

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

27. Calculation of Earning per share

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

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

As per our report of even date

For Agiwal & Associates

(F. R. N. 000181N)

Chartered Accountants

For and on behalf of the Board

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

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

As per our report of even date

For Agiwal & Associates

(F. R. N. 000181N)

Chartered Accountants

For and on behalf of the Board

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

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

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

CIN: U74899DL1995PLC065812, email: vaml@vlsfinance.com

DIRECTORS' REPORT TO THE MEMBERS

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

Financial Results

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

Board Meetings

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

Internal Financial Control Systems

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

Risk Management

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

Dividend/Reserves

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

Directors

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

Annual Return Extract (MGT-9)

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

Contracts With Related Party

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

Form No. AOC-2

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

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

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

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

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

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

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

Directors Responsibility Statement

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

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

Auditors

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

Auditors Report

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

Fixed Deposits

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

Statutory Disclosures

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

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



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

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

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

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

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

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

The Company has no subsidiaries and associates.

Acknowledgement

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

For and on behalf of the Board of Directors

Place : New Delhi

S.K. Agarwal

S. C. Agarwal

Date : 23/05/2015

Director

Director

DIN : 00106763

DIN : 00108493

Annexure-1**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2015

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

I REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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



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

(i) Category-wise Share Holding

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



(ii) Shareholding of Promoters

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

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

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

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

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



v) Shareholding of Directors & KMP:

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

V INDEBTEDNESS Nil

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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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



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

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

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

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

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure-2

Annexure to Directors' Report

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

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board of Directors

Place : New Delhi

Date : 23/05/2015

S.K. Agarwal

Director

DIN : 00106763

S. C. Agarwal

Director

DIN : 00108493

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

**P. C. Agiwal
Partner**

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

Membership No. 080475

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in our report of even date)

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

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



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

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

P. C. Agiwal
Partner

Membership No. 080475

Place: New Delhi
Date: 23/05/2015

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

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

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

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

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

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

b) Method of Accounting

The company is following accrual basis of accounting.

Note 3**Share Capital**

As at 31.03.2015 As at 31.3.2014

Authorised

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

Issued, Subscribed & Paid up

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

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

As at 31.03.2015 As at 31.3.2014

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

b. Terms/rights attached to equity shares

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

c. Shares held by holding company

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

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

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

As at 31.03.2015 As at 31.3.2014

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

Note 4**Reserves & Surplus**

As at 31.03.2015 As at 31.3.2014

Surplus

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

Note 5**Unsecured Long Term Borrowings**

From Holding Company i. e. VLS Finance Ltd.

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

Note 6**Other Current Liabilities**

Audit Fee Payable	5,431	5,431
Total	<u>5,431</u>	<u>5,431</u>

Note 7**Cash & Cash Equivalents**

As at 31.03.2015 As at 31.3.2014

(a) Balance with Banks

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

(b) Cash-in-Hand

	-	-
Total	<u>16,335</u>	<u>16,338</u>

Note 8**Other Expenses**

Filing Charges	3,682	1,021
Printing Stationery	700	-
Bank Charges	3	56
Total	<u>4,385</u>	<u>1,077</u>

9 Deferred Tax Liability/ Deferred Tax Asset

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

10 Related Party Disclosure (Accounting Standard - 18)

Following are the Related Parties:-

Holding company : VLS Finance Ltd.

Fellow Subsidiaries : VLS Securities Ltd.

Transaction during the year with the related party:-

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

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

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

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

As our report of even date

For Agiwal & Associates

(F.R.N. 000181N)

Chartered Accountants

P.C. Agiwal

Partner

Membership No. 080475

Place : New Delhi

Date : 23/05/2015

For and on behalf of the Board

Anurag Bhatnagar

Director

DIN : 00115108

S.C. Agarwal

Director

DIN : 00108493

Cash Flow Statement for the Year ended 31st March 2015

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

As our report of even date attached thereto

For Agiwal & Associates

(F.R.N. 000181N)

Chartered Accountants

P.C. Agiwal

Partner

Membership No. 080475

Place : New Delhi

Date : 23/05/2015

For & on behalf of the Board of Directors

Anurag Bhatnagar

Director

DIN : 00115108

S.C. Agarwal

Director

DIN : 00108493