VLS FINANCE LTD.
2nd Floor, 13, Sant Nagar,
East of Kailash,
New Delhi - 110 065, India
Tel. : + 91 -11-46656666
Fax : + 91 -11-46656699
[redacted]
Web : www.vlsfinance.com
CIN : L65910DL1986PLC023129
Email: vls@vlsfinance.com

August 17, 2019

LISTING DEPARTMENT
BSE LIMITED
PHIROZE JEEJEEBHOY TOWERS
DALAL STREET
MUMBAI - 400 001

Scrip Code: 511333

Dear Sir,

In terms of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 please find attached Notice of 32nd Annual General Meeting ("AGM") alongwith Annual Report of the Company for the year 2018-19. The AGM is scheduled to be held on 12/09/2019 at the Auditorium, Sri Sathya Sai International Centre, Lodhi Road Institutional Area, Lodhi Road, Pragati Vihar, New Delhi -110003. You are requested to take it on record.

Kindly acknowledge the receipt.

Thanking you,
For VLS Finance Ltd.

17/8/19

H. Consul
Company Secretary
M. No. A11183

Copy to:
1) The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051 — *Scrip Code: VLSFINANCE*
2) The Calcutta Stock Exchange Association. Ltd., 7, Lyons Range, Kolkata- 700 001 — *032019*

VLS FINANCE LTD.
Regd. Office:- 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi – 110 065.
CIN: L65910DL1986PLC023129, email: vls@vlsfinance.com, Website: www.vlsfinance.com
Phone: 011-4665 6666, FAX: 011-4665 6699

NOTICE of 32st Annual General Meeting ("AGM")

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of VLS FINANCE LTD. will be held at The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110 003, on Thursday, 12th September, 2019 at 3:30 P.M. to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2019, the statement of Profit & Loss for the year ended on that date together with the report of Auditors and Directors thereon and the consolidated Financial Statements for the said period.
2. To approve dividend of Rupee 1/- per equity share.
3. To appoint a Director in place of Shri Mahesh Prasad Mehrotra (DIN: 00016768) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution with or without modification(s) for re-appointment of Shri Suresh Kumar Agarwal (DIN: 00106763) as Managing Director as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with applicable Rules, Schedule V and other applicable provisions of the Companies Act, 2013 and such other laws, rules and regulations as may be applicable and subject to such other approvals as may be required, consent of the Company be and is hereby accorded for reappointment of Shri Suresh Kumar Agarwal (DIN: 00106763) who is also Managing Director of VLS Securities Ltd. and who has been reappointed as Managing Director by the Board of Directors, subject to retirement by rotation, for a period of 3 (three) years w.e.f. 21st August, 2019 (i.e. from 21/08/2019 to 20/08/2022) on such remuneration as set out in explanatory statement annexed to this notice and on such other terms and conditions as are expressed and contained in the agreement dated 17/05/2019 entered into for this purpose between the Company and the Managing Director which agreement be and is hereby also approved.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and / or revise the remuneration of the said Managing Director within the permissible limits under the provisions of the Companies Act, 2013 or any statutory modification thereof, from time to time, to settle any question or difficulty in connection therewith or incidental thereto and to do all such things, deeds and acts including delegation of powers herein to any person/committee as may be necessary or expedient for giving effect to said appointment."

5. To consider and if thought fit, to pass the following resolution with or without modification(s) for re-appointment of Shri Kishan Kumar Soni (DIN:00106037) as Director-Finance & CFO as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with applicable Rules, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and such other laws rules and regulations as may be applicable and subject to such other approvals as may be required, consent of the Company be and is hereby accorded for re-appointment of Shri Kishan Kumar Soni (DIN: 00106037), whose term as Director-Finance & CFO expired on 31/01/2019 and who had been reappointed by the Board of Directors as the Director-Finance & CFO of the Company subject to retirement by rotation, for a period of three years and six months w.e.f. 01/02/2019 upto 31/07/2022, on such remuneration as set out in explanatory statement annexed to this notice and other terms and conditions which are expressed and contained in the agreement dated 25/10/2018 entered into for this purpose between the Company and Shri Kishan Kumar Soni, which agreement be and is hereby also approved.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and / or revise the remuneration of the said Director-Finance & CFO within the permissible limits under the provisions of the Companies Act, 2013 or any statutory modification thereof, from time to time, to settle any question or difficulty in connection therewith or incidental thereto and to do all such things, deeds and acts including delegation of powers herein to any person/committee as may be necessary or expedient for giving effect to said appointment."

6. To consider, and if thought fit, to pass the following resolution with or without modification(s) for appointment of Shri Ajit Kumar (DIN: 00106597) as a Non–Executive Independent Director of the Company as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with applicable Rules, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), alongwith provisions of Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, based on recommendation of Nomination and Remuneration Committee which was approved by the Board of Directors, consent of the Company be and is hereby accorded for appointment of Shri Ajit Kumar (DIN: 00106597) aged about 77 years, in respect of whom a notice in writing from a member under section 160 of the Act has been received by the Company proposing his candidature for office of Director and who fulfills the criteria given under Section 149 (6) of the Act for an Independent Director of the Company, as Non – Executive Director in the category of Independent Director, not liable to retire by rotation, for the second term of five consecutive years commencing from the conclusion of this Annual General Meeting ('AGM') i.e. the 32nd AGM upto 11/09/2024 or till such earlier date to conform with the policy on retirement as may be determined by the Board of Directors or statutes, as the case may be."

7. To consider, and if thought fit, to pass the following resolution with or without modification(s) for appointment of Dr. Srinivasan Ramesh (DIN: 00126120) as a Non–Executive Independent Director of the Company as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with applicable Rules, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), alongwith provisions of Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, based on recommendation of Nomination and Remuneration Committee which was approved by the Board of Directors, consent of the Company be and is hereby accorded for appointment of Dr. Srinivasan Ramesh (DIN: 00126120) aged about 83 years, who has given notice in writing under section 160 of the Act proposing his candidature for office of Director and who fulfills the criteria given under Section 149 (6) of the Act for an Independent Director of the Company, as Non – Executive Director in the category of Independent Director, not liable to retire by rotation, for the second term of five consecutive years commencing from the conclusion of this Annual General Meeting ('AGM') i.e. the 32nd AGM upto 11/09/2024 or till such earlier date to conform with the policy on retirement as may be determined by the Board of Directors or statutes, as the case may be."

By Order of the Board
***for* VLS Finance Ltd.**

Place: New Delhi
Date : 02/08/2019

H. Consul
Company Secretary
M. No. : A11183

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NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE APPOINTMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING, IN THE FORM ENCLOSED HERETO, DULY FILLED AND AUTHENTICATED. PROXY HOLDER SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE MEETING. A PROXY FORM WHICH DOES NOT STATE THE NAME OF THE PROXY SHALL BE CONSIDERED INVALID. A PROXY SHALL NOT VOTE EXCEPT ON A POLL.
2. Pursuant to section 105 of Companies Act, 2013 and rule 19 of the Companies (Management and Administration) Rules, 2014 a person can act as Proxy for 50 Members holding 10 percent of the total share capital of the Company carrying voting rights. Member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member.
3. If a person is appointed as Proxy for more than 50 members, he shall choose any 50 Members and confirm the same to the Company 24 hours before the commencement of the meeting. In case, the Proxy fails to do so, the Company shall consider only the first 50 proxies received in respect of such person as valid.
4. The submission of form of proxy by a member does not preclude such member from attending and voting at the meeting. The proxy in such event shall not be eligible to attend the meeting. Only bonafide members of the Company whose names appear on the Register of Members/ Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
5. In the case of joint holders, all the holders may attend the meeting, however, the vote of the 1st holder shall be accepted to the exclusion of the vote of the other joint holders. In absence of 1st holder, seniority shall be determined by the order in which the names stand in the Register of Members and the vote of senior most will be accepted. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.
6. In terms of provisions of sections 108 and 109 of the Companies Act, 2013 read with rules 20 and 21 of Companies (Management and Administration) Rules, 2014 and regulation 44 of the listing regulations for votes cast through e-voting and by poll at AGM on the business to be transacted in AGM of the Company on 12/09/2019, the Board of Directors of the Company has appointed Shri V. B. Aggarwal - Practicing Company Secretary (M.No. A-4240, CoP no. 1583), as the scrutinizer. Shri V. B. Aggarwal has consented to act as Scrutinizer for the aforesaid purpose. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The procedure with respect to e-voting is provided below: -

A. In case of Members who receive the Notice in electronic mode:

(a) Open e-mail and open PDF file viz. 'VLS e-voting.pdf' with your Client ID No. or Folio No. as password. The said PDF file contains your User ID and password for e-voting. Please note that the password is an initial password.

(b) Launch internet browser by typing the URL: https://www.evoting.nsdl.com/ and click on 'Shareholder - Login'.

(c) Insert User ID and password as initial password stated in (a) above. Click on 'Login'.

(d) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits/ characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

(e) Home page of e-voting opens, Click on 'e-voting: Active E-voting Cycles' and select the Electronic Voting Event Number (EVEN) of VLS Finance Limited.

(f) Now you are ready for e-voting as 'Cast Vote' page opens.

(g) Cast your vote by selecting appropriate option and click on 'Submit'. Thereafter click on 'Confirm' when prompted.

(h) Upon confirmation, the message 'Vote cast successfully' will be displayed. Thereafter, you will not be allowed to modify your vote.

(i) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF/JPG format) of the relevant Board Resolution/ appropriate authorisation, with the specimen signature(s) of the authorised signatory(ies) duly attested, to the Scrutinizer through e-mail at vbaggarwal.scrutinizer@gmail.com with a copy marked to NSDL's e-mail ID evoting@nsdl.co.in

B. In case of Members who receive the Notice by post:

(a) User ID and initial password is provided in the separate slip.

(b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (A) above, to cast your vote.

C. Members already registered with NSDL for e-voting can use their existing User Id and password for Login. Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (A) above, to cast your vote.

D. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com. You may also address your queries relating to e-voting to the e-mail ID vls@vlsfinance.com.

E. ***The period for e-voting starts at 9.00 a.m. on Monday, 9th September, 2019 and ends at 5.00 p.m. on Wednesday, 11th September, 2019. E-voting shall be disabled by NSDL at 5.00 p.m. on 11th September, 2019***.

F. General Information :

(a) Every Client ID No./ Folio No. shall have one e-vote, irrespective of the number of joint holders.

(b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on **Thursday 5th September, 2019, the cutoff date.** Persons who are not members as on cutoff date should treat this notice for information purposes only.

(c) E-voting right cannot be exercised by a proxy.

(d) The members may cast their vote either by e-voting facility provided or by ballot form at general meeting. In case vote is cast by both means then vote cast by e-voting shall be counted and vote by other means shall be treated as invalid.

(e) The results of e-voting alongwith the scrutinizer's report, will be available on the Company's corporate website www.vlsfinance.com under the section 'Investor Relations' and on the website of NSDL within three days of conclusion of the AGM. Such Results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

7. Those persons, who become members of the Company after the dispatch of this notice of the AGM by the Company and whose names appear in the register of members or register of beneficial holders as on the cut-off date may view the notice of the 32nd AGM on the Company's website or on the website of NSDL. Such members may exercise their voting rights either through remote e-voting by following the procedure as mentioned above or by voting at the AGM. In case of any difficulty Members may contact the Company or its Registrar and Transfer Agent.

8. The register of members of the Company shall remain closed from **05.09.2019 to 12.09.2019 (both days inclusive).**

9. Members who wish to obtain information about the Company or view the financials of Company may visit the Company's website viz. **www.vlsfinance.com**

10. The Company has retained **M/s RCMC Share Registry Pvt. Ltd., as its Registrar & Transfer Agent ("RTA")** w.e.f. 01/04/2003 for entire shareholder services. All correspondence, therefore, may be addressed to the said Registrar & Transfer Agent at:

B-25/1 First Floor, Okhla Industrial Area Phase II, New Delhi-110 020
Email: investor.services@rcmcdelhi.com
(Phone Nos. 011 – 26387320-21-23 and Fax 011-26387322)

However, for any further assistance in said matters, queries may be addressed to the Company Secretary at its Registered Office at:

2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065
Phone No. 4665 6666, Fax: 4665 6699.
Dedicated Investor Services e-mail: hconsul@vlsfinance.com

11. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its member. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their Depository Participant. Members holding shares in physical form are requested to send their e-mail address to the RTA of the Company.

12. **The extant SEBI listing regulations mandate that no transfer of securities of listed Companies be effected in physical form after 31/03/2019. However, transmission and transposition of physical shares are allowed. Exception is provided under SEBI Press Release No. 12/2019 dated 27/03/2019 only for those transfers of which transfer deed(s) were lodged prior to 01/04/2019 and returned due to deficiency. However, for such cases compulsory procurement of PAN by the Companies of both transferor and transferee is required to effect the share transfer in physical form of listed companies, whether off market or not. Copy of PAN card of all holders is required to be furnished to the Company/RTAs for transposition of shares and in case of transmission the PAN details of claimant is mandatory. Further, Members holding shares in physical form are again requested to promptly respond to Company's letter requesting them to provide PAN and Bank details besides other information. The format thereof is available on website of the Company. For further assistance, the Company or its Registrar & Transfer Agent may be contacted.**

13. Members, who are holding shares in identical order of names in more than one Folio i.e. physical form, are requested to write to the RTA of the Company or the Company at its corporate office, to enable the Company to consolidate their holding under one Folio. Members can avail the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in prescribed Form no. SH-13/ SH-14 as the case may be, duly filled in, to the RTA of Company. Members are also requested to intimate change in address, if any, to the Company's RTA or to the Company at its corporate office for shares held in physical mode. Members holding shares in Demat (electronic) form are requested to notify any change in address, mandate/bank details/nominations to their depository participants**.**

14. The shares of the Company are traded in demat segment only w.e.f. 28th August, 2000 for all categories of investors. **The ISIN allotted to Company is INE709A01018** for both the Depositories viz. The National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

15. All documents referred to in the accompanying Notice are open for inspection at the registered office of the Company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of AGM.

16. Explanatory statement, pursuant to section 102 of the Companies Act, 2013 and other applicable regulations, relating to the Special Business to be transacted at this AGM is annexed hereto and forms part of this notice.

17. Member/Proxies are requested to bring their copies of the Annual Report to the meeting and the attendance slip duly filled in, for attending the meeting. As a measure of economy, copies of Annual Report and Admission Slips may not be distributed at the AGM. A route map showing directions to reach the venue of 31st AGM is given at the end of this notice.

18. The Unpaid/unclaimed dividends up to 31/03/1995 had been transferred to General Revenue Account of Central Government and can be claimed from the Central Government in prescribed form. Pursuant to Section 205A of the Companies Act, 1956 ("the Act") all unclaimed/unpaid dividends after 31/03/1995 up to the financial year 1997-1999 (18 months) has been credited to Investor Education & Protection Fund ('IEPF'). At present no unpaid /unclaimed dividend remains liable to be transferred to IEPF. The amount remaining unpaid /unclaimed of the dividend declared for the year 2016-17 and 2017-18 would be transferred to IEPF as per applicable procedure i.e. after 7 years. The list of Members whose dividend for aforesaid years is unclaimed/unpaid is available inter alia on Company's website. Members are requested to claim the said Dividend by writing to the Company or its RTA, alongwith complete details of their Bank Account and the expired dividend instrument/undertaking for loss of instrument, at the earliest, failing which revalidation of stale instruments / issue of fresh instrument for payment of Dividend may not be entertained.

19. The Company in adherence to its policy to provide par excellence investor service, periodically undertakes to locate members whose share certificate are lying undelivered and promptly sends share certificates upon identification of members. In terms of regulation 39 of SEBI listing regulations, the undelivered shares will be

credited to "Unclaimed Suspense Account" with a depository participant and the company has initiated procedural compliance in this regard. As a consequence inter-alia, the voting rights in respect of such shares shall stand frozen till shares are restored to members. Further, the said shares will be transferred to 'IEPF' alongwith the dividend remaining unpaid/unclaimed as and when the first of such dividend remaining unpaid/unclaimed is liable to be transferred to 'IEPF" i.e. upon expiry of seven years.

20. The Dividend, as recommended by the Board of Directors, if approved at the AGM, the payment of such dividend will be made on or before 11th October, 2019:
    - To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as on the close of the business hours on Wednesday, 4th September, 2019.
    - To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company as on the close of business hours on Wednesday, 4th September, 2019.
21. Information regarding Directors pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015:

(A) Retiring by rotation and seeking re-appointment:

Sl. No.	Name of the Director	Date of Birth	Date of Appoint-ment	Qualifications and Expertise in specific functional areas / No. of Board meetings attended during the year	List of Companies in which Directorship held as on 25/07/2019	Chairman/ Member of the Committees of other Companies as on 25/07/2019	Whether qualified u/s 164(2) of the Comapnies Act, 2013
1.	Shri M.P. Mehrotra (DIN:00016768)	26/09/1940	12/09/2016	B.Com, FCA, LL.B. He is a Chartered Accountant by profession and a law graduate with over 55 years of rich experience in areas of taxation, administration and financial services besides being the promoter of the Company. Attended 3 of 4 Board meetings during the year. Related to other Directors viz. Dr. (Mrs). Neeraj Arora being brother –in- law and Shri Vikas Mehrotra being Father.	a. Dhampur Sugar Mills Ltd. b. South Asian Enterprises Ltd. c. VLS Commodities Pvt. Ltd. d. VLS Capital Ltd. e. Jinbhuvish Power Generations Private Ltd. f. Maxim Infracon Private Ltd. g. Delton Cables Ltd. h. Moonrock Hospitality(P) Ltd. i. Baroda Pioneer AMC Ltd. j. Vinu Promoters (P) Ltd. k. SBI Pension Funds (P) Ltd. l. Big Wong Hospitality (P) Ltd.	a. Audit- *Chairman* b. Nomination & Remuneration- *Chairman* c. CSR-*Member* d. Finance Sub Committee - *Member* a. Audit- *Chairman* b. Nomination & Remuneration- *Member* a. Audit- *Member* b. Risk Management- *Member* a. Audit- *Member* b. Nomination & Remuneration - *Member*	Yes

(B) Shareholding of above Director(s) as on 25/07/2019

S. No.	Name	No. of Shares held in Company	Percentage
1.	Shri Mahesh Prasad Mehrotra	Nil	Nil

Explanatory Statement pursuant to section 102 of the Companies Act, 2013.

ITEM NO. 4 Appointment of Shri Suresh Kumar as Managing Director.

On the recommendation of Nomination and Remuneration Committee Shri Suresh Kumar Agarwal was reappointed as Managing Director of the Company w.e.f. 21st August, 2019 by the Board of Directors in its meeting held on 17/05/2019 on the terms and conditions as contained in agreement entered into between the Company and Shri Suresh Kumar Agarwal for this purpose on that date, subject to such approvals as may be required. Shri Suresh Kumar Agarwal aged about 68 years, is a Commerce Graduate & Associate of Indian Institute of Bankers. He is former banker having vast experience in the Banking and Financial Services.

Shri Suresh Kumar Agarwal, at the time of his reappointment as Managing Director of the Company, was also the Managing Director of VLS Securities Ltd., a subsidiary of the Company. He continues to hold said position by virtue of his reappointment by the Board of Directors of VLS Securities Ltd. in its meeting held on 06/05/2019 for a further period of 3 years w.e.f. 01.07.2019. He is not drawing any remuneration from said subsidiary.

Shri Suresh Kumar Agarwal's appointment as Managing Director is being made in accordance with the conditions specified in Part 1 of Schedule V and the remuneration payable is within the ceiling laid down in Part II thereof and the requirements of Part III thereof are being complied with. The Nomination and Remuneration Committee had recommended following remuneration package for Shri Suresh Kumar Agarwal as Managing Director which was approved by the Board:

a. Salary

Basic salary of Rs. 2,30,000/- (Rupees Two Lacs Thirty Thousand Only) per Month.

b. Perquisites

In addition to the aforesaid salary, the Managing Director will be entitled to the following Perquisites:

i. HRA/ Leased Accommodation: Rs.61,950/- (Rupees Sixty One Thousand Nine Hundred Fifty Only) per Month.

ii. Leave Travel Concession: For the Managing Director and his family incurred not exceeding Rs.60,000/- (Rupees Sixty Thousand only) per annum as per rules of the Company.

iii. Reimbursement of expenses for Books and Periodicals upto Rs. 6,750/- (Rupees Six Thousand Seven Hundred Fifty only) per Month.

iv. Reimbursement of secretarial services upto Rs.19,000/- (Rupees Nineteen Thousand only) per Month.

v. Reimbursement of expenses for Business Promotion upto Rs. 8,500/- (Rupees Eight Thousand Five Hundred only) per Month.

vi. Provident Fund, Gratuity payable, entitlement & encashment of leave, bonus and other benefits as per rules of the Company.

vii. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.

viii. Facility of Telephones or provision of similar equipment/facilities for official purpose will be free & not to be considered as perquisites except that the charges for personal long distance calls will be billed by Company to the Managing Director as per rules of the Company.

Explanation: 'Family' for the purpose of this clause means spouse & dependent children of the Managing Director subject to rules of the Company.

c. Sitting Fees:- The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment."

Notwithstanding anything contrary contained in Articles of Association of the Company, Shri Suresh Kumar Agarwal shall be liable to retire by rotation during his tenure as Managing Director of the Company.

In terms of Section 196 read with other applicable provisions of the Companies Act, 2013 the appointment and any modification in terms and conditions of appointment including remuneration of managerial personnel is subject to the approval of members.

Accordingly, approval by members is sought for the aforesaid appointment of Shri Suresh Kumar Agarwal as Managing Director on the terms and conditions as set out in the agreement entered into between Shri Suresh Kumar Agarwal and the Company. The Board recommends the appointment of Shri Suresh Kumar Agarwal as Managing Director of the Company as set out in item No.4 of the Notice.

Shri Suresh Kumar Agarwal does not hold any shares in the Company.

Interest in Other entities as on 25/07/2019.

Name/ nature of interest	VLS Capital Limited. VLS Asset Management Ltd., VLS Securities Limited. Risk Software Solution Pvt. Ltd.	Director Director Managing Director Director
Chairman/ Member of Audit Committee	Nil	
Chairman/ Member of Stakeholders Relationship Committee	Nil	
Chairman/ Member of Nomination and Remuneration Committee	Nil	
Chairman/ Member of CSR Committee	Nil	

The copy of the resolution passed by the Board of Directors in its meeting held on 17/05/2019 appointing Shri Suresh Kumar Agarwal as Managing Director and the agreement entered into between the Company and Shri Suresh Kumar Agarwal dated 17.05.2019 are available for inspection by the members of the Company at Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting except on Saturdays, Sundays and Holidays.

None of the Directors, Key Managerial Personnel of the Company and their relatives in any way is concerned or interested, financially or otherwise, in the said resolution except Shri Suresh Kumar Agarwal- Managing Director and his relatives.

Item no. 5 Appointment of Shri Kishan Kumar Soni as Director-Finance & CFO and revision of Remuneration thereof.

On the recommendation of Nomination and Remuneration Committee Shri Kishan Kumar Soni was reappointed as Director-Finance & CFO of the Company w.e.f. 01/02/2019 by the Board of Directors in its meeting held on 25/10/2018 on the terms and conditions as contained in agreement entered into between the Company and Shri Kishan Kumar Soni

for this purpose on that date, subject to such approvals as may be required. Shri Kishan Kumar Soni aged about 66 years, is a Commerce Graduate, Chartered Accountant and qualified Company Secretary. He has over 40 years of experience in the area of finance, taxation, corporate planning and other corporate affairs.

Shri Kishan Kumar Soni's appointment as Director- Finance & CFO is being made in accordance with the conditions specified in Part 1 of Schedule V and the remuneration payable is within the ceiling laid down in Part II thereof and the requirements of Part III thereof are being complied with. The Nomination and Remuneration Committee had recommended following remuneration package for Shri Kishan Kumar Soni as Director-Finance & CFO which was approved by the Board:

a. **Salary**

Basic salary of Rs. 2,24,250/- (Rupees Two Lac Twenty Four Thousand Two Hundred Fifty Only) per Month.

b. Perquisites

In addition to the aforesaid salary, the Director-Finance & CFO will be entitled to the following Perquisites:

i. HRA/ Leased Accommodation: Rs.56,000/- (Rupees Fifty Six Thousand only) per Month.

ii. Leave Travel Concession: For the Director-Finance & CFO and his family incurred not exceeding Rs.60,000/- (Rupees Sixty Thousand only) per annum as per rules of the Company.

iii. Reimbursement of expenses for Books and Periodicals upto Rs.5,340/- (Rupees Five Thousand Three Hundred Forty only) per Month.

iv. Reimbursement of secretarial services upto Rs.19,000/- (Rupees Nineteen Thousand only) per Month.

v. Reimbursement of expenses for Business Promotion upto Rs. 8,500/- (Rupees Eight Thousand Five Hundred only) per Month.

vi. Provident Fund, Gratuity payable, entitlement & encashment of leave, bonus and other benefits as per rules of the Company.

vii. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.

viii. Facility of Telephones or provision of similar equipment/facilities for official purpose will be free & not to be considered as perquisites except that the charges for personal long distance calls will be billed by Company to the Director-Finance & CFO as per rules of the Company.

Explanation: 'Family' for the purpose of this clause means spouse & dependent children of the Director-Finance & CFO subject to rules of the Company.

c. Sitting Fees:- The Director-Finance & CFO shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment."

Notwithstanding anything contrary contained in Articles of Association of the Company, Shri Kishan Kumar Soni shall be liable to retire by rotation during his tenure as Director-Finance & CFO of the Company.

In terms of Section 196 read with other applicable provisions of the Companies Act, 2013 the appointment and any modification in terms and conditions of appointment including remuneration of managerial personnel is subject to the approval of members.

Accordingly, approval by members is sought for the aforesaid appointment of Shri Kishan Kumar Soni as Director-Finance & CFO on the terms and conditions as set out in the agreement entered into between Shri Kishan Kumar Soni and the Company. The Board recommends the appointment of Shri Kishan Kumar Soni as Director-Finance & CFO of the Company as set out in item No. 5 of the Notice.

Shri Kishan Kumar Soni does not hold any shares in the Company.

Interest in Other entities as on 25/07/2019.

Name/ nature of interest	VLS Capital Limited. VLS Asset Management Ltd., VLS Securities Limited. South Asian Enterprises Ltd. Om Sai Sports Ltd. (Under the process of Striking off)	Director Director Director Director Director
~~Chairman~~/ Member of Audit Committee	South Asian Enterprises Ltd. VLS Securities Limited.	
Chairman/ ~~Member~~ of Stakeholders Relationship Committee	South Asian Enterprises Ltd.	
Chairman/ ~~Member~~ of Nomination and Remuneration Committee	VLS Securities Limited.	
Chairman/ Member of CSR Committee	Nil	

The copy of the resolution passed by the Board of Directors in its meeting held on 25/10/2018 appointing Shri Kishan Kumar Soni as Director- Finance & CFO and the agreement entered into between the Company and Shri Kishan Kumar Soni dated 25.10.2018 are available for inspection by the members of the Company at Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting except on Saturdays, Sundays and Holidays.

None of the Directors, Key Managerial Personnel of the Company and their relatives in any way is concerned or interested, financially or otherwise, in the said resolution except Shri Kishan Kumar Soni - Director- Finance & CFO and his relatives.

Item Nos. 6 and 7

The Members of the Company at the 27th Annual General Meeting ('AGM') of the Company held on September 25, 2014 had inter alia appointed Shri Ajit Kumar (DIN: 00106597) and Dr. Srinivasan Ramesh (DIN: 00126120) as Independent Directors of the Company for a period of five consecutive years with effect from September 25, 2014, subject to that their term will expire on the conclusion of the 32nd AGM. As per Section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but can be re-appointed as Independent Director on the Board of a Company on passing a Special Resolution by the Company for another term of upto five consecutive years. The Nomination and Remuneration Committee ("NRC") on the basis of performance evaluation of Directors have recommended reappointment of Shri Ajit Kumar and Dr. Srinivasan Ramesh both aged over 75 years as Independent Directors for second term of five years subject to applicable regulations which has been accepted by the Board. Further, pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Listing Regulations') consent of the members by way of Special Resolution is required for appointment of a Non-Executive Director aged over 75 years. The Special Resolution passed under item no. 6 and 7 shall also be deemed as your approval under the Listing Regulations, for appointment of Shri Ajit Kumar and Dr. Srinivasan Ramesh as Independent Directors.

In order to have the continued guidance of the aforementioned persons in the management of the Company, your Board recommends the special resolutions set out at item nos. 6 and 7 of the Notice for approval by the Members. A copy of their draft letters of appointment as Independent Directors is available for inspection by the members of the Company at Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting except on Saturdays, Sundays and Holidays. Further, none of the Directors apart from the persons mentioned above or Key Managerial Personnel of the Company is, in any way, concerned or interested in the concerned resolutions.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting.

Name of Director/DIN	Shri Ajit Kumar IAS (Retd.) 00041859	Dr. S. Ramesh IAS (Retd.) 00126120
Age/Date of Birth	77 years / 27.01.1942	83 years / 28.10.1936
Qualification	M.A. (English)	M.A., M.P.A. (Harvard), Ph. D.
Initial date of appointment	29/10/2003	30/06/2001
Expertise	He has held various important positions in Government of India including that of Defence Secretary, Finance Secretary and Secretary, Ministry of Industries. He has vast experience in administration, planning and government affairs.	He is former Secretary to the Govt. of U.P. having over 5 decades experience in administration, planning and govt. affairs.
Directorship as on 31/03/2019	VLS Finance Ltd.	VLS Finance Ltd. South Asian Enterprises Ltd.
Chairman/ Member of Audit Committee as on 31/03/2019	VLS Finance Ltd.-*Member*	VLS Finance Ltd.-*Chairman* South Asian Enterprises Ltd.-*Member*
Chairman/ Member of Shareholders Relationship Committee as on 31/03/2019	VLS Finance Ltd.-*Chairman*	None
Chairman/ Member of Remuneration committee as on 31/03/2019	VLS Finance Ltd.-*Member*	VLS Finance Ltd.-*Member*
Number of Meeting attending during the year	4 of 4	3 of 4
Shareholding in the Company	NIL	NIL
Relationship between Directors inter-se.	NIL	NIL

By Order of the Board
***for* VLS Finance Ltd.**

Place: New Delhi
Date : 02/08/2019

H. Consul
Company Secretary
M. No. : A11183

******

VLS FINANCE LIMITED

REGD. OFF. : 2ND FLOOR, 13, SANT NAGAR, EAST OF KAILASH, NEW DELHI- 110065
CIN: L65910DL1986PLC023129, email: vls@vlsfinance.com, Website: www.vlsfinance.com
Phone: 011-4665 6666, FAX: 011-4665 6699

BALLOT FORM (POLL PAPER)

(For casting vote at 32nd AGM in lieu of e-voting)

1 Name of the Member:…..……..…

(1st holder in case of Joint holding)

2 Registered address of sole /first named Member.

3 Registered folio No./DP ID No. and Client ID No.* (* Applicable to investors holding shares in dematerialized form)

4 Number of Shares held

5 Name of the Jointholder (s)

6 I/We hereby exercise my vote in respect of Ordinary/Special resolutions enumerated below by recording my assent or dissent to the said resolution in the following manner:

Serial No.	Particulars	No. of Shares held by me/us	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2019, the statement of Profit & Loss for the year ended on that date together with the report of Auditors and Directors thereon and the consolidated Financial Statements for the said period.			
2	To approve dividend of Rupee 1/- per equity share.			
3	To appoint a Director in place of Shri Mahesh Prasad Mehrotra (DIN: 00106037) who retires by rotation and being eligible, offers himself for re-appointment.			
4	**Ordinary Resolution** for re-appointment of Shri Suresh Kumar Agarwal (DIN: 00106763) as Managing Director.			
5	**Ordinary Resolution** for re-appointment of Shri Kishan Kumar Soni (DIN:00106037) as Director-Finance & CFO.			
6	**Special Resolution** for appointment of Shri Ajit Kumar (DIN: 00106597) as a Non – Executive Independent Director of the Company for second term of five years.			
7	**Special Resolution** for appointment of Dr. Srinivasan Ramesh (DIN: 00126120) as a Non – Executive Independent Director of the Company for second term of five years.			

Place:

Date:

Signature of the Member (s)

Note: Please read the enclosed instructions before filling the form.

INSTRUCTIONS FOR FILLING THE BALLOT FORM

1 The member may choose to tender the ballot form at the time of annual general meeting in the ballot box kept at the venue.

2 Vote can be exercised by E-voting facility provided for this purpose and details thereof has been provided in accompanying notice. Members are requested to exercise vote either by ballot or e-voting. In case voting is exercised both through e-voting and ballot, the vote through e-voting will supersede ballot in all cases i.e. voting by ballot will be rendered invalid.

3 This form should be completed and signed by the member (as per the specimen signature registered with the Company). In case of joint holding, this form should be completed and signed by the first named member and in his/her absence, by the next named member.

4 Incomplete/Unsigned Ballot Form will be rejected. Vote exercised through multiple forms i.e. more than one form will render the vote invalid and all Ballot forms will be treated as invalid.

5 Voting rights for ballot shall be reckoned on the paid up value of shares registered in the name of the shareholders on the cutoff date i.e. 5th September, 2019 and if amended, the amended date so notified.

6 The ballot shall not be exercised by a duly appointed proxy except in Annual General Meeting.

7 In case of shares held by companies, trusts, societies etc. the duly completed Ballot Form should be accompanied by a certified true copy of Board Resolution/ Authority letter together with attested specimen signature(s).

8 The decision of scrutinizer on the validity of ballot form will be final.

*****

VLS FINANCE LIMITED

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

Proxy Form

Form No. MGT-11

(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 32nd Annual General Meeting of the Company, to be held on the 12th September, 2019 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, 2019, the statement of Profit & Loss for the year ended on that date together with the report of Auditors and Directors thereon and the consolidated Financial Statements for the said period.		
2	To approve dividend of Rupee 1/- per equity share.		
3	To appoint a Director in place of Shri Mahesh Prasad Mehrotra (DIN: 00106037) who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
4	**Ordinary Resolution** for re-appointment of Shri Suresh Kumar Agarwal (DIN: 00106763) as Managing Director.		
5	**Ordinary Resolution** for re-appointment of Shri Kishan Kumar Soni (DIN:00106037) as Director-Finance & CFO.		
6	**Special Resolution** for appointment of Shri Ajit Kumar (DIN: 00106597) as a Non – Executive Independent Director of the Company for the second term of five years.		
7	**Special Resolution** for appointment of Dr. Srinivasan Ramesh (DIN: 00126120) as a Non – Executive Independent Director of the Company for the second term of five years.		

Signed this day of 2019

Affix Revenue Stamp

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

NOTE :

1. The Proxy Form duly completed 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

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ATTENDANCE SLIP
32nd ANNUAL GENERAL MEETING
Thursday, the 12th day of September, 2019

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 32nd Annual General Meeting of the Company on 12th day of September, 2019 at 3:30 p.m. at The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110 003.

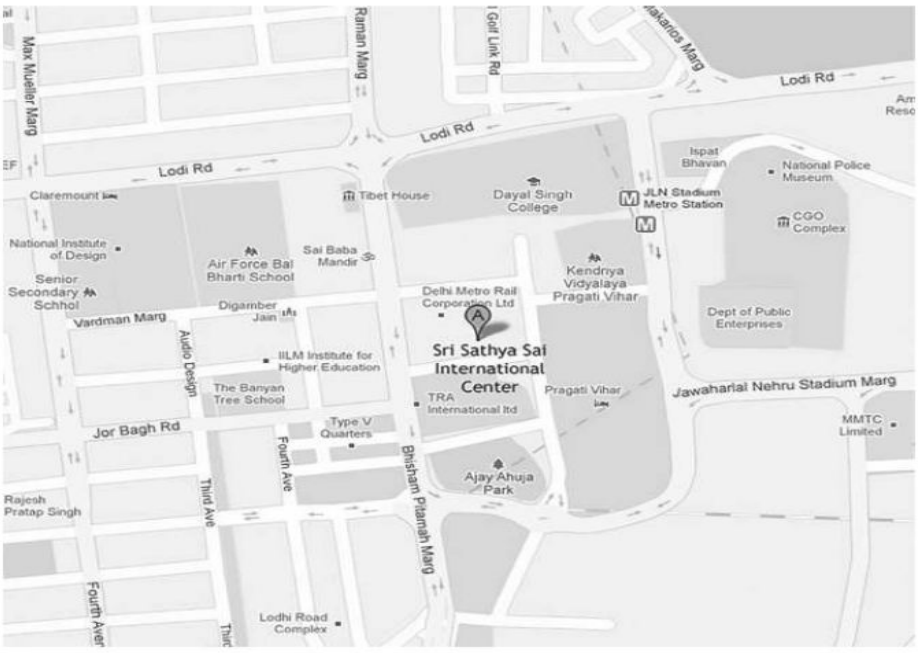
* Applicable in case of shares held in physical form.

Member/ Proxy Signature

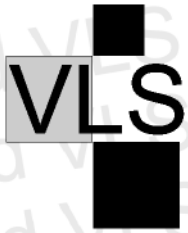
NOTES:

1. Member/Proxy wishing to attend the meeting must present this slip duly filled in at the Entrance of the Venue.
2. No Gift/Coupon or equivalent will be given to members who are attending the meeting.
3. For convenience of members, persons other than member/proxy will not be allowed inside the venue.
4. Shareholders/ proxy holders desiring to attend the meeting should bring his/her copy of the Annual report for reference at the meeting.

Route Map of AGM Venue



Shri Sathya Sai International Centre,
Lodhi Road, Institutional Area,
Pragati Vihar, New Delhi-110003



XXXII ANNUAL REPORT 2018-2019

VLS FINANCE LTD.

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

NOTICE

32nd ANNUAL GENERAL MEETING OF MEMBERS OF THE COMPANY WILL BE HELD AT

The Auditorium, Sri Sathya Sai International Centre,
Institutional Area, Lodhi Road
Pragati Vihar, New Delhi - 110 003
at 3:30 P.M.
on Thursday,
the 12th day of September, 2019

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
Email : investor.servies@rcmc.delhi.in

Our e-mail address :
☞ For investor services : hconsul@vlsfinance.com
☞ Other than above : vls@vlsfinance.com
visit us at www.vlsfinance.com

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BOARD OF DIRECTORS :

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

COMPANY SECRETARY
Shri H. Consul

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

BANKERS
HDFC Bank
UCO Bank

EQUITY SHARES LISTED AT :

THE NATIONAL STOCK EXCHANGE OF INDIA LTD.
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai-400051.

BSE LTD. (formerly THE BOMBAY STOCK EXCHANGE),
25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

THE CALCUTTA STOCK EXCHANGE LTD. (Pending Delisting)
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 32nd Annual Report of the Company together with the Audited Annual Accounts for the year ended 31st March, 2019.

1. Financial Results **(Rs. in Lakhs)**

	For the year ended 31st March, 2019	For the year ended 31st March, 2018*
Gross Receipts	**300102.04**	209316.72
Profit before Interest, Finance Charges & Depreciation	**2918.73**	2500.18
Less: Interest & Finance Charges	**0.95**	1.07
Profit before Depreciation	**2917.78**	2499.11
Less: Depreciation	**59.13**	60.57
Profit before exceptional & extraordinary items & tax	**2858.65**	2438.54
Less: Provision for diminution of value of assets (net)	**664.00**	600.00
Profit before Tax	**2194.65**	1838.54
Less: Provision for Taxation/(Credits)	**436.18**	353.71
Profit after Tax	**1758.47**	1484.83
Surplus brought forward from previous year	**9449.23**	8430.49
Less: i) Proposed dividend on Equity Shares	**386.62**	386.62
ii) Dividend distribution tax	**79.47**	79.47
Available for Appropriation	**10741.61**	9449.23
Appropriations:		
To General Reserve	**0.00**	0.00
Surplus c/f	**10741.61**	9449.23

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

2. Management Discussion and Analysis

Financial Review

During the year under review, profit before tax was Rs.2194.65 lakhs as compared to Rs. 1838.54 lakhs for the previous year. The profit after tax stood at Rs. 1758.47 lakhs as compared to Rs. 1484.83 lakhs during the previous year.

Industry Structure and Development

The global economy is projected to grow at 3.5 percent in 2019 according to World Economic Outlook Update. Asian Development Bank report pegs Indian economy to grow at 7.1 percent for the current financial year. The financial markets have shown positive signs as compared to last financial year. However, increasing divergence in monetary, fiscal policies and volatility of capital flows coupled with foreign economic decisions viz. United States trade agreement re-negotiations etc. paints an uncertain time ahead for our economy.

The growth prospects of the Emerging Asian economies like China and India are expected to remain robust over the medium term amid global economic uncertainty. The Asian region is expected to grow at 5.7 percent in 2019 as per the Asian Development Bank.

Outlook, Risks and Concerns

The country's equity markets remains promising for both global and domestic investors. The underlying strength of Indian consumption and demand, continues to remain healthy. The performance of your Company is closely linked to those of the stock markets. The growth tendencies for 2019-2020 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 experience and risk management framework. The Company is exposed to normal industry risks such as credit, interest rate, economic, currency, political, market and operational risks. The Company views risk management as integral to its business for creating and maintaining best practices in business operations and administration.

Opportunities and Threats

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

Adequacy of Internal Financial Control Systems

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

Segment wise Performance

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

Cautionary Statement

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

3. Dividend & Reserve

The Board has recommended 10% dividend on equity shares i.e. Rs.1/- per equity share for the year 2018-19 subject to approval of members. The dividend, if approved, will be paid to the registered members as on the date of Annual General Meeting scheduled to be held on 12/09/2019 ('AGM'). No amount was proposed to be transferred to the reserve during the year under review.

4. Directors/ Key Managerial Personnel (KMP)

During the year under review and till the date of this report there had been no changes in the composition of the Board of Directors/ Key Managerial Personnel of your Company.

Directorate:

In accordance with the provisions of Article 89 of the Articles of Association of the Company, Shri Mahesh Prasad Mehrotra – Excutive Vice Chairman (DIN: 0016768) will be retiring by rotation at the ensuing Annual General Meeting ('AGM') of your Company and being eligible, offer himself for re-appointment. Concurring to recommendation of Nomination and Remuneration Committee of the Company, your Directors recommend his re-appointment as set out in the Notice convening the ensuing AGM.

The term of Shri Suresh Kumar Agarwal (DIN: 00106763) as Managing Director of the Company is upto 20th August, 2019. The Board of Directors on the recommendation of Nomination and Remuneration Committee, has reappointed Shri Suresh Kumar Agarwal as Managing Director of the Company w.e.f 21st August, 2019 for 3 years i.e. upto 20th August, 2022, subject to approval of the members at the ensuing AGM.

The term of Shri Kishan Kumar Soni (DIN: 00106037) as Director-Finance & CFO of the Company was upto 31st January, 2019. The Board of Directors on the recommendation of Nomination and Remuneration Committee, has reappointed Shri Kishan Kumar Soni as Director- Finance & CFO of the Company w.e.f 01/02/2019 for 3 years and 6 months i.e. upto 31/07/2022, subject to approval of the members at the ensuing AGM.

Further, Shri Ajit Kumar (DIN: 00106597) and Dr. Srinivasan Ramesh (DIN:00126120) who were appointed as Independent Directors of the Company at the 27th AGM of the Company for a period of five consecutive years commencing from 25th September, 2014 upto the conclusion of the 32nd AGM to be held in the year 2019 are eligible to be appointed Independent Directors for a second term. Concurring to recommendation of Nomination and Remuneration Committee of the Company, your Directors recommend their re-appointment as Independent Directors in their second term for a period of five years as set out in the Notice convening the ensuing AGM.

Key Managerial Personnel (KMP):

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons were Key Managerial Personnel of the Company as on March 31, 2019:

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

5. **Independent Directors**

Independent Directors of your Company have complied with the relevant provisions of the law relating to their appointment and they continue to comply with the provisions of the Companies Act, 2013 and the listing regulations.

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

During the year ended 31/03/2019, 1 (one) meeting of Independent Directors was held on 07/02/2019 as detailed hereunder:

S. No.	Name of Director	Whether Chairman/ Member	No. of meeting(s) attended during F.Y. 2018-19 & Dates	
1	Shri Ajit Kumar	Chairman	1	07/02/2019
2	Dr. S. Ramesh	Member	1	07/02/2019
3	Shri R. Bandyopadhyay	Member	1	07/02/2019
4	Shri D.K. Mehrotra	Member	1	07/02/2019

6. Annual Return extract (MGT-9)

The details forming part of the extract of the Annual Return for the year 2018-19 in Form MGT-9 is enclosed as **Annexure A** and the same has been placed on the website of the Company, www.vlsfinance.com.

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 accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed, along with proper explanation relating to material departures;

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

c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that they have prepared the Annual Accounts for the financial year ended 31st March, 2019 on a 'going concern' basis;

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

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

9. Evaluation of Board/Committees/Individual Directors

The Board carried out the annual performance evaluation of its own performance and its Committees in its meeting held on 17/05/2019. The said exercise was led by the independent directors all of whom are also constituents of Nomination and Remuneration Committee. The evaluation process focused on different aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competence, performance of specific duties and obligations, governance issues etc. The aim was to assess the effectiveness of the Board's/Committees' processes, and to identify any actions required to improve effectiveness. The review thus focused on the following associated areas viz. structure, leadership, strategy, risks, decision making and development.

The evaluation process inter-alia comprised the following:

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

Given the experience and qualifications of the Board members, it was not considered necessary to engage external persons to facilitate the evaluation process.

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 17th May, 2019 on the parameters including attendance, contribution and Independent Judgment by individual directors. Since all Directors have rich experience of corporate environment, so they are accustomed to having their performance regularly evaluated. The evaluation of individual Directors done by Nomination and Remuneration committee being adequate, the Board after consideration thereof accepted the same in lieu of separate evaluation to be made by it.

Further, the meeting of Independent Directors, chaired by Shri Ajit Kumar, Chairman & Independent Director, was held pursuant to Schedule IV of the Act and the Listing Regulations to review the performance of the Chairman, Non-Independent Directors of the Company and the performance of the Board as a whole. The Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

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

The professional conduct sets expectations that all employees shall comply with all laws and regulations governing company's conduct. Information is reported upwards internally within the organization to senior management and if 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. Corporate Social Responsibility (CSR)

The Company is covered under the threshold prescribed under the Act for CSR. During the year under review the Company sanctioned Rs.5,00,000/- to Rahab Center for Hope ('Rahab') and Rs.18,00,000/- to Sri Satya Sai Trust MP ('Trust')for their respective projects. However, the amount disbursed to Trust was returned by them due to deferment of the project. The amount sanctioned to Rahab was not disbursed due to change of objective for which the financial assistance was sanctioned. The revised proposal have been sanctioned afresh in the current year.

In the current year, a contribution of Rs. 5,00,000/- has been made to Lal Bahadur Shastri National Memorial Trust ("LBST"), 1 Motilal Nehru Place, New Delhi-110011 for construction of rooms for Mechanical Engineering course at LBST Polytechnic in Village Manda, Near Allahabad (U.P.). Additionally, a contribution of Rs. 5,50,000/- and 5,00,000/- has been made to IIMPACT, a Gurgaon based non-profit organisation and Rahab based in New Delhi, respectively. IIMPACT is engaged in activities relating to promotion of primary education of girls in rural areas of Kanpur Dehat, Uttar Pradesh and the Company has supported these centers in past two years as well. Rahab has proposed to setup a unit for manufacturing and providing sanitary pads at low cost to women of economically weaker section. All the CSR proposals are vetted and recommended by the CSR Committee to the Board of Directors for its approval.

Statement of CSR allocation and expenditure

(in Rs.)

Financial Year	Allocated Amount	Amount Spent	Amount Unspent (cumulative)
2014-2015	6,47,440/-	0	6,47,440/-
2015-2016	8,46,347/-		14,93,787/-
		6,48,000/-	8,45,787/-
2016-2017	7,98,376/-		16,44,163/-
		1,00,000/-	
		6,56,250/-	
		5,50,000/-	3,37,913/-
2017-2018	44,19,495/-		47,57,408/-
Less : Excess	-7,66,667/-		-7,66,667/-#
allocation			**39,90,741/-**
		20,00,000/-	
		5,50,000/-	14,40,741/-
2018-2019	42,12,952/-		56,53,693/-
		5,00,000/-*	5,00,000/-
		17,70,000/-$	17,70,000/-
2019-2020	50,98,293/-	5,50,000/-	92,01,986/-**
		5,00,000/-	
		5,00,000/-*	
		15.50.000/-	

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

* Not disbursed to Rahab since the objective of utilization changed by the entity subsequently and considered afresh in the year 2019-20 and Disbursal will be made upon completion of documents.

$ Sri Sathya Sai Trust MP had returned the entire amount of Rs.17.70 Lacs disbursed against the sanctioned amount of Rs. 18 lacs because they have deferred the plan to purchase the Van.

** Amount available for CSR expenditure in 2019-2020 as on date of this report. The report of CSR Committee in terms of Section 135 of the Companies Act, 2013 is enclosed as **Annexure –C** to this report.

12. Number of Board Meetings

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

13. Policies

Your Company has formulated the following policies to optimize its performance and functions.

A. Corporate Social Responsibility Policy

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 Party Transactions including material transactions.

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

C. Board diversity

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

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

D. Risk Management

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

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

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

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

E. Anti-sexual harassment mechanism

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All women employees inter-alia 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 31/03/2019.

F. Nomination and Remuneration Policy

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

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the NRC

has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management and other employees including their annual evaluation. While formulating this policy, the NRC has considered the factors laid down in Section 178(4) of the Companies Act, 2013 and the Listing Regulations, as amended.

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

The requisite certificate from Shri V.B. Aggarwal, Practicing Company Secretary (COP:1583) confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Company by the SEBI / Ministry of Corporate Affairs or any such statutory authority is appended at the end of aforesaid report.

15. Auditors

Statutory Auditors

In terms of Section 139 read with Companies (Audit and Auditors) Rules, 2014 M/s. M. L. Puri & Co. - Chartered Accountants, (FRN: 002312N) had been appointed for a period of 5 years i.e. from the conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company subject to applicable regulations. The members in the 31st AGM of the Company had authorised for the Board to fix the remuneration of the Auditors for the remaining tenure. The item in the notice convening 32nd AGM for fixation of remuneration of Statutory Auditors has been, therefore, dispensed with. The Statutory Auditors have consented to continue as Statutory Auditors and have given a confirmation that they are eligible to continue with their appointment and have not been disqualified in any manner for continuing as Statutory Auditors.

Secretarial Auditor

The Board in its meeting held on 17/05/2019 has appointed Ms. Pooja Nichani –Practicing Company Secretary (CoP:11351) as Secretarial Auditor for the year 2019-2020.

Cost Auditor

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.** The comments/observations by Secretarial Auditor also explain the stand taken by the Company. The Company is confident of positive outcome in matters commented upon by the Secretarial Auditor.

18. Statutory Information

- The Board in its meeting held on 25/10/2018 had approved the proposal for voluntary delisting from the Calcutta Stock Exchange Ltd. ('CSE'). When the Company approached CSE, thereafter for completing formalities of delisting, it was learnt that CSE had suspended the scrip of your Company alleging non-payment of listing fee for the year 2014-15 and other non- compliances. Since the Company had paid the said listing fee in time and also made other compliances the same were promptly informed to CSE in response to their communications. However, the Exchange had been inordinately delaying the process and delisting approval has not yet been granted. Regarding listing fee for the year 2019-20, the stand taken by the Company is that the same is not payable since the Company had approached Exchange for delisting of scrip well in time and cannot be made liable for payment of the fee when the delay is on part of Exchange.
- Your Company's dispute with BMS IT Institute Pvt. Ltd. (treated as an Associate in terms of the provisions of the Companies Act, 2013) has come to an end in terms of order dated 05/04/2019 of Hon'ble Supreme Court of India. The final implementation of the order of the Hon'ble Supreme Court will take place in the year 2020-21.
- 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 (pending delisting).
- The Company has paid the annual listing fees for the year 2019-20 to BSE Ltd. and The National Stock Exchange of India Ltd.
- Your Company's principal business is acquisition of securities; hence Section 186 of the Act is not applicable. There had been no change in business of the Company during the year.
- 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.
- Disclosure relating to ratio of the remuneration of each director to the median employee's remuneration in terms of Section 197(12) of the Companies Act, 2013 is enclosed as **Annexure G** to this report.
- Executive Vice-Chairman, Managing Director and Director- Finance & CFO of your company are not in receipt of any remuneration or commission from any of subsidiary company in terms of Section 197(14) of the Companies Act, 2013. No Independent Directors were appointed by special resolution during the year.
- There were no orders passed by the regulators against the Company.

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 31 (Thirty One). 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 has been sending documents like the notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email addresses provided by the members directly or made available to us by the depositories, besides regular correspondence. The electronic mode is both economical and speedier compared to physical documents. Members who hold shares in physical form are, therefore, requested to register their e-mail addresses and intimate any change in e-mail id, with the Company or with the Registrar & Share Transfer Agent, RCMC Share Registry Pvt. Ltd. In respect of electronic holdings, members are requested to register their e-mail addresses with the depository through their concerned depository participants. You may kindly note that even after registration of e-mail ID, you are entitled to be furnished, free of cost, a printed copy of the annual report of the Company, upon receipt of a requisition from you, at any time. In case you desire to receive Company's communication and documents in physical form, you are requested to intimate us through email at hconsul@vlsfinance.com.

22. Subsidiary/Associate Companies

Statement pursuant to Section 129(3) of the Companies Act, 2013 for the financial year ended 31/03/2019 in respect of the subsidiary/ associate companies, is enclosed with Annual Accounts of the Company.

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

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

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 of Directors

Place : New Delhi	**S.K. Agarwal**	**K.K. Soni**
Date : 02/08/2019	**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 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L65910DL1986PLC023129
ii	Registration Date	20/01/1986
iii	Name of the Company	VLS FINANCE LIMITED
iv	Category/Sub-category of the Company	Public Limited Company
v	Address of the Registered office & contact details	2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065 Phone Nos. 011-46656666 Fax : 011-46656699
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. RCMC Share Registry Pvt. Ltd., CIN: U67120DL1950PTC001854 INR:000000429 B-25/1 First Floor, Okhla Industrial Area Phase-II, New Delhi-110020 Phone Nos. 011 – 26387320, 21, 23, Fax 011-26387322 e-mail : investor.services@rcmcdelhi.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	VLS Securities Ltd. 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065	U74899DL1994PLC062123	Subsidiary	99.67	2(87)
2	VLS Asset Management Ltd. 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065	U74899DL1995PLC065812	Subsidiary	99.15	2(87)
3	VLS Capital Ltd. C-561, Defence Colony, New Delhi- 110024	U67190DL1985PLC022302	Associate	38.09	2(6)
4	Sunair Hotels Ltd. A-7, 1st Floor, Geetanjali Enclave New Delhi-110017	U74899DL1977PLC008495	Associate	24.14	2(6)
5	BMS IT Institute Pvt. Ltd. B-14, Chirag Enclave New Delhi-110048	U80301DL2005PTC139764	Associate	28.24	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of total Equity)

(i) Category-wise Shareholding

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	3854685	0	3854685	9.97%	3854685	0	3854685	9.97%	0.00%
b) Central Govt.or State Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corporates	13686138	29300	13715438	35.48%	13766506	29300	13795806	35.68%	0.21%
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)	17540823	29300	17570123	45.45%	17621191	29300	17650491	45.65%	0.21%
(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)	17540823	29300	17570123	45.45%	17621191	29300	17650491	45.65%	0.21%
B PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	100	100	0.00%	0	100	100	0.00%	0.00%
b) Banks/FI	49596	500	50096	0.13%	34711	500	35211	0.09%	-0.04%
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	2200	0	2200	0.01%	4106	0	4106	0.01%	0.00%
SUB TOTAL (B)(1):	51796	900	52696	0.14%	38817	900	39717	0.10%	-0.03%

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	1440027	114200	1554227	4.02%	1413221	70300	1483521	3.84%	-0.18%
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	10843167	3262672	14105839	36.49%	11046909	2928847	13975756	36.15%	-0.34%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	4932395	0	4932395	12.76%	5207152	0	5207152	13.47%	0.71%
c) Others (specify)									
a) NRI / OCB	188789	2800	191589	0.50%	274143	2800	276943	0.72%	0.22%
b) Foreign National	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Clearing Member	255148	0	255148	0.66%	23524	0	23524	0.06%	-0.60%
d) LLP	0	0	0	0.00%	4913	0	4913	0.01%	0.01%
e) Trust	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (B)(2):	17659526	3379672	21039198	54.42%	17969862	3001947	20971809	54.24%	-0.17%
Total Public Shareholding (B)= (B)(1)+(B)(2)	17711322	3380572	21091894	54.55%	18008679	3002847	21011526	54.35%	-0.21%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	35252145	3409872	38662017	100.00%	35629870	3032147	38662017	100.00%	0.00%

No. of Members as on 31/03/2018 24691 No. of Members as on 31/03/2019 24689

(ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Shri M. P. Mehrotra	0	0.00%	0.00	0	0.00%	0.00	0.00%
2	VLS Commodities Pvt. Ltd.	377400	0.98%	0.00	457768	1.18%	0.00	0.21%
3	Vikas Mehrotra	486006	1.26%	0.00	486006	1.26%	0.00	0.00%
4	Ms. Divya Mehrotra	1424726	3.69%	0.00	1424726	3.69%	0.00	0.00%
5	M. P. Mehrotra (HUF)	510025	1.32%	0.00	510025	1.32%	0.00	0.00%
6	M. P. Mehrotra (HUF)	549237	1.42%	0.00	549237	1.42%	0.00	0.00%
7	VLS Capital Ltd.	13336538	34.50%	0.00	13336538	34.50%	0.00	0.00%
8	South Asian Enterprises Ltd.	1500	0.00%	0.00	1500	0.00%	0.00	0.00%
9	Pragati Moulders Ltd.	0	0.00%	0.00	0	0.00%	0.00	0.00%
10	Mrs. Sadhana Mehrotra	884691	2.29%	0.00	884691	2.29%	0.00	0.00%
11	Ms. Daya Mehrotra	0	0.00%	0.00	0	0.00%	0.00	0.00%
12	Shri Ramji Mehrotra	0	0.00%	0.00	0	0.00%	0.00	0.00%
13	Mrs. Sushma Mehrotra	0	0.00%	0.00	0	0.00%	0.00	0.00%
	Total	17570123	45.45%	0.00	17650491	45.65%	0.00	0.21%

(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 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		13336538	34.5	13336538	34.5
	At the end of the year				13336538	34.5
2	Divya Mehrotra					
	At the beginning of the year		1424726	3.69	1424726	3.69
	22/06/2018	Transfer	-925000	-2.39	499726	1.29
	At the end of the year				499726	1.29
3	Mahesh Prasad Mehrotra HUF					
	At the beginning of the year		1059262	2.74	1059262	2.74
	22/06/2018	Transfer	455000	1.18	1514262	3.92
	29/06/2018	Transfer	470000	1.22	1984262	5.13
	At the end of the year				1984262	5.13
4	Sadhana Mehrotra					
	At the beginning of the year		884691	2.29	884691	2.29
	At the end of the year				884691	2.29
5	VLS Commodities Private Limited					
	At the beginning of the year		377400	0.98	377400	0.98
	01/03/2019	Transfer	24342	0.06	401742	1.04
	08/03/2019	Transfer	40026	0.1	441768	1.14
	15/03/2019	Transfer	4693	0.01	446461	1.15
	22/03/2019	Transfer	11307	0.03	457768	1.18
	At the end of the year				457768	1.18
6	South Asian Enterprises Ltd					
	At the beginning of the year		1500	0	1500	0
	At the end of the year				1500	0
7.	Vikas Mehrotra					
	At the beginning of the year		486006	1.26	486006	1.26
	At the end of the year				486006	1.26

(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 Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Prateek Bansal					
	At the beginning of the year 01/04/2018		466107	1.21	466107	1.21
	At the end of the year 31/03/2019				466107	
2	Anurag Jain					
	At the beginning of the year 01/04/2018		451494	1.17	451494	1.17
	08/06/2018	Transfer	26016	0.07	477510	1.24
	16/11/2018	Transfer	101	0	477611	1.24
	At the end of the year 31/03/2019				477611	1.24
3	Surendra Kumar Gupta					
	At the beginning of the year 01/04/2018		331237	0.86	331237	0.86
	13/04/2018	Transfer	-369	0	330868	0.86
	29/06/2018	Transfer	-17301	-0.04	313567	0.81
	06/07/2018	Transfer	-2383	-0.01	311184	0.8
	20/07/2018	Transfer	-2419	-0.01	308765	0.8
	07/09/2018	Transfer	-8458	-0.02	300307	0.78
	21/09/2018	Transfer	-27770	-0.07	254476	0.66

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year			Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	28/09/2018	Transfer	-6458	-0.02	248018	0.64
	05/10/2018	Transfer	-8875	-0.02	239143	0.62
	12/10/2018	Transfer	-2238	-0.01	236905	0.61
	At the end of the year 31/03/2019				236905	0.61
4	Renu Kabra					
	At the beginning of the year 01/04/2018		310868	0.8	310868	0.8
	04/05/2018	Transfer	3982	0.01	314850	0.81
	12/10/2018	Transfer	300	0	315150	0.82
	At the end of the year 31/03/2019				315150	0.82
5	Kabir Mulji					
	At the beginning of the year 01/04/2018		290000	0.75	290000	0.75
	At the end of the year 31/03/2019				290000	0.75
6	The Dhampur Sugar Mills Ltd.					
	At the beginning of the year 01/04/2018		263142	0.68	263142	0.68
	At the end of the year 31/03/2019				263142	0.68
7	Uma Pati Keshari					
	At the beginning of the year 01/04/2018		232250	0.6	232250	0.6
	11/05/2018	Transfer	2750	0.01	235000	0.61
	08/06/2018	Transfer	16729	0.04	251729	0.65
	15/06/2018	Transfer	271	0	252000	0.65
	13/07/2018	Transfer	3000	0.01	255000	0.66
	20/07/2018	Transfer	604	0	255604	0.66
	03/08/2018	Transfer	5996	0.02	261600	0.68
	05/10/2018	Transfer	4734	0.01	266334	0.69
	12/10/2018	Transfer	6565	0.02	272899	0.71
	19/10/2018	Transfer	11601	0.03	284500	0.74
	02/11/2018	Transfer	1502	0	286002	0.74
	14/12/2018	Transfer	4498	0.01	290500	0.75
	08/02/2019	Transfer	4000	0.01	294500	0.76
	01/03/2019	Transfer	3300	0.01	297800	0.77
	At the end of the year 31/03/2019				297800	0.77
8	Edelweiss Custodial Services Ltd					
	At the beginning of the year 01/04/2018		215544	0.56	215544	0.56
	06/04/2018	Transfer	-4416	-0.01	211128	0.55
	13/04/2018	Transfer	902	0	212030	0.55
	20/04/2018	Transfer	-370	0	211660	0.55
	27/04/2018	Transfer	450	0	212110	0.55
	04/05/2018	Transfer	-678	0	211432	0.55
	11/05/2018	Transfer	-2843	-0.01	208589	0.54
	18/05/2018	Transfer	5687	0.01	214276	0.55
	25/05/2018	Transfer	-23781	-0.06	190495	0.49
	01/06/2018	Transfer	-1655	0	188840	0.49
	08/06/2018	Transfer	-1013	0	187827	0.49
	15/06/2018	Transfer	1832	0	189659	0.49
	22/06/2018	Transfer	-400	0	189259	0.49
	29/06/2018	Transfer	4825	0.01	194084	0.5
	06/07/2018	Transfer	-11303	-0.03	182781	0.47
	13/07/2018	Transfer	-1095	0	181686	0.47

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
	20/07/2018	Transfer	250	0	181936	0.47
	27/07/2018	Transfer	2450	0.01	184386	0.48
	03/08/2018	Transfer	-5930	-0.02	178456	0.46
	10/08/2018	Transfer	7031	0.02	185487	0.48
	17/08/2018	Transfer	-239	0	185248	0.48
	24/08/2018	Transfer	-6270	-0.02	178978	0.46
	31/08/2018	Transfer	9149	0.02	188127	0.49
	07/09/2018	Transfer	-5672	-0.01	182455	0.47
	14/09/2018	Transfer	-229	0	182226	0.47
	21/09/2018	Transfer	-15	0	182211	0.47
	28/09/2018	Transfer	-8150	-0.02	174061	0.45
	05/10/2018	Transfer	-4044	-0.01	170017	0.44
	12/10/2018	Transfer	-118311	-0.31	51706	0.13
	19/10/2018	Transfer	-3824	-0.01	47882	0.12
	26/10/2018	Transfer	-36	0	47846	0.12
	02/11/2018	Transfer	351	0	48197	0.12
	16/11/2018	Transfer	13062	0.03	61259	0.16
	23/11/2018	Transfer	-6391	-0.02	54868	0.14
	30/11/2018	Transfer	-8767	-0.02	46101	0.12
	07/12/2018	Transfer	-27	0	46074	0.12
	14/12/2018	Transfer	9803	0.03	55877	0.14
	21/12/2018	Transfer	-2219	-0.01	53658	0.14
	28/12/2018	Transfer	2474	0.01	56132	0.15
	04/01/2019	Transfer	-4840	-0.01	51292	0.13
	11/01/2019	Transfer	502	0	51794	0.13
	18/01/2019	Transfer	4920	0.01	56714	0.15
	25/01/2019	Transfer	-6937	-0.02	49777	0.13
	01/02/2019	Transfer	-8520	-0.02	41257	0.11
	08/02/2019	Transfer	-6236	-0.02	35021	0.09
	15/02/2019	Transfer	-800	0	34221	0.09
	22/02/2019	Transfer	1752	0	35973	0.09
	01/03/2019	Transfer	-1935	-0.01	34038	0.09
	08/03/2019	Transfer	-7954	-0.02	26084	0.07
	15/03/2019	Transfer	2646	0.01	28730	0.07
	22/03/2019	Transfer	1343	0	30073	0.08
	29/03/2019	Transfer	1609	0	31682	0.08
	31/03/2019	Transfer	-800	0	30882	0.08
	At the end of the year 31/03/2019				30882	0.08
9	Himmat Singh					
	At the beginning of the year 01/04/2018		194000	0.5	194000	0.5
	27/04/2018	Transfer	20000	0.05	214000	0.55
	06/07/2018	Transfer	2000	0.01	216000	0.56
	13/07/2018	Transfer	1000	0	217000	0.56
	20/07/2018	Transfer	1000	0	218000	0.56
	31/08/2018	Transfer	500	0	218500	0.57
	14/09/2018	Transfer	3500	0.01	222000	0.57
	28/09/2018	Transfer	500	0	222500	0.58
	21/12/2018	Transfer	2000	0.01	224500	0.58

S.No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	28/12/2018	Transfer	5018	0.01	229518	0.59
	04/01/2019	Transfer	743	0	230261	0.6
	01/02/2019	Transfer	2829	0.01	233090	0.6
	08/02/2019	Transfer	54	0	233144	0.6
	At the end of the year 31/03/2019				233144	0.6
10	Parveen Kumar					
	At the beginning of the year 01/04/2018		183914	0.48	183914	0.48
	At the end of the year 31/03/2019				183914	0.48

(v) Shareholding of Directors & KMP:

S. No.	For Each of the Directors & KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Shri Vikas Mehrotra**					
	At the beginning of the year	01/04/2018	486006	1.26%	486006	1.26%
	At the end of the year	31/03/2019			486006	1.26%

No other Director or KMP held any shares of the Company in his/her individual capacity during the year or at the end of year i.e. 31/03/2019.

V **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	0.00	0.00	0.00
Change in Indebtedness during the financial year				
Additions	1435460.00	0.00	0.00	1435460.00
Reduction	0.00	0.00	0.00	0.00
Net Change	1435460.00	0.00	0.00	1435460.00
Indebtedness at the end of the financial year				
i) Principal Amount	1435460.00	0.00	0.00	1435460.00
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)	1435460.00	0.00	0.00	1435460.00

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**	Shri M.P. Mehrotra Executive Vice-Chairman	Shri S. K. Agarwal - Managing Director	Shri K. K. Soni - Director-Finance & CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	6000000.00	3538823.00	2719955.00	12258778.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00	0.00
	as % of profit	0.00	0.00	0.00	0.00
	others (specify)	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00
	Total (A)	6000000.00	3538823.00	2719955.00	12258778.00
	Ceiling as per the Act per annum	24000000.00	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 R. Bandyopadhyay	
	(a) Fee for attending board/ committee meetings	230000.00	420000.00	330000.00	980000.00
	(b) Commission	0.00	0.00	0.00	0.00
	(c) Others, please specify	0.00	0.00	0.00	0.00
	Total (1)	230000.00	420000.00	330000.00	980000.00
2	Other Non Executive Directors	Shri Vikas Mehrotra	Dr. (Mrs.) Neeraj Arora	Shri D.K. Mehrotra	
	(a) Fee for attending Board/ committee meetings	160000.00	160000.00	310000.00	630000.00
	(b) Commission	0.00	0.00	0.00	0.00
	(c) Others, please specify.	0.00	0.00	0.00	0.00
	Total (2)	160000.00	160000.00	310000.00	630000.00
	Total (B)=(1+2)	390000.00	580000.00	640000.00	1610000.00
	Total Managerial Remuneration	N.A.	N.A.	N.A.	N.A.
	Overall Ceiling as per the Act. per meeting per person	100000.00	100000.00	100000.00	100000.00

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

Sl.No	Particulars of Remuneration		Key Managerial Personnel		
1	**Gross Salary**	**CEO**	**Shri H. Consul Company Secretary**	**Shri K. K Soni CFO**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		2198868		2198868
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		21568		21568
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		0		0
2	Stock Option	N.A	0	N.A.*	0
3	Sweat Equity		0		0
4	Commission		0		0
	1. as % of profit		0		0
	2. others, specify		0		0
5	Others, please specify		0		0
	Total		2220436		2220436

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

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Appeal made, if any (give Details)
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 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	
c)	Nature of contracts/ arrangements/ transactions	
d)	Duration of the contracts / arrangements/transactions	
e)	Salient terms of the contracts or arrangements or transactions	
f)	Justification for entering into such contracts or arrangements or transactions	
g)	Date(s) of approval by the Board	
h)	Amount received	

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 read with Section 135 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 R. Bandyopadhyay, Shri M. P. Mehrotra, Shri S.K. Agarwal

(3) Average Net Profit of the Company for last three financial years: Rs. 25,49,14,633/-

(4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 50,98,293/-

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

a) Total amount to be spent for the financial year: Rs. 56,53,693/-

b) Amount unspent, if any (refer point no. 12 of Director's Report) Rs. 56,53,693/-

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.	Rahab Centre for Hope	Promoting Sanitation	Project-Meri Saheli to setup unit in New Delhi for Cheaper Sanitary Napkins	Rs. 5,00,000/-	1. Rs. 5,00,000/-*		
2.	Sri Sathya Sai Trust MP	Hunger eradication	Project-Van Purchase for Free food distribution at New Delhi	Rs. 17,70,000/-	2. Rs. 17,70,000/- #	Nil	Nil

* Not disbursed since the objective of utilization changed by the entity subsequently and considered afresh in the year 2019-20.

\# Sri Sathya Sai Trust MP had returned the entire amount of Rs. 17.70 Lacs disbursed against the sanctioned amount of Rs. 18 lacs because they have deferred the plan to purchase the Van.

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: 02/08/2019

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 Executive –Vice Chairman, Managing Director and Director -Finance & CFO all are non-executive, consisting of 4 (four) independent directors and 2 (two) non-executive & non–independent directors. The Chairman is Non-Executive, Independent Director. About half of the Board being Independent Directors, the present constitution of Board adequately comply with the present requirement of composition of Board under Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"). The independent directors aforesaid adequately meet the criteria laid down in Section 149 of Companies Act, 2013 and other relevant laws as per declarations received by the Company.

The attendance record of directors for the year ended on 31/03/2019 and other information about them as required under the Listing Regulations is as follows:

S.No.	Name of the Director	Whether Promoter/Executive or Non-Executive/ Independent	No. of Board Meetings attended during F.Y. 2018-2019	Whether attended AGM held on 20/09/2018	No. of Directorships in other Public Limited Companies as on 02/08/2019	No. of Committee positions held in other Public Limited Companies	
						Chairman	Member
1)	Shri Ajit Kumar *(Chairman)*	Independent, Non-Executive	4	No	0	0	0
2)	Shri M. P. Mehrotra *(Vice-Chairman)*	Promoter, Executive	3	No	4	2	2
3)	Shri S. K. Agarwal *(Managing Director)*	Executive	4	Yes	3	0	0
4)	Shri K. K. Soni (Director-Finance & CFO)	Executive	4	Yes	5	1	2
5)	Dr. (Mrs.) Neeraj Arora	Non-Executive,Promoter	3	No	1	0	0
6)	Dr. S. Ramesh	Independent, Non-Executive	3	Yes	1	0	2
7)	Shri R. Bandyopadhyay	Independent, Non-Executive	4	No	1	0	0
8)	Shri D.K. Mehrotra	Independent, Non-Executive	4	No	6	2	4
9)	Shri Vikas Mehrotra	Promoter, Non-Executive	4	No	2	0	0

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

b) **Board meetings and attendance**

During the year ended 31/03/2019, 4(Four) board meetings were held with atleast one meeting in every quarter on 17/5/2018, 19/07/2018, 25/10/2018 and 07/02/2019 and the gap between two Board meetings did not exceed 120 days. The information as required under Schedule V (C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board and its committee meetings are circulated at least seven days prior to the meeting except when the meeting was called at a shorter notice. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions.

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

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors present	Leave of absence was granted to:
1	17th May, 2018	9	7	Shri M. P. Mehrotra & Dr. (Mrs.) Neeraj Arora
2	19st July, 2018	9	9	Nil
3	25th October, 2018	9	8	Dr. S. Ramesh
4	7th February, 2019	9	9	Nil

a) 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.

b) Information supplied to the Board:

The Board has unfettered and complete access to any information within the Company and to any employee of the Company. All other relevant information as and when required including those envisaged in Regulation 17 of the listing regulations was regularly provided to the Board and Committees thereof. The requisite CEO and CFO certification was also placed before the Board alongwith the quarterly and annual accounts for the year under review as required under Regulation 33 of the listing regulations.

c) Details of remuneration paid to the Directors during the Financial year ended on 31.03.2019:

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.	4,20,000	N.A.	4,20,000
2	Shri M. P. Mehrotra	60,00,000	N.A.	N.A.	N.A.	60,00,000
3	Shri S.K. Agarwal	35,03,400	35,423	N.A.	N.A.	35,38,823
4	Shri K. K. Soni	33,63,000	28,955	N.A.	N.A.	33,91,955
5	Shri Vikas Mehrotra	N.A.	N.A.	1,60,000	N.A.	1,60,000
6	Dr. S. Ramesh	N.A.	N.A.	2,30,000	N.A.	2,30,000
7	Dr. (Mrs.) Neeraj Arora	N.A.	N.A.	1,60,000	N.A.	1,60,000
8	Shri R Bandyopadhyay	N.A.	N.A.	3,30,000	N.A.	3,30,000
9	Shri D. K. Mehrotra	N.A.	N.A.	3,10,000	N.A.	3,10,000

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. The non-executive directors of your Company are only paid sitting fees and they are not entitled to any stock options and no payment of commission has been approved by the members. The criteria can also be accessed at www.vlsfinance.com.

iii) Shri Vikas Mehrotra held 486006 equity shares of the Company as on 31.03.2019. No other director held any shares of the Company on that date for self or for others on beneficial basis. None of the directors except Shri M.P. Mehrotra, Shri Vikas Mehrotra and Dr. (Mrs.) Neeraj Arora are related to each other.

iv) The service contract in case of Managing Director is 3 years ending on 20/08/2019. The tenure of Director -Finance & CFO is upto 31/07/2022. The service contract in case of Executive Director designated as Executive Vice - Chairman for a period of 3 years upto 31/07/2020. The notice period is 3 months for all the Whole-time Directors. Presently, all the directors other than independent directors are liable to retire by rotation as per provisions of the Companies Act, 2013.

v) In case of Executive Directors the fixed component of salary and performance linked incentives, if any, are based on the recommendation of Nomination and Remuneration Committee of the Company, which takes into consideration the performance of relevant period and targets achieved. The performance criterion is provided in the section ‘Evaluation of Board/ Committees/ Individual Directors’ of the Directors’ Report.

d) **Code of Conduct**

The Code of Conduct is applicable on all directors and senior managerial personnel of the Company with certain provisions applicable to all employees e.g. insider trading etc. The Code of Conduct is available on the Company’s website. The declaration from Managing Director that all Board members and other concerned have complied with the code is appended to and forms part of this report.

Declaration for compliance with the Code of Conduct

Pursuant to regulation 26 read with Schedule V(D) of the Listing Regulations, I hereby declare that the Company has obtained affirmative compliance with Code of Conduct from all the Board members and senior management personnel of the Company for the period under review, which ended on 31/03/2019.

S. K. Agarwal
Managing Director
DIN : 00106763

Date: 02/08/2019
Place: New Delhi

e) 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.

f) Details of familiarization program imparted to independent directors can be accessed at www.vlsfinance.com.

g) Names of the Listed entities where Directors are on Board including VLS Finance Ltd.

Name of Directors	Name of Listed Company	Category
Shri Ajit Kumar	VLS Finance Ltd.	Chairman- Independent Director
Shri M. P. Mehrotra	VLS Finance Ltd.	Executive Vice – Chairman
	Delton Cables Ltd.	Independent Director
	Dhampur Sugar Mills Ltd.	Independent Director
	South Asian Enterprises Ltd.	Non-Executive Director
Shri S.K. Agarwal	VLS Finance Ltd.	Managing Director
Shri K. K. Soni	VLS Finance Ltd.	Director- Finance & CFO
	South Asian Enterprises Ltd.	Non-Executive Director
Shri Vikas Mehrotra	VLS Finance Ltd.	Non-Executive Director
Dr. S. Ramesh	VLS Finance Ltd.	Independent Director
	South Asian Enterprises Ltd.	Independent Director
Dr. (Mrs.) Neeraj Arora	VLS Finance Ltd.	Non-Executive Director
	South Asian Enterprises Ltd.	Non-Executive Director
Shri R Bandyopadhyay	VLS Finance Ltd.	Independent Director
	Titagarh Wagons Ltd.	Independent Director
Shri D. K. Mehrotra	VLS Finance Ltd.	Independent Director
	Indostar Capital Finance Ltd.	Independent Director

Key Board qualifications, expertise and attributes

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board.

Definitions of Director qualifications	
Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, and financial reporting processes, or experience in handling financial function at top level or in the field of Company's business.
Gender diversity	Representation of gender or other perspectives that expand the Board's understanding of the needs and viewpoints of our partners, employees, government and other stakeholders.
Leadership	Leadership experience for an enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management.
Governance	Experience on a public company board to develop insights about maintaining board and management accountability, protecting stakeholder interests, and observing suitable governance practices.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

NAME	FINANCIAL	LEADERSHIP	GOVERNANCE
Shri Ajit Kumar	-	✓	✓
Shri M. P. Mehrotra	✓	✓	✓
Shri S.K. Agarwal	✓	✓	✓
Shri K. K. Soni	✓	✓	✓
Shri Vikas Mehrotra	✓	-	✓
Dr. S. Ramesh	✓	✓	✓
Dr. (Mrs.) Neeraj Arora	-	-	✓
Shri R Bandyopadhyay	-	✓	✓
Shri D. K. Mehrotra	✓	✓	✓

2. Audit Committee

a) Composition

As on 01/04/2018 the audit committee consisted of Dr. S. Ramesh (Chairman) with Shri Ajit Kumar, Shri R. Bandyopadhyay, Shri D. K. Mehrotra, Shri M. P. Mehrotra and Shri S. K. Agarwal as members. The majority of the members are independent directors including chairman of the Committee. All the members of Committee are financially literate in terms of relevant stipulation under Regulation 18 of the listing regulations and three members have extensive experience in areas of finance, taxation and other financial services. There was no change in the constitution of the Committee during the year under review. The present constitution of the Committee complies with the norms stipulated in Listing Regulations.

b) Terms of reference

The role, terms of reference, authority and powers of the Committee were in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with section 177 of the Companies Act, 2013. The Audit Committee inter-alia advises the management on areas where systems, processes, measures for controlling and monitoring revenue, internal audit and risk management can be improved. The Company Secretary is the Secretary of the Committee. The Statutory Auditors are regularly invited for meetings of the Committee. The Internal Auditors, the Director-Finance & CFO and other executives are also invited to Committee's meetings, whenever required. The minutes of Audit Committee meetings are regularly placed before the Board. The Board had accepted all the recommendations made by Audit Committee during the year under review.

c) Meetings and attendance

During the year ended on 31/03/2019, 4 (Four) meetings of Audit committee were held on 17/5/2018, 19/07/2018, 25/10/2018 and 07/02/2019. The summary of attendance of members is as under:

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

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

Sr. No.	Date of Audit Committee Meeting	Audit Committee Strength	No. of Directors present	Leave of absence was granted to:
1	17th May, 2018	6	5	Shri M. P. Mehrotra
2	19st July, 2018	6	6	Nil
3	25th October, 2018	6	5	Dr. S. Ramesh
4	7th February, 2019	6	6	Nil

3. Nomination and Remuneration Committee

a) Composition

The Nomination and Remuneration Committee ('NRC') as on 01/04/2018 comprised Shri R. Bandyopadhyay-Chairman of the Committee with Shri Ajit Kumar, Shri D. K. Mehrotra, Dr. S. Ramesh-Independent Directors and Dr. (Mrs.) Neeraj Arora-Director as members. The Company Secretary acts as Secretary of the Committee.

b) Terms of reference

The Committee formulates the remuneration package for directors including senior managerial personnel subject to approval of the Board and performs other roles detailed out in the listing regulations or as assigned by the Board from time to time. During the year under review three meetings of NRC were held on 17/5/2018, 19/07/2018 and 25/10/2018. 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.

c) Meetings and attendance

The summary of attendance of members is as under:

Name	Shri Ajit Kumar	Dr. S. Ramesh	Shri R. Bandyopadhyay	Shri D. K. Mehrotra	Dr. (Mrs.) Neeraj Arora
Attendance in meeting	3	2	3	3	2

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

Sr. No.	Date of NRC Meeting	NRC Strength	No. of Directors present	Leave of absence was granted to:
1	17th May, 2018	5	4	Dr. (Mrs.) Neeraj Arora
2	19th July, 2018	5	5	Nil
3	25th October, 2018	5	4	Dr. S. Ramesh

4. Stakeholders Relationship Committee

a) Composition and terms of reference

The Committee as on 01/04/2018 consisted of Shri Ajit Kumar – Independent Director as Chairman, Shri S. K. Agarwal and Shri K. K. Soni as its members. Shri H. Consul- Company Secretary is the Compliance Officer and Secretary of the Committee. The Committee is vested with the requisite powers and authority to specifically look into the redressal of the shareholders and investor's grievances apart from powers of issuing duplicate shares and other related matters. The processing of request for dematerialisation/transfer/transmission/issue of duplicate certificates and matters related thereto is processed by M/s RCMC Share Registry Pvt. Ltd., the Registrar & Transfer Agents within the time prescribed.

With the notification dated 30/11/2018, SEBI has amended Regulation 40 of the Listing Regulations prohibiting transfer of shares held in physical form after 31/03/2019. Accordingly, only the shares held in dematerialized form can be transferred after 31/03/2019. The aforesaid prohibition however is not applicable in case of transmission, transposition of shares held in physical form and also for transfer deeds once lodged prior to 01/04/2019 and returned due to deficiency in documents.

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, 18 (Eighteen) meetings of Stakeholders Relationship Committee ('SRC') were held on 28/04/2018, 25/05/2018,

15/06/2018, 29/06/2018, 19/07/2018, 11/08/2018, 08/09/2018, 17/09/2018 (post adjournment on 14/09/2018), 17/10/2018, 31/10/2018, 16/11/2018, 30/11/2018, 21/12/2018, 12/01/2019, 31/01/2019, 21/02/2019, 15/03/2019 and 30/03/2019.

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

Name	Shri Ajit Kumar	Shri S. K. Agarwal	Shri K. K. Soni
Attendance in meetings	18	17	17

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

Sr. No.	Date of NRC Meeting	SRC Strength	No. of Directors present	Leave of absence was granted to:
1	28/04/2018	3	3	Nil
2	25/05/2018	3	3	Nil
3	15/06/2018	3	3	Nil
4	29/06/2018	3	3	Nil
5	19/07/2018	3	3	Nil
6	11/08/2018	3	3	Nil
7	08/09/2018	3	2	Shri S. K. Agarwal
8	17/09/2018 (post adjournment on 14/09/2018.)	3	3	Nil
9	17/10/2018	3	2	Shri K. K. Soni
10	31/10/2018	3	3	Nil
11	16/11/2018	3	3	Nil
12	30/11/2018	3	3	Nil
13	21/12/2018	3	3	Nil
14	12/01/2019	3	3	Nil
15	31/01/2019	3	3	Nil
16	21/02/2019	3	3	Nil
17	15/03/2019	3	3	Nil
18	30/03/2019	3	3	Nil

c) Shareholders Complaints

The Company had received 2 (two) complaints during the financial year ended 31st March, 2019. All the complaints whether received through SEBI, stock exchanges or individual members during the year were redressed to the satisfaction of investors and none remained outstanding at the end of the year under report. The nature wise summary of complaints received and redressed during the year is as under:

Nature of Complaints**	Received	Redressed
Non-receipt of Dividend	0	0
Non-receipt of Shares after transfer/Rejection through RTA.	1	1
Non-receipt of Annual Report/Dividend	0	0
Non-receipt of Bonus Shares	0	0
Non-receipt of Name change sticker	0	0
Non- receipt of share certificate after Rejection of Demat request	0	0
Others [SCORES (Non-receipt of Dividend), exchanges etc.]	1	1
Total	2	2

** 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 01/04/2018 the Committee consisted of Shri Ajit Kumar - Independent Director as Chairman, Shri R. Bandyopadhyay- Independent Director, Shri M.P. Mehrotra – Director and Shri S. K. Agarwal - Managing Director as members. The terms of reference of CSR Committee are in compliance with the applicable regulations. During the year 2 (two) meetings of the Committee were held on 17/05/2018 and 19/07/2018.

Name	Shri M. P. Mehrotra	Shri Ajit Kumar	Shri S. K. Agarwal	Shri R. Bandyopadhyay
Attendance in meetings	1	2	2	2

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

Sr. No.	Date of Audit Committee Meeting	CSR Strength	No. of Directors present	Leave of absence was granted to:
1	17th May, 2018	4	3	Shri M. P. Mehrotra
2	19st July, 2018	4	4	Nil

6. GENERAL BODY MEETINGS

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

Financial year ended	Date	Time	Venue
March 31, 2018 (AGM)	September 20, 2018	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.
March 31, 2017 (AGM)	September 25, 2017	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.
March 31, 2016 (AGM)	September 15, 2016	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.

b) Special resolution passed in the previous 3 AGMs

- In the AGM held on 20.09.2018, continuation of Non-Executive Directors after 31/03/2019 till their remaining tenure having attained 75 years of age or more for Shri Ajit Kumar and Dr. S Ramesh under SEBI (LODR) Regulations, 2015 was approved by special resolutions.
- In the AGM held on 25.09.2017, appointment of Shri M. P. Mehrotra as Executive Vice- Chairman approved by special resolution.
- In the AGM held on 15.09.2016, no agenda item was required to be approved by special resolution.

c) Postal ballot

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

7. Disclosures

a) Related party transactions

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

b) Statutory compliance, penalties and strictures

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

- None.

c) Legal Proceedings

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

d) Whistle Blower Policy/Vigil Mechanism

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

e) Certificate on disqualification of Directors

The requisite certificate by Company Secretary in practice that none of the Directors were disqualified to be appointed as directors during the year is annexed to this Report.

f) Web link for different policies of the Company.

The Web Link for the different policies of the Company including policy for determining 'material' subsidiaries and policy on dealing with related party transactions is http://www.vlsfinance.com/policy.htm

g) Compliance of Non-mandatory requirements

i) Operations Management Committee

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

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

iii) Presently, the positions of Chairman and CEO/ Managing Director are held by separate persons.

iv) There was no qualification in the auditor's report on the annual accounts of the Company for the year under review.

v) The report of internal auditor is placed before the audit committee and the internal auditor is regularly invited to meeting of audit committee.

8. Communication to Shareholders

The Company does not send newsletter to shareholders on quarterly or half yearly basis. The Company publishes un-audited quarterly results and annual audited results in prescribed format, in two newspapers viz. 'The Financial Express' and 'Jansatta' regularly. The said results and other quarterly compliances under various regulations of the listing regulations alongwith reconciliation of share capital are uploaded on NEAPS a platform provided by NSE, **http://listing.bseindia.com** a platform provided by BSE Ltd. as well as emailed to **listing@cse-india.com** the official email ID of The Calcutta Stock Exchange Ltd., Kolkata and the said results are also made available on the Company's website **http://www.vlsfinance.com** in terms of regulation 46 of the listing regulations. Further, disclosures pursuant to the listing regulations are promptly communicated to the concerned stock exchanges. The documents filed by the Company with Registrar of Companies can be inspected at MCA's website namely **www.mca.gov.in**, the Company Identification Number (CIN) of Company is **L65910DL1986PLC023129.**

The email of the Company has been changed to **vls@vlsfinance.com.**

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**	:	Thursday, 12th September, 2019 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 2018 to March 2019.
-	**Book Closure**	:	From 05-09-2019 to 12-09-2019 (both days inclusive)
-	**Buy back of shares**	:	No buy back of shares made /proposed during the period under review.
-	**Dividend payment date**	:	On or before 11/10/2019.

b) Listing at Stock Exchanges

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

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

The annual listing fee has been paid to BSE and NSE as mentioned above up to the year 2019-2020. The Company had filed the application for voluntary delisting of its shares from the CSE during the year 2018-19 itself and the same is under process, hence no listing fee has been paid to CSE for the year 2019-20, as of now.

c) Stock Market data (Source: Metastock)

Monthly highs, lows and trading volume for the Financial Year 2018-2019:

Months	NSE			BSE		
	High Rs.	Low Rs.	Volume Nos.	High Rs.	Low Rs.	Volume Nos.
Apr-18	84.35	66.60	1165031	85.00	67.00	322463
May-18	88.05	71.25	2846410	88.00	71.65	447999
Jun-18	83.00	65.30	3017343	83.00	64.25	327824
Jul-18	71.85	62.50	927980	71.55	63.20	170522
Aug-18	88.40	69.80	3948386	88.20	69.40	857186
Sep-18	80.90	59.70	754188	80.45	59.00	207665
Oct-18	63.25	45.75	1069381	62.90	46.70	292833
Nov-18	63.80	51.95	419013	66.00	53.80	117575
Dec-18	62.40	50.05	487072	62.35	51.25	255442
Jan-19	59.30	46.20	479402	59.00	44.00	459795
Feb-19	51.95	43.25	448171	51.85	42.80	132246
Mar-19	67.90	49.25	1134650	67.90	50.20	272072
Total			16697027			3863622

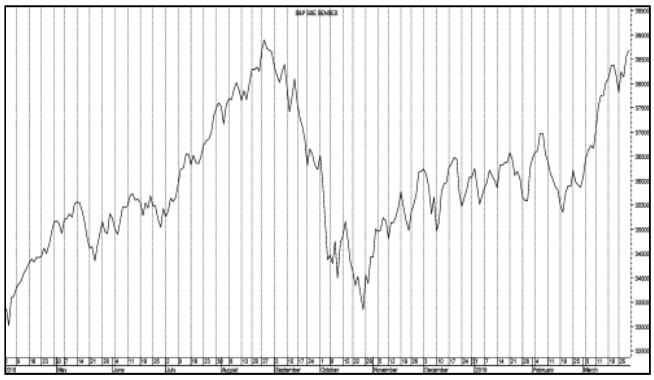
Graphical representation of Shares Price in NSE and BSE vis-à-vis Index Movement:

NSE Graph of VLS Finance Ltd.

Nifty :

BSE Graph of VLS Finance Ltd.

Sensex



d) Registrar and Transfer Agents and Share Transfer System

The Company has retained M/s RCMC Share Registry Pvt. Ltd., as its Registrar & Transfer Agents for further period of one year w.e.f. 01/04/2018 for entire shareholder services viz. processing request for transfer, other shareholder services, dematerialisation of holding, providing connectivity services with depositories in compliance of SEBI's circular No.D&CC/F/TTC/CIR-15/2002 dated 27/12/2002.

e) Investors Correspondence

For any query relating to transfer/transmission of shares, dematerialisation, change of address etc. please write to :

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

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

f) Distribution of shareholding as on March 31, 2019

Slab of share holdings (No. of shares)	No. of share holders	%age	(No. of shares)	Nominal value of shares held (Rs.)	%age
1-500	15056	60.98	2852492	28524920	7.38
501-1000	7128	28.87	4712599	47125990	12.19
1001-2000	1407	5.70	2031444	20314440	5.25
2001-3000	373	1.51	960088	9600880	2.48
3001-4000	173	0.70	630395	6303950	1.63
4001-5000	140	0.57	665702	6657020	1.72
5001-10000	219	0.89	1575134	15751340	4.07
10001 and above	193	0.78	25234163	252341630	65.27
Total	24689	100.00	38662017	386620170	100.00

According to categories of shareholders as on March 31, 2019

Sl. No.	Categories	No. of shares	Amount in Rs.	Percentage of shareholding
1	Promoters, Directors and Relatives	17650491	176504910.00	45.65
2	Financial Institution and Banks	11025	110250.00	0.03
3	Mutual Fund	100	1000.00	0.00
4	FIIs	300	3000.00	0.00
5	Corporate Bodies	1483521	14835210.00	3.84
6	Clearing Members	23524	235240.00	0.06
7	Indian Public	19182908	191829080.00	49.62
8	NRI/OCBs/FN	276943	2769430.00	0.72
9	NBFC	4106	41060.00	0.01
10	LLP	4913	49130.00	0.01
11	FPI	24186	241860.00	0.06
	Grand Total	**38662017**	**386620170**	**100.00**

g) Dematerialisation of Shares and liquidity

92.16% of the total share capital of Company was held in dematerialized form as on 31/03/2019 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 31/03/2019.

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.

k) Financial Calendar (tentative)

Quarter ending June 30, 2019	1st week of August, 2019
Quarter ending September 30, 2019	Mid of November, 2019
Quarter ending December 31, 2019	Mid of February, 2020
Year ending March 31, 2020 #	End of May, 2020
Annual General Meeting for the year ended March 31, 2019	12th September, 2019

For the quarter ending 31/03/2020 un-audited results may not be published and only audited results will be published, unless decided otherwise.

k) Subsidiary Companies

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

l) Plant Location

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

Auditors' Certificate on Corporate Governance

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

CERTIFICATE

To,

The Members of VLS Finance Ltd.

I have examined the compliance of applicable conditions of Corporate Governance by VLS Finance Ltd ("the Company"), for the year ended on March 31, 2019, and particularly in respect of Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from April 01, 2018 to March 31, 2019.

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

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has in general complied with the conditions of Corporate Governance including regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations, during the year ended March 31, 2019.

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

V. B. Aggarwal
Company Secretary **Place: Gurugram**
ACS 4240 CP No. 1583 **Date: 20/07/2019**
PAN:AACPA1845P

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of VLS Finance Limited

I have examined the relevant records of VLS Finance Limited (CIN:L65910DL1986PLC023129) having registered office at 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 (hereinafter referred to as 'the Company') including the disclosures received from the Directors by the Company, the relevant details available on portal of Ministry of Corporate Affairs, BSE Ltd. and The National Stock Exchange of India Ltd., other information in public domain about persons concerned for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and certify that none of the Directors of the Company as on 31st March, 2019 are disqualified from being appointed or continuing as Director by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

V. B. Aggarwal
Company Secretary **Place: Gurugram**
ACS 4240 CP No. 1583 **Date: 20/07/2019**
PAN:AACPA1845P

Annexure-E

SECRETARIAL AUDIT REPORT

For the financial year Ended 31st March, 2019
Form MR-3
[Pursuant to section 204(1) of
the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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 the Company's books, papers, minute books, forms and returns filed and other records maintained by it and also 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, 2019** 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, 2019 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 during the 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, 2018; (Not applicable during the year under review.)

(d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations), 2014;(Not applicable during the year under review.)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable during the year under review.)

(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 during the year under review.)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the financial year under review).

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(j) The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992

(vi) The Company had properly complied the other laws viz. Income tax Act 1961, Prevention of Money Laundering Act, 2002 and rules made thereunder, other applicable tax laws, labour laws, local revenues laws, Insurance Act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder, Water (Prevention and control of Pollution) Act, 1974 and rules made thereunder, Environment (Protection) Act, 1986, local revenue laws, etc. as applicable to it.

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

vii) Secretarial Standards issued by The Institute of Company Secretaries of India,

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

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

I further report that during the Audit period:

(a) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder :

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	The National Stock Exchange Ltd. (NSE)	Clause -31 of erst-. while Listing Agreement (late submission of Annual Report 2014)	Fine of Rs. 2000/-	Submission made by the Company denying alleged non-compliance to the Exchange. The matter is pending at Exchange's end.
2	BSE Ltd.	Exchange bye-laws non-compliance of Algo ID-Transfer to IPF.	Fine of Rs. 29,500/-including GST debited by the Exchange.	Corrective measures initiated by the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except when meeting was called at shorter notice and duly recorded so. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.All decisions were passed unanimously and were properly recorded as part of the minutes.

I further report that during the Audit period, the Company had approached the Calcutta Stock Exchange Limited for delisting of its scrip from the Exchange pursuant to Board's decision dated 25/10/2018. The delisting of scrip was not confirmed by the said Exchange during the audit period and is in process till date.

Further, on the basis of my examination of records and explanations given to me, I am of the opinion that the expenditure made under CSR so far is in

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 was taken on record by Board of Directors, I am of the opinion thatthere are adequate systems and processes in the Company that are 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.

(Pooja Nichani)
Company Secretary
ACS No.:20092
C P No.:11351
Place:New Delhi
Date: 20th July, 2019

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.

(Pooja Nichani)
Company Secretary
ACS No.:20092
C P No.:11351
Place:New Delhi
Date: 20th July, 2019

Annexure-F

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and forming part of directors' report for the year ended 31st March, 2019.

Conservation Of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo

a)	Foreign Exchange Earned	:	Nil
b)	Foreign Exchange Used	:	Rs. 2,31,032/-

For and on behalf of the Board of Directors

Place : New Delhi
Date : 02/08/2019

S.K. Agarwal	**K. K. Soni**
Managing Director	**Director-Finance & CFO**
DIN: 00106763	**DIN: 00106037**

Annexure-G 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 2018-19:

Sl.No	Name of the Directors	Designation	% increase of remuneration in 2019 compared to 2018	Ratio of the Median remuneration for the year 2018-19
1	Shri Ajit Kumar	Non-Executive independent Director (Chairman)	50.00	0.71:1
2	Dr. S. Ramesh	Non-Executive independent Director	53.33	0.39:1
3	Shri R. Bandyopadhyay	Non-Executive independent Director	65.00	0.55:1
4	Shri D. K. Mehrotra	Non-Executive independent Director	121.43	0.52:1
5	Shri Vikas Mehrotra	Non-Executive non independent Director	60.00	0.27:1
6	Shri M. P. Mehrotra	Executive Vice- Chairman	Not Comparable *	10.09:1
7	Dr. (Mrs.) Neeraj Arora	Non-Executive non independent Director	33.33	0.27:1
8	Mr. S. K. Agarwal	Managing Director	15.07	5.95 : 1
9	Mr. K. K. Soni	Director- Finance & CFO	14.79	5.70 : 1

* Appointed as Executive Vice- Chairman w.e.f. 01/08/2017.

The Non-Executive Directors of the Company are entitled for sitting fees and reimbursement of expenses for attending meetings and the same are within the prescribed limits as per statutory provisions. The detail of sitting fees of Non Executive Directors is provided in the Corporate Governance Report which is part of this Director's Report. The sitting fees of the Non-Executive Directors attending Meeting of the Board and Audit Committee was revised upwards on 14/11/2017 effective from the next meeting onwards. Besides, the overall increase/decrease in the sitting fee paid compared to previous year is also due to number of meetings attended by them.

2. The percentage increase in remuneration of each director, chief executive officer, chief financial officer*, company secretary in the financial year 2018-19:

Sl.No	Name of the Company Secretary	Designation	% increase of remuneration in 2018 as compared to 2017
1	Mr. H. Consul	Company Secretary	12.50

* 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 2018-2019.

There was percentage decrease in the median remuneration of employees in the financial year of around 1.15%.

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

31(Thirty one)

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

The average increase in salaries of employees other than managerial personnel in 2018-19 was about 12.50% .
The average increase in remuneration of Executive Directors in 2018-19 was about 15%.
There was no increase in remuneration of Executive Vice- Chairman.

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

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

7. Top 10 employees in items of remuneration drawn in the financial year 2018-19:

S. No.	Name/Designation of employee	Remuneration received (Rs.)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of such employee (Years)	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2)	Whether any such employee is a relative of any director or manager of the company and if so name of such director or manager
1	M. P. Mehrotra Executive Vice -Chairman	60,00,000	Contractual	B.Com., FCA, LL.B.-56 years	01/08/2017	78	Self Employed.	—	—
2	S. K. Agarwal Managing Director	35,38,823	Contractual	B.Com(Hons.), CAIIB-47 years	31/07/1995	67	VLS View Asset Management Ltd.	—	—
3	K.K. Soni Director-Finance & CFO	33,91,955	Contractual	B.Com, FCA, FCS-43 years	28/07/2006	65	VLS Capital Ltd.	—	—
4	H. Consul Company Secretary	21,98,868	Permanent	B.Com. (Hons.), ACS, LL.B.-33 years	02/02/1998	54	Prakash Ispat Ltd.		
5	L. Thirumoorthy Vice President (Accounts)	15,59,093	Permanent	B.Com 39 years	10/07/2002	58	Self Employed	—	—
6	Dinesh Negi Group Head (Accounts)	8,66,292	Permanent	B.Com 31 years	25/09/1995	53	Universal Subscription Agency Pvt. Ltd.	—	—
6	Nand Gopal Garg Group Member	8,43,567	Permanent	B. Sc (Bio), C.A. (Inter) 1st Group 29 years	01/04/2016	54	VLS Capital Limited.	—	—
7	Ramesh C. Pandey Group Head (Secretarial)	8,31,456	Permanent	B. Sc., LL.B. 31 years	01/04/1994	54	Self Employed	—	—
8.	Kartik Chug Group Member-(Research)	7,93,332	Permanent	MBA 11 years	15/01/2014	34	Escorts Ltd.	—	—
10	Manoj Jain Group Head (Front Office-Broking Division)	7,89,996	Permanent	B. Com. 28 years	05/02/2008	49	VLS Securities Ltd.	—	—

There was no employee during the year drawing remuneration in terms of Rule 5(2)(iii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 02/08/2019

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 Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **VLS Finance Ltd. ("*the Company*")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with rules thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

1. **Provisions for Diminution in value of investments**

   Key Audit Matters Description

   As at the year end, the Company has investments in shares / securities amounting to Rs.234.87 crores net of provision for diminution in value for Rs.45.84 crore. Management estimated the said provision of Rs. 45.84 crores for diminution in the value of investments considering the estimated fair market value of each and every investments at the balance sheet date. We have reported this as a key audit matter because measurement of investment impairment involves application of significant judgement by the management. The most significant judgements are:

   - Timely identification of diminution in the value of investments.
   - Proper estimation of fair market value in respect of listed and unlisted investments.

   How the Key Audit Matter was addressed in the Audit

   Tested the design and effectiveness of internal controls implemented by the management for following:

   - Identification of any diminution in the value of investments.
   - Collection of relevant data to estimate the fair market value of investments at the balance sheet date
   - To ascertain the sufficiency of amount of provision in case of diminution in value of investments
   - Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
   - Completeness and accuracy of the data inputs used
   - Tested the completeness and accuracy of data from underlying systems used
   - We critically assessed and tested the key underlying assumptions and significant judgements used by management.
   - For investments identified by management as potentially impaired, examined the same and checked the calculation of the impairment
   - Critically assessed the underlying assumptions and corroborated these to supporting evidence.
   - Examined the investments which had not been identified by management as potentially impaired and formed our own judgement as to whether that was appropriate through examining available information.

Information Other than the standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Since the other information has not been made available to us, we shall be able to comment on this aspect after the said information is made available to us.

Responsibility of Management for the Standalone financial statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) in our opinion, proper books of accounts and records as specified in Rule 15 of the Securities Contract (Regulation) Rules, 1957 have been kept in so far as it appears from our examination of such books;
   g) the company as Stock Broker has complied with the requirements of the stock exchange so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the Stock Exchange;
   h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. After coming into effect of the Companies act 2013, the definition of "Associate" covers a company or companies in which holding company holds not less than 20% of the Total Share Capital of that company or those companies irrespective of whether they are in the same group or not. Hence, Sunair Hotels Ltd. and BMS IT Institute (P) Ltd which are presently not in the same group, have been considered as Associate. Even though the company is in litigation with these companies, in the opinion of company, there is no adverse impact of such litigations on investments/advances made by it in these associates.
      ii. The Company has informed & explained to us that pending

litigations has no adverse effect on its financial position in its standalone financial statements as at 31st March, 2019.

iii. The Company has made provision as at 31st March, 2019, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iv. There has been no requirement to transfer any amount to the Investor Education and Protection Fund, as the Company has no due outstanding during the year ended 31st March, 2019.

For M.L. PURI & CO.
Chartered Accountants
(FRN : 002312N)

M.L. PURI
Partner
(M. No. 009198)

Place : New Delhi
Date : 17th May, 2019

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 2019, we report that:

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets, except assets on lease which are in the possession of the lessees, have been physically verified by the Management according to the program of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.

(c) As per the records and information and explanations given to us, title deeds of immovable properties are held in the name of the Company.

ii. The company generally deals in shares, securities and Units of Mutual funds. Primarily these are held in electronic form so inventory of the Company has been electronically verified by the management at reasonable intervals and the procedures of verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. There were no discrepancies noticed on such verification of inventory as compared to book records.

iii. The Company has granted interest free unsecured loan to one subsidiary company covered under section 189 of companies Act, 2013. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

a) As per the information given to us, the aforesaid loan given to the subsidiary company is payable on demand.

b) In respect of the aforesaid loan, there is no overdue amount at the year end.

iv. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions under the Act. Accordingly, paragraph v of the Order is not applicable to the Company.

vi. Clause 3 (vi) of CARO is not applicable as the Company is not engaged in production of such goods and providing such services as prescribed by Central Government under sub section (1) of section 148 of the Companies Act, 2013 for maintenance of cost records.

vii. a) The Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, wealth tax, service tax and any other statutory dues with the appropriate authorities.

b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth tax, service tax and any other material statutory dues in arrears as at 31.03.2019 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 31.03.2019.

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 31.03.2019.

ix. During the year, no monies have been raised by public offer of shares. Money raised on term loans has been applied for the purposes for which loans were raised.

x. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and on the Company by its officers or employees has been noticed or reported during the course of the audit.

xi. On the basis of records and information and explanations made available, managerial remuneration which has been paid or provided is in accordance with the requisite approvals mandated under Section 197 read with Schedule V of the Act.

xii. In our opinion and according to information & explanation given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

xiii. As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related parties transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained, details of related parties transactions are disclosed as per the applicable Accounting Standards.

xiv. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not made any preferential allotment or private placement of shares during the financial year ended on 31st March, 2019, hence clause (xiv) is not applicable.

xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him.

xvi. The Company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934.

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

CA M.L. PURI
Partner
Membership No. 009198

New Delhi
17th May, 2019

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 2019 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 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 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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA M.L. PURI
Partner
Membership No. 009198

New Delhi
17th May, 2019

SUPPLEMENTARY INDEPENDENT AUDITOR'S REPORT

To the Members of VLS Finance Limited

Information other than the Financial Statements and Auditor's Report thereon

This report is to be read with our report dated 17/05/2019 given on Standalone Financial Statements for the financial year 2018-19 citing therein our inability to report on the aspect of Other Information. The Other Information for preparation of which the Company's Board of Directors is responsible, comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to the Board's Report, Corporate Governance and Shareholders information, but does not include the financial statements and our report thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

(CA M.L. PURI)
Partner
Membership No. 009198

New Delhi
August 2nd, 2019
UDIN: 19009198AAAABO7807

BALANCE SHEET AS AT 31st March, 2019

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	**2**	**38,78,42,420**	38,78,42,420
(b) Reserves & Surplus	**3**	**234,51,22,887**	221,58,85,047
(2) Non-current liabilities			
(a) Long Term Provisions	**4**	**54,30,859**	40,97,737
(3) Current liabilities			
(a) Short-Term borrowings			
(b) Trade payables	**5**	**14,35,460**	0
(A) Total outstanding dues of micro enterprises and small enterprises; and	**6**	**0**	0
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	**6**	**1,34,75,646**	1,08,25,233
(c) Other Current Liabilities	**7**	**36,14,803**	26,75,220
(d) Short Term Provisions	**8**	**4,78,21,501**	4,73,73,628
Total		**280,47,43,576**	266,86,99,285
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment			
- Tangible Assets	**9**	**9,10,52,272**	9,52,26,747
- Intangible Assets	**9**	**80,878**	1,24,656
- Capital Work-in-Progress		**4,03,53,332**	2,14,91,536
(b) Non-current Investments	**10**	**235,57,87,895**	225,12,14,838
(c) Deferred tax assets (Net)	**11**	**1,24,37,906**	1,27,81,618
(d) Long-term loans and advances	**12**	**13,36,03,130**	13,57,54,863
(2) Current assets			
(a) Inventories- Share stock-in-trade	**13**	**6,70,00,004**	7,35,00,004
(b) Cash and cash equivalents	**14**	**1,29,57,069**	1,64,96,856
(c) Short-term loans and advances	**15**	**6,71,04,833**	3,77,86,047
(d) Other current assets	**16**	**2,43,66,257**	2,43,22,120
Total		**280,47,43,576**	266,86,99,285
Significant Accounting Policies and Notes forming part of accounts	**1 to 23**		

As per our report of even date.

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

M.L. Puri
Partner
Membership No.009198
May 17th, 2019
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

M.P. Mehrotra
Executive Vice Chairman
DIN : 00016768

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

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March, 2019

(Amount in Rupees)

		Note No.	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
I	**Revenue from operations**	17	**3000,99,41,284**	2093,15,26,727
II	**Other Income**	18	**2,62,331**	1,45,592
III	**Total Revenue (I+II)**		**3001,02,03,615**	2093,16,72,319
IV	**Expenses**			
	Purchase of Shares and Securities		**2960,29,46,038**	2060,09,70,524
	Change in stock of shares	19	**65,00,000**	(2,38,76,346)
	Employee benefits expenses	20	**3,43,30,491**	3,16,77,140
	Finance costs	21	**94,830**	1,06,902
	Depreciation and Amortisation expense	9	**59,13,938**	60,56,847
	Administrative & Other Expenses	22	**7,45,53,656**	7,28,83,325
	Total Expenses		**2972,43,38,953**	2068,78,18,392
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**28,58,64,662**	24,38,53,927
VI.	**Exceptional items**			
	Provision for Diminuation in value of assets (net)		**6,64,00,000**	6,00,00,000
VII.	**Profit before extraordinary items and tax (V-VI)**		**21,94,64,662**	18,38,53,927
VIII.	**Extraordinary items**		**0**	0
IX.	**Profit before tax (VII-VIII)**		**21,94,64,662**	18,38,53,927
X.	**Less: Tax Expenses**			
	Current Tax/MAT		**4,32,78,145**	3,47,55,256
	Tax provisions/adjustments for earlier years		**(4,143)**	(3,90,334)
	Deferred Tax		**3,43,712**	10,05,851
XI.	**Profit for the year (IX-X)**		**17,58,46,948**	14,84,83,154
	EARNING PER SHARE			
	Basic Earning per Share (Rs.)		**4.55**	3.84
	Diluted Earning per Share (Rs.)		**4.55**	3.84
	Face Value per Share (Rs.)		**10.00**	10.00
	Significant Accounting Policies and Notes forming part of accounts	**1 to 23**		

As per our report of even date.
For M.L.Puri & Co.
Chartered Accountants
(Firm's Registration Number: 002312N)

M.L. Puri
Partner
Membership No.009198
May 17th, 2019
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

M.P. Mehrotra
Executive Vice Chairman
DIN : 00016768

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended 31st March, 2019.

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) and Calcutta Stock Exchange. The Company has voluntarily surrendered the Certificate of Registration (CoR) with RBI which has been accepted by the RBI vide its letter dated 13/02/2014 w.e.f. 29/01/2014. The Company had applied for membership of Bombay Stock Exchange (BSE) and the same had 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 thereafter the Company is, inter alia, carrying on business as stock broker.

1. Significant Accounting Policies.

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. The financial statements have been prepared under the historical cost convention method in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013 and rules made thereunder, as amended as adopted consistently by the Company.
2. Use of Estimates:
   The preparation of financial statements requires certain estimates and assumptions to be made that effect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

B. REVENUE RECOGNITION

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 Installments collected in the last month of the accounting year include a portion of the income of the next accounting year. However, this portion is not accounted as income received in advance, as the method is consistently followed and the amount involved is not material considering the total receipts of the Company and its *"set-off effect"* on the accounts.
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 Deposits 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 assets, in accordance with the Part C of Schedule II of the Companies Act, 2013, w.e.f 01/04/2014.
   Intangible
   In the opinion of the management, the estimated life of the computer software is 5 (five) years. The same has been amortized accordingly.
   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 segments are shown in the financial statements at their gross value.

E. INVESTMENTS

1. Investments are classified into Non-current investments 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 payable to employees as per the scheme of the Company is made on the basis of actuarial valuation.
3. Short Term Employees Benefits
   Short Term Employees Benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

H. TAXATION

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 certainty that there would be adequate future taxable income against which such deferred tax assets can be realized. Deferred Tax Assets in respect of brought forward losses/ unabsorbed depreciation is recognized based on income tax returns filed by the Company.

I. FOREIGN EXCHANGE TRANSLATIONS

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 Statement of profit and loss.

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

	As at 31st March, 2019	As at 31st March, 2018
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 fully paid up Equity Shares of Rs. 10/- each bought back on 11-2-2014 for cash)		
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 fully paid up for Cash)		
	38,66,20,170	38,66,20,170
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 fully paid up equity shares have been issued as bonus shares by way of capitalisation of share premium)
(11,32,983 fully paid up Equity Shares of Rs.10/-each bought back on 11-02-2014 for cash)

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

	As at 31/03/2019		As at 31/03/2018	
	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, 2019		As at 31st March, 2018	
	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, 2019	As at 31st March, 2018
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			
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 on 11,32,983 fully paid up Equity Shares of Rs. 10/- each bought back on 11-02-2014 for cash)			
c) CAPITAL REDEMPTION RESERVE			
Opening Balance		**1,13,29,830**	1,13,29,830
Closing Balance	Total (c)	**1,13,29,830**	1,13,29,830
(Transfer from Surplus in the statement of Profit & Loss towards 11,32,983 fully paid up Equity Shares of Rs. 10/- each bought back on 11-02-2014 for cash)			
d) SURPLUS IN STATEMENT OF PROFIT AND LOSS			
Opening Balance		**94,49,23,476**	84,30,49,430
Add: Transfer from statement of Profit and loss		**17,58,46,948**	14,84,83,154
Less: Proposed Dividend on Equity (Rs.1/- per Equity share)		**3,86,62,017**	3,86,62,017
Less: Distribution tax on Equity Dividend		**79,47,091**	79,47,091
Closing Balance	Total (d)	**107,41,61,316**	94,49,23,476
	Grand Total (a) to (d)	**234,51,22,887**	221,58,85,047

(Amount in Rupees)

		As at 31st March, 2019	As at 31st March, 2018
4 Long-Term provisions			
Provision for Employee benefits		**54,30,859**	**40,97,737**
	Total	**54,30,859**	**40,97,737**
5 Short-Term borrowings			
Secured Borrowings - From Banks			
Overdraft/Demand Loan Facility		**14,35,460**	0
(Secured by pledge of Fixed Deposit of the Company)			
	Total	**14,35,460**	0
6 Trade payables			
(a) Micro, Small and Medium Enterprises		**0**	0
(b) Payables to Share Brokers		**88,80,339**	69,01,749
(c) Other trade payables		**45,95,307**	39,23,484
	Total (a+b+c)	**1,34,75,646**	1,08,25,233
7 Other current liabilites			
Statutory liabilites		**36,14,803**	26,75,220
	Total	**36,14,803**	26,75,220
8 Short-Term provisions			
(a) Provision for Employee benefits		**12,12,393**	7,64,520
(b) Proposed Dividend-Equity		**3,86,62,017**	3,86,62,017
(c) Provision for Distribution tax on proposed Dividend-Equity		**79,47,091**	79,47,091
	Total (a+b+c)	**4,78,21,501**	4,73,73,628

9. PROPERTY, PLANT AND EQUIPMENT

(Amount in Rupees)

Sl. No.	Description	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
		Cost As at 01.04.2018	Additions during the year	Sales/ Adjust-ments	Cost As at 31-03-2019	Upto 31.03.2018	For the Period	Sales/ Adjust-ments	Upto 31-03-2019	As at 31-03-2019	As at 31.03.2018
1	**TANGIBLE ASSETS**										
	Assets for own use:										
A	Buildings	11,10,96,285			11,10,96,285	1,85,73,206	45,03,036	0	2,30,76,242	8,80,20,043	9,25,23,079
B	Temporary Structures	6,88,735			6,88,735	6,88,734	0	0	6,88,734	1	1
C	Vehicles	71,78,260	16,15,452	48,000	87,45,712	59,16,212	8,52,736	32276	67,36,672	20,09,040	12,62,048
D	Office Equipments	22,70,712	84,688		23,55,400	17,41,427	2,42,257	0	19,83,684	3,71,716	5,29,285
E	Furniture & Fixtures	12,80,027			12,80,027	10,86,327	44,078	0	11,30,405	1,49,622	1,93,700
F	Air Conditioners	15,15,972			15,15,972	12,49,391	64,068	0	13,13,459	2,02,513	2,66,581
G	Computers	23,22,262			23,22,262	20,04,002	1,52,716	0	21,56,718	1,65,544	3,18,260
H	Electrical Installations	2,44,954			2,44,954	2,32,706	0	0	2,32,706	12,248	12,248
I	Generator	4,30,905			4,30,905	4,09,360	0	0	4,09,360	21,545	21,545
2	**Assets on Lease**	120,66,66,568			120,66,66,568	120,65,66,568	0	0	120,65,66,568	1,00,000	1,00,000
		133,36,94,680	**17,00,140**	**48,000**	**133,53,46,820**	**123,84,67,933**	**58,58,891**	**32276**	**124,42,94,548**	**9,10,52,272**	**9,52,26,747**
	INTANGIBLE ASSETS										
	Computer Software	9,76,436	11,269		9,87,705	8,51,780	55,047	0	9,06,827	80,878	1,24,656
	Grand Total	**133,46,71,116**	**17,11,409**	**48,000**	**133,63,34,525**	**123,93,19,713**	**59,13,938**	**32276**	**124,52,01,375**	**9,11,33,150**	**9,53,51,403**
	Previous Year	133,39,75,905	6,95,211	0	**133,46,71,116**	123,32,62,866	60,56,847	0	123,93,19,713	9,53,51,403	10,07,13,039

10. NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	QUANTITY			AMOUNT (In Rupees)	
	FACE VALUE	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 31.03.2019	AS AT 31.03.2018
A. IN EQUITY SHARES					
A1. Un-quoted & Fully Paid					
Indhradhan Agro Ltd.	10	**1,50,000**	1,50,000	**15,00,000**	15,00,000
Invest India Economic Foundation Private Ltd.	10	**2,000**	2,000	**20,000**	20,000
Sunair Hotels Ltd. (#)	10	**95,94,824**	95,94,824	**23,59,48,240**	23,59,48,240
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
Cox & Kings Financials Ltd	10	**10,167**	0	**1,01,670**	0
Embassy Office Parks REIT	300	**11,200**	0	**33,60,000**	0
BMS IT Institute Private Ltd (#)	10	**56,00,000**	56,00,000	**24,92,00,000**	24,92,00,000
			SUB-TOTAL (A1)	**68,70,21,857**	68,35,60,187
A2. Quoted & Fully Paid					
3I INFOTECH LTD	10	**0**	2,00,000	**0**	11,60,155
ACCELYA KALE SOLUTIONS LTD	10	**2,66,718**	2,75,218	**11,47,34,850**	11,61,72,330
ALLCARGO LOGISTICS LTD	2	**66,300**	3,500	**75,79,489**	5,77,502
AMBIKA COTTON MILLS LTD	10	**92,961**	1,00,000	**4,28,24,758**	4,55,67,080
ASHAPURA INTIMATES FASHION LTD.	10	**0**	1,03,868	**0**	4,32,18,416
ASHOK LEYLAND LTD	1	**0**	25,000	**0**	30,12,791
ASIAN OILFIELD SERVICES LTD	10	**25,000**	0	**18,00,740**	0
BANK OF MAHARASHTRA	10	**1,25,000**	0	**18,57,373**	0
BHARAT FORGE LTD.	2	**0**	7,900	**0**	1,24,100

NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	QUANTITY			AMOUNT (In Rupees)	
	FACE VALUE	AS AT 31.03.2019	AS AT 31.03.2018	AS AT 31.03.2019	AS AT 31.03.2018
BHARAT PETROLEUM CORP LTD (+)	10	**40,350**	40,350	**3,24,648**	3,24,648
BOMBAY BURMAH TRADING CORP LTD	2	**3,000**	7,000	**43,01,567**	93,96,962
BRIGADE ENTERPRISES LTD	10	**7,000**	0	**17,22,943**	0
CANTABIL RETAIL INDIA LTD	10	**1,75,000**	1,75,000	**2,15,83,020**	2,15,83,020
CCL PRODUCTS INDIA LTD	2	**5,849**	0	**16,95,378**	0
CORPORATION BANK	2	**50,000**	0	**14,79,168**	0
COX & KINGS LTD.	5	**0**	20,000	**0**	54,38,655
CPSE ETF	10	**44,314**	0	**11,29,298**	0
D B REALTY LTD	10	**50,000**	0	**10,68,565**	0
DCB BANK LTD	10	**0**	19,000	**0**	33,06,979
DE NORA INDIA LTD	10	**4,400**	0	**11,72,581**	0
DEEPAK FERTILIZERS & PETROCHEMICALS CORP LTD	10	**17,500**	0	**23,84,736**	0
DELTON CABLES LTD	10	**20**	0	**364**	0
DHAMPUR SUGAR (KASHIPUR) LTD	10	**89,767**	89,767	**7,99,032**	7,99,032
DHAMPUR SUGAR MILLS LTD.	10	**20,000**	0	**35,44,723**	0
DHANLAXMI BANK LTD.	10	**1,81,602**	0	**29,86,415**	0
DLF LTD	2	**1,00,000**	0	**1,85,44,216**	0
DWARIKESH SUGAR INDUSTRIES LTD.	1	**1,50,000**	0	**38,45,443**	0
FEDERAL BANK LTD	2	**77,000**	65,000	**70,94,224**	71,79,186
FIRST SOURCE LTD	10	**0**	25,000	**0**	11,94,720
FORTIS HEALTHCARE LTD	10	**0**	59,500	**0**	74,46,685
FUTURE CONSUMER LTD	6	**3,20,000**	0	**1,46,67,092**	0
GAIL (INDIA) LTD	10	**20,000**	0	**67,56,979**	0
GIC HOUSING FINANCE LTD	10	**35,110**	0	**91,45,999**	0

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	FACE VALUE	QUANTITY AS AT 31.03.2019	QUANTITY AS AT 31.03.2018	AMOUNT (In Rupees) AS AT 31.03.2019	AMOUNT (In Rupees) AS AT 31.03.2018
GMR INFRASTRUCTURE LTD	1	**10,50,000**	0	**1,71,98,683**	0
GRANULES INDIA LTD	1	**0**	4,34,388	**0**	4,42,62,618
GUJARAT HOTELS LTD	10	**0**	2,500	**0**	1,23,884
GVK POWER & INFRASTRUCTURE LTD	1	**75,000**	0	**5,62,750**	0
HATSUN AGRO PRODUCTED LTD	1	**0**	10,000	**0**	75,30,303
HCL TECHNOLOGIES LTD (+)	2	**29,773**	41,946	**4,37,138**	4,37,138
HINDALCO INDUSTRIES LTD	1	**0**	15,000	**0**	34,49,182
HINDUSTAN CONSTRUCTION CO LTD	1	**1,50,000**	0	**23,05,500**	0
HINDUSTAN PETROLEUM CORP LTD (+)	10	**26,925**	2,69,325	**23,994**	3,88,901
HINDUSTAN UNILEVER LTD	1	**20,000**	15,000	**2,65,60,003**	1,65,72,876
HITECH CORP. LTD.	10	**0**	36,000	**0**	63,53,044
HOTEL LEELA VENTURE LTD.	2	**1,35,000**	0	**20,44,894**	0
HOUSING & URBAN DELVELOPMENT CORP LTD	10	**2,00,000**	0	**87,22,236**	0
HOUSING DEVELOPMENT FINANCE CORP LTD	2	**2,000**	0	**38,20,139**	0
ICDS Ltd (*)	10	**21,929**	21,929	**0**	0
ICICI PRUDENTIAL LIFE INSURANCE LTD	10	**0**	20,000	**0**	69,41,985
IDBI BANK LTD	10	**3,50,000**	0	**1,56,67,797**	0
IDFC FIRST BANK LTD	10	**6,49,500**	0	**3,13,68,306**	0
IDFC LTD	10	**0**	20,000	**0**	11,01,794
IFGL REFRACTORIES LTD	10	**0**	77,541	**0**	1,14,59,516
INDIA GRID TRUST	100	**0**	5,103	**0**	4,88,687
INDIABULLS HOUSING FINANCE LTD	2	**2,500**	0	**17,76,775**	0
INDIABULLS REAL ESTATE LTD	2	**0**	1,000	**0**	2,18,186
INDIAN HOTEL CO LTD	1	**0**	22,000	**0**	30,62,813
INFOSYS LTD (+)	5	**3,85,198**	2,45,099	**10,39,211**	10,39,211
IRB INVIT FUND	102	**0**	5,000	**0**	4,69,454
ITC LTD	1	**0**	20,000	**0**	54,28,671
JAGRAN PRAKASHAN LTD	2	**15,005**	0	**17,01,259**	0
JAIN IRRIGATION SYSTEMS LTD.	2	**0**	42,000	**0**	49,30,271
JAIPRAKASH ASSOCIATES LTD.	2	**2,00,000**	6,00,000	**14,04,000**	1,31,75,734
JAIPRAKASH POWER VENTURES LTD	10	**2,00,000**	0	**3,84,000**	0
JAMMNU AND KASHMIR BANK LTD	1	**50,000**	0	**18,59,862**	0
JAYPEE INFRATECH LTD	10	**50,000**	0	**1,71,000**	0
JK PAPER LTD	10	**14,498**	0	**20,03,753**	0
JK TYRE & INDUSTRIES LTD	2	**1,77,000**	0	**1,60,19,868**	0
KALYANI STEEL LTD	5	**4,97,913**	5,41,383	**8,16,65,229**	8,43,10,517
KARNATAKA BANK LTD	10	**0**	5,000	**0**	8,20,137
KCP SUGAR INDUSTRIES CORPORATION LTD	1	**17,000**	0	**3,05,733**	0
L&T FINANCE HOLDING LTD	10	**25,000**	20,000	**35,16,905**	27,74,654
LARSEN & TOUBRO LTD	2	**0**	10,000	**0**	1,16,88,245
LIC HOUSING FINANCE LTD	2	**19,000**	0	**99,60,942**	0
LUPIN LTD.	2	**0**	20,000	**0**	1,91,67,677
MEGHMANI ORGANICS LTD	1	**60,40,000**	62,30,000	**14,92,74,034**	11,84,31,023
MERCATOR LTD	1	**0**	2,00,000	**0**	66,89,687
MMTC LTD.	1	**50,000**	1,00,000	**14,57,476**	65,95,892
NATIONAL ALUMINIUM CO LTD	1	**0**	19,000	**0**	12,19,201
NAVKAR CORPORATION LTD	10	**0**	5,000	**0**	9,72,424
NBCC INDIA LTD	1	**1,78,000**	6,500	**99,72,380**	12,50,003
NCC LTD	2	**1,50,000**	80,000	**1,27,08,745**	88,03,786
NESCO LTD	2	**7,537**	0	**33,26,059**	0
NETWORK 18 MEDIA & INVESTMENTS LTD	5	**0**	35,000	**0**	17,06,841
NEW DELHI TELEVISION LTD	4	**0**	60,102	**0**	36,67,965
NIRLON LTD	10	**0**	3,000	**0**	6,07,776
NMDC LTD	1	**2,79,000**	0	**3,18,92,004**	0
OIL AND NATURAL GAS CORPORATION LTD	5	**50,000**	0	**71,81,043**	0
ORRISA SPONGE IRON & STEEL LTD	10	**2,936**	2,936	**16,13,828**	16,13,828
PNC INFRATECH LTD	10	**0**	3,000	**0**	4,92,583
POWER GRID CORPORATION OF INDIA LTD	10	**50,000**	15,000	**96,58,687**	29,47,236
PRAJ INDUSTRIES LTD.	2	**50,000**	0	**62,63,834**	0
PRAKASH INDUSTRIES LTD.	10	**0**	15,000	**0**	26,55,444
PUNJAB NATIONAL BANK	2	**75,000**	0	**53,39,087**	0
RASHTRIYA CHEM & FERT. LTD.	10	**0**	1,00,000	**0**	1,01,77,171
RELAXO FOOTWEAR LTD (+)	1	**62,24,225**	62,86,791	**2,15,92,709**	2,15,42,482
SHREE PUSHKAR CHEMICALS & FERTILIZER LTD.	10	**0**	27,960	**0**	69,12,487
SINTEX PLASTICS TECHNOLOGY LTD	1	**0**	20,000	**0**	13,15,112
SMS PHARMACEUTICALS LTD.	1	**50,252**	0	**36,96,059**	0
SOM DISTILLERIES & BREWERIES LTD	10	**0**	5,000	**0**	12,92,580
SOMI CONVEYOR BELTINGS LTD	10	**0**	40,000	**0**	19,26,772
STATE BANK OF INDIA	1	**1,00,000**	42,000	**2,82,33,166**	1,15,47,949
STEEL AUTHORITY OF INDIA LTD	10	**1,00,000**	60,000	**47,23,968**	47,35,063
STEL HOLDINGS LTD	10	**2,34,583**	2,90,259	**74,27,554**	85,38,293
SUMMIT SECURITIES LTD	10	**1,58,554**	1,81,561	**4,12,49,695**	4,51,33,451
SUN PHARMACEUTICALS IND LTD	1	**0**	10,000	**0**	54,39,464
SURANA INDUSTRIES LTD	10	**4,50,000**	4,50,000	**18,00,000**	18,00,000
SURYA ROSHNI LTD	10	**6,45,392**	8,02,000	**8,33,84,084**	8,92,44,620
TATA STEEL BSL LTD	2	**2,63,767**	0	**73,24,662**	0
TATA STEEL LTD	10	**0**	5,933	**0**	39,50,010
TCI INDUSTRIES LTD	10	**9,544**	9,544	**5,71,947**	5,71,947
TECHNOCRAFT INDUSTRIES (INDIA) LTD	10	**2,49,000**	3,80,424	**4,66,83,550**	7,13,30,514

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	FACE VALUE	QUANTITY AS AT 31.03.2019	QUANTITY AS AT 31.03.2018	AMOUNT (In Rupees) AS AT 31.03.2019	AMOUNT (In Rupees) AS AT 31.03.2018
THE 'SOUTH INDIAN BANK	1	**2,30,000**	0	**33,62,100**	0
THOMAS SCOTT (INDIA) LTD	10	**0**	5,477	**0**	1,05,555
TIDE WATER OIL COMPANY INDIA LTD	5	**207**	0	**11,66,374**	0
TORRENT POWER LTD	10	**0**	30,000	**0**	81,28,834
TRIDENT LTD	10	**0**	20,000	**0**	15,65,862
TRIVENI ENGINEERING & INDUSTRIES LTD.	1	**2,02,441**	0	**91,45,500**	0
TRIVENI TURBINE LTD	1	**0**	20,000	**0**	26,34,651
UCO BANK	10	**50,000**	0	**10,44,809**	0
UJAAS ENERGY LTD	1	**0**	2,75,000	**0**	45,36,524
UNION BANK OF INDIA	10	**25,000**	0	**22,23,464**	0
UNIPLY INDUSTRIES LTD.	2	**0**	10,000	**0**	34,36,251
UNITED BANK OF INDIA	10	**50,000**	0	**5,94,750**	0
VA TECH WABAG LTD	2	**30,000**	0	**81,40,776**	0
VASCON ENGINEERS LTD	10	**0**	10,000	**0**	3,93,605
VODAFONE IDEA LTD	10	**1,38,000**	0	**44,81,209**	0
WELSPUN ENTERPRISES LTD	10	**0**	20,000	**0**	33,05,173
WIPRO LTD (+)	2	**18,000**	0	**19,06,498**	0
			SUB-TOTAL (A2)	**102,10,03,629**	97,99,15,818
A3. IN PREFERENCE SHARES					
Quoted & Fully Paid					
VEDANTA LIMITED	10	**0**	6,86,000	**0**	68,60,000
(7.5 % redeemmable preference shares)					
			SUB-TOTAL (A3)	**0**	68,60,000
A4. IN EQUITY SHARES-					
Partly Paid					
Un-quoted & Partly Paid					
TATA STEEL LIMITED	10	**500**	500	**77,000**	77,000
HATSUN AGRO PRODUCTED LTD	1	**702**	0	**3,11,688**	0
			SUB-TOTAL (A4)	**3,88,688**	77,000
B. IN EQUITY SHARES OF SUBSIDIARIES					
Un-quoted & Fully Paid-up					
VLS Securities Ltd.	10	**2,99,00,000**	2,99,00,000	**29,90,00,000**	29,90,00,000
VLS Asset Management Ltd.	10	**70,100**	70,100	**7,01,000**	7,01,000
			SUB-TOTAL (B)	**29,97,01,000**	29,97,01,000
C. IN UNITS, BONDS AND DEBENTURES					
Unquoted & Fully Paid-up					
SRGP CORPORATION LIMITED	100	**3,50,000**	3,50,000	**3,50,00,000**	3,50,00,000
(18% Secured and Non convertible)			SUB-TOTAL C1	**3,50,00,000**	3,50,00,000
IN BONDS					
Quoted & Fully Paid-up					
- IRFC (NO)	1,000	**16,507**	16,507	**1,72,16,130**	1,72,16,130
- NHAI (NA)	1,000	**2,81,528**	2,81,528	**29,64,21,357**	29,64,21,357
- NHAI (NE)	1,000	**85,378**	85,378	**8,97,87,199**	8,97,87,199
			SUB-TOTAL C2	**40,34,24,686**	40,34,24,686
D. IN INVESTMENT FUND/ MUTUAL/PMS					
UNITS IN ICICI PRUDENTIAL REAL ESTATE AIF -II		**1,30,524.031**	1,49,185.176	**1,31,28,100**	1,50,00,000
UNITS IN IIFL REAL ESTATE FUND(DOMESTIC SERIES 3		**19,26,893.655**	19,26,893.655	**1,82,44,385**	1,82,44,385
BARODA HYBRID EQUITY FUND-PLAN B (DIV)		**9,66,701.366**	9,66,701.366	**2,00,00,000**	2,00,00,000
(Formerly BARODA PIONEER BALANCE FUND-PLAN B (DIV))					
BARODA DYNAMIC EQUITY FUND-PLAN B (DIV)		**5,00,000.000**	0.000	**50,00,000**	0
EDELWEIGS CROSSOVER OPPORTUNITIES FUND-CLASS A1		**14,35,917.305**	7,70,508.677	**1,50,00,000**	80,00,000
UTI STRUCTURED DEBT OPPORTUNITIES FUND I -CLASS A4		**2,68,98,757.298**	2,51,74,522.094	**5,00,00,000**	2,50,00,000
ACCURACAP CONSULTANCT SERVICES P LTD	PMS			**39,96,636**	50,00,000
MOTILAL OSWAL ASSET MANAGEMENT CO LTD	PMS			**2,19,92,758**	2,50,00,000
GLOBE CAPITAL MARKETS LTD	PMS			**21,31,91,747**	11,13,37,353
			SUB-TOTAL D	**36,05,53,626**	22,75,81,738
			TOTAL E (A1+A2+A3+A4+B+C1+C2+D)	**280,70,93,486**	263,61,20,429
Less: Provision for diminution in value of Investments				**45,84,00,000**	39,20,00,000
				234,86,93,486	224,41,20,429
I. Aggregate value of quoted investments			At Cost	**142,48,17,003**	139,02,77,504
			Market Value	**731,85,81,768**	712,33,43,999
II. Aggregate value of un-quoted investments - In Subsidiaries			At Cost	**29,97,01,000**	29,97,01,000
III. Aggregatevalue of un-quoted investments - Others			At Cost	**108,25,75,483**	94,61,41,925
F. INVESTMENT IN IMMOVABLE PROPERTIES:-				**70,94,409**	70,94,409
			TOTAL (F)	**70,94,409**	70,94,409
			GRAND TOTAL (E+F)	**235,57,87,895**	225,12,14,838

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

(Amount in Rupees)

		As at 31st March, 2019	As at 31st March, 2018
11 Deferred tax			
a) Deferred tax Assets			
i) Accumulated Losses		**1,47,14,157**	1,45,72,675
ii) Employee Benefits		**23,21,418**	16,82,730
	Total (a)	**1,70,35,575**	1,62,55,405
b) Deferred tax Liabilities			
i) Depreciation on Fixed Assets		**45,97,669**	34,73,787
	Total (b)	**45,97,669**	34,73,787
Deferred tax assets (net)	**(Total a-b)**	**1,24,37,906**	1,27,81,618
12 Long Term Loans and advances			
A) Unsecured, considered good			
i) Loans & Advances to Related Parties			
Loans to subsidiaries		**9,41,994**	9,36,594
	Total (i)	**9,41,994**	9,36,594
ii) Loans & advances		**8,05,00,000**	8,05,00,000
	Total (ii)	**8,05,00,000**	8,05,00,000
iii) Staff Loans and advances		**5,79,249**	8,66,666
	Total (iii)	**5,79,249**	8,66,666
iv) Advances recoverable in cash or kind or for value to be received-		**8,524**	8,524
	Total (iv)	**8,524**	8,524
v) Secuity Deposit with Govt Department		**1,500**	1,500
	Total (v)	**1,500**	1,500
vi) Secuity Deposit with others		**63,62,984**	63,42,574
	Total (vi)	**63,62,984**	63,42,574
vii) Advance Income Tax and Tax Deducted at Source		**26,21,98,247**	22,08,14,371
Less: Tax Provisions		**21,69,89,368**	17,37,15,366
	Total (vii)	**4,52,08,879**	4,70,99,005
	Total A (i+ii+iii+iv+v+vi+vii)	**13,36,03,130**	13,57,54,863

13. INVENTORIES-SHARE STOCK IN TRADE

(At Cost or market price, whichever is lower)

Name of the Company	As on 31.03.2019 Quantity	Value (Rs.)	As on 31.03.2018 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
INTERCRAFT LTD	**29,000**	**1**	29,000	1
SWEDE INDIA LTD	**200**	**1**	200	1
BARODA PIONEER FUND LIQUID FUND	**31,176.63**	**6,70,00,000**	36,829.25	**7,35,00,000**
Total	**345076.63**	**6,70,00,004**	350,729.25	**7,35,00,004**

14 Cash and Cash Equivalents			
a) Cash on Hand		**5,81,684**	3,19,331
b) Balances with banks			
1. In Current Accounts		**15,73,154**	54,78,561
2. In Fixed Deposits		**1,08,02,231**	1,06,98,964
Fixed Deposits with banks include deposits of Rs.Nil (Previous Year: Rs.Nil) with maturity of more than 12 months.			
	Total (a+b)	**1,29,57,069**	1,64,96,856

(*Amount In Rupees*)

	As at 31st March, 2019	As at 31st March, 2018
15 Short Term Loans and advances		
Unsecured, considered good		
i) Advances to Related Parties		
Receivables from subsidiaries	**4,39,804**	2,79,987
Margin Money with subsidiaries	**5,16,57,061**	3,35,45,965
ii) Staff Loans and advances	**15,61,092**	12,77,119
iii) Advances Recoverable in cash or in kind or for value to be received	**1,30,20,974**	22,09,894
iv) Prepaid Expenses	**4,25,902**	4,73,082
Total(i+ii+iii+iv)	**6,71,04,833**	3,77,86,047
16 Other Current Assets		
Interest Accrued but not due	**2,43,66,257**	2,43,22,120
Total	**2,43,66,257**	2,43,22,120

	Year ended 31st March, 2019	Year ended 31st March, 2018
17. REVENUE FROM OPERATIONS		
Sale of Shares and Securities	**2964,01,11,843**	2058,84,47,640
Income from Other credit operations	**3,28,95,820**	3,35,98,445
Income from Investments	**33,69,33,621**	30,94,80,642
Total	**3000,99,41,284**	2093,15,26,727
18. OTHER INCOME		
Others	**2,62,331**	1,45,592
Total	**2,62,331**	1,45,592
19. CHANGE IN STOCK OF SHARES		
Closing Stock of Shares	**6,70,00,004**	7,35,00,004
Less: Opening Stock of Shares	**7,35,00,004**	4,96,23,658
Change in Stock of Shares -Increase/(Decrease)	**(65,00,000)**	2,38,76,346
20. EMPLOYEE BENEFITS EXPENSES		
Salaries	**2,99,82,902**	2,75,80,283
Staff Amenities/Welfare expenses	**3,13,552**	6,21,265
Employer's Contribution to PF, ESI, Gratuity Fund etc.	**40,34,037**	34,75,592
Total	**3,43,30,491**	3,16,77,140
21. FINANCE COST		
Bank / Finance Charges	**83,109**	96,025
Interest Payment on Loans/ overdraft facilites	**11,721**	10,877
Total	**94,830**	1,06,902
22. ADMINISTRATIVE & OTHER EXPENSES		
Advertisement & Business Promotion	**20,24,865**	28,76,234
Consultancy, Legal & Service Charges	**2,90,06,647**	3,00,79,505
Communication Expenses	**12,79,949**	12,43,831
Electricity & Water Charges	**10,62,527**	9,32,985
Insurance	**80,239**	81,614
Office Expenses	**46,22,914**	47,13,453
Shares Transaction Charges	**35,15,967**	26,31,174
Travelling Expenses & Conveyance	**38,14,051**	20,58,416
Rates & Taxes	**1,00,12,081**	86,86,518
Rent	**63,90,000**	61,53,000
Repairs & Maintenance —Others	**13,94,160**	13,63,709
Miscellaneous Expenses	**92,27,726**	72,27,288
CSR Expenditure	**0**	25,50,000
Auditors' Remuneration a) Audit Fees	**1,70,000**	1,70,000
b) For Other Services —For Tax audit	**90,000**	90,000
— For certification	**1,89,100**	1,90,600
—Out of pocket expenses	**35,000**	35,750
Internal Auditors' Remuneration — Fees	**80,000**	80,000
—For certification	**10,000**	10,000
Directors' Sitting Fees	**16,10,000**	10,90,000
Provision for Non performing Assets	**0**	(121220)
Loss on sale/transfer of assets	**3,224**	0
Prior year adjustments	**(64794)**	7,40,468
Total	**7,45,53,656**	7,28,83,325

23. NOTES FORMING PART OF FINANCIAL STATEMENT

1. a) Contingent Liability:- NIL.
   b) Estimated amount of contracts remaining to be executed on Capital Account: Rs.187.56 lakhs. (Previous Year – Rs. 68.71 lakhs)
2. In some cases balances in the accounts of Debtors, Loans and Advances, Other Current Assets and Creditors are subject to confirmation by the respective parties.
3. Cash & Bank Balances :
   Bank Deposits include fixed deposits of Rs.1,08,02,231/- (Previous Year – Rs.1,06,98,964/-) 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 01.04.2018		Purchases		Sales		Closing Stock in trade as on 31.03.2019	
Item Traded	Qty. *	Value Rs.	Qty *	Value Rs.	Qty *	Value Rs.	Qty *	Value Rs.
Shares	313900	4	49328470	6056101158	49328470	6077090538	313900	4
(Previous year)	314945	16907	23011216	3202464386	23012261	3207383098	313900	4
Liquid Fund	36829	73500000	11372892	23546844880	11378544	23563021305	31177	67000000
(Previous year)	20946	49606751	8165464	17398506138	8149581	17381064542	36829	73500000

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

5. Income from investments include:

	Current Year (Rs.)	Previous Year (Rs.)
Dividend Income (Gross)	**5,76,87,997**	5,26,65,542

6. Interest Receipts (Gross) Rs.3,25,29,766/-(inclusive of interest of Rs.9,74,452/-on Fixed Deposits, Rs.32,21,393/-on margin money with share brokers, interest on Tax Free bonds of Rs.2,82,15,007/- and other interest received of Rs.1,18,914/-) [Previous Year Rs.3,21,19,665/-, inclusive of interest of Rs.9,68,631/- on Fixed Deposits and Rs.17,32,941/-on margin money with share brokers, interest on Tax Free bonds of Rs.2,82,15,006/- and other interest received of Rs.12,03,086/-] grouped under Income from Operations includes Tax Deducted at Source amounting to Rs.4,19,585/-[Previous Year Rs.3,56,781/-].
7. In the opinion of the Management, Current Assets, Loans and advances have the value on realization in the ordinary course of business at least equal to the amount at which they are stated.
8. The term of lease agreements in respect of Leased Assets have expired and the assets continue in the possession of lessees. However, the said assets have been included in the block of fixed assets of the Company pending the transfer of titles.
9. Related Party Disclosure :

   Followings are the related parties:-

   Subsidiaries: - VLS Securities Ltd. (99.67%) and VLS Asset Management Ltd (99.15%),

   Key Managerial Personnel: - 1) Shri M.P. Mehrotra (Executie Vice Chairmain)
   2) Shri S.K. Agarwal (Managing Director)
   3) Shri K.K. Soni (Director Finance & CFO)
   4) Shri H Consul, Company Secretary

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

   Others: - South Asian Enterprises Limited.

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

(Amount in Rs.)

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Others
Purchase of Securities	Rs.6,35,28,76,103 (Previous year. Rs. 3,30,15,92,857)			
Sale of Securities	Rs.6,56,76,27,621 (Previous year Rs.3,46,98,26,710)			
Rent and other Charges received	Rs.1,41,600 (Previous year. Rs. 1,41,600)			
Other charges paid	Rs.94,24,111 (Previous year. Rs.51,77,555)			
Remuneration to Executive Vice Chairman(Previous year: with effect from 01/08/2017)			Rs.60,00,000/- (Previous year 40,00,000)	
Remuneration to Managing Director			Rs.35,38,823 (Previous year. Rs. 30,74,995)	
Remuneration to Director-Finance & CFO			Rs.33,91,955 (Previous year. Rs. 29,54,995)	
Remuneration to . Company Secretary			Rs.21,98,868 (Previous year. Rs. 19,71,864)	
Due from Subsidiaries (including margin money deposits - outstanding balance as on 31.03.2019)	Rs.5,30,38,859 (Previous year. Rs. 3,47,62,546)			
Advertisement Charges Paid				Rs.Nil (Previous year Rs. 5,75,000)

10. Managerial Remuneration

Particulars	Remuneration	Perquisites/Other benefits
Paid to Shri M P Mehrotra Executive Vice Chairman	Rs.60,00,000/- (Previous Year : 40,00,000) (Previous Year : with effective from 01/08/2017)	Rs. Nil (Previous Year : Nil)
Paid to Shri S.K. Agarwal Managing Director	Rs.35,03,400/- (Previous Year: Rs.30,60,000/-)	Rs.35,4230/- (Previous Year : Rs. 14,995/-)
Paid to Shri K.K. Soni Director-Finance & CFO	Rs.33,63,000/- (Previous Year : Rs.29,40,000/-)	Rs. 28,955/- (Previous Year : Rs. 14,995/-)

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 2019	Year ended 31st March. 2018
Basic and Diluted		
Total Shares Outstanding	3,86,62,017	3,86,62,017
Profit after Taxes	Rs. 17,58,46,948	Rs. 14,84,83,154
EPS -Basic	Rs. 4.55	Rs. 3.84
EPS –Diluted	Rs. 4.55	Rs. 3.84

12. Expenditure in Foreign Exchange: – 2,31,032/- (Previous year: Rs. Nil).
13. A non-interest bearing amount of Rs.9,41,994/- (maximum amount outstanding during the year is Rs.9,41,994/-) 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 Plants

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

Particulars	2018-19	2017-18
	(in Rupees)	
Employer’s Contribution to Provident Fund	15,86,310	14,38,810
Employer’s Contribution to Pension Fund	3,08,449	3,49,692

Defined Benefit Plans

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

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

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

	As at March 31, 2019 (in Rupees)	As at March 31, 2018 (in Rupees)
Change in present value of obligation		
Present value of obligation as at the beginning of the year	1,00,78,997	76,29,725
Service cost	18,36,857	19,90,067
Interest cost	7,81,122	5,91,304
Actuarial (gain) / loss	(2,36,125)	5,25,593
Benefits paid	-	(6,57,692)
Present value of obligation as at the end of the year	1,24,60,851	1,00,78,997

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	65,32,887	62,98,117
Expected return on plan assets	5,06,299	4,88,104
Contributions	1,61,417	4,17,848
Benefits paid	-	(657,692)
Actuarial gain/(loss) on Plan assets	4,668	(13,490)
Fair Value of Plan Assets as at the end of the year	72,05,271	65,32,887

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

Present value of obligation as at the end of the year	1,24,60,851	1,00,78,997
Fair Value of Plan Assets as at the end of the year	72,05,271	65,32,887
Excess of Fair value of Plan Assets over present value of obligations	(5,255,580)	(3,546,110)

III) Expenses charged to Profit & Loss Account

Expenses charged to Profit & Loss Account	17,09,469	9,82,275

Main actuarial assumptions

Discount rate	7.75%	7.75%
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, 2019	As at March 31, 2018
Change in present value of obligation		
Present value of obligation as at the beginning of the year	13,16,147	12,06,070
Current service cost	98,106	95,012
Interest cost	1,02,001	93,470
Actuarial (gain) / loss	(128,581)	64,095
Benefits paid	-	(142,500)
Present value of obligation as at the end of the year	13,87,673	13,16,147
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	98,106	95,012
Interest cost	1,02,001	93,470
Return on plan assets	0	0
Actuarial (gain) / loss	(1,28,581)	64,095
Net cost	71,526	2,52,577
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	8,71,147	7,64,280
Non Current Liability	5,16,526	5,51,867
Total	13,87,673	13,16,147
Main actuarial assumptions		
Discount rate	7.75%	7.75%
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 diminution in value of assets of Rs. 6,64,00,000/-has been made during year (Previous Year: Provision for non-performing assets/diminution in value of assets of Rs.6,00,00,000/-has been made and provision of Rs.121,220/-was written back on non-performing assets/diminution in value of assets.)
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. Bad Debts written off / Bad Debts recovery:-Nil (Previous Year: Rs. Nil)
20. Notes 1 to 23 form an integral part of financial statements.
21. Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date.

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

M.L. Puri
Partner
Membership No.009198
May 17th, 2019
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

M.P. Mehrotra
Executive Vice Chairman
DIN : 00016768

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

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

Cash Flow Statement for the Year ended 31st March, 2019

(In Rupees)

		For the Year ended 31/03/2019		For the Year ended 31/03/2018	
A	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit Before Tax		**21,94,64,662**		**18,38,53,927**
	Adjustments for :				
	Interest and Finance Charges	94,830		1,06,902	
	Depreciation	59,13,938		60,56,847	
	(Profit)/Loss on sale of Fixed Assets	3,224		0	
	(Income)/Loss from Investments	(27,92,45,627)		(25,68,15,100)	
	Dividend Income	(5,76,87,994)		(5,26,65,542)	
	NPA Provisions and adjustments	6,64,00,000		5,98,78,780	
	Leave encashment/gratuity Provisions	17,80,996		10,92,352	
			(26,27,40,633)		(24,23,45,761)
	Operating Profit before Working Capital Changes		**(4,32,75,971)**		**(5,84,91,834)**
	Adjustments for :				
	Trade & Other Payables	35,89,996		1,01,02,616	
	Inventories	65,00,000		(2,38,76,346)	
	Dividend Distribution including tax paid	(4,66,09,108)		(4,65,32,694)	
	Trade & Other Receivables	(44,137)		1,06,26,374	
	Short Term Loans and Advances	(2,93,18,786)	(6,58,82,035)	(1,64,23,732)	(6,61,03,782)
	Cash Generated from Operations		(10,91,58,006)		(12,45,95,616)
	Less: Taxes Paid (Net of Refunds)		4,13,83,876		3,55,11,806
	Net Cash Flow from Operating Activities (A)		**(15,05,41,882)**		**(16,01,07,422)**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Net Proceeds from Fixed Assets		(16,98,909)		(6,95,211)
	Capital work-in-Progress		(1,88,61,796)		(2,13,19,036)
	In Shares and Securities (Net)		10,82,72,569		12,22,19,979
	Long Term Loans and Advances		2,61,607		22,93,050
	Dividend Income		5,76,87,994		5,26,65,542
	Net Cash used/generated from Investing Activities (B)		**14,56,61,465**		**15,51,64,324**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from/(Repayment of) Short Term Borrowings		14,35,460		0
	Interest Paid		(94,830)		(1,06,902)
	Net Cash Flow from Financing Activities (C)		**13.40,630**		**(1,06,902)**
	Net Increase/ (Decrease) in Cash & Cash Equivalents(A+B+C)		**(35,39,787)**		**(50,50,000)**
	Opening Balance of Cash & Cash Equivalents		1,64,96,856		2,15,46,856
	Closing Balance of Cash & Cash Equivalents		1,29,57,069		1,64,96,856

Notes:-

1. Cash & Cash Equivalents (Closing) includes deposits with banks amounting to Rs. 1,08,02,231 (Previous Year Rs.1,06,98,964), which are pledged with them as security for overdraft facility.
2. Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of even date.

For and behalf of the Board

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

M.L. Puri
Partner
Membership No.009198
May 17th, 2019
New Delhi

S.K.Agarwal
Managing Director
DIN : 00106763

M.P. Mehrotra
Executive Vice Chairman
DIN : 00016768

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

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

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 25th Annual Report of your Company together with audited annual accounts for the year ended on 31st March, 2019.

Financial Summary

During the year under review, your Company generated revenue from operations of Rs. 15.37 crores as against Rs. 63.69 crores in the previous year. The other income was Rs. 1.75 crores for the year under review as against Rs. 5.43 crores in the previous year. The profit before tax of the Company stood at Rs. 1.34 crores for the year under review as against the figure of Rs. 5.34 crores in the preceding year. After providing for taxes, the Company has earned a net profit of Rs. 1.25 crores for the year under review compared to profit of Rs. 4.49 crores reported in previous year.

Dividend /Reserves

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

Operations

Your Company earned brokerage of Rs. 35.99 lakhs during the year under review, as compared to Rs. 23.52 lakhs earned during the previous year. The Company is continuing its efforts to increase its retail broking business.

The Company is a Trading and Clearing Member in cash segment of The National Stock Exchange of India Ltd. ('NSE') besides being registered as Merchant Banker with Securities and Exchange Board of India (SEBI). It is also a Trading Member of NSE in Future & Options segment. According to the mandatory SEBI requirement of 'Single Registration' the Company has obtained the Single Registration Number INZ000263638 for its cash and derivative segments vide SEBI Certificate dated 30th May, 2019.

Future Outlook

The Company is engaged in 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

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

Shri S.K. Agarwal – Director (DIN: 00106763) and Shri Vikas Mehrotra (DIN:06476150) will be retiring by rotation at the ensuing i.e. 25th Annual General Meeting ('AGM') of your Company and being eligible, offer themselves for re-appointment. Concurring to recommendation of Nomination and Remuneration Committee of the Company, your Directors recommend their re-appointment.

The term of Shri S.K. Agarwal as a Managing Director of the Company was upto 30th June, 2019. The Board of Directors on the recommendation of Nomination and Remuneration Committee, has in its meeting held on 06/05/2019 reappointed Shri S. K. Agarwal as Managing Director of the Company w.e.f 1st July, 2019 for 3 years i.e. upto 30th June, 2022, subject to approval of the members. Your Directors recommend the appointment of Shri S.K. Agarwal as Managing Director as set out in the Notice for 25th AGM of the Company for your approval.

Further, Shri Rajendra Kumar Goswami (DIN: 00106911) who was appointed as an Independent Director of the Company, not liable to retire by rotation, by the members of the Company at the 20th AGM of the Company for a period of five consecutive years commencing from 20th September, 2014 upto the conclusion of the 25th AGM is eligible to be appointed as Independent Director for a second term and has consented for the same. Concurring to the recommendation of the Nomination and Remuneration Committee of the Company, your Directors recommend his re-appointment as Independent Director for second term of five years which may be approved by the members in the 25th AGM as set out in the Notice thereof.

Key Managerial Personnel

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

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 that:

1. in preparation of annual accounts for the financial year ended 31st March 2019, the applicable accounting standards had been followed;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
3. the directors had 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. the Directors had prepared the annual accounts for the financial year ended 31st March, 2019 on a going concern basis;
5. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 12/05/2018, 28/07/2018, 29/10/2018 and 09/02/2019 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. 2018-19 & Dates	
1	Dr. Rajeev Lochan Bishnoi	Chairman	4	12 May, 2018
				28 July, 2018
				29 Oct., 2018
				9 Feb., 2019
2	Shri Rajendra Kumar Goswami	Member	3	12 May, 2018
				29 Oct., 2018
				9 Feb., 2019
3	Shri Kishan Kumar Soni	Member	4	12 May, 2018
				28 July, 2018
				29 Oct., 2018
				9 Feb., 2019
4	Shri Tej Bhan Gupta	Member	3	12 May, 2018
				28 July, 2018
				9 Feb., 2019
5	Shri Suresh Kumar Agarwal	Member	4	12 May, 2018
				28 July, 2018
				29 Oct., 2018
				9 Feb., 2019
6	Shri Vikas Mehrotra	Member	1	28 July, 2018
7	Ms. Divya Mehrotra	Member	4	12 May, 2018
				28 July, 2018
				29 Oct., 2018
				9 Feb., 2019

Further, the Board evaluated the performance of Directors in its meeting held on 06th May, 2019 the manner of formal evaluation is provided under the heading 'Board Evaluation'.

Audit Committee

During the year, 2 meetings of the Audit Committee were held on 12/05/2018 and 29/10/2018. The Audit Committee comprised Dr. Rajeev Lochan Bishnoi, Shri Rajendra Kumar Goswami - Independent Directors and Shri Kishan Kumar Soni – Director and there were no changes in the composition of the Committee during the year. All the recommendations made by the Committee were accepted by the Board in entirely.

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

S. No.	Name as the Directors	Chairman / Member	No. of meetings attended during F.Y. 2018-2019 & Dates	
1	Shri Rajendra Kumar Goswami	Member	2	12 May, 2018 (*Chaired*)
				29 Oct., 2018
2	Shri Kishan Kumar Soni	Member	2	12 May, 2018
				29 Oct., 2018
3	Dr. Rajeev Lochan Bishnoi	Member	2	12 May, 2018
				29 Oct., 2018 (*Chaired*)

Nomination and Remuneration Committee

During the year, 1 meeting of the Nomination and Remuneration Committee was held on 12/05/2018. The Nomination and Remuneration Committee consisted of Dr. Rajeev Lochan Bishnoi, Shri Rajendra Kumar Goswami and Shri Kishan Kumar Soni. Shri Soni is the Chairman of the Committee and there were no changes in the composition of the Committee during the year. All the recommendations of the Committee were accepted by the Board in entirely.

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

S. No.	Name	Chairman / Member	No. of meetings attended during F.Y. 2018-2019 & Dates	
1	Shri Kishan Kumar Soni	Chairman	1	12 May, 2018
2	Shri Rajendra Kumar Goswami	Member	1	12 May, 2018
3	Dr. Rajeev Lochan Bishnoi	Member	1	12 May, 2018

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 06th May, 2019.

Board Evaluation

The aim of the Board's evaluation was to assess the effectiveness of the Directors, Board's and Committee's composition, processes and arrangement in order to identify and realize any actions required to improve effectiveness. The evaluation process comprised of Board, Committee and management information and other relevant documentation, Meetings with key individuals within the organization and discussions with all Board of Directors, Committee members focusing on aspects of the Board's and Committee's composition; strategy, risk and controls; decision-making, roles and performance of the Chairman, independent directors, executive directors and other non-executive directors.

The evaluation concluded that in overall, the Directors, Board and its Committees were effective. As Corporate Governance continues to advance and evolve, the recommendations were provided by the Directors so that the Board and its Committees remained fully effective. The Board and its Committees has considered the recommendations for appropriate implementation.

Independent Directors

Your Company has two Independent Directors namely, Dr. Rajeev Lochan Bishnoi and Shri Rajendra Kumar Goswami. They have confirmed to the Company that they continue to meet the criteria of independence as prescribed under Section149(6) of the Companies Act, 2013.

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 9th February, 2019 as per Schedule IV of Companies Act, 2013.

Annual Return Extract

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

Related Party

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

Form No. AOC-2

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

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

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

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party	VLS Finance Ltd.
b)	Nature of relationship	Holding Company
c)	Nature of contracts/ arrangements/transactions	1. Client for stock trading 2. Usage of office Services
d)	Duration of the contracts/ arrangements/transactions	1. Perpetual unless rescinded 2. Perpetual unless rescinded
e)	Salient terms of the contracts or arrangements or transactions	1. As per stock Exchange regulations 2. Reimbursement of expenses for services on actual basis.
f)	Justification for entering into such contracts or arrangements or transactions	1. In ordinary course of business for revenue generation. 2. In ordinary course of business for facilitating operations.
g)	Date(s) of approval by the Board	Not applicable for points 1 & 2 of serial no 'c' above, since entered into prior to enforcement of provisions of section 188 of Companies Act, 2013
h)	Amount paid during the year	Please refer note no. 27 of notes forming part of financial statements for details.

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, if any, inter-alia (permanent, contractual, temporary, trainees) are covered under this policy.

The Internal Complaints Committee is presently headed by a Woman Director on the Board of the holding company. There were no complaints received from any employee or otherwise during the year under review and no complaints were pending as on 31/03/2019.

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 viz. **www.vlssecurities.com**.

Nomination and Remuneration Policy

The Company has adopted a Nomination and Remuneration Policy. The Nomination and Remuneration Committee ('NRC') is responsible for identifying persons who are qualified to become directors and who may be appointed to the senior management of the Company. This Policy is intended to provide a more detailed criteria to be followed for such appointments including training of Independent Directors. There has been no change in the Policy during the year. The policy can be accessed at **www.vlssecurities.com**.

Auditors

In terms of Section 139 read with Companies (Audit and Auditors) Rules, 2014 M/s. Anil Pariek & Garg- Chartered Accountants, (FRN: 0676C) had been appointed as Statutory Auditors for a period of 5 years i.e. till the conclusion of 28th Annual General Meeting of the Company to be held in the year 2022. The remuneration of the Auditors shall be as determined by the Board of Directors of the Company in consultation with the Audit Committee, according to the resolution passed in the 24th Annual General Meeting authorizing Board of Directors to determine the same on yearly basis for the remaining tenure of Auditors. The Statutory Auditors have given their consent and confirmation about their eligibility for continuing as Statutory Auditors of the Company for the current year.

Auditors' Report

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

Deposits

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

Subsidiary

The Company does not have any 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, 2019.

Conservation of Energy

a) Energy conservation measure taken : Nil

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

Technology Absorption

a) Research and development : Nil

b) Technology absorption, adoption and innovation : Nil

Foreign Exchange Earnings and Outgo

a) Foreign Exchange Earned : Nil

b) Foreign Exchange Used : Nil

None of the employees of the Company are in receipt of remuneration in excess of limits specified in Section 134(3) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. There are no disclosures which are required to be made in this report, in terms of the aforesaid regulations.

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

Your Company's principle business is stock broking, investing in securities and merchant banking; hence Section 186 of the Act is not applicable (Sec.186 (11)).

Your Company has not issued any equity shares with differential voting rights or under ESOP. (Sec.43(a), 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. (Sec. 67(3)(b))

No revision of Financial Statements or Board's Report has been made. (Sec.131(1))

No Independent Director had been appointed by a special resolution by the Company during the year under review.

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

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

There had been no significant and material orders passed by regulatory authorities/ court that would impact the going concern status of the Company and its future operations.

The provisions relating to Corporate Social Responsibility, Secretarial Audit and Cost Audit are not applicable to the Company for the financial year under review.

Human Resources

The relationship with the employees continued to be cordial during the year. The Directors place on record their sincere appreciation to the employees at all levels. The number of employees stood at 9 (nine) as on 31/03/2019.

Acknowledgements

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

For and on behalf of the Board of Directors

	(S.K. Agarwal)	(K.K. Soni)
Place : New Delhi	**Managing Director**	**Director**
Date : 27/07/2019	**DIN: 00106763**	**DIN: 00106037**

Annexure-A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2019

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

I REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Stock Broking, trading and investment	99717020	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	VLS Finance Ltd. 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065	L65910DL1986PLC023129	Holding	99.67	2(46)

IV. SHAREHOLDING PATTERN (Equity Share capital Breakup as % to total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2018)				No. of Shares held at the end of the year (31-03-2019)				% 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	0.002%	0	600	600	0.002%	0.000%
b) Central Govt.or State Govt.	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) Bodies Corporates	0	29899400	29899400	99.665%	0	29899400	29899400	99.665%	0.000%
d) Bank/FI	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Any other	0	0	0	0.000%	0	0	0	0.000%	0.000%
SUB TOTAL:(A) (1)	0	29900000	29900000	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	29900000	29900000	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	100000	100000	0.333%	0	100000	100000	0.333%	0.000%
ii) Overseas	0	0	0	0.000%	0	0	0	0.00%	0.000%
b) Individuals	0	0			0	0			
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	100000	100000	0.333%	0	100000	100000	0.333%	0.000%
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	100000	100000	0.333%	0	100000	100000	0.333%	0.000%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000%	0	0	0	0	0.000%
Grand Total (A+B+C)	0	30000000	30000000	100.000%	0	30000000	30000000	100.000%	0.000%

(ii) Shareholding of Promoters

S.No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Shri M. P. Mehrotra*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
2	Ms. Divya Mehrotra*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
3	Shri Harsh Consul*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
4	Shri Vikas Mehrotra*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
5	Shri Ramji Mehrotra*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
6	Shri K. K. Soni*	100	0.0003%	0.00	100	0.0003%	0.00	0.0000%
7	VLS Finance Ltd.	29899400	99.6647%	0.00	29899400	99.6647%	0.00	0.0000%
	Total	29900000	99.6667%	0.00	29900000.00	99.6667%	0.00	0.0000%

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

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

Sl.No	Shareholders Name	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	VLS Finance Ltd.					
	At the beginning of the year	01/04/2018	29899400	99.665%	29899400	99.665%
	At the end of the year	31/03/2019	29899400	99.665%		

There is no change in promoter shareholding.

(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	01/04/2018	100000	0.3333%	100000	0.3333%
	At the end of the year	31/03/2019	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
1	Shri K. K. Soni*					
	At the beginning of the year	01/04/2018	100	0.0003%	100	0.0003%
	At the end of the year	31/03/2019	100	0.0003%		
2	Ms. Divya Mehrotra*					
	At the beginning of the year	01/04/2018	100	0.0003%	100	0.0003%
	At the end of the year	31/03/2019	100	0.0003%		
3	Shri Vikas Mehrotra*					
	At the beginning of the year	01/04/2018	100	0.0003%	100	0.0003%
	At the end of the year	31/03/2019	100	0.0003%		

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

V **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
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	
Total (i+ii+iii)	0	0	0.00	0.00
Change in Indebtedness during the financial year				
Additions	0	0	0.00	0.00
Reduction	0	0	0.00	0.00
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**	
1	Independent Directors	Shri R. K. Goswami	Dr. R. L. Bishnoi
	(a) Fee for attending board / committee meetings	16500.00	18500.00
	(b) Commission	0.00	0.00
	(c) Others, please specify	0.00	0.00
	Total (1)	16500.00	18500.00

2	Other Non Executive Directors				
	Non Independent Directors	Shri K. K. Soni	Shri T. B. Gupta	Shri Vikas Mehrotra	Ms. Divya Mehrotra
	(a) Fee for attending board/ committee meetings	0.00	0.00	2000.00	11000.0
	(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	2000.00	11000.00
	Total (B)=(1+2)	**16500.00**	**18500.00**	**2000.00**	**11000.00**
	Total Managerial Remuneration	N.A.	N.A.	N.A.	N.A.
	Overall Ceiling as per the Act per meeting per Director			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**	**Shri IJS Aujla Company Secretary**	**Shri Anurag Bhatnagar CFO**	**Total**
	(a) Salary as per provisions contained in section17(1) of the Income Tax Act, 1961.	N. A.	0.00	2115060.00	2115060.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N. A.	0.00	54000.00	54000.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N. A.	0.00	0.00	0.00
2	Stock Option	N. A.	0.00	0.00	0.00
3	Sweat Equity	N. A.	0.00	0.00	0.00
4	Commission	N. A.	0.00	0.00	0.00
	as % of profit	N. A.	0.00	0.00	0.00
	others, specify	N. A.	0.00	0.00	0.00
5	Others, please specify	N. A.	0.00	2169060.00	2169060.00
	Total	N. A.	0.00	2169060.00	2169060.00

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Appeal made, if any (give Details)
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 Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **VLS SECURITIES LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March,2019, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the **profit**, and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriateto provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
   - **a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.**
   - **b. In our opinion proper books of account as required by law have been kept by the Company in accordance with provisions of the 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account;**
   - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   - e. On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of

Directors, none of the directors is disqualified as on 31st March,2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f. **The Company as Stock Broker has complied with requirements of 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 financial reporting of the Company and the operating effectiveness of such controls, please refer to our separate report in "Annexure B"; and

h. With respect to the other matters to be included in the Auditors 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, 2019 on its financial position in its financial statements;

(ii) The Company has made provision as at 31st March, 2019, 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, 2019.

For ANIL PARIEK AND GARG
Chartered Accountants
Firm's Registration No. : 01676C

H. K. Pariek
Partner
Membership No. 070250

Place : New Delhi
Date : 06/05/2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN OUR REPORT OF EVEN DATE RE: VLS SECURITIES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2019

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2019, 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 have been physically verified by the Management according to the program of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.

(c) As per the records and information and explanations given to us, title deeds of immovable properties are held in the name of the Company.

(ii) The company generally deals in shares and securities and Liquid funds, primarily these are in electronic form so inventory of the Company has been electronically verified by the management at reasonable intervals commensurate with the nature and size of the company and no material discrepancies have been noticed in the same.

(iii) The Company has not granted loans to any company covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act")

(iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security the Company have complied with the provisions of the Section 185 and 186 of the Companies Act, 2013, as applicable

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions under the Act. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

(vi) According to the information & explanations given to us, maintenance of cost records has not been specified by Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the company.

(vii) (a) The Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, wealth tax, service tax and any other statutory dues with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth tax, service tax and any other material statutory dues in arrears as at 31.03.2019 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 31.03.2019.

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 theyear.

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 theaudit.

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 of the order is not applicable.

xiii) As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related parties transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where it applicable. As explained and as per records / details of related parties transactions are disclosed as per the applicable Accounting Standards.

xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully / partly convertible debentures during the year.

xv) On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him.

xvi) The Company is not required to be registered under 45-IA of the Reserve Bank of India Act 1934.

For ANIL PARIEK AND GARG
Chartered Accountants
Firm's Registration No. : 01676C
H. K. PARIEK
Partner
Membership No. 070250

Place : New Delhi
Date : 06/05/2019

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 31st March, 2019 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 standalone 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 standalone 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 standalone 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 standalone 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, to the best of our information and according to the explanations given to us, 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 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ANIL PARIEK AND GARG
Chartered Accountants
Firm's Registration No. : 01676C

H. K. Pariek
Partner
Membership No. 070250

Place : New Delhi
Date : 06/05/2019

BALANCE SHEET AS AT 31ST, MARCH, 2019

Amount (in Rs.)

Particulars	Note No	As at 31.03.2019	As at 31.3. 2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	**30,00,00,000**	30,00,00,000
(b) Reserves and Surplus	4	**6,77,04,175**	5,52,06,366
Total 1		**36,77,04,175**	35,52,06,366
(2) Non-Current Liabilities			
(a) Long-Term Provisions	5	**9,56,344**	16,09,696
Total 2		**9,56,344**	16,09,696
(3) Current Liabilities			
(a) Trade Payables:-			
i) Total outstanding dues of micro enterprises and small enterprises; and		**-**	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	6	**7,53,94,639**	3,29,39,546
(b) Other Current Liabilities	7	**19,63,804**	15,26,154
(c) Short-Term Provision	8	**89,957**	14,606
Total 3		**7,74,48,400**	3,44,80,306
Total (1+2+3)		**44,61,08,919**	39,12,96,368
II. Assets			
(1) Non-Current Assets			
(a) Property, Plant and Equipment			
Tangible Assets	9 (i)	**1,14,401**	1,39,480
Intangible Assets	9 (ii)	**1**	1
(b) Non-Current Investments	10	**25,32,09,517**	24,91,46,793
(c) Deferred Tax Assets (Net)	11	**3,13,935**	5,59,944
(d) Long-Term Loans and Advances	12	**2,18,38,179**	94,84,874
Total 4		**27,54,76,033**	25,93,31,092
(2) Current Assets			
(a) Inventories - Share stock-in-trade	13	**1,00,00,000**	1,35,00,000
(b) Cash and Cash Equivalents	14	**7,77,82,934**	3,61,16,612
(c) Short-Term Loans and Advances	15	**8,21,66,916**	8,17,96,109
(d) Other Current Assets	16	**6,83,036**	5,52,555
Total 5		**17,06,32,886**	13,19,65,276
Total (4+5)		**44,61,08,919**	39,12,96,368
Significant Accounting Policies and Notes forming part of accounts	1 to 30		

As per our report of even date
For Anil Pariek and Garg For and on behalf of the Board
(F.R.N. 01676C)
Chartered Accountants

H. K. Pariek	**S.K. Agarwal**	**K.K.Soni**	**Anurag Bhatnagar**	**IJS Aujla**
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 070250	DIN : 00106763	DIN : 00106037	PAN : AAJPB6607R	M.No. : A34144
Place : New Delhi				
Date : 06/05/2019				

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
I. Revenue from Operations	17	**15,36,54,616**	63,68,71,036
II. Other Income	18	**1,75,03,847**	5,43,32,110
III. Total Revenue (I+II)		**17,11,58,463**	69,12,03,146
IV. Expenses:			
Purchase of Shares/Securities		**14,54,00,000**	64,32,01,671
Changes in Inventries of Stock-in-Trade	19	**35,00,000**	(1,35,00,000)
Operating Expenses	20	**10,90,728**	8,15,281
Employee Benefit Expense	21	**65,32,773**	60,83,547
Depreciation and Amortization Expense		**25,079**	87,934
Other Expenses	22	**12,40,168**	10,79,424
Total Expenses (IV)		**15,77,88,748**	63,77,67,857
V. Profit/(Loss) before tax (III-IV)		**1,33,69,715**	5,34,35,289
VI. Less: Tax Expenses			
(1) MAT/Current Tax		**6,25,897**	88,51,000
(2) Deferred Tax		**2,46,009**	(3,56,754)
(3) Earlier Year Adjustments		**-**	-
VII. Profit After Tax		**1,24,97,809**	4,49,41,043
Less: Adjustment of Tax Provision of Earlier Year		**-**	**-**
VII. Profit(Loss) For The Year (V-VI)		**1,24,97,809**	4,49,41,043
VIII.Earning Per Equity Share (of Rs.10/- each)			
Basic and Diluted		**0.42**	1.50
Significnat Accounting Policies and Notes forming part of accounts	1 to 30		

As per our report of even date
For Anil Pariek and Garg For and on behalf of the Board
(F.R.N. 01676C)
Chartered Accountants

H. K. Pariek	**S.K. Agarwal**	**K.K.Soni**	**Anurag Bhatnagar**	**IJS Aujla**
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 070250	DIN : 00106763	DIN : 00106037	PAN : AAJPB6607R	M.No. : A34144
Place : New Delhi				
Date : 06/05/2019				

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 Property, Plant and Equipment (Fixed assets and depreciation/ amortization)

The Company follows the WDV method in computing depreciation.

All the fixed assets are stated at cost less accumulated depreciation.

For the purpose of computing depreciation, the company has adopted the revised estimates of the useful life of the tangible assets, in accordance with the Part C of Schedule II of the Companies Act 2013, w.e.f. 01.04.2014. There are no intangibles with the company as at 31.03.2019.

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

2.4 Investments

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

2.5 Inventories

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

2.6 Borrowing costs

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

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

2.7 Foreign currency transactions

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

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

2.8 Employee benefits:

(a) Short term employee benefits

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

(b) Post-employment benefits

Defined contribution plans:

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

Defined benefit plan:

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

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

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

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

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

(c) *Long term employment benefits*

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(d) *Compensated absences*

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

2.9 Revenue recognition

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

2.10 Taxation

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

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

2.11 Earnings per share (EPS)

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

2.12 Provisions and contingent liabilities

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

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

	As at 31.03.2019	As at 31.03.2018
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**	30,00,00,000
3,00,00,000 Equity shares (Previous Year 3,00,00,000 Equity Shares) of Rs.10/- each, fully paid up in cash	**30,00,00,000**	30,00,00,000

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

	As at 31.03.2019		As at 31.03.2018	
Equity Shares	**No. of shares**	**Rupees**	No. of shares	Rupees
At the beginning of the year	**3,00,00,000**	**30,00,00,000**	3,00,00,000	30,00,00,000
Issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**3,00,00,000**	**30,00,00,000**	3,00,00,000	30,00,00,000

b. Terms/rights attached to equity shares

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

c. Shares held by holding company

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

	As at 31.03.2019	As at 31.03.2018
VLS Finance Ltd. (including 600 shares held through its nominees)	**2,99,00,000**	2,99,00,000

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

	As at 31.03.2019		As at 31.03.2018	
	No. of shares	**% of holding**	No. of shares	% of holding
VLS Finance Ltd. (including 600 shares held through its nominees)	**2,99,00,000`**	**99.67**	2,99,00,000`	99.67

Amount (in Rs.)

		As at 31.03.2019	As at 31.03.2018
Note 4			
Reserves & Surplus			
SURPLUS IN STATEMENT OF PROFIT AND LOSS			
As per Last Balance Sheet			
Opening Balance		**5,52,06,366**	1,02,65,323
Add: Profit for the year		**1,24,97,809**	4,49,41,043
	Total	**6,77,04,175**	5,52,06,366
Note 5			
Long Term Provisions			
Provision for Employee Benefits		**9,56,344**	16,09,696
	Total	**9,56,344**	16,09,696
Note 6			
Trade Payables			
i) Total outstanding dues of micro enterprises and small enterprises; and		**-**	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			
a) Holding Company (VLS Finance Ltd.)		**4,39,804**	2,79,987
b) Others Payables		**7,49,54,835**	3,26,59,559
	Total	**7,53,94,639**	3,29,39,546
Note 7			
Other Current Liabilities			
Statutory Liabilities		**6,13,462**	4,01,358
Others Payables		**13,50,342**	11,24,796
	Total	**19,63,804**	15,26,154
Note 8			
Short- Term Provisions			
Provision for Employee Benefits		**89,957**	14,606
	Total	**89,957**	14,606

Note -9 (i)
Property, Plant and Equipment - Tangible Assets

Amount (in Rs.)

Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
Cost as at 01 April 2017	39,20,979	2,88,205	71,112	579,099	**48,59,395**
Additions during the year	14,321	-	-	-	**14,321**
Sales/Adjustments	-	-	-	-	**-**
Balance as at 31 March 2018	**39,35,300**	**2,88,205**	**71,112**	**5,79,099**	**48,73,716**
Balance as at 01 April 2018	39,35,300	2,88,205	71,112	5,79,099	**48,73,716**
Additions during the year		-	-	-	**-**
Sales/Adjustments	-	-	-	-	**-**
Balance as at 31 March 2019	**39,35,300**	**2,88,205**	**71,112**	**5,79,099**	**48,73,716**
Depreciation					
Upto 01 April 2017	38,87,848	2,88,204	71,111	399,139	**46,46,302**
Depreciation for the year	19,166	-	-	68,768	87,934
adjustment on account of transition effect	-	-	-	-	-
Balance as at 31 March 2018	**39,07,014**	**2,88,204**	**71,111**	**4,67,907**	**47,34,236**
Upto 01 April 2018	39,07,014	2,88,204	71,111	4,67,907	**47,34,236**
Depreciation for the year	21,024	-	-	4,055	25,079
adjustment on account of transition effect	-	-	-	-	-
Balance as at 31 March 2019	**39,28,038**	**2,88,204**	**71,111**	**4,71,962**	**47,59,315**
Fixed assets *(Continued)*					
Description	**Computers**	**Office equipment**	**Furniture & fixtures**	**Vehicle**	**Total**
Net block					
As at 31 March 2018	**28,286**	**1**	**1**	**1,11,192**	**1,39,480**
As at 31 March 2019	**7,262**	**1**	**1**	**1,07,137**	**1,14,401**

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

Note -9 (ii)
Property, Plant and Equipment- Intangible Assets

Amount (in Rs.)

Description	Software	Total
Balance as at 01 April 2017	1,04,000	1,04,000
Balance as at 31 March 2018	**1,04,000**	**1,04,000**
Balance as at 01 April 2018	1,04,000	1,04,000
Balance as at 31 March 2019	**1,04,000**	**1,04,000**
Depreciation		
Balance as at 01 April 2017	1,03,999	1,03,999
Balance as at 31 March 2018	**1,03,999**	**1,03,999**
Balance as at 01 April 2018	1,03,999	1,03,999
Balance as at 31 March 2019	**1,03,999**	**1,03,999**
Fixed assets *(Continued)*		
Description	**Computer**	**Total**
Net block		
As at 31 March 2018	1	1
As at 31 March 2019	**1**	**1**

Note - 10 Non-current Investments (as cost

PARTICULARS	Face Value	Quantity As at 31.03.2019	Quantity As at 31.03.2018	Amount (In Rupees) As at 31.03.2019	Amount (In Rupees) As at 31.03.2018
Non-Current Investments (at cost)					
Quoted and Fully paid					
Allcargo Logistics Limited	2	-	12,000	-	18,08,592
Ashapura Intimates Fashion Limited	10	80,000		19,20,000	-
Bank of Baroda	2	5	5	251	251
Bombay Burmah Trading Corporation Limited	2	18,000	18,000	68,94,000	68,94,000
Capital First Limited	10	-	5,000	-	31,86,001
Cox & Kings Limited	5	38,100		62,04,704	
D Pharma Limited	10	200	200	1	1
GIC Housing Finance Limited	10	-	50,000	-	1,80,76,782
GMR Infrastructure Limited	1	-	1,25,000	-	22,14,934
Granules India Limited	1	2,98,000		2,45,51,362	-
Himadri Speciality Chemical Limited	1	-	20,000	-	29,46,237
Jain Irrigation Systems Limited	2	1,20,000		79,82,028	-
Jaiprakash Power Ventures Limited	10	-	5,00,000	-	25,77,833
Jaypee Infratech Limited	10	-	1,20,000	-	11,91,504
JK Tyre & Industries Limited	2	4,23,000	7,00,000	3,62,93,400	6,00,60,000
Jindal Stainless (Hisar) Limited	2	10,000		8,51,360	
JK Paper Limited	10	30,002		43,20,025	
Lanco Infratech Limited	1	5,000	5,000	1,66,198	1,66,198
MBL Infrastructures Limited	10	3,50,000	3,50,000	63,63,007	63,63,007
Mercator Limited	1	3,00,000		47,47,063	-
NBCC (India) Limited	2	2,22,000	65,000	1,19,80,738	1,27,55,980
Neo Corp International Limited	10	37,12,515	37,12,515	1,20,65,674	1,20,65,674
Parsvnath Developers Limited	5	6,36,103	6,06,103	46,43,552	94,32,509
PNC Infratech Limited	2	-	12,000	-	18,82,450
Punjab Wireless Systems Limited	10	500	500	1	1
Relaxo Footwears Limited	1	81,50,000	81,50,000	9,72,35,355	9,72,35,355
Steel Authority of India Limited	10	75,000		38,40,517	
Shree Pushkar Chemicals & Fertilisers Limited	10	12,500		19,53,778	
The South Indian Bank Limited	1	2,20,000	2,00,000	34,68,812	48,15,291
Tata Steel Bsl Limited	2	1,50,000		42,49,249	
UTI Master Plus 91	10	200	200	3,252	3,252
Visaka Industries Limited	10	-	16,069	-	54,70,941
Vodafone Idea Limited	10	1,50,000		26,95,462	
Welspun Enterprises Limited	10	22,000		25,14,588	
Wipro Limited	2	32,000		82,65,140	
Total Non-Current Investment				25,32,09,517	24,91,46,793
Aggregate value of quoted investments (at cost)				25,32,09,517	24,91,46,793
Aggregate market value of quoted investments				6,45,61,17,848	5,45,46,60,861

Amount (in Rs.)

Note 11 **Deferred Tax**	As at 31.03.2019	As at 31.03.2018
a. Deferred Tax Liabilities	-	-
b. Deferred Tax Assets		
Depreciation on Fixed Assets	**41,897**	58,035
Employee Benefits	**2,72,038**	5,01,909
Net Deferred Tax Assets	**3,13,935**	5,59,944

Note 12 **Long-Term Loans and Advances** **(Unsecured, considered good)**	As at 31.03.2019	As at 31.03.2018
Deposits with Others	**2,02,00,000**	77,00,000
Advance Income Tax and Tax Deducted at source	**7,24,480**	6,43,911
Direct Tax Refundable	**3,85,430**	5,24,700
Staff Loan and Advances	**5,18,489**	6,05,228
Advances recoverable in cash or kind or for value to be received	**9,780**	11,035
Total	**2,18,38,179**	94,84,874

Amount (in Rs.)

Note 13 **Inventories - Share stock-in-trade**	As at 31.03.2019	As at 31.03.2018
(At Cost or market price, whichever in lower)		
DSP Black Rock Mutual Fund Collection		
Qty 3,765.020 (Previous Year Qty 5,465.442)	**1,00,00,000**	1,35,00,000
Total	**1,00,00,000**	1,35,00,000

Note 14 **Cash & Cash Equivalents**		
Cash on Hand	**20,860**	37,494
Balance with Banks		
- Current Account	**7,77,62,074**	3,60,79,118
Total	**7,77,82,934**	3,61,16,612

Note 15 **Short Term Loans & Advances** **(Unsecured, considered good)**		
Margin Deposit with F&O Clearing Member	**8,08,00,000**	8,08,00,000
Prepaid Expenses	**9,42,548**	3,37,402
Staff Loan and Advances	**4,24,368**	6,58,707
Total	**8,21,66,916**	8,17,96,109

Note 16 **Other Current Assets**		
Interest Accured but not due	**6,78,064**	5,47,403
Others	**4,972**	5,152
Total	**6,83,036**	5,52,555

Amount (in Rs.)

	For the year ended 31.03.2019	For the year ended 31.3. 2018
Note 17 **Revenue From Operations**		
Sale of Shares/Securities	**15,00,55,123**	63,45,19,343
Income from Brokerage	**35,99,493**	23,51,693
Total	**15,36,54,616**	63,68,71,036
Note 18 **Other Income**		
Interest on Fixed Deposit with Bank	**53,50,892**	41,57,242
Dividend on non current Investments	**1,37,51,858**	1,05,06,374
Profit/(Loss) on Sale of non current Investment (Net)	**(16,93,164)**	3,96,11,130
Interest Income	**39,625**	46,453
Unspent Liabilites Written Back	**-**	3,510
Miscellaneous Income	**54,636**	7,401
Total	**1,75,03,847**	5,43,32,110
Note 19 **Changes in Inventries of Stock-in-Trade**		
Stock-in-Trade		
At the beginning of financial year	**1,35,00,000**	-
At the end of financial year	**1,00,00,000**	1,35,00,000
Net [(Increase)/decrease] Total	**35,00,000**	(1,35,00,000)
Note 20 **Operating Expenses**		
SEBI Fees	**3,00,000**	3,00,030
V-Sat Charges	**23,500**	23,950
Transaction and Other NSE Charges	**7,67,228**	4,91,301
Total	**10,90,728**	8,15,281
Note 21 **Employee Benefit Expenses**		
Salaries and Wages	**48,50,862**	40,42,872
Staff Welfare Expenses	**12,018**	14,168
Contribution to Provident and other Funds	**16,69,893**	20,26,507
Total	**65,32,773**	60,83,547
Note 22 **Other Expenses**		
Rent	**60,000**	60,000
Rates & Taxes	**26,395**	64,733
Electricity Charges	**36,000**	36,000
Office Maintenance	**24,000**	24,000
Legal and professional Charges	**2,03,000**	1,83,200
Repair & Maintenance	**9,200**	15,910
Travelling and Conveyance	**2,36,025**	2,19,049
Insurance	**15,927**	16,290
Miscellaneous Expenses	**1,56,084**	91,731
Business Promotion	**1,79,811**	1,22,913
News Papers, Books & Periodicals	**1,50,644**	1,00,678
Communication Expenses	**38,544**	55,385
Printing & Stationery	**1,538**	1,035
Directors Sitting Fee	**48,000**	39,000
Auditors Remuneration		
- Statutory Audit fees	**27,500**	23,600
- Tax audit fees	**7,500**	5,900
- Out of pocket expenses	**20,000**	20,000
Total	**12,40,168**	10,79,424

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd..)

23. **Commitments:-**

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

24. **Contingent Liabilities**: - Nil

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

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

i) **Defined Contribution Plans:-**

Amount of Rs.6,80,741/-(Previous Year Rs. 6,35,830/-) contributed to provident funds is recognised as an expense and included in Contribution to Provident & Other Funds under Employee Cost in the Statement of Profit and Loss.

ii) **Defined Benefit Plans:-**

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

Long Term Compensated Absences as per actuarial valuation as on 31.03.2019 (Amount in Rs.)

Actuarial Assumptions	Gratuity As at 31st March, 2019	Gratuity As at 31st March, 2018	Leave Encashment As at 31st March, 2019	Leave Encashment As at 31st March, 2018
Discount rate (per annum)	7.75%	7.75%	7.75%	7.75%
Salary Growth Rate	5%	5%	5%	5%
Expected rate of return	7.75%	7.75%	NA	NA
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
I. Expenses recognized in statement of profit and loss				
Interest cost	**3,48,984**	2,03,458	**36,175**	36,447
Current service cost	**2,37,001**	1,93,811	**26,089**	21,147
Past service cost	**7,81,301**	13,81,716	**—**	—
Expected return on plan assets	**(2,59,275)**	(2,25,685)	**—**	—
Net actuarial loss/ (gain) recognized in the year	**(1,61,733)**	99,179	**69,771**	(61,104)
Net expenses recognized	**9,46,278**	16,52,479	**1,32,035**	(3,510)
II. Net liability/(assets) recognized in the balance sheet at the year end				
Present value of obligation at the end of period	**57,32,189**	45,03,018	**5,98,806**	4,66,771
Fair value of the plan asset at the end of period	**52,84,694**	33,45,487	**—**	—
Funded status [(surplus/(deficit)]	**4,47,495**	11,57,531	**(5,98,806)**	(4,66,771)
Net asset/(liability) as at 31.03.2019	**(4,47,495)**	(11,57,531)	**(5,98,806)**	(4,66,771)
III. Change in present value of obligation during the year				
Present value of obligation at the beginning of period	**45,03,018**	26,25,264	**4,66,771**	4,70,281
Interest cost	**3,48,984**	2,03,458	**36,175**	36,447
Current service cost	**2,37,301**	1,93,811	**26,089**	21,147
Past service cost	**7,81,301**	13,81,716	**—**	—
Benefits paid	**—**	—	**—**	—
Actuarial loss/ (gain) on obligations	**(1,38,115)**	98,769	**69,771**	(61,104)
Present value of obligation at the year end	**57,32,189**	45,03,018	**5,98,806**	4,66,771
IV. Change in present value of fair value of plan assets				
Fair value of plan assets as at the beginning of period	**33,45,487**	29,12,066	**—**	**—**
Expected return on plan assets	**2,59,275**	2,25,685	**—**	**—**
Contributions	**16,56,314**	2,08,146	**—**	**—**
Benefits paid	**—**	—	**—**	**—**
Actuarial (loss)/ gain	**23,618**	(410)	**—**	**—**
Fair value of plan assets at the year end	**52,84,694**	33,45,487	**—**	**—**

27. Related Party Disclosure :-

Followings are the related parties: -

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

Transactions during the year with the related parties: -

Nature of Transactions	Holding Company		Other Related Parties	
	As at 31st March, 2019	As at 31st March, 2018	**As at 31st March, 2019**	As at 31st March, 2018
Remuneration to KMP	**-**	-	**21,69,000/-**	18,47,658/-
Brokerage earned	**33,72,300/-**	22,15,760/-	**Nil**	Nil
Reimbursement amount claimed	**58,98,011/-**	51,77,555/-	**Nil**	Nil
Rent and other charges paid	**1,41,600/-**	1,41,600/-	**Nil**	Nil
Payable to Holding Company at the year end	**4,39,804**	2,79,987	**Nil**	Nill

28. Calculation of Earning per share :-

Particulars	Equivalent No. of Shares	
	Year ended 31st March, 2019	**Year ended 31st March, 2018**
Basic and diluted		
Total Shares outstanding	**3,00,00,000**	3,00,00,000
Weighted Average of Shares	**—**	—
Profits after taxes	**1,24,97,809**	4,49,41,043
EPS (In Rs.)	**0.42**	1.50

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

30. Depreciation for the year is after setting off Rs.36,025/- being excess depreciation charged in earlier years.

As per our report of even date

For Anil Pariek and Garg
(F.R.N. 01676C)
Chartered Accountants

For and on behalf of the Board

H. K. Pariek	**S.K. Agarwal**	**K.K.Soni**	**Anurag Bhatnagar**	**IJS Aujla**
Partner	Managing Director	Director	Chief Financial Officer	Company Secretary
Membership No. 070250	DIN : 00106763	DIN : 00106037	PAN : AAJPB6607R	M.No. : A34144
Place : New Delhi				
Date : 06/05/2019				

Cash Flow Statement for the Year ended 31st March, 2019

Amount (In Rs.)

		For the Year Ended 31/03/2019		For the Year Ended 31/03/2018	
A	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit before Tax		**1,33,69,715**		5,34,35,289
	Adjustments for:-				
	Dividend Income	**(1,37,51,858)**		(1,05,06,374)	
	Depreciation	**25,079**		87,934	
	Loss (Gain) on Sale of Investments	**16,93,164**		(3,96,11,130)	
	Provision for Employee Benefits	**(5,78,001)**		11,54,021	
	Interest on FD & Others	**(53,90,517)**		(42,03,695)	
			(1,80,02,133)		(5,30,79,244)
	Operating Profit before Working Capital Changes		**(46,32,418)**		3,56,045
	Adjusted for:				
	Trade Payables	**4,28,92,743**		1,15,27,716	
	Inventories	**35,00,000**		(1,35,00,000)	
	Other Receivable	**(2,69,751)**		3,83,526	
	Short Term Loans and Advances	**(3,70,807)**		(3,97,37,104)	
			4,57,52,185		(4,13,25,862)
	Cash Generated from Operations		**4,11,19,767**		(4,09,69,817)
	Less: Tax Payment		**(4,86,627)**		(88,51,000)
	Cash Flow from Operating Activities		**4,06,33,140**		(4,98,20,817)
	Net Cash used in Operating Activities		**4,06,33,140**		(4,98,20,817)
B.	**Cash Flow from Investing Activities**				
	Purchase of Investments		**7,00,32,552**		(7,94,41,217)
	Sale of Investments		**(7,57,88,440)**		8,31,22,784
	Additions in Fixed Assets		**-**		(14,321)
	Long Term Loans and Advances		**(1,23,53,305)**		(5,49,259)
	Proceeds from Sale of Fixed Assets		**-**		-
	Dividend Income		**1,37,51,858**		1,05,06,374
	Interest on FD		**53,90,517**		42,03,695
	Net Cash (used in)/ Generated from Investing Activities		**10,33,182**		1,78,28,056
C.	**Cash Flow from Financing Activities**				
	Proceeds from Issue of Share		**-**		**-**
	Interest paid		**-**		**-**
	Net Cash (used in)/ Generated from Financing Activities		**-**		**-**
	Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)		**4,16,66,322**		(3,19,92,761)
	Opening Balance of Cash & Cash Equivalents		**3,61,16,612**		6,81,09,373
	Closing Balance of Cash & Cash Equivalents		**7,77,82,934**		3,61,16,612

Note:

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in the Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

2	Cash & Cash equivalents as above	**7,77,82,934**	3,61,16,612
	Other bank balances	**-**	-
	Cash and Bank balances as per Note 14	**7,77,82,934**	3,61,16,612

As per our report of even date.
For Anil Pariek and Garg
(F.R.N. 01676C)
Chartered Accountants

H. K. Pariek
Partner
Membership No. 070250
Place : New Delhi
Date :06/05/2019

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 24th Annual Report of your Company together with the Balance Sheet as at 31st March, 2019 and the Statement of Profit & Loss for the year ended on that date.

Financial Results

The Company has incurred a loss of Rs. 3900/- 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 any authority 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 31/03/2019, 4 (four) Board Meetings were held with one meeting in every quarter on 16/05/2018, 11/08/2018, 08/12/2018, and 30/03/2019.

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. 2018-19	
1	Shri S. K. Agarwal	4	16/05/2018
			11/08/2018
			08/12/2018
			30/03/2019
2	Shri K. K. Soni	4	16/05/2018
			11/08/2018
			08/12/2018
			30/03/2019
3	Shri Rajesh Jhalani	4	16/05/2018
			11/08/2018
			08/12/2018
			30/03/2019
4	Shri Anurag Bhatnagar	3	16/05/2018
			11/08/2018
			08/12/2018

Internal Financial Control Systems

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

Risk Management

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

Dividend/Reserves

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

Directors

During the year under review Shri Anurag Bhatnagar resigned as Director from the Company w.e.f. 09/03/2019. Shri K. K. Soni- Director (DIN:00106037) shall be retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment. Your Directors recommend his reappointment in order to have his continued valuable direction, guidance and assistance in the conduct of the affairs of your Company.

Annual Return Extract (MGT-9)

We have reported in **Annexure-1** to this report, the extract of the Annual Return to be filed with the Registrar of the Companies 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, 2019, 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 year;

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, 2019 on a 'going concern' basis;

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

Auditors

The Members of the Company had appointed M/s. Agiwal & Associates-Chartered Accountants, (FRN: 00181N) as Statutory Auditors, in the 20th Annual General Meeting held on 23/09/2015 for a period of 5 years i.e. upto conclusion of 25th Annual General Meeting ("AGM") of the Company to be held in 2020. In the 23rd Annual General Meeting of the Company held on 24th September, 2018 (post adjournment on 17th September, 2018), the members had authorised the Board to fix the remuneration of Auditors on yearly basis for the remaining term i.e. upto financial year 2019-20. The authorisation for fixation of remuneration of Auditors is thus not sought in the notice of ensuing AGM.

Auditors Report

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

Fixed Deposits

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

Statutory Disclosures

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

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

The company has not given any loan, guarantees or made investments during the year under review 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 board's 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 as defined under the Companies Act, 2013.

Acknowledgement

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

For and on behalf of the Board of Directors

Place : New Delhi	**S.K. Agarwal**	**K. K. Soni**
Date : 15/05/2019	**Director**	**Director**
	DIN : 00106763	**DIN : 00106037**

ANNEXURE-1

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL. NO.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Asset Management	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. 01/04/2018				No. of Shares held at the end of the year i.e. 31/03/2019				% 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									
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)									
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. 01/04/2018			Shareholding at the end of the year i.e. 31/03/2019			
		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. 01/04/2018		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	01/04/2018	70100	99.15%	70100	99.15%
	At the end of the year	31/03/2019	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. 01/04/2018		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	01/04/2018	100	0.14%	100	0.14%
	At the end of the year	31/03/2019	100	0.14%		
2	Dr. (Mrs) Sushma Mehrotra					
	At the beginning of the year	01/04/2018	100	0.14%	100	0.14%
	At the end of the year	31/03/2019	100	0.14%		
3	Shri Somesh Mehrotra					
	At the beginning of the year	01/04/2018	100	0.14%	100	0.14%
	At the end of the year	31/03/2019	100	0.14%		
4	Shri Vikas Mehrotra					
	At the beginning of the year	01/04/2018	100	0.14%	100	0.14%
	At the end of the year	31/03/2019	100	0.14%		
5	Shri Ramji Mehrotra					
	At the beginning of the year	01/04/2018	100	0.14%	100	0.14%
	At the end of the year	31/03/2019	100	0.14%		
6	VLS Capital Ltd.					
	At the beginning of the year	01/04/2018	100	0.14%	100	0.14%
	At the end of the year	31/03/2019	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 i.e. 01/04/2018		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	01/04/2018	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	31/03/2019	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	936594	0	936594
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	936594	0	936594
Change in Indebtedness during the financial year				
Additions	0	5400	0	5400
Reduction	0	0	0	0
Net Change	0	5400	0	5400
Indebtedness at the end of the financial year				
i) Principal Amount	0	941994	0	941994
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	941994	0	941994

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

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

* Resigned w.e.f. 9/3/19.

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

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

Sl.No	Particulars of Remuneration		Key Managerial Personnel	
1	**Gross Salary**	**CEO**	**Company Secretary**	**CFO**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	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.
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N. A.	N. A.	N. A.
2	Stock Option	N. A.	N. A.	N. A.
3	Sweat Equity	N. A.	N. A.	N. A.
4	Commission as % of profit others, specify	N. A.	N. A.	N. A.
5	Others, please specify	N. A.	N. A.	N. A.
	Total	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, 2019.

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 : 15/05/2019

S.K. Agarwal
Director
DIN : 00106763

K. K. Soni
Director
DIN : 00106037

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VLS ASSET MANAGEMENT LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of VLS Asset Management Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

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, 2019, the loss and its cash flows for the year ended on that date.

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

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. We have not categorized any matter as Key Audit Matter after taking into account the financial activities of the Company during the year under reference.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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 information and according to the explanations given to us:

i. the Company did not have any pending litigation;

ii. the company did not have any long term contract including derivative contracts for which there were any material foreseeable losses; and

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Agiwal & Associates
Chartered Accountants
(Firm's Registration Number : 000181N)

CA P.C. Agiwal
Partner
Membership Number : 080475

Place: New Delhi
Date: May 15th, 2019.

ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the financial statements of VLS Asset Management Ltd. for the year ended 31st March, 2019, we report that:

(i) The Company did not have any Fixed Assets during the relevant financial year. Hence, comments of physical verification of assets and ownership thereof are not required.

(ii) Since there were no operations during the year hence comments on physical verification of stock is not required.

(iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loan to companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the Company.

(iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security the Company have not made any loans, investments, guarantees and security thus no comments are required on compliance of Section 185 and 186 of the Companies Act, 2013.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions under the Act. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

(vi) The Central Government has not prescribed the maintenance of cost

records under Section 148(1) of the Act, for any of the services rendered by the company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other material statutory dues to the appropriate authorities to the extent these are applicable.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at March 31st, 2019, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of Income Tax, or Sales Tax or Goods and Services Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited by the company on account of disputes.

(viii) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company did not have any outstanding dues to financial institutions or banks during the year. The company has not issued any debentures.

(ix) In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) On the basis of records and information and explanations made available, no managerial remuneration has been paid or provided hence no comment is required on compliance of Section 197 Read with Schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under section 406 of the act.

(xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IAof the Reserve Bank of India Act, 1934.

For Agiwal & Associates
Chartered Accountants
(Firm's Registration Number : 000181N)

CA P.C. Agiwal
Partner
Membership Number : 080475

Place: New Delhi
Date: May 15th, 2019.

Annexure – 'B' to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **VLS Asset Management Ltd.** ("the Company") as of 31stMarch 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The board of directors of the company 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 of the Company.

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, to the best of our information and according to the explanation given to us, 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 31st March 2019, 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 Number : 080475

Place: New Delhi
Date: May 15th, 2019.

BALANCE SHEET AS AT 31st MARCH, 2019 — **Amount (in Rs.)**

Particulars	Note No.	As at 31.3. 2019	As at 31.3. 2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	**7,07,000**	7,07,000
(b) Reserves and Surplus	4	**(16,32,771)**	(16,28,871)
		(9,25,771)	(9,21,871)
(2) Non-Current Liabilities			
Long- Term Borrowings	5	**9,41,994**	9,36,594
		9,41,994	9,36,594
(3) Current Liabilities			
Other Current Liabilities	6	**-**	1500
		-	1500
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 12
As our report of even date

For Agiwal & Associates (F.R.N. 000181N) Chartered Accountants
P.C. Agiwal Partner Membership No. 080475

For and on behalf of the Board

S. K. Agarwal Director DIN : 00106763

K. K. Soni Director DIN : 00106037

Place : New Delhi
Date : 15/05/2019

STATEMENT PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

Amount (in Rs.)

Particulars	Note No.	Year Ended 31.3.2019	Year Ended 31.3.2018
I. Revenue from Operations		**-**	-
II. Other Income		**-**	5,431
III. Total Revenue (I +II)		**-**	5,431
IV. Expenses:			
Employee Benefit Expense		**-**	-
Financial Costs		**-**	-
Depreciation and Amortization Expense		**-**	-
Other Expenses	8	**3,900**	5,742
Total Expenses (IV)		**3,900**	5,742
V. Profit /(Loss) before tax (III-IV)		**(3,900)**	(311)
		(3,900)	(311)
VI. Profit/(Loss) for the year		**(3,900)**	(311)
VII.Earning per equity share (OF Rs.10/- each)			
Basic and Diluted	11	(0.055)	(0.004)
Significant Accounting Policies			
and Notes forming part of the accounts	1 to 12		

As our report of even date

For Agiwal & Associates (F.R.N. 000181N) Chartered Accountants
P.C. Agiwal Partner Membership No. 080475

For and on behalf of the Board

S. K. Agarwal Director DIN : 00106763

K. K. Soni Director DIN : 00106037

Place : New Delhi
Date : 15/05/2019

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 31.03.2019	As at 31.3.2018
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 31.03.2019		As at 31.3.2018	
	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 31.03.2019	As at 31.3.2018
VLS Finance Ltd.	**70,100**	70,100

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

	As at 31.03.2019		As at 31.3.2018	
	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 31.03.2019	As at 31.3.2018
Surplus		
At the Beginning of the Accounting year	**(16,28,871)**	(16,28,560)
Additions during the year	**(3900)**	(311)
Total	**(16,32,771)**	(16,28,871)

Note 5

Unsecured Long Term Borrowings

From Holding Company i. e. VLS Finance Ltd.		
(Non- interest bearing)	**9,41,994**	9,36,594
Total	**9,41,994**	9,36,594

Note 6

Other Current Liabilities

Audit Fee Payable	**-**	-
Expenses Payable	**-**	1500
Total	**-**	1500

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 31.03.2019	As at 31.3.2018
Filing Charges	**2,400**	4,242
Certification Charges	**1,500**	1,500
Total	**3,900**	5,742

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, 2019	As at 31st March, 2018
Holding Company	Opening Balance	9,36,594	9,32,352
	Transactions during the year	5,400	4,242
	Closing Balance	9,41,994	9,36,594

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

S. No.	Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
1.	Net Profit/Loss after Tax	(3,900)	(311)
2.	Weighted Average number of Equity Shares	70,700	70,700
3.	Face value per Share	10	10
4.	Basic & Diluted Earning Per Share	(0.055)	(0.004)

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

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

P.C. Agiwal
Partner
Membership No. 080475

Place : New Delhi
Date : 15/05/2019

For and on behalf of the Board

S. K. Agarwal	**K. K. Soni**
Director	Director
DIN : 00106763	DIN : 00106037

Cash Flow Statement for the Year ended 31st March 2019

Amount (in Rs.)

		As at 31.03.2019	As at 31.03.2018
A	**Cash Flow from operating activities**		
	Net Profit (Loss) before Tax	**(3900)**	(311)
	Adjustment for :-		
	Operating Profit before working capital changes	**(3900)**	(311)
	Increase / (Decrease) in trade payables & Others -	-	
	Cash Generated from Operations	**(3900)**	(311)
	Net Cash From Operating Activities	**(3900)**	(311)
B.	**Cash Flow From Financing activities**		
	Proceeds from borrowings	**3900**	5742
	Net Cash From Financing Activities	**3900**	5742
	Net increase in Cash & Cash Equivalents (A+B)	**-**	**5431**
C.	Cash & Cash Equivalents at the beginning of the Year	**16223**	16223
D.	Cash & Cash Equivalents at the end of the year	**16223**	16223
	Increase/(Decrease) in Cash & Cash Equivalents (D-C)	-	-

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

P.C. Agiwal
Partner
Membership No. 080475

Place : New Delhi
Date : 15/05/2019

For and on behalf of the Board

S. K. Agarwal	**K. K. Soni**
Director	Director
DIN : 00106763	DIN : 00106037

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VLS FINANCE LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

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'), which comprise of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flow for the year ended on that date 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 31.03.2018 and 31.03.2015 respectively as provided by the management. However, we are not offering any comment on the same in view of statement of the Management of Holding Company contained in later part this report. For the remaining associate VLS Capital Ltd, we have taken the figures from its financial statements for the year ended 31.03.2019.

We have also not audited any of the two subsidiaries namely VLS Securities Ltd. and VLS Asset Management Ltd., the financial statement of which have been included in the consolidated financial results for the year ended 31 March, 2019. As these financial statements have been audited by other auditors so in both these cases, we have taken the figures from their financial statements for the year ended 31.03.2019 for the consolidation purpose and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the reports of the audit conducted by other auditors.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Accounting Standards prescribed under section 133 of the Act read with the Rules thereunder and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Provisions for Diminution in value of investments

Key Audit Matters Description

As at the year end, the Company has investments in shares / securities amounting to Rs.270.78 crore net of provision for diminution in value for Rs.45.84 crore. Management estimated the said provision of Rs. 45.84 crore for diminution in the value of investments considering the estimated fair market value of each and every investments at the balance sheet date. We have reported this as a key audit matter because measurement of investment impairment involves application of significant judgement by the management. The most significant judgements are:

- Timely identification of diminution in the value of investments.
- Proper estimation of fair market value in respect of listed and unlisted investments.

How the Key Audit Matter was addressed in the Audit

- Tested the design and effectiveness of internal controls implemented by the management for following:
- Identification of any diminution in the value of investments.
- Collection of relevant data to estimate the fair market value of investments at the balance sheet date
- To ascertain the sufficiency of amount of provision in case of diminution in value of investments
- Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
- Completeness and accuracy of the data inputs used
- Tested the completeness and accuracy of data from underlying systems used
- We critically assessed and tested the key underlying assumptions and significant judgements used by management.
- For investments identified by management as potentially impaired, examined the same and checked the calculation of the impairment
- Critically assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined the investments which had not been identified by management as potentially impaired and formed our own judgement as to whether that was appropriate through examining available information.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Since the other information has not been made available to us, we shall be able to comment on this aspect after the said information is made available to us.

Management's Responsibility for the consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements 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 Standards and other accounting principles generally accepted in India. 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 companies included in the Group are responsible for maintenance of the 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of

Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

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. 3,08,87,80,035 as at 31st March 2019, total revenues of Rs.73,45,50,406 and net cash flows amounting to Rs. (-7,95,89,413) for the year ended on that date, as considered in the consolidated financial statements. Further we did not audit the financial statements of both the subsidiary companies (namely VLS Securities Ltd., and VLS Asset Management Ltd.) the financial statements of which have been considered for the purpose of consolidation the financial statements of which reflect total assets of Rs. 44,61,25,142 as at 31st March 2019, total revenues of Rs.17,11,58,463 and net cash flows amounting to Rs.4,16,66,322 for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates and subsidiaries and our report in terms of sub section 3 and 11 of section 143 of the Act, in so far as it relates to the aforesaid associates and subsidiaries, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

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

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, 2019, 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, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the Internal Financial Controls over the Financial Reporting of the company and operating effectiveness of such controls, refer to our Report in Annexure A, which is based on the auditor's report of the Holding Company, the two subsidiary companies and one associate company incorporated in India. Our report express an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of Holding company, both subsidiary companies and VLS Capital Ltd., as associate company incorporated in India. We are unable to comment on the Internal Financial Control over Financial Reporting of two Associate Companies as defined under the Companies Act, 2013 as the Holding Company is in litigation with these two associate companies namely Sunair Hotels Ltd. and BMS IT Institute (P) Ltd.

g) With respect to the other matters to be included in the Auditor's Report

in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

(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, 2019, 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 two Associate Companies as defined under the Companies Act, 2013 namely Sunair Hotels Ltd. and BMS IT Institute (P) Ltd. as the Company is in litigation with these two associate companies.

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

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

CA M.L. PURI
Partner
Membership No. 009198

Place: New Delhi
Date: 17th May, 2019

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 2019, we have audited the internal financial controls over financial reporting of VLS Finance Limited ("the Holding Company") as on that date. We wish to state that, we have not audited any of the three associate companies namely VLS Capital Ltd., Sunair Hotels Ltd. and BMS IT Institute Pvt. Ltd. and the two subsidiary companies namely VLS Securities Ltd and VLS Asset Management Ltd., the financial statements of which have been considered for the purpose of consolidation. Further for the two associate Companies namely Sunair Hotels Ltd. and BMS IT Institute Private Ltd. of the group, which have been audited by the other auditors, we have taken the figures from their financial statements for the period ended 31.03.2018 and 31.03.2015 respectively and for the VLS Capital Ltd., we have taken the figures from its financial statements for the period ended 31.03.2019. However, the Management of the Holding Company stated that they are unable to comment on the financial statements, accounting policies and notes on accounts of the two associates namely Sunair Hotels Ltd. and BMS IT institute (P) Ltd. which are in litigation with the Holding Company. Due to this we are unable to comment or report on the Internal Financial Control under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") of these two associates.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, two subsidiary companies and one associate company namely VLS Capital Ltd which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI. Regarding other two associate companies namely Sunair Hotels Ltd. and BMS IT Institute Private Ltd, we are unable to comment or report on internal financial control over financial reporting for the reason as stated above.

Other Matters

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

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

CA M.L. PURI
Partner
Membership No. 009198

Place: New Delhi
Date: 17th May, 2019

CONSOLIDATED BALANCE SHEET AS AT 31st March, 2019

(*Amount in Rupees*)

	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
I.	**EQUITY AND LIABILITIES**			
(1)	**Shareholders' Funds**			
	(a) Share Capital	**2**	**38,78,42,420**	38,78,42,420
	(b) Reserves & Surplus	**3**	**281,65,56,602**	263,84,18,211
(2)	**Minority Interests**			
	(a) Share Capital		**10,06,000**	10,06,000
	(b) Reserves & Surplus			
	- Opening		**1,74,780**	24,966
	- Add: For the year		**41,626**	149,814
			2,16,406	1,74,780
(3)	**Non-current liabilites**			
	Long Term Provisions	**4**	**63,87,203**	57,07,433
(4)	**Current liabilites**			
	(a) Short-Term borrowings	**5**	**14,35,460**	0
	(b) Trade payables			
	(A) Total outstanding dues of micro enterprises and small enterprises; and	**6**	**0**	**0**
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	**6**	**8,97,80,823**	4,46,09,588
	(c) Other Current Liabilities	**7**	**42,28,265**	30,76,578
	(d) Short term Provisions	**8**	**4,79,11,458**	4,73,88,234
	Total		**335,53,64,637**	312,82,23,244
II.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment			
	- Tangible Assets	**9**	**9,11,66,673**	9,53,66,228
	- Intangible Assets	**9**	**80,879**	1,24,657
	- Work-in-Progress		**4,03,53,332**	2,14,91,536
	(b) Non-current Investments	**10**	**271,48,75,129**	256,97,89,579
	(c) Deferred tax assets (Net)	**11**	**1,27,51,841**	1,33,41,562
	(d) Long-term loans and advances	**12**	**15,44,99,315**	14,43,03,143
(2)	**Current assets**			
	(a) Inventories- Share stock-in-trade	**13**	**7,70,00,004**	8,70,00,004
	(b) Cash and cash equivalents	**14**	**9,07,56,226**	5,26,29,691
	(c) Short-term loans and advances	**15**	**14,88,31,945**	11,93,02,169
	(d) Other current assets	**16**	**2,50,49,293**	2,48,74,675
	Total		**335,53,64,637**	312,82,23,244
Significant Accounting Policies and Notes forming part of accounts		**1 to 23**		

As per our report of even date.

For and behalf of the Board

For M.L. PURI & CO.
Chartered Accountants
Firm's Registration Number: 002312N
M.L. PURI
Partner
Membership No. 009198
May 17th, 2019
New Delhi

S.K.Agarwal
Managing Director
DIN : 00106763

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

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

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

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March, 2019	Note No	For the year ended 31st March, 2019	For the year ended 31st March, 2018
		(Amount in Rupees)	
I Revenue from operations	17	3018,10,45,111	2162,27,18,962
II Other Income	18	3,67,06,735	5,84,15,590
III Total Revenue (I+II)		3021,77,51,846	2168,11,34,552
IV Expenses			
Purchase of Shares/Securities		2974,83,46,038	2124,41,72,195
Change in stock of shares	19	1,00,00,000	(3,73,76,346)
Employee benefits expenses	20	4,08,63,264	3,77,60,687
Finance cost	21	1,15,260	1,11,468
Depreciation and Amortisation expense	9	59,39,017	61,44,781
Administrative & Other Expenses	22	7,68,09,522	7,47,17,707
Total Expenses		2988,20,73,101	2132,55,30,492
V. Profit before exceptional and extraordinary items and tax (III-IV)		33,56,78,745	35,56,04,060
VI. Exceptional items			
Provision for Diminuation in value of assets (net)		6,64,00,000	6,00,00,000
VII. Profit before extraordinary items and tax (V-VI)		26,92,78,745	29,56,04,060
VIII Extraordinary items		0	0
IX. Profit before tax (VII-VIII)		26,92,78,745	29,56,04,060
X. Less: Tax Expenses			
Current Tax /MAT		4,39,04,042	4,36,06,256
Tax adjustments for earlier years		(4,143)	3,90,334
Deferred Tax		5,89,721	6,49,097
XI. Profit before Minority interest share of P/L (IX-X)		22,47,89,125	25,17,39,041
Less: Minority Interest share on Profit		41,626	1,49,814
XII. Profit for the year		22,47,47,499	25,15,89,227
EARNING PER SHARE			
Basic Earning per Share (Rs.)		5.81	6.51
Diluted Earning per Share (Rs.)		5.81	6.51
Face Value per Share (Rs.)		10.00	10.00
Significant Accounting Policies and Notes forming part of accounts	1 to 23		

As per our report of even date.

For and behalf of the Board

For M.L. PURI & CO.
Chartered Accountants
Firm's Registration Number: 002312N
M.L. PURI
Partner
Membership No. 009198
May 17th, 2019
New Delhi

S.K.Agarwal
Managing Director
DIN : 00106763

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT for the year ended 31st March, 2019.

HOLDING COMPANY OVERVIEW (VLS FINANCE LIMITED)

The Holding company is a public limited company registered under the Companies Act, 1956 and is listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Calcutta Stock Exchange. The Holding Company had applied for membership of Bombay Stock Exchange (BSE) and the same had been approved by BSE vide letter dated 14/05/2014. The SEBI Registration Certificate bearing Regn No. INZ010013530 in connection thereto has been received by the Holding Company vide letter dated 01/10/2014 and thereafter the Holding Company is, inter alia, carrying on business as stock broker.

I. SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED FINANCIAL STATEMENTS

A. PRINCIPLES OF CONSOLIDATION

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

a) The financial statement of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenditures after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses. The results of Associate Companies as defined in Companies Act, 2013 have been consolidated as per AS 23.

b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.

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

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

(Amount in Rupees)

	As at 31st March, 2019	As at 31st March, 2018
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 fully paid up for cash)		
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 fully paid up Equity Shares have been issued as bonus shares by way of capitalisation of share premium)		
(11,32,983 fully paid up Equity Shares of Rs.10/-each fully paid up for cash bought back on 11/02/2014 for cash)		

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

	As at 31/03/2019		As at 31/03/2018	
	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, 2019		As at 31st March, 2018	
	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, 2019	As at 31st March,2018
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		
	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 fully paid up Equity Shares of Rs. 10/- each bought back on 11/02/2014 for cash)		
	c) CAPITAL REDEMPTION RESERVE ACCOUNT		
	As per Last Balance Sheet	**1,20,12,718**	1,20,12,718
	Total (c)	**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 fully paid up Equity Shares of Rs. 10/- each bought back on 11/02/2014 for cash)		
	d) SURPLUS IN STATEMENT OF PROFIT AND LOSS		
	Opening Balance	**133,33,33,656**	112,83,53,537
	Add : Transfer from statement of Profit and Loss	**22,47,47,499**	25,15,89,227
	Less : Proposed Dividend on Equity (Rs.1/- per Equity Share)	**3,86,62,017**	3,86,62,017
	Less : Distribution tax on Equity Dividend	**79,47,091**	79,47,091
	Closing Balance Total (d)	**151,14,72,047**	133,33,33,656
	Grand Total (a) to (d)	**281,65,56,602**	263,84,18,211
4	**Long-Term provisions**		
	(a) Provision for Employee benefits	**63,87,203**	57,07,433
	Total	**63,87,203**	57,07,433
5	**Short-Term borrowings**		
	Secured Borrwings - From Banks		
	Demand Loan/Overdraft Facility	14,35,460	0
	(Secured by pledge of Fixed deposits of the Company)		
	Total	**1,43,460**	**0**
6	**Trade payables**		
	(a) Micro, Small and Medium Enterprises	**0**	0
	(b) Payable to Share Borkers	**88,80,339**	69,01,749
	(c) Other trade payables	**8,09,00,484**	3,77,07,839
	Total (a+b+c)	**8,97,80,823**	4,46,09,588
7	**Other current liabilites**		
	Statutory liabilites	**42,28,265**	30,76,578
	Total	**42,28,265**	30,76,578
8	**Short-Term provisions**		
	(a) Provision for Employee benefits	**13,02,350**	7,79,126
	(b) Proposed Dividend-Equity	**3,86,62,017**	3,86,62,017
	(c) Provision for Distribution tax on proposed Dividend-Equity	**79,47,091**	79,47,091
	Total (a+b+c)	**4,79,11,458**	4,73,88,234

9 PROPERTY, PLANT AND EQUIPMENT

(Amount in Rupees)

Sl. No	Description	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
		Cost As at 01.04.2018	Additions during the year	Sales/ Adjust-ments	Cost As at 31-03-2019	Upto 31.03.2018	For the year	Sales/ Adjust ments	Upto 31-03-2019	As at 31-03-2019	As at 31.03.2018
	TANGIBLE ASSETS										
1	**Assets for own use:**										
A	Buildings	11,10,96,285		0	11,10,96,285	1,85,73,206	45,03,036	0	2,30,76,242	8,80,20,043	9,25,23,079
B	Temporary Structures	6,88,735		0	6,88,735	6,88,734	0	0	6,88,734	1	1
C	Vehicles	77,57,359	16,15,452	48,000	93,24,811	63,84,120	8,56,791	32276	72,08,635	21,16,176	13,73,239
D	Office Equipments	25,58,922	84,688	0	26,43,610	20,29,633	2,42,257	0	22,71,890	3,71,720	5,29,290
E	Furniture & Fixtures	13,51,141		0	13,51,141	11,57,436	44,078	0	12,01,514	1,49,627	1,93,705
F	Air Conditioners	15,15,972		0	15,15,972	12,49,391	64,068	0	13,13,459	2,02,513	2,66,581
G	Computers	62,57,564		0	62,57,564	59,11,024	1,73,740	0	60,84,764	1,72,800	3,46,540
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
		133,85,68,405	**17,00,140**	**48,000**	**134,02,20,545**	**124,32,02,178**	**58,83,970**	**32,276**	**124,90,53,872**	**9,11,66,673**	**9,53,66,228**
	INTANGIBLE ASSETS										
	Computer Software	10,80,436	11,269	0	10,91,705	9,55,779	55,047	0	10,10,826	80,879	1,24,657
	Grand Total	**133,96,48,841**	**17,11,409**	**48,000**	**134,13,12,250**	**124,41,57,957**	**59,39,017**	**32,276**	**125,00,64,698**	**9,12,47,552**	**9,54,90,885**
	Previous Year	133,89,39,308	7,09,533	0	133,96,48,841	123,80,13,175	61,44,781	0	124,41,57,956	9,54,90,885	10,09,26,133

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

10. NON-CURRENT INVESTMENTS (at cost)

PARTICULARS	FACE VALUE	QUANTITY AS AT 1.03.2019	QUANTITY AS AT 31.03.2018	AMOUNT (In Rs.) AS AT 31.03.2019	AMOUNT (In Rs.) AS AT 31.03.2018
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	**44,77,89,480**	43,61,09,002
VLS Capital Ltd. (#)	10	**88,20,833**	88,20,833	**38,75,91,424**	36,28,22,134
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
Cox & Kings Financials Ltd	10	**10,167**	0	**1,01,670**	0
Embassy Office Parks REIT	300	**11,200**	0	**33,60,000**	0
BMS IT Institute Private Ltd. (#)	10	**56,00,000**	56,00,000	**24,92,00,000**	24,92,00,000
			SUB-TOTAL (A-1)	**109,26,00,574**	105,26,89,136
2. Quoted & Fully Paid					
3I INFOTECH LTD.	10	**0**	2,00,000	**0**	11,60,155
ACCELYA KALE SOLUTIONS LTD	10	**2,66,718**	2,75,218	**11,47,34,850**	11,61,72,330
ALLCARGO LOGISTICS LTD.	2	**66,300**	15,500	**75,79,489**	23,86,094
AMBIKA COTTON MILLS LTD	10	**92,961**	1,00,000	**4,28,24,758**	4,55,67,080
ASHAPURAINTIMATES FASHION LTD	10	**80,000**	1,03,868	**19,20,000**	4,32,18,416
ASHOKLEYLAND LTD.	1	**0**	25,000	**0**	30,12,791
ASIAN OILFIELD SERVICES LTD	10	**25,000**	0	**18,00,740**	0
BANK OF BARODA	2	**5**	5	**251**	251
BANK OF MAHARASHTRA	10	**1,25,000**	0	**18,57,373**	0
BHARAT FORGE LTD.	2	**0**	7,900	**0**	1,24,100
BHARAT PETROLEUM CORP LTD (+)	10	**40,350**	40,350	**3,24,648**	3,24,648
BOMBAY BURMAH TRADING CORPORATION LTD	2	**21,000**	25,000	**1,11,95,567**	1,62,90,962
BRIGADE ENTERPRISES LTD	10	**7,000**	0	**17,22,943**	0
CANTABIL RETAIL INDIA LTD.	10	**1,75,000**	1,75,000	**2,15,83,020**	2,15,83,020
CAPITAL FIRST LTD	10	**0**	5,000	**0**	31,86,001
CCL PRODUCTS INDIA LTD	2	**5,849**	0	**16,95,378**	0
CORPORATION BANK	2	**50,000**	0	**14,79,168**	0
COX & KINGS LTD.	5	**38,100**	20,000	**62,04,704**	54,38,655
CPSE ETF	10	**44,314**	0	**11,29,298**	0
D B REALTY LTD	10	**50,000**	0	**10,68,565**	0
D PHARMA LTD	10	**200**	200	**1**	1
DCB BANK LTD.	10	**0**	19,000	**0**	33,06,979
DE NORA INDIA LTD	10	**4,400**	0	**11,72,581**	0
DEEPAK FERTILIZERS & PETROCHEMICALS CORP LTD	10	**17,500**	0	**23,84,736**	0
DELTON CABLES LTD	10	**20**	0	**364**	0
DHAMPUR SUGAR (KASHIPUR) LTD	10	**89,767**	89,767	**7,99,032**	7,99,032
DHAMPUR SUGAR MILLS LTD.	10	**20,000**	0	**35,44,723**	0
DHANLAXMI BANK LTD.	10	**1,81,602**	0	**29,86,415**	0
DLF LTD	2	**1,00,000**	0	**1,85,44,216**	0
DWARIKESH SUGAR INDUSTRIES LTD.	1	**1,50,000**	0	**38,45,443**	0
FEDERAL BANK LTD.	2	**77,000**	65,000	**70,94,224**	71,79,186
FIRST SOURCE LTD.	10	**0**	25,000	**0**	11,94,720
FORTIS HEALTHCARE LTD.	10	**0**	59,500	**0**	74,46,685
FUTURE CONSUMER LTD	6	**3,20,000**	0	**1,46,67,092**	0
GAIL (INDIA) LTD	10	**20,000**	0	**67,56,979**	0
GIC HOUSING FINANCE LTD	10	**35,110**	50,000	**91,45,999**	1,80,76,783
GMR INFRASTRUCTURE LTD	1	**10,50,000**	1,25,000	**1,71,98,683**	22,14,934
GRANULES INDIA LTD	1	**2,98,000**	4,34,388	**2,45,51,362**	4,42,62,618
GUJARAT HOTELS LTD	10	**0**	2,500	**0**	1,23,884
GVK POWER & INFRASTRUCTURE LTD	1	**75,000**	0	**5,62,750**	0
HATSUN AGRO PRODUCTED LTD.	1	**0**	10,000	**0**	75,30,303
HCL TECHNOLOGIES LTD (+)	2	**29,773**	41,946	**4,37,138**	4,37,138
HIMADRI SPECIALITY CHEMICAL LTD	1	**0**	20,000	**0**	29,46,237
HINDALCO INDUSTRIES LTD	1	**0**	15,000	**0**	34,49,182
HINDUSTAN CONSTRUCTION CO LTD	1	**1,50,000**	0	**23,05,500**	0
HINDUSTAN PETROLEUM CORP LTD (+)	10	**26,925**	2,69,325	**23,994**	3,88,901
HINDUSTAN UNILEVER LTD	1	**20,000**	15,000	**2,65,60,003**	1,65,72,876
HITECH CORPORATION LTD.	10	**0**	36,000	**0**	63,53,044
HOTEL LEELA VENTURE LTD.	2	**1,35,000**	0	**20,44,894**	0
HOUSING & URBAN DELVELOPMENT CORP LTD	10	**2,00,000**	0	**87,22,236**	0
HOUSING DEVELOPMENT FINANCE CORP LTD	2	**2,000**	0	**38,20,139**	0
ICDS Ltd (*)	10	**21,929**	21,929	**0**	0
ICICI PRUDENTIAL LIFE INSURANCE LTD	10	**0**	20,000	**0**	69,41,985
IDBI BANK LTD	10	**3,50,000**	0	**1,56,67,797**	0
IDFC FIRST BANK LTD	10	**6,49,500**	0	**3,13,68,306**	0
IDFC LTD	10	**0**	20,000	**0**	11,01,794
IFGL REFRACTORIES LTD	10	**0**	77,541	**0**	1,14,59,516
INDIA GRID TRUST	100	**0**	5,103	**0**	4,88,687
INDIABULLS HOUSING FINANCE LTD	2	**2,500**	0	**17,76,775**	0
INDIABULLS REAL ESTATE LTD.	2	**0**	1,000	**0**	2,18,186
INDIAN HOTELS LTD.	1	**0**	22,000	**0**	30,62,813
INFOSYS LTD (+)	5	**3,85,198**	2,45,099	**10,39,211**	10,39,211
IRB INVIT FUND	102	**0**	5,000	**0**	4,69,454
ITC LTD	1	**0**	20,000	**0**	54,28,671
JAGRAN PRAKASHAN LTD	2	**15,005**	0	**17,01,259**	0
JAIN IRRIGATION SYSTEMS LTD.	2	**1,20,000**	42,000	**79,82,028**	49,30,271
JAIPRAKASH ASSOCIATES LTD.	2	**2,00,000**	6,00,000	**14,04,000**	1,31,75,734
JAIPRAKASH POWER VENTURES LTD	10	**2,00,000**	5,00,000	**3,84,000**	25,77,833
JAMMNU AND KASHMIR BANK LTD	1	**50,000**	0	**18,59,862**	0
JAYPEE INFRATECH LTD	10	**50,000**	1,20,000	**1,71,000**	11,91,504
JK PAPER LTD	10	**44,500**	0	**63,23,778**	0
JK TYRE & INDUSTRIES LTD	2	**6,00,000**	7,00,000	**5,23,13,268**	6,00,60,000
JINDAL STAINLESS (HISAR) LTD	2	**10,000**	0	**8,51,360**	0
KALYANI STEEL LTD	5	**4,97,913**	5,41,383	**8,16,65,229**	8,43,10,517
KARNATAKA BANK LTD	10	**0**	5,000	**0**	8,20,137
KCP SUGAR INDUSTRIES CORPORATION LTD	1	**17,000**	0	**3,05,733**	0
L&T FINANCE HOLDING LTD	10	**25,000**	20,000	**35,16,905**	27,74,654
LANCO INFRATECH LTD	1	**5,000**	5,000	**1,66,198**	1,66,198
LARSEN & TOUBRO Ltd.	2	**0**	10,000	**0**	1,16,88,245
LIC HOUSING FINANCE LTD	2	**19,000**	0	**99,60,942**	0
LUPIN LTD	2	**0**	20,000	**0**	1,91,67,677
MBL INFRASTURCTURE LTD	10	**3,50,000**	3,50,000	**63,63,007**	63,63,007
MEGHMANI ORGANICS LTD	1	**60,40,000**	62,30,000	**14,92,74,034**	11,84,31,023
MERCATOR LTD.	1	**3,00,000**	2,00,000	**47,47,063**	66,89,687
MMTCLTD.	1	**50,000**	1,00,000	**14,57,476**	65,95,892
NATIONAL ALUMINIUM CO LTD	1	**0**	19,000	**0**	12,19,201
NAVKAR CORPORATION LTD.	10	**0**	5,000	**0**	9,72,424
NBCC (INDIA) LTD.	2	**4,00,000**	71,500	**2,19,53,118**	1,40,05,983
NCC LTD.	2	**1,50,000**	80,000	**1,27,08,745**	88,03,786
NEOCORP INTERNATIONAL LTD	10	**37,12,515**	37,12,515	**1,20,65,674**	1,20,65,674
NESCO LTD	2	**7,537**	0	**33,26,059**	0
NETWORK 18 MEDIA & INVESTMENTS LTD.	5	**0**	35,000	**0**	17,06,841
NEW DELHI TELEVISION LTD.	4	**0**	60,102	**0**	36,67,965
NIRLON LTD	10	**0**	3,000	**0**	6,07,776
NMDC LTD	1	**2,79,000**	0	**3,18,92,004**	0
OIL AND NATURAL GAS CORPORATION LTD	5	**50,000**	0	**71,81,043**	0
ORRISA SPONGE IRON & STEEL LTD	10	**2,936**	2,936	**16,13,828**	16,13,828
PARSVNATH DEVELOPERS LTD	5	**6,36,103**	6,06,103	**46,43,552**	94,32,509
PNC INFRATECH LTD.	10	**0**	15,000	**0**	23,75,033
POWER GRID CORPORATION OF INDIA LTD.	10	**50,000**	15,000	**96,58,687**	29,47,236
PRAJ INDUSTRIES LTD.	2	**50,000**	0	**62,63,834**	0
PRAKASH INDUSTRIES LTD.	10	**0**	15,000	**0**	26,55,444
PUNJAB NATIONAL BANK	2	**75,000**	0	**53,39,087**	0
PUNJAB WIRELIESS SYSTEMS LTD	10	**500**	500	**1**	1
RASHTRIYA CHEMICAL & FERTILIZERS LTD.	10	**0**	1,00,000	**0**	1,01,77,171
RELAXO FOOTWEAR LTD (+)	1	**1,43,74,225**	1,44,36,791	**11,88,28,064**	11,87,77,837
SHREE PUSHKAR CHEMICALS & FERTILIZER LTD.	10	**12,500**	27,960	**19,53,778**	69,12,487
SINTEX PLASTICS TECHNOLOGY LTD.	1	**0**	20,000	**0**	13,15,112
SMS PHARMACEUTICALS LTD.	1	**50,252**	0	**36,96,059**	0
SOM DISTILLERIES & BREWERIES LTD.	10	**0**	5,000	**0**	12,92,580
SOMI CONVEYOR BELTINGS LTD.	10	**0**	40,000	**0**	19,26,772
STATE BANK OF INDIA	1	**1,00,000**	42,000	**2,82,33,166**	1,15,47,949
STEEL AUTHORITY OF INDIA LTD.	10	**1,75,000**	60,000	**85,64,485**	47,35,063
STEL HOLDINGS LTD	10	**2,34,583**	2,90,259	**74,27,554**	85,38,293
SUMIT SECURITIES LTD	10	**1,58,554**	1,81,561	**4,12,49,695**	4,51,33,451
SUN PHARMACEUTICALS INDUSTRIES LTD.	1	**0**	10,000	**0**	54,39,464
SURANA INDUSTRIES LTD	10	**4,50,000**	4,50,000	**18,00,000**	18,00,000
SURYA ROSHNI LTD	10	**6,45,392**	8,02,000	**8,33,84,084**	8,92,44,620
TATA STEEL BSL LTD	2	**4,13,767**	0	**1,15,73,911**	0
TATA STEEL LTD	10	**0**	5,933	**0**	39,50,010
TCI INDUSTRIES LTD	10	**9,544**	9,544	**5,71,947**	5,71,947
TECHNOCRAFT INDUSTRIES (INDIA) LTD	10	**2,49,000**	3,80,424	**4,66,83,550**	7,13,30,514
THE SOUTH INDIAN BANK LTD	1	**4,50,000**	2,00,000	**68,30,912**	48,15,291
THOMAS SCOTT (INDIA) LTD.	10	**0**	5,477	**0**	1,05,555
TIDE WATER OIL COMPANY INDIA LTD	5	**207**	0	**11,66,374**	0
TORRENT POWER LTD.	10	**0**	30,000	**0**	81,28,834
TRIDENT LTD.	10	**0**	20,000	**0**	15,65,862
TRIVENI ENGINEERING & INDUSTRIES LTD.	1	**2,02,441**	0	**91,45,500**	0
TRIVENI TURBINE LTD.	1	**0**	20,000	**0**	26,34,651
UCO BANK	10	**50,000**	0	**10,44,809**	0
UJAAS ENERGY LTD.	1	**0**	2,75,000	**0**	45,36,524
UNION BANK OF INDIA	10	**25,000**	0	**22,23,464**	0
UNIPLY INDUSTRIES LTD.	10	**0**	10,000	**0**	34,36,251
UNITED BANK OF INDIA	10	**50,000**	0	**5,94,750**	0
UTI MASTER PLUS 91	0	**200**	200	**3,252**	3,252
VA TECH WABAG LTD	2	**30,000**	0	**81,40,776**	0
VASCON ENGINEERS LTD.	10	**0**	10,000	**0**	3,93,605
VISAKA INDUSTRIES LTD	10	**0**	16,069	**0**	54,70,941
VODAFONE IDEA LTD	10	**2,88,000**	0	**71,76,671**	0
WELSPUN ENTERPRISES LTD.	10	**22,000**	20,000	**25,14,588**	33,05,173
WIPRO LTD (+)	2	**50,000**	0	**1,01,71,638**	0
			SUB-TOTAL (A-2)	**127,42,13,146**	122,90,62,610
A3. IN PREFERENCE SHARES					
Quoted & Fully Paid					
VEDANTA LIMITED (7.5 % redeemmable preference shares)	10	**0**	6,86,000	**0**	68,60,000
			SUB-TOTAL (A-3)	**0**	68,60,000
A4. In Equity Shares-Partly Paid					
Quoted & Partly Paid					
TATA STEEL LIMITED	10	**500**	500	**77,000**	77,000
HATSUN AGRO PRODUCTED LTD	1	**702**	0	**3,11,688**	0
			SUB-TOTAL (A-4)	**3,88,688**	**77,000**
B. IN UNITS, BONDS AND DEBENTURES					
IN DEBENTURES					
Unquoted & Fully Paid-up					
SRGP CORPORATION LIMITED (18% Secured and Non convertible)	100	**3,50,000**	3,50,000	**3,50,00,000**	3,50,00,000
			SUB-TOTAL (B)	**3,50,00,000**	3,50,00,000
C. IN UNITS & BONDS					
Quoted & Fully Paid-up					
- IRFC (NO)	1,000	**16,507**	16,507	**1,72,16,130**	1,72,16,130
- NHAI (NA)	1,000	**2,81,528**	2,81,528	**29,64,21,357**	29,64,21,357
- NHAI (NE)	1,000	**85,378**	85,378	**8,97,87,199**	8,97,87,199
			SUB-TOTAL (C)	**40,34,24,686**	**40,34,24,686**
D. IN INVESTMENT FUND/MUTUAL FUNDS/PMS					
Unquoted & Fully Paid-up					
UNITS IN ICICI PRUDENTIAL REAL ESTATE AIF -II		**1,30,524.031**	149,185.176	**1,31,28,100**	1,50,00,000
UNITS IN IIFL REAL ESTATE FUND(DOMESTIC SERIES 3		**1,926,893.655**	19,26,893.655	**1,82,44,385**	1,82,44,385
BARODA HYBRID EQUITY FUND-PLAN B (DIV) (Formerly BARODA PIONEER BALANCE FUND-PLAN B (DIV)		**9,66,701.366**	9,66,701.366	**2,00,00,000**	2,00,00,000
BARODA DYNAMIC EQUITY FUND-PLAN B (DIV)		**50,00,00.000**	0.000	**50,00,000**	0
EDELWEISS CROSSOVER OPPORTUNITIES FUND-CLASS A1		**14,35,917.305**	7,70,508.677	**1,50,00,000**	80,00,000
UTI STRUCTURED DEBT OPPORTUNITIES FUND I -CLASS A4		**2,68,98,757.298**	2,51,74,522.094	**5,00,00,000**	2,50,00,000
ACCURACAP CONSULTANCT SERVICES P LTD	PMS			**39,96,636**	50,00,000
MOTILAL OSWAL ASSET MANAGEMENT CO LTD	PMS			**2,19,92,758**	2,50,00,000
GLOBE CAPITAL MARKETS LTD	PMS			**21,31,91,747**	11,13,37,353
			SUB-TOTAL (D)	**36,05,53,626**	**22,75,81,738**
			TOTAL E (A1+A2+A3+B+C+D)	**316,61,80,720**	295,46,95,170
Less: Provision for diminution in value of Investments			**45,84,00,000**	39,20,00,000	
				270,77,80,720	256,26,95,170
I. Aggregate value of quoted investments			At Cost	**167,80,26,520**	163,94,24,296
			Market Value	**1377,46,99,616**	1257,80,04,860
II. Aggregate value of un-quoted investments - Others			At Cost	**148,81,54,200**	131,52,70,874
E. INVESTMENT IN IMMOVABLE PROPERTIES:-				**70,94,409**	70,94,409
			TOTAL (F)	**70,94,409**	70,94,409
			GRAND TOTAL (E+F)	**271,48,75,129**	256,97,89,579

(*) Bonus Shares received, hence cost of acquisition is NIL

(+) Includes Bonus Shares received.

(#) Associate Companies and includes Rs.40,55,78,717/- on account of consolidation of associates

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

(Amount In Rupees)

	As at 31st March, 2019	As at 31st March,2018
11 Deferred tax		
a) Deferred tax Assets		
i) Accumulated Losses	**1,47,14,157**	1,45,72,675
ii) Employee Benefits	**25,93,456**	21,84,639
Total (a)	**1,73,07,613**	1,67,57,314
b) Deferred tax Liabilities		
i) Depreciation on Fixed Assets	**45,55,772**	34,15,752
Total (b)	**45,55,772**	34,15,752
Deferred tax assets (net) (Total a-b)	**1,27,51,841**	1,33,41,562
12 Long Term Loans and advances		
A) Unsecured, considered good		
i) Loans & advances	**8,05,00,000**	8,05,00,000
ii) Staff Loans and advances	**10,97,738**	14,71,894
iii) Advances recoverable in cash or kind or for value to be received-	**18,304**	19,559
	19,559	19,299
iv) Secuity Deposit with Govt Department	**1,500**	1,500
v) Secuity Deposit with others	**2,65,62,984**	1,40,42,574
vi) Advance Income Tax and Tax Deducted at Source	**27,55,41,054**	23,35,89,982
Less: Tax Provisions	**22,92,22,265**	18,53,22,366
	4,63,18,789	4,82,67,616
Total A (i+ii+iii+iv+v+vi)	**15,44,99,315**	14,43,03,143

13 INVERTORIES -SHARE STOCK IN TRADE

(At Cost or market price, whichever is lower)

Name of the Company	As on 31.03.2019 Quantity	As on 31.03.2019 Value (Rs.)	As on 31.03.2018 Quantity	As on 31.03.2018 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
INTERCRAFT LTD	**29,000**	**1**	29,000	1
SWEDE INDIA LTD	**200**	**1**	200	1
DSP BLACK ROCK MUTUAL FUND COLLECTION	**3,765.02**	**1,00,00,000**	5,465.44	1,35,00,000
BARODA PIONEER LIQUID FUND	**31,176.63**	**6,70,00,000**	36,829.25	7,35,00,000
Total	**3,48,841.65**	**7,70,00,004**	3,56,194.69	8,70,00,004

14 Cash and Cash Equivalents		
a) Cash on Hand	**6,02,544**	3,56,825
b) Balances with banks		
1. In Current Accounts	**7,93,51,451**	4,15,73,902
2. In Deposit Accounts-less than 12 months maturity (Previous year Rs. 106.99 Lacs)	**1,08,02,231**	1,06,98,964
3. In Deposit Accounts - more than 12 months maturity (Previous year Rs. Nil)	**0**	0
Total (a+b)	**9,07,56,226**	5,26,29,691
15 Short Term Loans and advances		
Unsecured and considered good		
i) Staff Loans and advances	**19,85,460**	19,35,826
ii) Advances Recoverable in cash or in kind or for value to be received	**1,30,20,974**	22,09,894
iii) Margin Money deposit with share brokers	**13,24,57,061**	11,43,45,965
iv) Prepaid Expenses	**13,68,450**	8,10,484
Total (i+ii+iii+iv)	**14,88,31,945**	11,93,02,169
16 Other Current Assets		
(a) Interest Accrued but not due	**2,50,44,321**	2,48,69,523
(b) Others	**4,972**	5,152
Total	**2,50,49,293**	2,48,74,675

(Amount In Rupees)

	Year Ended 31st March, 2019	Year Ended 31st March,2018
17 REVENUE FROM OPERATIONS		
Sale of Shares/Securities	**2979,01,66,966**	2122,29,66,983
Income from Other credit operations	**4,18,85,830**	4,01,53,833
Income from Investments	**34,89,92,315**	35,95,98,146
Total	**3018,10,45,111**	2162,27,18,962
18 OTHER INCOME		
Share in Income of Associate	**3,64,49,768**	5,83,13,656
Others	**2,56,967**	1,01,934
Total (a+b)	**3,67,06,735**	5,84,15,590
19 CHANGE IN STOCK OF SHARES		
Closing Stock of Shares	**7,70,00,004**	8,70,00,004
Less: Opening Stock of Shares	**8,70,00,004**	4,96,23,658
Change in Stock of Shares - Increase / (Decrease)	**(1,00,00,000)**	3,73,76,346
20 EMPLOYEE BENEFITS EXPENSES		
Salaries	**3,48,33,764**	3,16,23,155
Staff Amenities/welfare expenses	**3,25,570**	6,35,433
Employer's Contribution to PF, ESI, Gratuity Fund etc.	**57,03,930**	55,02,099
Total	**4,08,63,264**	3,77,60,687
21 FINANCE COST		
Bank / Finance Charges	**1,03,539**	1,00,591
Interest Payment on Loans/overdraft faciliies	**11,721**	10,877
Total	**1,15,260**	1,11,468
22 ADMINISTRATIVE & OTHER EXPENSES		
Advertisement & Business Promotion	**22,04,676**	29,99,147
Consultancy, Legal & Service Charges	**2,91,71,147**	3,02,15,505
Communication Expenses	**13,18,493**	12,99,216
Electricity & Water Charges	**10,98,527**	9,68,985
Insurance	**96,166**	97,904
Office Expenses	**49,14,276**	48,83,916
Shares Transaction Charges	**43,06,695**	31,46,426
SEBI Membership Fees	**3,00,000**	3,00,030
Travelling Expenses & Conveyance	**38,46,996**	20,83,885
Rates & Taxes	**1,00,33,633**	87,53,093
Rent	**63,90,000**	61,53,000
Repairs & Maintenance		
—Others	**16,21,870**	15,84,922
Miscellaneous Expenses	**92,31,441**	72,48,104
CSR Expenditure	**0**	25,50,000
Auditors' Remuneration		
a) Audit Fees	**1,97,500**	1,93,600
b) For Other Services		
—For Tax audit	**97,500**	95,900
— For certification	**1,89,100**	1,97,800
—Out of pocket expenses	**63,570**	68,027
Internal Auditors' Remuneration		
— Fees	**1,10,000**	1,10,000
— For certification	**20,000**	20,000
Directors' Sitting Fees	**16,58,000**	11,29,000
Provision for Non-performing assets (Net)	**0**	(121,220)
Loss on sale/transfer of assets	**3,224**	0
Prior year adjustments	**(63,292)**	7,40,467
Total	**7,68,09,522**	7,47,17,707

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

23. NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT

1. a) Contingent Liability:- Nil
   b) Estimated amount of contracts remaining to be executed on Capital Account: Rs.187.56 lakh (Previous year: Rs.68.71 lakh) in respect of VLS Finance Limited.
2. In some cases balances in the accounts of Debtors, Loans and Advances, Other Current Assets and Creditors are subject to confirmation by the respective parties.
3. Cash & Bank Balances :-
   Bank Deposits include fixed deposits of Rs.1,08,02,231/-(Previous Year – Rs.1,06,98,964/-) pledged by VLS Finance Ltd with the banks as security for availing overdraft facilities.
4. In the opinion of the Management, Current Assets, Loans and advances have the value on realization in the ordinary course of business at least equal to the amount at which they are stated.
5. The term of lease agreements in all Leased Assets 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:-
   (i) Key Managerial Personnel: -
      1) Shri M.P. Mehrotra (Executive Vice Chairman in VLS Finance Ltd)
      2) Shri S.K. Agarwal (Managing Director in VLS Finance Ltd. and VLS Securities Ltd.)
      3) Shri K.K. Soni (Director-Finance & CFO in VLS Finance Ltd)
      4) Shri H Consul (Company Secretary in VLS Finance Ltd)
      5) Shri Anurag Bhatnagar (Chief Financial Officer in VLS Securities Ltd)
      6) Shri IJS Aujla (Company Secretary in VLS Securities Ltd.)
   (ii) Associates: - (as defined in the Companies Act, 2013)
      1. VLS Capital Ltd
      2. Sunair Hotels Ltd
      3. BMS IT Institute Private Ltd
   (iii) Others: - South Asian Enterprises Limited.

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

(Amount in Rs.)

Particulars	Associates	Key Managerial Personnel	Others
Remuneration to Executive Vice Chairman (VLS Finance Ltd) Previous Year(With effect from 01/08/2017)		60,00,000 (Previous year: 40,00,000	
Remuneration to Managing Director (VLS Finance Ltd)		35,38,823 (Previous year: 30,74,995)	
Remuneration to Director-Finance & CFO (VLS Finance Ltd)		33,91,955 (Previous year: 29,54,995	
Remuneration to Company Secretary (VLS Finance Ltd)		21,98,868 (Previous year: 19,71,864)	
Remuneration to Chief Financial officer (VLS Securities Ltd)		21,69,060 (Previous year: 18,47,658)	
Advertisement Charges Paid			Rs. NIL (Previous year. Rs. 5,75,000)

8. Managerial Remuneration

Particulars	Remuneration	Perquisites/other benfits
Paid to Shri M P Mehrotra Executive Vice Chairman (VLS Finance Ltd)	Rs.60,00,000/- (Previous Year 40,00,000) (with effective from 01/08/2017)	Rs. Nil (Previous Year Rs. Nil)
Paid to Shri S.K. Agarwal Managing Director (VLS Finance Ltd)	Rs.35,03,400/- (Previous Year: Rs.30,60,000/-)	Rs.35,423/- (Previous Year: Rs. 14,995/-)
Paid to Shri K.K. Soni Director-Finance & CFO (VLS Finance Ltd)	Rs.33,63,000/- (Previous Year Rs.29,40,000/-)	Rs. 28,955/- (Previous Year – Rs. 14,995/-)

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, 2019	Year ended 31st March, 2018
Basic and Diluted		
Total Shares Outstanding	**3,86,62,017**	3,86,62,017
Profit after Taxes	**Rs. 22,47,89,127**	Rs. 25,17,39,041
EPS - Basic	**Rs. 5.81**	Rs. 6.51
EPS - Diluted	**Rs. 5.81**	Rs. 6.51

10. The Company has made the provision for Taxation / MAT payable under the Income Tax Act, 1961 of Rs.4,32,78,145/- (Previous year Rs. 3,47,55,256/-) relates to VLS Finance Ltd and Rs.6,25,897/- (Previous year: 88,51,000/-) relates to VLS Securities Ltd.

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

12. Income from investments includes:

	Current Year (Rs.)	Previous Year (Rs.)
Dividend Income (Gross)	**7,14,39,852**	6,31,71,916

13. Income from Other credit operations grouped under Revenue from Operations includes Interest Receipts (Gross) of Rs. 97,15,558/- and interest on tax free bonds of Rs.2,82,15,007/- (Previous Year Rs.80,60,901/- and interest on tax free bonds of Rs. 2,82,15,006/-) and Tax Deducted at Source thereon of Rs.9,55,694/- (Previous Year Rs.7,72,505/-).

14. Expenditure in Foreign Exchange: - Rs.2,31,032/- in respect of VLS Finance Ltd.(Previous year: Nil)

15. Provision for diminution in value of assets of Rs.6,64,00,000/-has been made during year (Previous Year: Provision for non-performing assets/ diminution in value of assets of Rs.6,00,00,000/-has been made during year and provision of Rs.121,220/-is being written back on non-performing assets/diminution in value of assets.) in respect of VLS Finance Ltd.

16. Additional information as required by paragraph 2 of the General instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount in Rupees	As % of consolidated profit or loss	Amount in Rupees
Parent				
VLS Finance Limited	85.29	273,29,65,307	78.24	17,58,46,948
Subsidiaries				
Indian				
1 VLS Securities Limited	2.14	6,87,04,175	5.56	1,24,97,809
2 VLS Asset Management Limited	(0.05)	(16,26,771)	(0.00)	(3,900)
Foreign	0.00	0	0.00	0
Minority Interests in all subsidiaries	(0.04)	(12,22,406)	(0.02)	(41,626)
Associates (Investment as per the equity method)				
Indian				
1. VLS Capital Limited	6.05	19,37,37,477	11.02	2,47,69,290
2. Sunair Hotels Limited	6.61	21,18,41,240	5.20	1,16,80,478
3. BMS IT Institute Private Ltd	0.00	0	0.00	0

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

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

Part- A : Subsidiaries

(in Rupees)

Sr No	1	2
Name of the Subsidiary	**VLS Securities Limited**	**VLS Asset Management Limited**
Reporting Period	31/03/2019	31/03/2018
Reporting Currency	INR	INR
Share Capital	30,00,00,000	7,07,000
Reserves & Surplus	6,77,04,175	(1,632,771)
Total Assets	44,61,08,919	16,223
Total Liabilities	7,84,04,744	9,41,994
Investments	25,32,09,517	0
Turnover/Total Income	17,11,58,463	0
Profit before taxation	1,33,69,715	(3,900)
Provision for taxation	8,71,906	-
Profit after taxation	1,24,97,809	(3,900)
Proposed Dividend	0	0
% of shareholding	99.67	99.15

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

Part- B : Associates and Joint Ventures

(in Rupees)

	Name of Associates/Joint Ventures	VLS Captial Limited	Sunair Hotels Limited	BMS IT Institute Private Ltd
		Associates		
1	Latest Audited Balance Sheet Date	31/03/2019	31/03/2018	31/03/2019
2	Shares of Associate/Joint Ventures held by the Company on the year end			
	No	88,20,833	95,94,824	56,00,000
	Amount Investment in Associates/Joint Venture	19,38,53,947	23,59,48,240	24,92,00,000
	Extend of Holding %	38.09	24.14	28.34
3	Description of how there is significant influence	Due to percentage (%) of Share Capital		
4	Reason why the associate/joint venture is not consolidated	-	-	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet	2,47,69,290	1,16,80,478	-
6	Profit/Loss for the year	2,47,69,290	1,16,80,478	-
	i) Considered in Consolidation	2,47,69,290	1,16,80,478	-
	ii) Not considered in Consolidation	-	-	-

18 Bad Debts written off/ Bad Debts recovery: Nil (Previous year : Nil)

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

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

As per our report of even date.
For M.L. Puri & Co
Chartered Accountants
(Firm's Registration No.002312N)

M.L. Puri
Partner
Membership No.009198
May 17th, 2019
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

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

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

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

Consolidated Cash Flow Statement for the year 31st March, 2019

(in Rupees)

	For the year ended on 31/03/2019		For the year ended 31/03/2018	
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		**26,92,78,745**		**29,56,04,060**
Adjustments for :				
Interest and Finance Charges	1,15,260		1,11,468	
Depreciation	59,39,017		61,44,781	
(Profit)/Loss on sale of Fixed Assets	3,224		0	
(Income)/Loss from Investments	(27,75,52,463)		(29,64,26,230)	
Dividend Income	(7,14,39,852)		(6,31,71,916)	
Share in (Income)/Loss of Associates	(3,64,49,768)		(5,83,13,656)	
Leave encashment/gratuity Provisions & adjustments	12,04,493		22,46,373	
NPA Provisions and adjustments	6,64,00,000	(31,17,80,089)	5,98,78,780	(34,95,30,400)
Operating Profit before Working Capital Changes		**(4,25,01,344)**		**(5,39,26,340)**
Adjustments for :				
Trade & Other Payables	4,64,82,739		2,16,24,901	
Inventories	1,00,00,000		(3,73,76,346)	
Dividend Distribution including tax paid	(4,66,09,108)		(4,65,32,694)	
Trade & Other Receivables	(3,13,888)		1,10,14,142	
Short Term Loans and Advances	(2,96,89,593)	(2,01,29,850)	(5,61,60,836)	(10,74,30,833)
Cash Generated from Operations		(6,26,31,194)		(16,13,57,173)
Less: Taxes Paid (Net of Refunds)		4,18,70,503		4,43,62,806
Net Cash Flow from Operating Activities (A)		**(10,45,01,697)**		**(20,57,19,979)**
B CASH FLOW FROM INVESTMENT ACTIVITIES				
Net Proceeds from Fixed Assets		(16,98,909)		(7,09,532)
Capital work-in-progress		(1,88,61,796)		(2,13,19,036)
In Shares and Securities (Net)		10,25,16,683		12,59,01,547
Long Term Loans and Advances		(1,20,91,698)		17,43,791
Dividend Income		7,14,39,852		6,31,71,916
Net Cash used/generated from Investing Activities (B)		**14,13,04,132**		**16,87,88,686**
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from/(Repayment of) Short Term Borrowings		14,39,360		0
Interest Paid		(1,15,260)		(1,11,468)
Net Cash Flow from Financing Activities (C)		**13,24,100**		**(1,11,468)**
Net Increase/ (Decrease) in Cash & Cash Equivalents(A+B+C)		**3,81,26,535**		**(3,70,42,761)**
Opening Balance of Cash & Cash Equivalents		5,26,29,691		8,96,72,452
Closing Balance of Cash & Cash Equivalents		9,07,56,226		5,26,29,691

Notes:-

1. Cash & Cash Equivalents (Closing) includes deposits with banks amounting to Rs.1,06,98,964/- (Previous Year Rs.1,05,95,935) which are pledged with them as security for overdraft facility.
2. Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of even date.
For M.L. Puri & Co
Chartered Accountants
(Firm's Registration No.002312N)

M.L. Puri
Partner
Membership No.009198
May 17th, 2019
New Delhi

For and behalf of the Board

S.K.Agarwal
Managing Director
DIN : 00106763

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

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

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

* * *

VLS FINANCE LIMITED

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

Proxy Form

Form No. MGT-11

(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 32nd Annual General Meeting of the Company, to be held on the 12th September, 2019 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, 2019, the statement of Profit & Loss for the year ended on that date together with the report of Auditors and Directors thereon and the consolidated Financial Statements for the said period.		
2	To approve dividend of Rupee 1/- per equity share.		
3	To appoint a Director in place of Shri Mahesh Prasad Mehrotra (DIN: 00106037) who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
4	**Ordinary Resolution** for re-appointment of Shri Suresh Kumar Agarwal (DIN: 00106763) as Managing Director.		
5	**Ordinary Resolution** for re-appointment of Shri Kishan Kumar Soni (DIN:00106037) as Director-Finance & CFO.		
6	**Special Resolution** for appointment of Shri Ajit Kumar (DIN: 00106597) as a Non – Executive Independent Director of the Company for the second term of five years.		
7	**Special Resolution** for appointment of Dr. Srinivasan Ramesh (DIN: 00126120) as a Non – Executive Independent Director of the Company for the second term of five years.		

Signed this day of 2019

Affix Revenue Stamp

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

NOTE :

1. The Proxy Form duly completed 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@vlsfinance.com, Website: www.vlsfinance.com, Phone: 011-4665 6666, FAX: 011-4665 6699

ATTENDANCE SLIP
32nd ANNUAL GENERAL MEETING
Thursday, the 12th day of September, 2019

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 32nd Annual General Meeting of the Company on 12th day of September, 2019 at 3:30 p.m. at The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110 003.

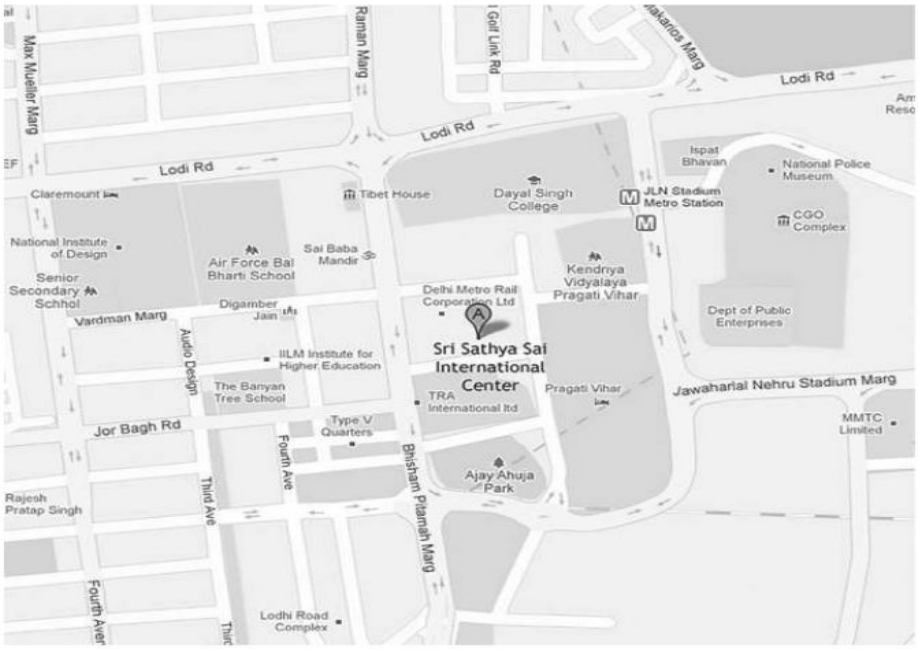
* Applicable in case of shares held in physical form.

Member/ Proxy Signature

NOTES:

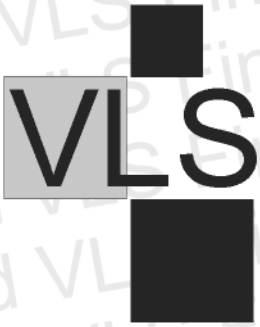
1. Member/Proxy wishing to attend the meeting must present this slip duly filled in at the Entrance of the Venue.
2. No Gift/Coupon or equivalent will be given to members who are attending the meeting.
3. For convenience of members, persons other than member/proxy will not be allowed inside the venue.
4. Shareholders/ proxy holders desiring to attend the meeting should bring his/her copy of the Annual report for reference at the meeting.

Route Map of AGM Venue



Shri Sathya Sai International Centre,
Lodhi Road, Institutional Area,
Pragati Vihar, New Delhi-110003

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