in Securities (Net)		88,93,46,014		(216,534,514)
	Long Term Loans and Advances		(1,550,820)		(636,785)
	Investment of Subsidiaries		(149,500,000)		0.00
	Investment in tax fee bonds		(405,279,572)		0.00
	Income from Units		33,03,227		5,73,171
	Dividend Income		3,74,70,398		4,96,60,723
	Net Cash used/generated from Investing Activities (B)		**27,98,52,600**		**(83,622,533)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from/(Repayment of) Short Term Borrowings		(170,000,000)		16,33,59,271
	Interest Paid		(1,251,803)		(19,579,470)
	Net Cash Flow from Financing Activities (C)		**(171,251,803)**		**14,37,79,801**
	Net Increase/ (Decrease) in Cash & Cash Equivalents(A+B+C)		**(7,045,799)**		**1,41,62,363**
	Opening Balance of Cash & Cash Equivalents		2,85,92,655		1,44,30,292
	Closing Balance of Cash & Cash Equivalents		2,15,46,856		2,85,92,655

Notes:-

1. Cash & Cash Equivalents (Closing) includes deposits with banks amounting to Rs. 1,05,95,935 (Previous Year Rs.1,04,95,167), which are pledged with them as security for overdraft facility.
2. Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of even date.
For Agiwal & Associates
Chartered Accountants
(F.R.N. 000181N)
P.C.Agiwal
Partner
M.No.80475
May 8th, 2017
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

M.P. Mehrotra
Director
DIN : 00016768

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

Director's Report

To

The Members of **VLS Securities Limited**

Your Directors are pleased to present the 23rd annual report of your Company together with audited annual accounts for the year ended on 31st March, 2017.

Financial Summary

During the year under review, your Company generated revenue from operations of Rs. 79.46 lacs as against Rs. 31.46 lacs in the previous year. However, the other income has gone down to Rs. 54.84 lacs for the year under review as against Rs. 78.21 lacs in the previous year. The profit before tax of the Company stood at Rs. 2.89 lacs for the year under review as against the figure of Rs. 13.01 lacs in the preceding year. The Tax liability of Rs. 27.56 lacs for the current year has been arrived at based on applicable tax laws.

Dividend /Reserves

In view of loss incurred and 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. 29.40 lacs during the year under review, as compared to Rs. 31.46 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 doing business in Future & Options segment as a Trading Member of NSE. The Company through its letter dated 9th March, 2016 had applied to SEBI for surrendering its Portfolio Management License, which has been acceded to by the SEBI and your Company's Portfolio Management registration is cancelled w.e.f. 17th May, 2016.

During the year, your Company has issued 1,50,00,000 equity shares of Rs. 10/- per share for cash at par on rights basis in the ratio of 1:1, the approval for which was taken in the Extraordinary General Meeting held on 25/06/2015. The inprinciple approval for allotment of the aforesaid shares was obtained on 13/06/2016 from National Stock Exchange of India Ltd. ('NSE') in terms of Exchange's by laws for Stock Brokers. The allotment of shares was made in the Board meeting held on 19/07/2016 and the share certificates were issued on 08/09/2016. The other procedural formalities including payment of stamp duty to Delhi Government was completed by 16/03/2017. The present paid up capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores only).

Future Outlook

The global situation of financial markets has improved and the Indian economy has shown robust vigour. The Company is optimistic for the current financial year and 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

During the year under review, the Board of Directors on the recommendation of Nomination and Remuneration Committee had appointed Shri Vikas Mehrotra (DIN: 06476150) and Ms. Divya Mehrotra (DIN: 00006494) as Additional Directors and their tenure as Director of the Company is upto the ensuing Annual General Meeting. The proposal for their appointment will be considered at ensuing Annual General Meeting and details thereof have been set out in the notice of Annual General Meeting. Your Directors recommend appointment of Shri Vikas Mehrotra and Ms. Divya Mehrotra as Directors in order to have their continued guidance.

Shri K. K. Soni – Director shall be retiring by rotation as a director at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Your Directors recommend his re-appointment.

Key Managerial Personnel

Ms. Surbhi Jain- Company Secretary & Compliance Officer has resigned w.e.f. 27/01/2017 and the Board, on the recommendation of the Nomination and Remuneration Committee in its meeting held on 8th March, 2017, has appointed Shri Iqbaljeet Singh Aujla, a qualified Company Secretary, having membership no. A34144, as Secretary of the Company. Shri IJS Aujla is positioned as Group Member (Secretarial) in VLS Finance Ltd., the holding Company. Further, the Board also appointed Shri Ramesh Chandra Pandey as Compliance Officer of the Company in the same meeting w.e.f. 8th March, 2017 for the purpose of compliance under Regulations applicable to Stock Brokers and Merchant Bankers. Shri Ramesh Chandra Pandey is a law graduate and is working as Group Head- Secretarial in VLS Finance Ltd., the holding company.

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 25/05/2016, 19/07/2016, 12/11/2016 and 08/03/2017 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. 2016-17
1	Shri P.K. Sharan	Elected as Chairman in all the meetings	4
2	Shri K.K. Goswami	Member	4
3	Shri K. K. Soni	Member	4
4	Shri T.B. Gupta	Member	3
5	Shri S.K. Agarwal	Member	4

Audit Committee

During the year, 2 meetings of the Audit Committee were held on 25/05/2016 and 12/11/2016 respectively. The Audit Committee comprised Shri P. K. Sharan and Shri R. K. Goswami- Independent Directors and Shri K. K. Soni – Director. All the recommendations made by the Committee were accepted by the Board in entirety.

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

S. No.	Name of Director	Whether Chairman/ Member	No. of meetings attended during F.Y. 2016-17
1	Shri P.K. Sharan	Elected as Chairman in all the meetings	2
2	Shri R.K Goswami	Member	2
3	Shri K. K. Soni	Member	2

Nomination and Remuneration Committee

During the year, 3 meetings of the Nomination and Remuneration Committee were held on 25/05/2016, 12/11/2016 and 08/03/2017 respectively. The Nomination and Remuneration Committee consists of Shri P. K. Sharan, Shri R. K. Goswami and Shri K. K. Soni. Shri K. K. Soni is the Chairman of the Committee. All the recommendations made by the Committee were accepted by the Board in entirety.

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. 2016-17
1	Shri K. K. Soni	Chairman	3
2	Shri R.K Goswami	Member	3
3	Shri P.K. Sharan	Member	3

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 08th March, 2017.

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 08th March, 2017 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	1. 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. 26 of notes forming part of financial statements for details.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3) of the Companies Act, 2013('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 2017, 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 loss 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, 2017 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

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 inter-alia permanent, contractual, temporary, trainees are covered under this policy

The Internal Complaints Committee is headed by the 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 31/03/2017.

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 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 Ac, 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

The term of the Statutory Auditors, M/s. Agiwal & Associates- Chartered Accountants (FRN: 000181N), will end at the forthcoming annual general meeting. Being subjected to compulsory retirement in terms of Section 139 of the Companies Act, 2013, the present Statutory Auditors would not be eligible for reappointment. M/s. Anil Pariek & Garg- Chartered Accountants, (FRN: 0676C) have given 'in principle consent to act as statutory auditors of the Company and have furnished a certificate that they are qualified under Section 139 of the Companies Act, 2013 ('Act') to act as Auditors of the Company, if appointed. In terms of Section 139 read with Companies (Audit and Auditors) Rules, 2014 the appointment of M/s Anil Pariek & Garg- Chartered Accountants as Statutory Auditors will be for a period of 5 years subject to their appointment being ratified by the members every year and other applicable compliances. Upon appointment, the tenure of Statutory Auditors will be from conclusion of this Annual General Meeting to the conclusion of 28th Annual General Meeting of the Company. Concurring to the recommendation of the Audit Committee, the Board of Directors have recommended their appointment. The Board may also be authorised to fix their remuneration.

Auditors Report

The auditors' report to the members on annual accounts for the year under review does not contain any qualification.

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 VLS International DMCC, the wholly owned subsidiary ("WOS") has been dissolved w.e.f. 24/06/2016. 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, 2017.

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	: Rs. 48,833.37

None of the employees of the Comp any are in receipt of remuneration in excess of limits specified in section 134(3) of the Companies Act, 2013 read with the Comp anies (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 Comp any has complied with SEBI (S tock Brokers and Sub Brokers) Regulations 1992, SEBI (Merchant Bankers) Regulations, 1992, SEBI (Portfolio Managers) Regulations, 1993 and other applicable laws/ regulations, as amended. There was no proposal during the year under review for buy back of shares by the Company.

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 dif ferential 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 comp any is also the Managing Director of VLS Finance Ltd.-Holding Comp any and receives remuneration from the holding company. (S.197(14))

The Board evaluated the performance of Directors in it s meeting held on 08th March, 2017.

There has been no change in the nature of business of Company during the year under review excepting that the Company had surrendered its registration for Portfolio Management Services.

There has been no significant and material orders p assed 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 31/03/2017.

Acknowledgements

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

For and on behalf of the Board of Directors

Place : New Delhi	**S.K. Agarwal**	**K.K. Soni**
Date : 28/07/2017	**Managing Director**	**Director**
	DIN: 00106763	**DIN: 00106037**

Annexure-A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

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 tot al 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)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	600	600	0.004%	0	600	600	0.002%	-0.002%
b) Central Govt.or State Govt.	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) Bodies Corporates	0	14949400	14949400	99.663%	0	29899400	29899400	99.665%	0.002%
d) Bank/FI	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Any other	0	0	0	0.000%	0	0	0	0.000%	0.000%
SUB TOTAL:(A) (1)	0	14950000	14950000	99.667%	0	29900000	29900000	99.667%	0.000%
(2) Foreign									
a) NRI- Individuals	0	0	0	0.000%	0	0	0	0.000%	0.000%
b) Other Individuals	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) Bodies Corp.	0	0	0	0.000%	0	0	0	0.000%	0.000%
d) Banks/FI	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Any other…	0	0	0	0.000%	0	0	0	0.000%	0.000%
SUB TOTAL (A) (2)	0	0	0	0.000%	0	0	0	0.000%	0.000%
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	14950000	14950000	99.667%	0	29900000	29900000	99.667%	0.000%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.000%	0	0	0	0.00%	0.000%
b) Banks/FI	0	0	0	0.000%	0	0	0	0.00%	0.000%
c) Central govt	0	0	0	0.000%	0	0	0	0.00%	0.000%
d) State Govt.	0	0	0	0.000%	0	0	0	0.00%	0.000%
e) Venture Capital Fund	0	0	0	0.000%	0	0	0	0.00%	0.000%
f) Insurance Companies	0	0	0	0.000%	0	0	0	0.00%	0.000%
g) FIIS	0	0	0	0.000%	0	0	0	0.00%	0.000%
h) Foreign Venture Capital Funds	0	0	0	0.000%	0	0	0	0.00%	0.000%
i) Others (specify)	0	0	0	0.000%	0	0	0	0.00%	0.000%
SUB TOTAL (B)(1):	0	0	0	0.000%	0	0	0	0.00%	0.000%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	50000	50000	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			
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0.000%	0	0	0	0.00%	0.000%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.000%	0	0	0	0.00%	0.000%
c) Others (specify)	0	0			0	0			
a) NRI / OCB	0	0	0	0.000%	0	0	0	0.00%	0.000%
b) Foreign National	0	0	0	0.000%	0	0	0	0.00%	0.000%
c) Clearing Member	0	0	0	0.000%	0	0	0	0.00%	0.000%
d) LLP	0	0	0	0.000%	0	0	0	0.00%	0.000%
e) Trust	0	0	0	0.000%	0	0	0	0.00%	0.000%
SUB TOTAL (B)(2):	0	50000	50000	0.333%	0	100000	100000	0.333%	1.000%
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	50000	50000	0.333%	0	100000	100000	0.333%	1.000%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000%	0	0	0	0	0.000%
Grand Total (A+B+C)	0	15000000	15000000	100.000%	0	30000000	30000000	100.000%	1.000%

(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	0.0007%	0.00	100	0.0003%	0.00	-0.0003%
3	Ms. Divya Mehrotra*	100	0.0007%	0.00	100	0.0003%	0.00	-0.0003%
5	Shri Harsh Consul*	100	0.0007%	0.00	100	0.0003%	0.00	-0.0003%
6	Shri Vikas Mehrotra*	100	0.0007%	0.00	100	0.0003%	0.00	-0.0003%
7	Shri Ramji Mehrotra*	100	0.0007%	0.00	100	0.0003%	0.00	-0.0003%
9	Shri K. K. Soni*	100	0.0007%	0.00	100	0.0003%	0.00	-0.0003%
10	VLS Finance Ltd.	14949400	99.6627%	0.00	29899400	99.6647%	0.00	0.0020%
	Total	14950000	99.6667%	0.00	29900000.00	99.6667%	0.00	0.0000%

* Shares held as nominee of VLS Finance Ltd., the holding Comp any.

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

Sl.No	Shareholders Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Date	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	01/04/2016	14949400	99.663%	14949400	99.663%
1		19/07/2016	14950000	99.667%	29899400	99.665%
	At the end of the year	31/03/2017	29899400	99.665%	29899400	99.665%

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

(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 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	01/04/2016	50000	0.333%	50000	0.1667%
		19/07/2016	50000	0.333%	50000	0.1667%
	At the end of the year	31/03/2017	100000	0.3333%	100000	0.3333%

(v) Shareholding of Directors & KMP

Sl.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
	Shri K. K. Soni*					
	At the beginning of the year	01/04/2016	100	0.003%	100	0.003%
	At the end of the year	31/03/2017	100	0.003%	100	0.003%

* 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
Indebtness at the beginning of the financial year				
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
Total (i+ii+iii)	0	0	0.00	0.00
Change in Indebtedness during the financial year				
Additions	0	13,00,00,000	0.00	13,00,00,000
Reduction	0	-13,00,00,000	0.00	-13,00,00,000
Net Change	0	0	0.00	0.00
Indebtedness at the end of the financial year				
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
Total (i+ii+iii)	0	0	0.00	0.00

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/ Manager	Total Amount
1	**Gross salary**	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
	Total (A)	0.00	0.00
	Ceiling as per the Act per annum	8400000.00	8400000.00

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Shri R. K. Goswami	Shri P. K. Sharan		
	(a) Fee for attending board committee meetings	16000.00	16000.00		32000.00
	(b) Commission	0.00	0.00		0.00
	(c) Others, please specify	0.00	0.00		0.00
	Total (1)	16000.00	16000.00		32000.00
2	Other Non Executive Directors				
	Non Independent Directors	Shri S.K. Agarwal	Shri K.K. Soni	Shri T.B. Gupta	
	(a) Fee for attending board committee meetings	0.00	0.00	0.00	0.00
	(b) Commission	0.00	0.00	0.00	0.00
	(c) Others, please specify.	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00
	Total (B)=(1+2)	16000.00	16000.00		32000.00
	Total Managerial Remuneration	N.A.	N.A.		
	Overall Ceiling as per the Act. per meeting per Director	100000.00	100000.00		

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

Sl.No	Particulars of Remuneration	Key Managerial Personnel				
1	**Gross Salary**	**CEO**	**Ms. Surbhi Jain***	**Shri IJS Aujla****	**Shri Anurag Bhatnagar**	**Total**
			Company Secretary	**Company Secretary**	**CFO**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N. A.	0.00	0.00	1673200.00	1673200.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N. A.	0.00	15000.00	15000.00	15000.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N. A.	0.00	0.00	0.00	0.00
2	Stock Option	N. A.	0.00	0.00	0.00	0.00
3	Sweat Equity	N. A.	0.00	0.00	0.00	0.00
4	Commission	N. A.	0.00	0.00	0.00	0.00
	as % of profit	N. A.	0.00	0.00	0.00	0.00
	others, specify	N. A.	0.00	0.00	0.00	0.00
5	Others, please specify	N. A.	0.00	0.00	1688200.00	1688200.00
	Total	N. A.	0	0.00	1688200.00	1688200.00

* Till 27/01/2017 ** w.e.f. 08/03/2017

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
B. DIRECTORS					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
C. OTHER OFFICERS IN DEFAULT					
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, 2017, 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, 2017 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 (1 1) 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 31st March, 2017 on its financial position in its financial statements.

   ii. The Company has made provision as at 31st March, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term contracts including derivative contracts.

   iii. There has been no requirement to transfer any amount to the Investor Education and Protection Fund, as the Company has no due outstanding during the year ended 31st March, 2017.

   iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 38 to the financial statements.

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

P C. Agiwal
Partner
Membership No. 080475

Place : New Delhi
Date : 3rd May, 2017

ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT
REFERRED TO IN OUR REPORT OF EVEN DATE
RE: VLS SECURITIES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2017

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.

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 31.03.2017 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 31.03.2017.

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 is 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 Agiwal & Associates
Chartered Accountants
(FRN : 000181N)

P C. Agiwal
Partner
Membership No. 080475

Place : New Delhi
Date : 3rd May, 2017

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 2017 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 2017, 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
Membership No. 080475

Place : New Delhi
Date : 3rd May, 2017

BALANCE SHEET AS AT 31ST, MARCH, 2017

Amount (in Rs.)

Particulars	Note No	As at 31.03.2017	As at 31.03. 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	**30,00,00,000**	15,00,00,000
(b) Reserves and Surplus	4	**1,02,65,323**	1,26,95,927
Total 1		**31,02,65,323**	16,26,95,927
(2) Non-Current Liabilities			
(a) Long Term Provisions	5	**4,56,269**	4,19,812
Total 2		**4,56,269**	4,19,812
(3) Current Liabilities			
(a) Trade Payables	6	**2,18,00,221**	7,05,00,822
(b) Other Current Liabilities	7	**11,37,764**	12,96,842
(c) Short-Term Provision	8	**14,012**	13,390
Total 3		**2,29,51,997**	7,18,11,054
Total (1+2+3)		**33,36,73,589**	23,49,26,793
II. Assets			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	9 (i)	**2,13,093**	3,33,601
Intangible Assets	9 (ii)	**1**	1
(b) Non-Current Investments	10	**21,32,17,231**	12,30,55,058
(c) Deferred Tax Assets (Net)	11	**2,03,190**	1,66,774
(d) Long-Term Loans and Advances	12	**89,35,615**	2,00,48,307
Total 4		**22,25,69,130**	14,36,03,741
(2) Current Assets			
(a) Trade Receivables	13	**-**	9,15,924
(b) Cash and Cash Equivalents	14	**6,81,09,373**	21,98,732
(c) Short-Term Loans and Advances	15	**4,20,59,005**	8,74,84,968
(d) Other Current Assets	16	**9,36,081**	7,23,428
Total 5		**11,11,04,459**	9,13,23,052
Total (4+5)		**33,36,73,589**	23,49,26,793
Significnat Accounting Policies and Notes forming part of accouns	1 to 31		

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

For and on behalf of the Board

P. C. Agiwal	**S.K. Agarwal**	**K.K.Soni**	**Anurag Bhatnagar**	**IJS Aujla**
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 080475	DIN : 00106763	DIN : 00106037	PAN : AAJPB6607R	M.No. : A34144
Place : New Delhi				
Date : 03/05/2017				

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
I. Revenue from Operations	17	**79,46,338**	31,46,012
II. Other Income	18	**54,84,013**	78,21,473
III. Total Revenue (I+II)		**1,34,30,351**	1,09,67,485
IV. Expenses:			
Purchase of Shares/Securities		**5,000,000**	-
Operating Expenses	19	**6,91,431**	12,76,512
Employee Benefit Expense	20	**43,61,822**	46,73,621
Depreciation and Amortization Expense		**1,60,408**	1,56,403
Finance Cost		**15,14,521**	-
Other Expenses	21	**14,13,189**	35,59,575
Total Expenses (IV)		**1,31,41,371**	96,66,111
V. Profit/(Loss) before tax (III-IV)		**2,88,980**	13,01,374
VI. Less: Tax Expenses			
(1) MAT/Current Tax		**27,56,000**	-
(2) Deferred Tax		**(36,416)**	(43,363)
(3) Earlier Year Adjustments		**-**	-
VII. Profit After Tax		**(24,30,604)**	13,44,737
Less: Adjustment of Tax Provision of Earlier Year		**-**	-
VII. Profit(Loss) For The Year (V-VI)		**(24,30,604)**	13,44,737
VIII. Earning Per Equity Share (of Rs.10/- each)			
Basic and Diluted		**(0.08)**	0.09
Significnat Accounting Policies and Notes forming part of accouns	1 to 31		

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

For and on behalf of the Board

P. C. Agiwal	**S.K. Agarwal**	**K.K.Soni**	**Anurag Bhatnagar**	**IJS Aujla**
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 080475	DIN : 00106763	DIN : 00106037	PAN : AAJPB6607R	M.No. : A34144
Place : New Delhi				
Date : 03/05/2017				

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

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 31.03.2017.

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.

	As at 31.03.2017	As at 31.03.2016
Note 3		Amount (in Rs.)
Share Capital		
Authorised	**30,00,00,000**	30,00,00,000
3,00,00,000 Equity Shares		
(Previous Year 3,00,00,000 Equity		
Shares) of Rs.10/- each	**30,00,00,000**	30,00,00,000
Issued, Subscribed & Paid up	**30,00,00,000**	15,00,00,000
3,00,00,000 Equity shares (Previous		
Year 1,50,00,000 Equity Shares)		
of Rs.10/- each, fully paid up in cash	**30,00,00,000**	15,00,00,000

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

	As at 31.03.2017		As at 31.03.2016	
Equity Shares	No. of shares	Rupees	No. of shares	Rupees
At the beginning of the year	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
Issued during the year	1,50,00,000	15,00,00,000	-	-
Outstanding at the end of the year	3,00,00,000	30,00,00,000	1,50,00,000	15,00,00,000

b. Terms/rights attached to equity shares

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

c. Shares held by holding company

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

	As at 31.03.2017	As at 31.03.2016
VLS Finance Ltd. (including 600 shares held though its nominees)	**2,99,00,000**	1,49,50,000

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

	As at 31.03.2017		As at 31.03.2016	
	No. of shares	% of holding	No. of shares	% of holding
VLS Finance Ltd. (including 600 shares held though its nominees)	**2,99,00,000`**	**99.67**	1,49,50,000	99.67

			Amount (in Rs.)
Note 4			
Reserves & Surplus			
SURPLUS IN STATEMENT OF PROFIT AND LOSS			
As per Last Balance Sheet			
Opening Balance		**1,26,95,927**	11,351,190
Less: Depreciation Transition Impact		**-**	-
Add: Profit for the year		**(2,430,604)**	13,44,737
	Total	**1,02,65,323**	12,695,927
Note 5			
Long Term Provisions			
Provision for Employee Benefits		**4,56,269**	4,19,812
	Total	**4,56,269**	4,19,812
Note 6			
Trade Payables			
Related Party			
Holding Company		**8,15,942**	6,04,46,791
Others Payables		**2,09,84,279**	1,00,54,031
	Total	**2,18,00,221**	7,05,00,822
Note 7			
Other Current Liabilities			
Statutory Liabilities		**1,79,945**	2,00,647
Others Payables		**9,57,819**	10,96,195
	Total	**11,37,764**	12,96,842
Note 8			
Short- Term Provisions			
Provision for Employee Benefits		**14,012**	13,390
	Total	**14,012**	13,390

Fixed assets - Tangible Assets
Note -9 (i)

Amount (in Rs.)

Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
Balance as at 01 April 2015	38,81,079	2,88,205	71,112	579,099	**48,19,495**
Additions	-	-	-	-	**-**
Deduction	-	-	-	-	**-**
Balance as at 31 March 2016	**38,81,079**	**2,88,205**	**71,112**	**579,099**	**48,19,495**
Balance as at 01 April 2016	38,81,079	2,88,205	71,112	5,79,099	**48,19,495**
Additions	39,900	-	-	-	**39,900**
Deduction	-	-	-	-	**-**
Balance as at 31 March 2017	**39,20,979**	**2,88,205**	**71,112**	**5,79,099**	**48,59,395**
Depreciation					
Balance as at 01 April 2015	38,70,569	2,88,204	71,111	99,607	**43,29,491**
Depreciation for the year	6,637	-	-	149,766	**156,403**
adjustment on account of transition effect	-	-	-	-	**-**
Balance as at 31 March 2016	**38,77,206**	**2,88,204**	**71,111**	**2,49,373**	**44,85,894**
Balance as at 01 April 2016	38,77,206	2,88,204	71,111	249,373	**44,85,894**
Depreciation for the year	10,642	-	-	1,49,766	**1,60,408**
adjustment on account of transition effect	-	-	-	-	**-**
Balance as at 31 March 2017	**38,87,848**	**2,88,204**	**71,111**	**3,99,139**	**46,46,302**

Fixed assets *(Continued)*

Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
Net block					
As at 31 March 2016	3,873	1	1	3,29,726	3,33,601
As at 31st March 2017	**33,131**	**1**	**1**	**1,79,960**	**2,13,093**

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 2015	1,04,000	1,04,000
Additions	-	-
Deduction	-	-
Balance as at 31 March 2016	**1,04,000**	**1,04,000**
Balance as at 01 April 2016	1,04,000	1,04,000
Additions	-	-
Deduction	-	-
Balance as at 31 March 2017	**1,04,000**	**1,04,000**
Depreciation		
Balance as at 01 April 2015	96,595	96,595
Depreciation for the year	-	-
adjustment on account of transition effect	7,404	7,404
Balance as at 31 March 2016	**1,03,999**	**1,03,999**
Balance as at 01 April 2016	1,03,999	1,03,999
Depreciation for the year	-	-
adjustment on account of transition effect	-	-
Balance as at 31 March 2017	**1,03,999**	**1,03,999**
Fixed assets *(Continued)*		
Description	**Computer**	**Total**
Net block		
As at 31 March 2016	1	1
As at 31st March 2017	**1**	**1**

Note - 10

PARTICULARS	As at 31.03.2017	As at 31.03.2016
Non-Current Investments	**Rs**	**Rs**
Non trade -At cost-Fully paid up		
(QUOTED)		
Investment in Equity Instruments of Other entities		
81,50,000 (P.Y.81,50,000) Equity Shares of Rs.1/- of Relaxo Footwear Ltd.	9,72,35,355	9,72,35,355
200 Equity Shares of Rs.10/- each of D Pharma Ltd.	1	1
500 Equity Shares of Rs.10/- each of Punjab Wireless Systems Ltd.	1	1
5 (P.Y. 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
Nil (P.Y. 4,50,000) Equity Shares of Rs.10/- Surana Industries Limited.	-	2,56,50,000
8,90,000 Equity Shares of Rs.2/- JK Tyre & Industries Limited	7,63,62,000	-
38,478 Equity Shares of Rs.10/- Visaka Industries Limited	53,46,518	-
3,00,000 Equity Shares of Rs.5/- Balasore Alloys Ltd.	55,65,000	-
23,000 Equity Shares of Rs.2/- Bombay Burmah Trading Corporation Limited	88,09,000	-
4,05,000 Equity Shares of Rs.10/- MBL Infrastructures Limited	1,97,29,655	-
Total Non-Current Investment	**21,32,17,231**	12,30,55,058
Aggregate amount of quoted investments	**21,32,17,231**	12,30,55,058
Aggregate market value of quoted investments	**4,25,14,12,657**	2,78,25,08,008

	As at 31.03.2017	As at 31.03.2016
Note 11		
Deferred Tax		
a. Deferred Tax Liabilities	-	-
b. Deferred Tax Assets		
Depreciation on Fixed Assets	57,873	32,915
Employee Benefits	1,45,317	1,33,859
Net Deferred Tax Assets	**2,03,190**	1,66,774
Note 12		
Long-Term Loans and Advances		
(Unsecured, considered good)		
Deposits with Others	**77,00,000**	1,78,00,000
Advance Income Tax and Tax Deducted as source	**7,09,353**	14,10,979
Staff Loan and Advances	**5,14,963**	8,25,957
Advances recoverable in cash or kind or for value to be received	**11,299**	11,371
Total	**89,35,615**	2,00,48,307
Note 13		
Trade Receivables		
(Unsecured, considered good)		
Debts outstanding for a year exceeding 6 months from the date they are due for payment	-	-
Others	-	9,15,924
Total	-	9,15,924

	As at 31.03.2017	As at 31.03.2016
		Amount (in Rs.)
Note 14		
Cash & Cash Eqvivalents		
Cash on Hand	**31,095**	5,142
Balance with Banks		
- Current Account	**2,50,78,278**	11,93,590
- Fixed Deposit with Banks*	**4,30,00,000**	1,000,000
Total	**6,81,09,373**	21,98,732
* Fixed deposit with bank include deposits of Rs.3,10,00,0000 Lacs (Previous Year Rs. 10,00,000/-) with maturity of less than 12 months		
Note 15		
Short Term Loans & Advances		
(Unsecured, considered good)		
Margin Deposit	**4,08,00,000**	8,58,00,000
Prepaid Expenses	**6,31,040**	9,55,039
Staff Loan and Advances	**6,02,221**	7,29,929
Advances recoverable in cash or kind or for value to be received	**25,744**	-
Total	**4,20,59,005**	8,74,84,968
Note 16		
Other Current Assets		
Interest Accured but not due	**9,11,563**	7,08,012
Others	**24,518**	15,416
Total	**9,36,081**	7,23,428
Note 17		
Revenue From Operations		
Sale of Shares/Securities	**5,006,205**	-
Income from Brokerage	**29,40,133**	31,46,012
Total	**79,46,338**	31,46,012
Note 18		
Other Income		
Interest on Fixed Deposit	**46,99,580**	21,40,603
Dividend Income	**80,66,862**	40,75,016
Loss on Sale of Investment in Shares	**(7,737,682)**	1,500,000
Interest Income	**54,835**	84,653
Miscellaneous Income	**4,00,418**	21,201
Total	**54,84,013**	78,21,473
Note 19		
Operating Expenditure		
SEBI Fees	**3,22,814**	3,42,662
V-Sat Charges	**23,950**	1,14,731
Transaction and Other NSE Charges	**3,44,667**	8,19,119
Total	**6,91,431**	12,76,512
Note 20		
Employee Benefit Expenses		
Salaries and Wages	**36,78,700**	37,28,500
Staff Welfare Expenses	**440**	565
Contribution to Provident and other Funds	**6,82,682**	9,44,556
Total	**43,61,822**	46,73,621
Note 21		
Other Expenses		
Rent	**60,000**	60,000
Rates & Taxes	**2,65,639**	13,79,666
Electricity Charges	**36,000**	36,000
Office Maintenance	**24,000**	24,000
Legal and professional Charges	**2,24,333**	11,44,487
Repair & Maintenance	**6,000**	7,233
Travelling and Conveyance	**2,82,996**	3,93,067
Insurance	**19,081**	12,586
Miscellaneous Expenses	**32,566**	55,067
Business Promotion	**1,35,161**	1,12,888
News Papers, Books & Periodicals	**1,11,007**	1,24,723
Communication Expenses	**1,33,942**	1,35,079
Printing & Stationery	**1,714**	4,154
Directors Sitting Fee	**32,000**	22,000
Auditors Remuneration		
- Statutory Audit fees	**23,000**	22,900
- Tax audit fees	**5,750**	5,725
- Out of pocket expenses	**20,000**	20,000
Total	**14,13,189**	35,59,575

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

22. **Commitments:-**

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

23. **Contingent Liabilities**: - Nil

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

25. Employee Benefit s: 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.6,02,656/-(PreviousYear Rs. 6,03,824/-) 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 get s a gratuity on death or resignation or retirement at 15days salary (last drawn salary) for each completed year of service subject to a maximum payment of Rs. 10 lakhs. The gratuity plan is funded.

Long Term Compensated Absences as per actuarial valuation as on 31.03.2017

(Amount in Rs.)

Actuarial Assumptions	Gratuity As at 31st March, 2017	Gratuity As at 31st March, 2016	Leave Encashment As at 31st March, 2017	Leave Encashment As at 31st March, 2016
Discount rate (per annum)	7.5%	8%	7.5%	8%
Salary Growth Rate	5%	5%	5%	5%
Expected rate of return	7.5%	8%	NA	NA
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
I. Expenses recognized in statement of profit and loss				
Interest cost	1,76,199	1,52,711	32,490	25,072
Current service cost	72,194	1,14,216	22.696	21,552
Expected return on plan assets	(2,01,760)	(1,96,218)	—	—
Net actuarial loss/ (gain) recognized in the year	7,373	1,81,540	(18,107)	73,182
Net expenses recognized	**54,006**	**2,52,249**	**37,079**	**1,19,806**
II. Net liability/(assets) recognized in the balance sheet at the year end				
Present value of obligation at the end of period	26,25,264	23,49,322	4,70,281	4,33,202
Fair value of the plan asset at the end of period	29,12,066	26,90,130	—	—
Funded status [(surplus/(deficit)]	2,86,802	3,40,808	(4,70,281)	(4,33,202)
Net asset/(liability) as at 31.03.2017	**2,86,802**	**3,40,808**	**(4,70,281)**	**(4,33,202)**
III. Change in present value of obligation during the year				
Present value of obligation at the beginning of period	23,49,322	19,08,890	4,33,202	3,13,396
Interest cost	1,76,199	1,52,711	32,490	25,072
Current service cost	72,194	1,14,216	22,696	21,552
Benefits paid	—	—	—	—
Actuarial loss/ (gain) on obligations	27,549	1,73,505	(18,107)	73,182
Present value of obligation at the year end	**26,25,264**	**23,49,322**	**4,70,281**	**4,33,202**
IV. Change in present value of fair value of plan assets				
Fair value of plan assets as at the beginning of period	26,90,130	22,15,309	—	—
Expected return on plan assets	2,01,760	1,96,218	—	—
Contributions	—	2,86,638	—	—
Benefits paid	—	—	—	—
Actuarial loss/ (gain)	20,176	(8,035)	—	—
Fair value of plan assets at the year end	**29,12,066**	**26,90,130**	—	—

26. Related Party Disclosure

Followings are the related parties: -

Holding Company	:	VLS Finance Ltd.
Fellow Subsidiaries	:	VLS Asset Management Ltd.
Key Managerial Personnel	:	Shri S.K. Agarwal, Managing Director.
	:	Shri Anurag Bhatnagar, Chief Financial Officer
	:	Ms. Surbhi Jain, Company Secretary ceased w.e.f. 27.01.2017
	:	Mr. IJS Aujla, Company Secretary w.e.f. 08.03.2017

Transactions during the year with the related parties: -

Nature of Transactions	Holding Company		Other Related Parties	
	As at 31st March 2017	As at 31st March, 2016	As at 31st March 2017	As at 31st March, 2016
Remuneration to KMP	-	-	**16,88,200/-**	17,73,095/-
Brokerage earned	**23,63,763/-**	30,15,348/-	**Nil**	Nil
Reimbursement amount claimed	**49,19,145/-**	46,55,552/-	**Nil**	Nil
Rent and other charges paid	**1,38,000/-**	1,37,100/-	**Nil**	Nil
Loan	**13,00,00,000/-***	Nil	**Nil**	Nil
Payable to Holding Company at the year end	**8,15,942/-**	6,04,46,791/-	**Nil**	Nil

*The outstanding laon was nil on 19/07/2016.

27. Calculation of Earning per share :-

Particulars	Equivalent No. of Shares	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Basic and diluted		
Total Shares outstanding	3,00,00,000	1,50,00,000
Weighted Average of Shares	–	1,50,00,000
Profits after taxes	(24,30,604/-)	13,44,737/-
EPS (In Rs.)	(0.08)	0.09

28. Expenditure in Foreign Exchange:- (Amount in Rs.)

S No.	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
1	Payment of Fees to Consultant	48,833.37	48,983.58
2	Payment of Registration Fees	—	1,61,273.31
3	Payment of Flexi Desk Fees (for office space)	—	3,08,303.33
	Total	48,833.37	5,18,560.22

29. The Expenses under the head 'Legal and Professional Charges' and 'Rates and Taxes' shown in Note no. 21 'Other Expenses' includes Rs.48,833.37 (Previous Year Rs. 9,47,286.91) & Rs. Nil (PreviousYear Rs. 1,61,273.31) respectively incurred in respect of VLS International DMCC (Regd. No. DMCC 31506), a subsidiary company incorporated during the year in Dubai, UAE. The said subsidiary is in the process of liquidation due to change in business plan.

30. The Income under the head 'Other Income' shown in Note no. 18 includes writing back of Unspent liabilities/ Unclaimed balance amounting to Rs.3,73,093/- (Previous Year Rs. Nil)

31. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table Below:

(Amount in Rupees)

Particulars	Formula	Specified Bank Notes (SBNs)*	Other Denomination Notes **	Total
		P	Q	R=P+Q
Closing Cash in hand as on 08/11/2016.	A	–	1,470	1,470
(+)Permitted Receipts:	B	–	1,40,000	1,40,000
(-)Permitted Payment :	C	–	15,050	15,050
(-)Amounts deposited in Banks	D	–	–	–
Closing Cash in Hand as on 30/12/2016.	E=A+B-C-D	–	1,26,420	1,26,420

*Specified Bank Notes (Old Currency Note of Rs.1000 & Rs.500)
** Other Denomination Notes (Rs.2000/Rs.500/Rs.100/Rs.10)

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

As per our report of even date

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

For and on behalf of the Board

P. C. Agiwal
Partner
Membership No. 080475
Place : New Delhi
Date : 03/05/2017

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

Cash Flow Statement for the Year ended 31st March, 2017

Amount (In Rupees)

		For the Year ended 31/03/2017		For the Year ended 31/03/2016	
A	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit before Tax		**2,88,980**		13,01,374
	Adjustments for:-				
	Dividend Income	**(80,66,862)**		(40,75,016)	
	Depreciation	**1,60,408**		1,56,403	
	Loss (Gain) on Sale of Investments	**77,37,682**		(15,00,000)	
	Provision for Leave Encashment	**37,079**		1,19,806	
	Finance Cost	**15,14,521**		-	
	Interest on FD	**(47,54,414)**		(22,25,256)	
			(33,71,586)		(75,24,063)
	Operating Profit before Working Capital Changes		**(30,82,606)**		(62,22,689)
	Adjusted for:				
	Trade Payables	**(4,88,59,679)**		(10,71,57,922)	
	Trade and Other Receivables	**7,03,272**		2,50,30,284	
	Short Term Loans and Advances	**4,54,25,962**	**(27,30,446)**	(3,57,14,994)	(11,78,42,632)
	Cash Generated from Operations		**(58,13,052)**		(12,40,65,321)
	Less: Tax Payment		**(27,56,000)**		-
	Cash Flow from Operating Activities		**(85,69,052)**		(12,40,65,321)
	Prior Period Items		-		-
	Net Cash from Operating Activities		**(85,69,052)**		(12,40,65,321)
B.	**Cash Flow from Investing Activities**				
	Purchase of Investments		**(14,89,23,849)**		-
	Sale of Investments		**5,10,23,995**		11,05,00,000
	Additions in Fixed Assets		**(39,900)**		-
	Long Term Loans and Advances		**1,11,12,692**		79,11,747
	Proceeds from Sale of Fixed Assets		-		-
	Dividend Income		**80,66,862**		40,75,016
	Interest on FD		**47,54,414**		22,25,256
	Net Cash (used in)/ Generated from Investing Activities		**(7,40,05,786)**		12,47,12,019
C.	**Cash Flow from Financing Activities**				
	Proceeds from Issue of Share		**15,00,00,000**		-
	Interest paid		**(15,14,521)**		-
	Net Cash (used in)/ Generated from Financing Activities		**14,84,85,479**		-
	Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)		**6,59,10,641**		6,46,698
	Opening Balance of Cash & Cash Equivalents		**21,98,732**		15,52,034
	Closing Balance of Cash & Cash Equivalents		**6,81,09,373**		21,98,732

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

P.C.Agiwal
Partner
Membership No.80475
Place : New Delhi
Date : 03/05/2017

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

K.K.Soni
Director
DIN : 00106037

Anurag Bhatnagar
Chief Financial Officer
PAN : AAJPB6607R

IJS Aujla
Company Secretary
M.No. : A34144

VLS ASSET MANAGEMENT LTD.

Regd. Off : 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 Ph: 46656666, FAX: 011-46656699

CIN: U74899DL1995PLC065812, email: vaml@vlsfinance.com

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 22nd Annual Report of your Company together with the Balance Sheet as at 31st March, 2017 and the Statement of Profit & Loss for the year ended on that date.

Financial Results

The Company has incurred a loss of Rs. 3342/- on account of administrative expenses incurred. No income was generated during the year under review. The accumulated losses of the Company, during the year under review, have exceeded 50% of its net worth. The Board has been advised that the Company, not being an Industrial Company, no reference to BIFR or other authorities is required to be made. The Company did not undertake any activity during the year under review. However, the Board is continuing efforts to identify suitable activity for operation keeping in view the means available. Accordingly the Company is being viewed as a going concern and the accounts have been prepared on the basis of the going concern assumption.

Board Meetings

During the year ended 31/03/2017, 4 (four) Board Meetings were held with one meeting in every quarter on 25/05/2016, 20/08/2016, 12/12/2016, and 20/03/2017.

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. 2016-17
1	Shri S.K. Agarwal	4
2	Shri Rajesh Jhalani	2
3	Shri S.C. Agarwal	4
4	Shri K. K. Soni	4
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

There was no change in the Board of Directors during the year under review. Shri K. K. Soni and Shri Anurag Bhatnagar - 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/ arrangments/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, 2017, 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, 2017 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

As per the provisions of section 139 of Companies Act, 2013, the Auditors, M/s. Agiwal & Associates, Chartered Accountants, were appointed for a period of five (5) years beginning from the conclusion of 20th Annual General Meeting held in 2015 to conclusion of 25th Annual General Meeting to be in 2019 subject to ratification by members every year.

The Company has received a certificate from the Auditors that they are qualified under section 139 of the Companies Act, 2013 to act as the Auditors of the Company, if appointed. The Board of Directors recommends ratification of their appointment for the financial year 2017-18 in terms of Section 139 of Companies Act, 2013. The Statutory Auditors shall not be subject to rotation since the company is not covered in categories to which said provision is applicable. The Board may also be authorised to fix their remuneration. The provisions relating to Secretarial Audit, cost records and audit are not applicable to your Company.

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 employees' 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(p), 177,178, 203 and 204 of the Companies Act, 2013.

The Company has no subsidiaries and associates.

Acknowledgement

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

For and on behalf of the Board of Directors

Place : New Delhi	**Anurag Bhatnagar**	**S. C. Agarwal**
Date : 01/08/2017	**Director**	**Director**
	DIN : 00115108	**DIN : 00108493**

ANNEXURE-1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

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 Agents, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL. NO.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Asset Management	999999999999999	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. 01/04/2016				No. of Shares held at the end of the year i.e. 31/03/2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(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/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL:(A) (1)	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/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other…	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (A) (2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	70100	70100	99.15%	0	70100	70100	99.15%	0.00%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks/FI	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%
SUB TOTAL (B)(1):	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	0	0			0	0			
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			
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%
SUB TOTAL (B)(2):	0	600	600	0.85%	0	600	600	0.85%	0.00%
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	600	600	0.85%	0	600	600	0.85%	0.00%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0	0.00%
Grand Total (A+B+C)	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. 01/04/2016			Shareholding at the end of the year i.e. 31/03/2017			
		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	% Change in share holding during the year
1	VLS Finance Ltd.	70100	99.15%	0.00	70100	99.15%	0.00	0.00%
	Total	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. 01/04/2016		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	01/04/2016	70100	99.15%	70100	99.15%
	At the end of the year	31/03/2017	70100	99.15%	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. 01/04/2016		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	01/04/2016	100	0.14%	100	0.14%
	At the end of the year	31/03/2017	100	0.14%	100	0.14%
2	Dr. (Mrs) Sushma Mehrotra					
	At the beginning of the year	01/04/2016	100	0.14%	100	0.14%
	At the end of the year	31/03/2017	100	0.14%	100	0.14%
3	Shri Somesh Mehrotra					
	At the beginning of the year	01/04/2016	100	0.14%	100	0.14%
	At the end of the year	31/03/2017	100	0.14%	100	0.14%
4	Shri Vikas Mehrotra					
	At the beginning of the year	01/04/2016	100	0.14%	100	0.14%
	At the end of the year	31/03/2017	100	0.14%	100	0.14%
5	Shri Ramji Mehrotra					
	At the beginning of the year	01/04/2016	100	0.14%	100	0.14%
	At the end of the year	31/03/2017	100	0.14%	100	0.14%
6	VLS Capital Ltd.					
	At the beginning of the year	01/04/2016	100	0.14%	100	0.14%
	At the end of the year	31/03/2017	100	0.14%	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	01/04/2016	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	31/03/2017	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	929010	0	929010
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	929010	0	929010
Change in Indebtedness during the financial year				
Additions	0	3342	0	3342
Reduction	0	0	0	0
Net Change	0	3342	0	3342
Indebtedness at the end of the financial year				
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
Total (i+ii+iii)	0	932352	0	932352

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 Comp any.

Sl.No	**Particulars of Remuneration**	**Name of the MD/WTD/ Manager**	**Total Amount**
1	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	0	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
	Total (A)	0	0
	Ceiling as per the Act per annum	0	0

B. Remuneration to other directors: No remunation 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	0	0	0	0	0	0.
	(b) Commission	0	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0	0
	Total (1)	0	0	0	0	0	0
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
	Total (2)	0	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0	0
	Total Managerial Remuneration	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 Comp any.

Sl.No	Particulars of Remuneration		Key Managerial Personnel		
1	**Gross Salary**	**CEO**	**Company Secretary**	**CFO**	**Total**
	(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.
	Total	N. A.	N. A.	N. A.	N. A.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
B. DIRECTORS					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
C. OTHER OFFICERS IN DEFAULT					
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 31st March, 2017.

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 : 01/08/2017

Anurag Bhatnagar
Director
DIN : 00115108

S. C. Agarwal
Director
DIN : 00108493

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VLS ASSET MANAGEMENT LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial st atements of **VLS ASSET MANAGEMENT LIMITED** ("the Comp any"), which comprise the Balance Sheet as at March 31, 2017, 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 st ated in section 134(5) of the Comp anies Act, 2013 ("the Act") with respect to the preparation of these financial st atements to give a true and fair view of the financial position, financial performance and cash flows of the Comp any 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 Comp any and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment s 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 prep aration 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 st atements based on our audit.

We have t aken 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 statement s are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial st atements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misst atement of the financial st atements, whether due to fraud or error. In making those risk assessment s, the auditor considers internal financial control relevant to the Comp any's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumst ances 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 ef fectiveness 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 present ation of the financial statements.

We believe that the audit evidence we have obt ained is suf ficient and appropriate to provide a basis for our audit opinion on the financial st atements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial st atements, 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, 2017 and its loss and its Cash Flows for the year ended on that date.

The Comp any 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 comp anies (Auditor's Report) Order , 2016, issued by the Central Government of India in terms of Sub section (1 1) of section 143 of the Act,(hereinafter referred to as the "Order"), the order is no 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 st atements 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 represent ations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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-'A'.

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 31st March, 2017 on it s financial position in it s financial statements.

   ii. The Comp any has made provisions as at 31 st March, 2017, as required under the applicable law or accounting st andards, 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. There has been no requirement to transfer any amount to the Investor Education and Protection Fund, as the Company has no due outstanding during the year ended 31st March, 2017

   iv. The Company has provided requisite disclosures in it s financial statements as to holdings as well as dealings in S pecified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of account s maintained by the Comp any. Refer Note 38 to the financial statements.

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

P.C. Agiwal
Partner
Membership No. 080475

Place: New Delhi
Date: 8th May, 2017

Annexure – 'A' 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 31March, 2017 in conjunction with our audit of the standalone financial st atements 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 Comp any 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 2017, 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
Membership No. 080475

Place: New Delhi
Date: 8th May, 2017

BALANCE SHEET AS AT 31st MARCH, 2017 — **Amount (in Rs.)**

Particulars	Note No.	As at 31.3. 2017	As at 31.3. 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	**7,07,000**	7,07,000
(b) Reserves and Surplus	4	**(1,628,560)**	(1,625,218)
		(921,560)	(918,218)
(2) Non-Current Liabilities			
Long- Term Borrowings	5	**9,32,352**	9,29,010
		9,32,352	9,29,010
(3) Current Liabilities			
Other Current Liabilities	6	**5,431**	5,431
		5,431	5,431
Total		**16,223**	16,223
II. Assets			
(1) Non-current assets		**-**	-
		-	-
(2) Current assets			
Cash and Cash Equivalents	7	**16,223**	16,223
		16,223	16,223
Total		**16,223**	16,223

Significant Accounting Policies and Notes forming part of the accounts 1 to 13

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

For and on behalf of the Board

P.C. Agiwal	**Anurag Bhatnagar**	**S.C. Agarwal**
Partner	Director	Director
Membership No. 080475	DIN : 00115108	DIN : 00108493

Place : New Delhi
Date : 08/05/2017

Amount (in Rs.)

STATEMENT PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Note No.	Year Ended 31.3.2017	Year Ended 31.3.2016
I. Revenue from Operations		**-**	-
II. Other Income		**-**	-
III. Total Revenue (I +II)		**-**	-
IV. Expenses:			
Employee Benefit Expense		**-**	-
Financial Costs		**-**	-
Depreciation and Amortization Expense		**-**	-
Other Expenses	8	**3,342**	4,786
Total Expenses (IV)		**3,342**	4,786
V. Profit /(Loss) before tax (III-IV)		**(3,342)**	(4,786)
		(3,342)	(4,786)
VI. Profit/(Loss) for the year		**3,342**	(4,786)
VII.Earning per equity share (OF Rs.10/- each)			
Basic and Diluted	11	(0.047)	(0.068)
Significant Accounting Policies and Notes forming part of the accounts	1 to 13		

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

For and on behalf of the Board

P.C. Agiwal	**Anurag Bhatnagar**	**S.C. Agarwal**
Partner	Director	Director
Membership No. 080475	DIN : 00115108	DIN : 00108493

Place : New Delhi
Date : 08/05/2017

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 — Amount (in Rs.)

Share Capital	As at 31.03.2017	As at 31.3.2016
Authorised		
1,00,00,000 Equity Shares of Rs.10/- each	**10,00,00,000**	10,00,00,000
	10,00,00,000	10,00,00,000
Issued, Subscribed & Paid up		
70700 Equity Shares of Rs.10/- each	**7,07,000**	7,07,000
	7,07,000	7,07,000

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

Equity Shares	As at 31.03.2017		As at 31.3.2016	
	No. of shares	Rupees	No. of shares	Rupees
At the beginning of the year	70,700	7,07,000	70,700	7,07,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	70,700	7,07,000	70,700	7,07,000

b. Terms/rights attached to equity shares

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

c. Shares held by holding company

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

	As at 31.03.2017	As at 31.3.2016
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 — Amount (in Rs.)

Reserves & Surplus	As at 31.03.2017	As at 31.3.2016
Surplus		
At the Beginning of the Accounting year	**(1,625,218)**	(1,620,432)
Additions during the year	**(3,342)**	(4,786)
Total	**(1,628,560)**	(1,625,218)

Note 5

Unsecured Long Term Borrowings

From Holding Company i. e. VLS Finance Ltd.		
(Non- interest bearing)	**9,32,352**	9,29,010
Total	**9,32,352**	9,29,010

Note 6

Other Current Liabilities

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

Note 7

Cash & Cash Equivalents

(a) Balance with Banks		
- Current Account	**16,223**	16,223
(b) Cash-in-Hand	**-**	-
Total	**16,223**	16,223

Note 8 — Amount (in Rs.)

Other Expenses	As at 31.03.2017	As at 31.3.2016
Filing Charges	**1,842**	3,174
Certification Charges	**1,500**	1,500
Printing Stationery	**-**	-
Bank Charges	**-**	112
Total	**3,342**	4,786

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, 2017	As at 31st March, 2016
Holding Company	Opening Balance	9,29,010	9,24,336
	Transactions during the year	3,342	4,674
	Closing Balance	9,32,352	9,29,010

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

S. No.	Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
1.	Net Profit/Loss after Tax	(3,342)	(4,786)
2.	Weighted Average number of Equity Shares	70,700	70,700
3.	Face value per Share	10	10
4.	Basic & Diluted Earning Per Share	(0.047)	(0.068)

12 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table Below :

(Amount in Rupees)

Particulars	Formula	Specified Bank Notes (SBNs)*	Other Denomination Notes **	Total
		P	Q	R=P+Q
Closing Cash in hand as on 08/11/2016.	A	–	-	-
(+)Permitted Receipts:	B	–	-	-
(-)Permitted Payment :	C	–	-	-
(-)Amounts deposited in Banks	D	–	–	–
Closing Cash in Hand as on 30/12/2016.	E=A+B-C-D	–	-	-

*Specified Bank Notes (Old Currency Note of Rs.1000 & Rs.500)

** Other Denomination Notes (Rs.Nil)

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

As per 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 : 08/05/2017

For and on behalf of the Board

Anurag Bhatnagar Director DIN : 00115108

S.C. Agarwal Director DIN : 00108493

Cash Flow Statement for the Year ended 31st March 2017

Amount (in Rs.)

		As at 31.03.2017	As at 31.03.2016
A	**Cash Flow from operating activities**		
	Net Profit (Loss) before Tax	**(3342)**	(4786)
	Adjustment for :-		
	Operating Profit before working capital changes	**(3342)**	(4786)
	Increase / (Decrease) in trade payables & Others	**-**	-
	Cash Generated from Operations	**(3342)**	(4786)
	Net Cash From Operating Activities	**(3342)**	(4786)
B.	**Cash Flow From Financing activities**		
	Proceeds from borrowings	**3342**	4786
	Net Cash From Financing Activities	**3342**	4786
	Net increase in Cash & Cash Equivalents (A+B)	**-**	-
C.	Cash & Cash Equivalents at the beginning of the Year	**16223**	16335
D.	Cash & Cash Equivalents at the end of the year	**16223**	16335
	Increase/(Decrease) in Cash & Cash Equivalents (D-C)	**-**	(112)

As our report of even date attached thereto

As per 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 : 08/05/2017

For and on behalf of the Board

Anurag Bhatnagar Director DIN : 00115108

S.C. Agarwal Director DIN : 00108493

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VLS FINANCE LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2017, 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 31.03.2016 and 31.03.2014 respectively as provided by the management and for the another associate VLS Capital Ltd. for the year ended 31.03.2017 and are not offering any comment on the same.

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 Mangement'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 associate companies.

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 associate except two of its associate namely Sunair Hotels Ltd. and BMS IT institute (P) Ltd., the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of the affairs of the Group as at 31st March,2017 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. 2,81,83,67,379 as at 31st March 2017, total revenues of Rs.55,44,10,506 and net cash flows amounting to Rs. 2,40,83,550 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 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 associate, 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.:

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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been 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, 2017, 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, 2017, 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 and subsidiary companies 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's and subsidiary companies incorporated in India. We are unable to comment on the Internal Financial Control over Financial Reporting 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.

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:

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 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.

ii. The Group has made provisions as at 31st March, 2017, 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.

iii. 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 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.

iv. The Company has provided requisite disclosure in its Consolidated Financial as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Point No.16 of Note 24 to the Consolidated Financial Statements. We are unable to comment on the Specified Bank Notes transactions 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.

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 Agiwal & Associates
Chartered Accountants
Firm's registration number : 000181N

CA P.C. Agiwal
Partner
Membership No. 080475

New Delhi
08th May, 2017

Annexure - A 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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of VLS Finance Limited ("the Holding Company") and its subsidiary Companies incorporated in India, as of 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., the financial statements of which have been considered for the limited 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 31.03.2016 and 31.03.2014 respectively and for the VLS Capital Ltd. for the period ended 31.03.2017 due to that 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 associate.

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 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 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 and subsidiary companies. 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 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 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 and its subsidiary companies, 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 2017, 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 associate companies as referred above, we are unable to comment or report on internal financial control over financial reporting as the associate companies are audited by other auditors.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Holding company and subsidiary companies, which are companies incorporated in India. We have not audited the associate companies as defined under new Companies Act. Therefore, we are unable to comment on the adequacy and operative effectiveness controls over financial reporting of the associate Companies.

For Agiwal & Associates
Chartered Accountants
Firm's registration number : 000181N

CA P.C. Agiwal
Partner
Membership No. 080475

New Delhi
08th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31st March, 2017

(*Amount in Rupees*)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITES			
(1) Shareholders' Funds			
(a) Share Capital	**2**	**38,78,42,420**	38,78,42,420
(b) Reserves & Surplus	**3**	**243,34,38,092**	203,81,07,190
(2) Minority Interests			
(a) Share Capital		**10,06,000**	5,06,000
(b) Reserves & Surplus			
- Opening		**33,096**	28,654
- Add: For the year		**(8,130)**	4,442
- Less : Transitional provisions		0	0
		24,966	33,096
(3) Non-current liabilites			
(a) Long Term Provisions	**4**	**33,54,77,394**	21,54,37,359
(4) Current liabilites			
(a) Short-Term borrowings	**5**	**0**	17,00,00,000
(b) Trade payables	**6**	**2,34,96,709**	1,67,00,067
(c) Other Current Liabilities	**7**	**20,28,601**	34,59,312
(d) Short Term Provisions	**8**	**4,72,95,486**	6,77,084
Total		**323,06,09,668**	283,27,62,528
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
- Tangible Assets	**9**	**10,07,36,767**	1,05,00,430
- Intangible Assets	**9**	**1,89,366**	3,34,903
- Work-in-Progress		**1,72,500**	0
(b) Non-current Investments	**10**	**273,29,51,240**	240,38,47,087
(c) Deferred tax assets (Net)	**11**	**1,39,90,659**	1,47,42,945
(d) Long-term loans and advances	**12**	**14,47,83,072**	15,42,51,693
(2) Current assets			
(a) Inventories- Share stock-in-trade	**13**	**4,96,23,658**	4,90,16,907
(b) Trade receivables	**14**	**1,23,84,970**	6,19,78,730
(c) Cash and cash equivalents	**15**	**8,96,72,452**	3,08,07,610
(d) Short-term loans and advances	**16**	**6,26,05,379**	10,64,68,755
(e) Other current assets	**17**	**2,34,99,605**	8,13,468
Total		**323,06,09,668**	283,27,62,528
Significant Accounting Policies and Notes forming part of accounts	**1 to 24**		

As per our report of even date.
For Agiwal & Associates
Chartered Accountants
(F.R.N. 000181N)
P.C.Agiwal
Partner
M.No.80475
May 8th, 2017
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

M.P. Mehrotra
Director
DIN : 00016768

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

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

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March, 2017			(Amount in Rupees)
	Note No	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I Revenue from operations	**18**	**2693,56,59,945**	1914,52,56,166
II Other Income	**19**	**6,98,15,084**	4,85,69,942
III Total Revenue (I+II)		**2700,54,75,029**	1919,38,26,108
IV Expenses			
Purchase of Shares/Securities/Commodities		**2619,48,59,560**	1893,19,00,554
Change in stock of shares	**20**	**(606,751)**	2,75,82,185
Employee benefits expenses	**21**	**2,89,38,596**	2,93,65,110
Finance cost	**22**	**27,69,538**	1,95,81,752
Depreciation and Amortisation expenses	**9**	**37,13,247**	46,52,872
Administrative & Other Expenses	**23**	**8,40,76,977**	8,29,84,186
Total Expenses		**2631,37,51,167**	1909,60,66,659
V. Profit before exceptional and extraordinary items and tax (III-IV)		**69,17,23,862**	9,77,59,449
VI. Exceptional items			
Provision for Diminuation in value of assets (net)		**11,50,00,000**	0
VII. Profit before extraordinary items and tax (V-VI)		**57,67,23,862**	9,77,59,449
VIII Extraordinary items		**0**	0
IX. Profit before tax (VII-VIII)		**57,67,23,862**	9,77,59,449
X. Less: Tax Expenses			
Current Tax /MAT		**12,24,66,110**	74,76,524
Tax adjustments for earlier years		**1,16,50,000**	(15,677)
Deferred Tax		**7,52,286**	19,03,755
XI. Profit before Minority interest share of P/L (IX-X)		**44,18,55,466**	8,83,94,847
Less: Minority Interest share on Profit		**(8,130)**	4,442
X Profit for the year		**44,18,63,596**	8,83,90,405
EARNING PER SHARE			
Basic Earning per Share (Rs.)		**11.43**	2.29
Diluted Earning per Share (Rs.)		**11.43**	2.29
Face Value per Share (Rs.)		**10.00**	10.00
Significant Accounting Policies and Notes forming part of accounts	**1 to 24**		

As per our report of even date.
For Agiwal & Associates
Chartered Accountants
(F.R.N. 000181N)
P.C.Agiwal
Partner
M.No.80475
May 8th, 2017
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

M.P. Mehrotra
Director
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 31st March, 2017.

HOLDING COMPANY OVERVIEW (VLS FINANCE LIMITED)

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

I. SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED FINANCIAL STATEMNTS

A. PRINCIPLES OF CONSOLIDATION

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

a) The financial st atement of the Comp any and it s subsidiary companies have been combined on a line by line basis by adding together the book value of like items of asset s, liabilities, income and expenditures after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit s or losses. The results of Associate Companies as defined in Companies Act, 2013 have been consolidated as per AS 23.

b) The consolidated financial st atements have been prep ared using uniform accounting policies for like transactions and other events in similar circumst ances and are presented to the extent possible, in the same manner as the comp any's separate financial statements.

c) 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 attribut able to the shareholders of the Company.

d) 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 comp any's shareholders.

B. OTHER SIGNIFICANT ACCOUNTING POLICIES

1. 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.

2. After coming into ef fect of the Comp anies Act, 2013, the definition of "Associate" covers a Comp any or Comp anies in which the Comp any 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 comp anies are concerned, the Comp any 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 investment s/advances made by the comp any in these associates and the amount realizable from the said investments/ advances would not be less than the amount st ated in the Company's own financial statements.

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

(Amount in Rupees)

	As at 31st March, 2017	As at 31st March, 2016
2. SHARE CAPITAL		
AUTHORISED CAPITAL		
15,00,00,000 Equity Shares of Rs.10/- each	**150,00,00,000**	150,00,00,000
(Previous year 15,00,00,000 Equity shares of Rs.10/-each)		
ISSUED CAPITAL		
3,91,29,517 Equity Shares of Rs.10/- each	**39,12,95,170**	39,12,95,170
(Previous year 3,91,29,517 Equity shares of Rs.10/-each)		
	39,12,95,170	39,12,95,170
(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)		
SUBSCRIBED & PAID-UP CAPITAL		
3,86,62,017 Equity Shares of Rs.10/- each fully paid up for cash	**38,66,20,170**	38,66,20,170
(Previous year 3,86,62,017 Equity Shares of Rs.10/- each)		
Add: Amount forfeited on 4,67,500 equity shares (Previous year 4,67,500 equity shares)	**12,22,250**	12,22,250
	38,78,42,420	38,78,42,420
(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 31/03/2017		As at 31/03/2016	
	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, 2017		As at 31st March, 2016	
	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, 2017	As at 31st March,2016
3	**RESERVES & SURPLUS**		
	a) GENERAL RESERVE		
	As per last Balance Sheet	**28,78,44,594**	28,78,44,594
	Total (a)	**28,78,44,594**	28,78,44,594
	b) SECURITY PREMIUM RESERVE ACCOUNT		
	As per last Balance Sheet	**100,52,27,243**	100,52,27,243
	Total (b)	**100,52,27,243**	100,52,27,243
	Of the above amount of Rs.100,52,27,243/-, an amount of Rs.4,74,33,750 is relating to share premium received on forfeited shares. (Rs. 50,98,424/- adjusted against Premium @ Rs.4.50/-per share on 11,32,983 Equity Shares bought back on 11/02/2014)		
	c) CAPITAL REDEMPTION RESERVE ACCOUNT		
	As per Last Balance Sheet	**1,20,12,718**	1,20,12,718
	Total (d)	**1,20,12,718**	1,20,12,718
	(Rs. 1,13,29,830/- transferred from Surplus in the Statement of Profit & Loss towards 11,32,983 Equity Shares of Rs.10/- each fully paid-up for cash bought back on 11/02/2014)		
	d) SURPLUS IN STATEMENT OF PROFIT AND LOSS		
	Opening Balance	**73,30,22,635**	64,46,32,229
	Add : Transfer from statement of Profit and Loss	**44,18,63,596**	8,83,90,405
	Less : Proposed Dividend on Equity (Rs.1/- per Equity Share)	**3,86,62,017**	0
	Less : Distribution tax on Equity Dividend	**78,70,677**	0
	Closing Balance Total (d)	**112,83,53,537**	73,30,22,365
	Grand Total (a) to (d)	**243,34,38,092**	203,81,07,190
4	**Long-Term provisions**		
	(a) Provision for Employee benefits	**34,77,394**	34,37,359
	(b) Provision for diminution in value of assets	**33,20,00,000**	21,20,00,000
	Total (a+b)	**33,54,77,394**	21,54,37,359
5	**Short-Term borrowings**		
	Secured Borrowings		
	Demand Loan/Overdraft Facility	**0**	17,00,00,000
	Total	**0**	17,00,00,000
	(Secured by pledge of Shares held as Investments/Fixed Deposits of the Company)		
6	**Trade payables**		
	(a) Micro, Small and Medium Enterprises	**0**	0
	(c) Other trade payables	**2,34,96,709**	1,67,00,067
	Total (a+b)	**2,34,96,709**	1,67,00,067
7	**Other current liabilites**		
	(a) Statutory liabilites	**20,28,601**	23,37,312
	(b) Interest Payable	**0**	11,22,000
	Total (a+b)	**20,28,601**	34,59,312
8	**Short-Term provisions**		
	(a) Provision for Employee benefits	**7,62,792**	6,77,084
	(b) Proposed Dividend-Equity	**3,86,62,017**	0
	(c) Provision for Distribution tax on proposed Dividend-Equity	**78,70,677**	0
	Total (a+b+c)	**4,72,95,486**	6,77,084

9 FIXED ASSETS

(Amount in Rupees)

Sl. No	Description	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
		Cost As at 01.04.2016	Additions during the year	Sales/ Adjust-ments	Cost As at 31-03-2017	Upto 31.03.2016	For the year	Sales/ Adjust ments	Upto 31-03-2017	As at 31-03-2017	As at 31.03.2016
	TANGIBLE ASSETS										
1	**Assets for own use:**										
A	Buildings	1,79,31,151	9,31,65,134	0	11,10,96,285	1,19,35,138	19,04,659	0	1,38,39,797	9,72,56,488	59,96,013
B	Temporary Structures	6,88,735		0	6,88,735	6,88,734	0	0	6,88,734	1	1
C	Vehicles	73,81,826	3,75,533	0	77,57,359	48,79,916	8,79,090	0	57,59,006	19,98,353	25,01,910
D	Office Equipments	21,27,082	1,35,031	0	22,62,113	13,69,136	3,66,995	0	17,36,131	5,25,982	7,57,946
E	Furniture & Fixtures	13,51,141		0	13,51,141	10,07,960	88,065	0	10,96,025	2,55,116	3,43,181
F	Air Conditioners	14,81,287		0	14,81,287	10,05,635	1,41,979	0	11,47,614	3,33,673	4,75,652
G	Computers	57,72,976	1,28,349	0	59,01,325	54,81,042	1,86,922	0	56,67,964	2,33,361	2,91,934
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
2	**Assets on Lease**	120,66,66,568	0	0	120,66,66,568	120,65,66,568	0	0	120,65,66,568	1,00,000	1,00,000
		124,40,76,625	**9,38,04,047**	**0**	**133,78,80,672**	**123,35,76,195**	**35,67,710**	**0**	**123,71,43,905**	**10,07,36,767**	**1,05,00,430**
	INTANGIBLE ASSETS										
	Computer Software	10,58,636	0	0	10,58,636	7,23,733	1,45,537	0	8,69,270	1,89,366	3,34,903
	Grand Total	**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**
	Previous Year	132,34,50,133	16,85,128	8,00,00,000	124,51,35,261	125,63,33,376	46,52,872	2,66,86,320	123,42,99,928	1,08,35,333	6,71,16,757

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

10 NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	QUANTITY			AMOUNT (In Rs.)	
	FACE VALUE	AS AT 31.03.2017	AS AT 31.03 .2016	AS AT 31.03.2017	AS AT 31.03.2016
A. IN EQUITY SHARES					
1. Un-quoted & Fully Paid					
Indhradhan Agro Ltd.	10	1,50,000	1,50,000	15,00,000	15,00,000
Invest India Economic Foundation Private Ltd.	10	2,000	2,000	20,000	20,000
Sunair Hotels Ltd. (#)	10	95,94,824	95,94,824	42,74,89,565	42,04,88,833
Appu Ghar Entertainment Private Ltd	10	0	2,77,100	0	13,85,50,000
VLS Capital Ltd (#)	10	88,20,833	88,20,833	31,31,27,915	25,07,98,203
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 (A-1)	99,43,75,480	106,35,95,036
2. Quoted & Fully Paid					
ICDS Ltd (*)	10	21,929	21,929	0	0
KASHIPUR SUGAR MILLS LTD	10	89,767	89,767	7,99,032	7,99,032
ARTSON ENGINEERING LTD	1	4,104	4,104	1,00,376	1,00,376
ACCELYA KALE SOLUTIONS LTD	10	2,82,418	3,00,000	11,81,68,776	12,42,69,774
AMBIKA COTTON MILLS LTD	10	1,00,000	1,00,000	4,55,67,080	4,55,67,080
METALYST FORGINGS LTD (formerly AHMEDNAGAR FORGINGS LTD)	10	0	1,000	0	1,51,214
BANK OF BARODA	2	10	10	502	502
BLISS GVS PHARMA LTD	1	0	1,000	0	44,990
BANCO PRODUCTS (I) LTD	2	0	1,000	0	1,41,983
BALASORE ALLOYS LTD	5	3,00,000	12,00,000	55,65,000	2,75,25,869
BOMBAY BURMAH TRADING C LTD	2	25,000	23,000	97,79,869	1,24,57,409
BHARAT PETROLEUM CORP LTD (+)	10	26,900	0	3,24,648	0
BEML LTD	10	3,000	0	27,55,329	0
CEAT LTD	10	0	8,000	0	34,22,874
CENTUM ELECTORNICS LTD	10	0	1,070	0	2,14,253
CENTURY ENKA LTD	10	0	1,000	0	1,78,595
CENTRAL BANK OF INDIA LTD	10	13,500	0	13,78,802	0
CHOLAMANDALAM INVEST & FINANCE CO LTD	10	2,600	0	23,28,759	0
COAL INDIA LTD	10	22,000	0	66,27,917	0
CONTAINER CORP OF INDIA LTD	10	3,100	0	39,33,915	0
DHANLAXMI BANK LTD	10	37,000	0	8,29,195	0
D PHARMA LTD	10	200	200	1	1
EQUITAS HOLDING LTD	10	5,000	0	7,15,666	0
ENGINEERS INDIA LTD (+)	5	1,46,000	0	50,97,433	0
GUJARAT HOTELS LTD	10	5,134	5,134	2,71,813	2,71,813
GHCL LTD	10	0	1,000	0	67,254
GARWARE WALL ROPES LTD	10	0	1,000	0	1,60,543
GRANULES INDIA LTD	1	5,00,000	5,00,000	4,86,76,630	4,86,76,630
GRASIM INDUSTRIES LTD	10	0	59	0	2,17,027
GAIL INDIA LTD (+)	10	22,666	0	72,76,605	0
HERITAGE FOODS LTD	10	0	1	0	342
HCL TECHNOLOGIES LTD (+)	2	66,500	66,000	4,37,138	0
HIMATSINGKA SEIDE LTD	5	0	1,000	0	84,156
HINDALCO INDUSTRIES LTD	1	18,000	0	28,30,666	0
HINDUSTAN PETROLEUM CORP LTD (+)	10	2,21,250	0	3,88,901	0
HINDUSTAN UNILEVER LTD	1	12,500	0	1,11,27,386	0
INFOSYS LTD (+)	5	2,79,000	2,78,000	10,39,211	0
ITC LTD (+)	1	13,250	500	32,00,348	97,020
IFGL REFRACTORIES LTD	10	77,541	2,50,000	1,14,59,516	3,03,64,337
INFINITE COMPUTER SOLUTIONS (INDIA) LTD	10	1,52,895	2,00,000	2,89,12,846	4,00,72,458
IDBI BANK LTD	10	33,866	2,000	23,11,861	1,64,588
IDFC LTD	10	65,000	45,000	32,75,892	22,22,345
IDFC BANK LTD	10	57,000	0	38,78,811	0
ICICI PRUDENTIAL LIFE INSURANCE LTD	10	18,000	0	55,22,069	0
JK TYRE & INDUSTRIES LTD	2	8,90,000	10,00,000	7,63,62,000	11,89,90,962
LANCO INFRATECH LTD	1	5,000	5,000	1,66,198	1,66,198
LLOYDS ELECTRIC & ENGG LTD	10	0	1,000	0	1,43,391
L&T FINANCE HOLDING LTD		10,000	0	8,82,010	0
KANSAI NEROLAC POINTS LTD	1	0	500	0	1,17,810
KALYANI STEEL LTD	5	5,51,383	6,15,000	8,57,11,347	9,43,27,507
KARNATAKA BANK LTD	10	25,000	0	27,57,535	0
MUNJAL SHOWA LTD	2	0	1,000	0	2,33,002
MEGHMANI ORGANICS LTD	1	75,00,000	75,00,000	13,40,24,345	13,40,24,345
MBL INFRASTURCTURE LTD	10	4,05,000	20,000	1,97,29,654	35,30,452
M & M FINANCIAL SERVICES LTD	2	4,600	0	12,83,702	0
MAX VENTURES INDIA LTD	10	32,334	0	20,07,669	0
NANDAN DENIM LTD	10	0	1,000	0	46,041
NEOCORP INTERNATIONAL LTD	10	37,12,515	31,52,109	5,90,18,390	5,44,33,931
NAHAR SPINNING MILLS LTD	5	0	25,000	0	34,46,925
NATIONAL ALUMINIUM CO LTD	1	60,583	0	30,14,073	0
NIRLON LTD	10	7,000	0	14,85,793	0
ORRISA SPONGE LTD	10	2,936	2,936	16,13,828	16,13,828
OIL INDIA LTD (+)	10	16,000	0	53,40,960	0
PINCON SPIRIT LTD	10	0	1,66,200	0	1,16,20,939
PILANI INVESTMENT & IND CO LTD	10	605	505	8,12,599	6,72,219
PUNJAB WIRELIESS SYSTEMS LTD	10	500	500	1	1
RELAXO FOOTWEAR LTD (+)	1	1,44,36,791	1,62,07,760	11,82,63,143	12,85,24,112
RELIANCE INDUSTRIES LTD	10	3,400	900	33,56,459	8,88,432
RELIGARE ENTERPRISES LTD	10	2,50,000	0	5,39,25,181	0
SHILPI CABLE TECH LTD (+)	10	11,67,295	17,64,146	4,40,23,621	4,73,99,985
SHIPPING CORPORATION OF INDIA LTD	10	1,91,000	1,00,000	1,13,31,082	51,59,938
STEL HOLDINGS LTD	10	2,90,259	4,28,775	85,38,293	1,15,13,727
SUMIT SECURITIES LTD	10	1,81,561	1,93,490	4,51,33,451	4,69,45,868
SUVEN LIFE SCIENCE LTD	1	0	1,000	0	2,11,112
SURYA ROSHNI LTD	10	9,52,500	11,00,500	10,52,51,250	12,32,69,660
SREE RAYALASEEMA ALKALIES & ALLIED CHEMICALS LTD	10	1,04,901	15,98,792	18,10,465	2,62,95,009
SREE RAYALASEEMA HI STRENGTH HYPO LTD	10	0	500	0	30,204
SURANA INDUSTRIES LTD	10	4,50,000	4,50,000	18,00,000	2,56,50,000
SHRIRAM TRANSPORT FINANCE CO LTD	10	7,250	0	59,76,789	0
SANGHI INDUSTRIES LTD	10	4,29,756	0	2,57,90,841	0
STATE BANK OF INDIA	1	20,000	0	49,85,184	0
STATE BANK OF TRAVANCORE	10	81,216	0	4,70,54,082	0
STATE BANK OF BIKENER & JAIPUR	10	3,216	0	23,70,727	0
STATE BANK OF MYSORE	10	636	0	3,70,584	0
SJVN LTD	10	50,000	0	15,74,057	0
TATA STEEL LTD	10	300	300	2,05,413	2,05,413
TAMILNADU NEWSPRINT AND PAPERS LTD	10	0	250	0	36,221
TECHNOCRAFT INDUSTRIES (INDIA) LTD	10	3,87,424	6,40,958	7,27,12,518	12,02,38,976
TINPLATE CO OF INDIA LTD	10	0	11,500	0	8,21,791
UFLEX LTD	10	1,400	1,400	1,68,701	1,68,701
TCI INDUSTRIES LTD	10	9,699	9,699	5,76,607	5,76,607
VISAKA INDUSTRIES LTD	10	38,478	1,00,000	53,46,518	1,76,73,578
AYM SYNTEX LTD	10	48,260	50,000	18,41,464	19,05,040
UTI MASTER PLUS 91	0	200	200	3,252	3,252
			SUB-TOTAL (A-2)	129,12,01,779	131,81,57,642
B. UNITS & BONDS					
Quoted & Fully Paid					
- IRFC (NO)	1,000	16,507	0	1,72,16,130	0
- NHAI (NA)	1,000	2,81,528	0	29,82,76,243	0
- NHAI (NE)	1,000	85,378	0	8,97,87,199	0
			SUB-TOTAL (B)	40,52,79,572	0
C. IN UNITS & BONDS					
Unquoted & Fully Paid-up					
UNITS IN ICICI PRUDENTIAL REAL ESTATE AIF -II		149185.176	149185.176	1,50,00,000	1,50,00,000
UNITS IN IIFL REAL ESTATE FUND (DOMESTIC SERIES 3		1926893.655	0	2,00,00,000	0
			SUB-TOTAL (C)	3,50,00,000	1,50,00,000
			TOTAL D (A1+A2+B+C)	272,58,56,831	239,67,52,678
I. Aggregate value of quoted investments			At Cost	169,64,81,351	131,81,57,642
			Market Value	1052,61,48,559	772,94,80,838
II. Aggregate value of un-quoted investments - Others			At Cost	102,93,75,480	107,85,95,036
E. INVESTMENT IN IMMOVABLE PROPERTIES:-				70,94,409	70,94,409
			TOTAL (E)	70,94,409	70,94,409
			GRAND TOTAL (D+E)	273,29,51,240	240,38,47,087

(*) Bonus Shares received, hence cost of acquisition is NIL
(+) Includes Bonus Shares received.
(#) Includes Rs.31,08,15,293/- on account of consolidation of associates

(Amount In Rupees)

	As at 31st March, 2017	As at 31st March,2016
11 Deferred tax		
a) Deferred tax Assets		
i) Accumulated Losses	**1,45,72,675**	1,45,72,675
ii) Employee Benefits	**14,50,006**	14,07,863
Total (a)	**1,60,22,681**	1,59,80,538
b) Deferred tax Liabilities		
i) Depreciation on Fixed Assets	**20,32,022**	12,37,593
Total (b)	**20,32,022**	12,37,593
Deferred tax assets (net) (Total a-b)	**1,39,90,659**	1,47,42,945
12 Long Term Loans and advances		
A) Unsecured, considered good		
i) Loans & advances	**8,30,00,000**	8,05,00,000
	8,30,00,000	8,05,00,000
ii) Staff Loans and advances	**10,82,975**	13,84,126
	10,82,975	13,84,126
iii) Advances recoverable in cash or kind or for value to be received-	**19,299**	9,81,736
	19,299	9,81,736
iv) Secuity Deposit with Govt Department	**1,500**	1,500
v) Secuity Deposit with others	**1,40,17,824**	2,41,17,824
vi) Advance IncomeTax andTax Deducted at Source	**20,78,83,914**	7,43,72,837
Less: Tax Provisions	**16,12,22,440**	2,71,06,330
	4,66,61,474	4,72,66,507
Total A (i+ii+iii+iv+v+vi)	**14,47,83,072**	15,42,51,693
B) Doubtful		
Advances recoverable in cash or kind or for value to be received-	**1,21,220**	51,21,220
Less: Provision for Bad & doubtful Debts	**1,21,220**	51,21,220
Total B	**0**	0
Total (A+B)	**14,47,83,072**	15,42,51,693

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

(Amount In Rupees)

	As at 31st March, 2017	As at 31st March,2016

13 INVERTORIES -SHARE STOCK IN TRADE

(At Cost or market price, whichever is lower)

Name of the Company	As on 31.03.2017		As on 31.03.2016	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Stock of Quoted Equity shares (Fully Paid)				
ARIHANT COTSYN LTD	2,000	1	2,000	1
CENTRAL ROADLINES CORPORATION LTD	2,82,700	1	2,82,700	1
HINDUSTAN ADHESIVES LTD	1,000	13,000	1,000	13,000
INTERCRAFT LTD	29,000	1	29,000	1
KOTHARI PRODUCTS LTD (+)	45	3,903	45	3,903
SWEDE INDIA LTD	200	1	200	1
RELIANCE LIQUID FUND	666.36	26.06.751	0	0
DSP BLACK ROCK MUTUAL FUND COLLEGE	20,280.33	4,70,00,000	0	0
HDFC LIQUID FUND	0	0	15,543	4,90,00,000
Total	3,35,892	4,96,23,658	3,30,488	4,90,16,907

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

14 Trade Receivables		
a) Unsecured-Considered good		
Due from share brokers		
1. Due for more than six months	**0**	0
2. Others	**1,23,84,970**	6,19,78,730
Total (a+b)	**1,23,84,970**	6,19,78,730
15 Cash and Cash Equivalents		
a) Cash on Hand	**1,02,997**	3,27,158
b) Balances with banks		
1. In CurrentAccounts	**3,59,73,520**	1,89,85,285
2. In DepositAccounts-less than12months maturity (Previous year Rs. 14.95 Lacs)	**4,15,95,935**	1,14,95,167
3. In DepositAccounts - more than 12 months maturity (Previous year Rs. Nil)	**1,20,00,000**	0
Total (a+b)	**8,96,72,452**	3,08,07,610
16 Short Term Loans and advances		
Unsecured and considered good		
i) Staff Loans and advances	**15,86,635**	16,42,755
ii) Advances Recoverable in cash or in kind or for value to be received	**15,99,285**	76,41,280
iii) Margin Money deposit with share brokers	**5,83,90,318**	9,57,00,000
iv) Prepaid Expenses	**10,29,141**	14,84,720
Total (i+ii+iii+iv)	**6,26,05,379**	10,64,68,755
17 Other Current Assets		
a) Interest Accrued but not due	**2,34,75,087**	7,98,052
b) Others	**24,518**	15,416
Total (a+b)	**2,34,99,605**	8,13,468
18 REVENUE FROM OPERATIONS		
Sale of Shares/Securities/Commodities	**2620,07,86,346**	1890,61,19,682
Income from Other credit operations	**4,00,92,815**	1,38,55,669
Income from Investments	**69,47,80,784**	22,52,80,815
Total	**2693,56,59,945**	1914,52,56,166
19 OTHER INCOME		
Profit on sale/written off of Fixed Assets	**0**	3,16,86,320
Share in Income of Associates	**6,93,30,445**	1,68,57,073
Others	**4,84,639**	26,549
Total	**6,98,15,084**	4,85,69,942

(Amount In Rupees)

	As at 31st March, 2017	As at 31st March,2016
20 CHANGE IN STOCK OF SHARES		
Closing Stock of Shares	**4,96,23,658**	4,90,16,907
Less: Opening Stock of Shares	**4,90,16,907**	7,65,99,092
Change in Stock of Shares - Increase / (Decrease)	**6,06,751**	(27,582,185)
21 EMPLOYEE BENEFITS EXPENSES		
Salaries	**2,52,26,707**	2,42,53,503
Staff Amenities/welfare expenses	**6,80,997**	8,35,430
Employer's Contribution to PF, ESI, Gratuity Fund etc.	**30,30,892**	42,76,177
Total	**2,89,38,596**	2,93,65,110
22 FINANCE COST		
Bank / Finance Charges	**16,470**	15,294
Interest Payment on Loans/overdraft faciliies	**27,53,068**	1,95,66,458
Total	**27,69,538**	1,95,81,752
23 ADMINISTRATIVE & OTHER EXPENSES		
Advertisement & Business Promotion	**32,14,001**	44,55,225
Consultancy, Legal & Service Charges	**3,41,76,285**	4,01,86,545
Communication Expenses	**17,38,907**	23,42,802
Electricity & Water Charges	**8,50,695**	7,78,360
Insurance	**1,08,996**	75,205
Office Expenses	**54,73,698**	66,46,742
Securities Transaction Tax		
Shares Transaction Charges	**12,33,331**	15,41,167
SEBI Membership Fees	**3,22,814**	3,42,662
Travelling Expenses & Conveyance	**17,22,082**	18,33,218
Rates & Taxes	**90,95,588**	1,05,44,961
Rent	**61,20,000**	61,20,000
Repairs & Maintenance —Others	**15,46,188**	20,41,004
Miscellaneous Expenses	**71,65,864**	84,42,504
CSR Expenditure	**16,44,163**	6,48,000
Auditors' Remuneration		
a) Audit Fees	**2,18,500**	2,17,550
b) For Other Services		
—For Tax audit	**95,750**	95,725
— For certification	**1,81,600**	1,78,450
—Out of pocket expenses	**62,370**	55,000
Internal Auditors' Remuneration		
— Fees	**1,10,000**	1,10,000
— For certification	**10,000**	0
Directors' Sitting Fees	**7,95,000**	7,60,000
Bad debts written off (net)	**75,89,871**	(4,117,000)
Prior year adjustments	**6,01,274**	(313,934)
Total	**8,40,76,977**	8,29,84,186

24. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT

1. a) Contingent Liability:- Nil
   b) Estimated amount of contracts remaining to be executed on Capital Account: Nil.
2. In some cases balances in the account s 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.1,05,95,935/-(Previous Year – Rs.1,04,95,167/-) pledged by VLS Finance Lt d 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 st ated.
5. The term of lease agreements in all Leased Assets have expired and the assets continue in the possession of lessees. However , the said assets have been included in the block of fixed assets of the Company pending the transfer of titles.
6. Related Party Disclosure : Followings are the related parties:-
   Key Managerial Personnel: -
   1) Shri S.K. Agarwal (Managing Director in VLS Finance Lt d. and VLS Securities Ltd.)
   2) Shri K.K. Soni (Director-Finance & CFO in VLS Finance Ltd)
   3) Shri H. Consul (Company Secretary in VLS Finance Ltd)
   4) Shri Anurag Bhatnagar (Chief Financial Of ficer in VLS Securities Ltd)
   5) Ms Surbhi Jain, Company Secret ary in VLS Securities Lt d ceased w.e.f. 27/01/2017.
   6) Mr IJS Aujla, Company Secretary in VLS Securities Ltd w.e.f. 08/03/2017.

   Associates: - (as defined in the Companies Act, 2013)
   1. VLS Capital Ltd
   2. Sunair Hotels Ltd
   3. BMS IT Institute Private Ltd

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

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

(Amount in Rs.)

Particulars	Associates	Key Managerial Personnel	Others
Remuneration to Managing Director.		30,75,000 (Previous year: 31,23,654)	
Remuneration to Director-Finance & CFO		29,55,000 (Previous year: 30,49,875)	
Remuneration to Company Secretary (VLS Finance Ltd)		17,48,962 (Previous year: 17,48,459)	
Remuneration to Chief Financial officer (VLS Securities Ltd)		16,88,200 (Previous year: 17,73,095)	

8. Managerial Remuneration

Particulars	Paid to Shri S.K. Agarwal Managing Director	Paid to Shri K.K Soni Director-Finance & CFO
Remuneration	Rs. 30,60,000 (Previous Year – Rs. 30,60,000)	Rs. 29,40,000 (Previous Year – Rs. 29,40,000
Perquisites	Rs. 15,000 (Previous Year – Rs 63,654)	Rs. 15,000 (Previous Year – Rs. 1,09,875)

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

9. Earning Per Share

Calculation of EPS (Basic and Diluted)

Particulars	Equivalent No. of Shares	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Basic and Diluted		
Total Shares Outstanding	3,86,62,017	3,86,62,017
Profit after Taxes	Rs. 44,18,55,466	Rs. 8,83,94,847
EPS - Basic	Rs. 11.43	Rs. 2.29
EPS - Diluted	Rs. 11.43	Rs. 2.29

10. The Company has made the provision for Taxation / MAT payable under the Income Tax Act, 1961 of Rs.1 1,97,10,110/- (Previous year Rs. 74,76,524/-) relates to VLS Finance Ltd and Rs.27,56,000/- (Previous year: Nil) 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)	**4,55,37,260**	5,37,35,739

13. Income from Other credit operations grouped under Revenue from Operations includes Interest Receipts (Gross) of Rs. 99,94,741/- and interest on tax free bonds of Rs.2,62,13,595/- (Previous Year Rs.1,07,09,657) and Tax Deducted at Source thereon of Rs. 9.90,599/- (Previous Year Rs. 10,51,557).

14. Expenditure in Foreign Exchange:-Foreign Travel Expenses in respect of VLS Finance Ltd-Rs.Nil/-(Previous year: Rs.3,937/-), subscriptions in respect of VLS Finance Ltd - Rs.Nil/- (Previous year Rs.56,935/-), Legal and professional charges in respect of VLS Securities Ltd – Rs.Nil (Previous year Rs.3,57,287/-) and Rates & Taxes in respect of VLS Securities Ltd – Rs.Nil (Previous Year: Rs 1,61,273/-).

15. 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.(Previous year: NIL) in respect of VLS Finance Ltd.

16. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 of VLS Finance Ltd, its two subsidiary companies and one of the Associate company viz VLS Capital Ltd, as provided in the Table below:

(Amount in Rupees)

	Formula	Specified Bank Notes (SBNs)*	Other Denomination Notes **	Total
		P	Q	R=P+Q
Closing Cash in hand as on 08/11/2016.	A	12,75,000	12,960	12,87,960
(+)Permitted Receipts:	B		8,51,000	8,51,000
(-)Permitted Payment :	C		4,89,332	4,89,332
(-)Amounts deposited in Banks	D	12,75,000		12,75,000
Closing Cash in Hand as on 30/12/2016.	E=A+B-C-D	0	3,74,628	3,74,628

17. 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
Parent				
VLS Finance Limited	88.68	250,18,53,421	84.86	37,49,58,967
Subsidiaries				
Indian				
1 VLS Securities Limited	0.40	1,12,65,323	(0.55)	(2,430,604)
2 VLS Asset Management Limited	(0.06)	(1,622,560)	(0.00)	(3342)
Foreign	0.00	0	0.00	0
Minority Interests in all subsidiaries	(0.04)	(1,030,966)	0.00	8,130
Associates (Investment as per the equity method)				
Indian				
1. VLS Capital Limited	4.23	11,92,73,970	14.11	6,23,29,713
2. Sunair Hotels Limited	6.79	19,15,41,325	1.58	70,00,732
3. BMS IT Institute Private Ltd	0.00	0	0.00	0

18 (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	31/03/2017	31/03/2017
Reporting Currency	INR	INR
Share Capital	30,00,00,000	7,07,000
Reserves & Surplus	1,02,65,323	(1,628,560)
Total Assets	33,36,73,589	16,223
Total Liabilities	2,34,08,266	9,37,783
Investments	21,32,17,231	0
Turnover/Total Income	1,34,30,351	0
Profit before taxation	2,88,980	(3,342)
Provision for taxation	2,719,584	0
Profit after taxation	(2,430,604)	(3,342)
Proposed Dividend	0	0
% of shareholding	99.67	99.15

18 (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	31/03/2017	31/03/2016	31/03/2014
2	Shares of Associate/Joint Ventures held by the Company on the year end			
	No	88,20,833	95,94,824	56,00,000
	Amount Investment in Associates/Joint Venture	19,38,53,947	23,59,48,240	24,92,00,000
	Extend of Holding %	38.09	24.14	28
3	Description of how there is significant influence	Due to percentage (%) of Share Capital		
4	Reason why the associate/joint venture is not consolidated	-	-	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet	6,23,29,713	70,00,732	-
6	Profit/Loss for the year	6,23,29,713	70,00,732	-
	i) Considered in Consolidation	6,23,29,713	70,00,732	-
	ii) Not considered in Consolidation	-	-	-

19 Bad Debts written off of Rs.75,89,871 is net of f of bad debts recovery of Rs.24,10,129/- (Previous Year:Bad debts written off of Rs.NIL is net off of bad debts recovery of Rs.41,17,000) in respect of VLS Finance Ltd

20 The Expenses under the head 'Consult ancy, Legal & Services Charges' and 'Rates & Taxes' shown under Administrative & Other Expenses includes Rs.48,833/-(Previous Year: Rs.9,47,287/-) and Rs.Nil/-(Previous Year:Rs.1,61,273) respectively incurred by VLS Securities Lt d on its subsidiary VLS International DMCC.Dubai, UAE.

21 Notes 1 to 24 form an integral part of financial statements

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

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

P.C.Agiwal
Partner
M.No.80475

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

M.P. Mehrotra
Director
DIN : 00016768

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

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

May 8th, 2017
New Delhi

Consolidated Cash Flow Statement for the year 31st March, 2017

(in Rupees)

	For the year ended on 31/03/2017		For the year ended 31/03/016	
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		**57,67,23,862**		**9,77,59,449**
Adjustments for :				
Interest and Finance Charges	27,69,538		1,95,81,752	
Depreciation	37,13,247		46,52,872	
(Profit)/Loss on sale of Fixed Assets	0		(31,686,320)	
(Income)/Loss from Investments	(649,243,524)		(171,545,076)	
Dividend Income	(45,537,260)		(53,735,739)	
Share in (Income)/Loss of Associates	(69,330,445)		(16,857,073)	
Leave encashment/gratuity Provisions	1,25,743		17,70,958	
NPA Provisions and adjustments	12,00,00,000	(637,502,701)	0	(247,818,626)
Operating Profit before Working Capital Changes		**(60,778,839)**		**(150,059,177)**
Adjustments for :				
Trade & Other Payables	(54,264,917)		(182,869,505)	
Inventories	(606,751)		2,75,82,185	
Trade & Other Receivables	2,69,10,965		(35,467,671)	
Short Term Loans and Advances	10,34,94,225	7,55,33,522	18,19,50,283	(8,804,708)
Cash Generated from Operations		1,47,54,683		(158,863,885)
Less: Taxes Paid (Net of Refunds)		13,42,12,703		89,68,915
Net Cash Flow from Operating Activities (A)		**(119,458,020)**		**(167,832,800)**
B CASH FLOW FROM INVESTMENT ACTIVITIES				
Net Proceeds from Fixed Assets		(93,804,047)		8,33,14,872
Capital work-in-progress		(172,500)		0
Investment in Securities (Net)		79,14,46,160		(106,034,514)
Long Term Loans and Advances		95,61,872		72,74,962
Investment in tax free bonds		(405,279,572)		0
Income from Units		33,03,227		5,73,171
Dividend Income		4,55,37,260		5,37,35,739
Net Cash used/generated from Investing Activities (B)		**35,05,92,400**		**3,88,64,230**
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of shares		5,00,000		
Proceeds from/(Repayment of) Short Term Borrowings		(170,000,000)		16,33,59,271
Interest Paid		(2,769,538)		(19,581,752)
Net Cash Flow from Financing Activities (C)		**(172,269,538)**		**14,37,77,519**
Net Increase/ (Decrease) in Cash & Cash Equivalents(A+B+C)		**5,88,64,842**		**1,48,08,949**
Opening Balance of Cash & Cash Equivalents		3,08,07,610		1,59,98,661
Closing Balance of Cash & Cash Equivalents		8,96,72,452		3,08,07,610

Notes:-

1. Cash & Cash Equivalents (Closing) includes deposits with banks amounting to Rs. 1,05,95,935/- (Previous Year Rs.1,04,95,167) which are pledged with them as security for overdraft facility.
2. Previous year's figures have been regrouped/reclassified wherever applicable.

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

P.C.Agiwal
Partner
M.No.80475
May 8th, 2017
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

M.P. Mehrotra
Director
DIN : 00016768

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

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

* * *

VLS FINANCE LIMITED

CIN: L65910DL1986PLC023129
Registered Office: 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065
email: vls@vsnl.com, Website: www.vlsfinance.com, Phone: 011-4665 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 30th Annual General Meeting of the Company, to be held on the 25th day of September, 2017 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	(Optional) Against
Ordinary Business			
1	To receive, consider and adopt the audited balance sheet of the Company as at 31st March, 2017, 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 INR 1/- per equity share.		
3	To appoint a Director in place of Shri S. K. Agarwal (DIN: 00106763) who retires by rotation and being eligible, offers himself for re-appointment.		
4	To appoint a Director in place of Dr . (Mrs.) Neeraj Arora (DIN:07191167) who retires by rotation and being eligible, offers herself for re-appointment.		
5	To appoint the auditors and to fix their remuneration.		
Special Business			
6	To approve appointment of Shri M. P. Mehrotra (DIN: 00016768) as Director.		
7	To approve the appointment of Shri M. PMehrotra (DIN: 00016768) as a whole time Director designated as Executive Vice- Chairman.		
8	To approve fees to be paid by Members of the Company for service of documents through a particular mode of service.		

Signed this day of 2017

Affix Revenue Stamp

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

NOTE :

1. 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.
2. The form should be signed across the stamp by the member as per specimen signature registered with the Company.
3. In case of jointholding, all the jointholders must sign the proxy form.
4. It is optional to put a "X" in the appropriate column against the resolution indicated in the box. If you leave the 'For ' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

VLS FINANCE LIMITED

CIN: L65910DL1986PLC023129
Registered Office: 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065
email: vls@vsnl.com, Website: www.vlsfinance.com, Phone: 011-4665 6666, FAX: 011-4665 6699

ATTENDANCE CARD
30th ANNUAL GENERAL MEETING
Monday, the 25th day of September, 2017

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 30th Annual General Meeting of the Company on 25th day of September, 2017 at 3:30 p.m. at The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110 003.

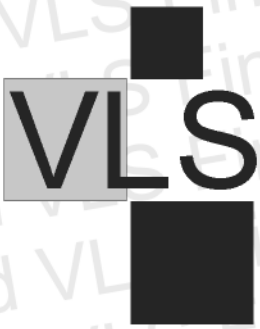
* Applicable in case of shares held in physical form.

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

print at : Delhi press email : delhi.press02@gmail.com

VLS Finance Limited