

## **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of **VLS FINANCE LTD.** will be held at The Auditorium, Sri Sathya Sai International Centre, Lodhi Road Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003 on Thursday, 29<sup>th</sup> day of September, 2011 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 31<sup>st</sup> March, 2011, the Profit & Loss Account for the year ended on that date and the consolidated Financial Statements for the said period together with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Somesh Mehrotra who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri N. C. Sundararajan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Brij Behari Tandon who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Gian Vijeshwar who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint the Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass following resolution, with or without modification(s), as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions of the Companies Act, 1956 M/s. Agiwal & Associates, Chartered Accountants, (Firm's Regn. No.FRN 000181N) the present Statutory Auditors of the Company be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting of the Company and at such remuneration as may be determined by the Board of Directors of the Company / Committee of the Board and that the remuneration may be paid on a progressive billing basis if so agreed between the Auditors and Audit Committee or such other officer of Company as may be approved by the Audit Committee/ Board."

### **SPECIAL BUSINESS:**

#### **7. Revision of remuneration of Shri S. K. Agarwal - Managing Director of the Company.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 310, 316 and other applicable provisions including any amendments thereof, read with Schedule XIII of the Companies Act, 1956 as amended up to date, subject to such approvals, permission and sanctions, if any, as may be required from appropriate authorities or bodies from time to time and in partial modification of the resolution passed at the Annual General Meeting of the Company held on 21/09/2010, approval of the Company be and is hereby accorded to the revision in remuneration of Shri S. K. Agarwal - Managing Director of the Company and the revised remuneration package of Shri S. K. Agarwal – Managing Director shall be as under:

#### **a. Salary**

Basic salary of Rs. 1,15,000/- (Rupees One Lac Fifteen 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.33,500/- (Rupees Thirty Three Thousand Five Hundred only) per month.
- ii. Medical Reimbursement:  
  
Expenses incurred for the Managing Director and the family subject to a ceiling of Rs.15,000/- (Rupees Fifteen Thousand only) per annum.
- iii. Leave Travel Concession: For the Managing Director and his family incurred not exceeding Rs.48,000/- (Rupees Forty Eight Thousand only) per annum.
- iv. Reimbursement of expenses for Books and Periodicals upto Rs. 47,400/- (Rupees Forty Seven Thousand Four Hundred only) per annum.
- v. Reimbursement of secretarial services upto Rs. 12,500/- (Rupees Twelve Thousand five Hundred only) per month.
- vi. Provident Fund, Gratuity payable, entitlement & encashment of leave 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 equipments/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 Managing Director.

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

#### **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.

All other terms and conditions of service will remain unchanged.

**RESOLVED FURTHER THAT** the aforesaid revision in remuneration shall be effective from 1<sup>st</sup> April, 2011, for residual period of appointment of Managing Director unless enhanced during the intervening period, in accordance with applicable provisions of Companies Act, 1956 and/or other law(s), for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to vary and/or revise the remuneration of the Managing Director within the permissible limits under the provisions of the Companies Act, 1956 or any statutory amendment/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 deemed necessary or expedient for giving effect to said revision and in case it is required to obtain the consent of Company in this regard, to the end and intent that it shall be deemed to have been accorded expressly by authority of this resolution."

By Order of the Board  
For **VLS Finance Ltd.**  
H. Consul  
Company Secretary

Place: New Delhi  
Date : 12/08/2011

**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. A proxy may not vote except on a poll.
2. 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.
3. In the case of joint holders, the vote of the senior shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members. 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 Annual General Meeting.
4. The Register of Members of the Company shall remain closed from 22.09.2011 to 29.09.2011 (both days inclusive).
5. The Company has retained M/s RCMC Share Registry Pvt. Ltd., ("Registrar & Transfer Agent") at B-106, Sector -2, Noida, U.P. 201301 (Phone Nos. 0120 - 4015880, 4015886) w.e.f. 01/04/2003 for entire shareholder services. All correspondence, therefore, may be addressed to the said Registrar & Transfer Agent. However, for any further assistance in said matters, queries may be addressed to the Company Secretary at Registered Office at 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 Phone No. 46656666 (100 lines), Fax: 46656699. Dedicated Investor Services e-mail: hconsul@vlsfinance.com
6. SEBI vide circular ref. no. MRD/DoP/Cir-05/2009 dated May 20, 2009 has clarified that providing the PAN information will be mandatory for transactions in securities in physical form as well. Amongst others, all transactions involving transfer/ transmission/ transposition of shares in physical form of listed companies, whether off market or not will require copy of PAN card of transferee(s) be furnished to the Company/RTAs for transfer/ transmission/ transposition of shares. This is for information of all investors.
7. Members are requested to intimate the change in address, if any, to the Company's Registrar or the Company at its Registered Office for shares held in physical mode. Members can avail the facility of nomination in respect of shares held by them in physical form, in accordance with the provisions of Section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in prescribed form no. 2B duly filled in, to the Registrar & Transfer Agent of Company. Members holding shares in demat (Electronic) form are requested to notify any change in address, mandate/bank details/ nominations to their respective Depository Participants. The changes effected by depository participants will automatically be reflected in Company's records upon updation of beneficiary owners list provided by Depositories.
8. The shares of the Company are traded in demat segment only w.e.f. 28<sup>th</sup> August, 2000 for all categories of investors. Members who still hold the shares of Company in physical form are advised to contact their depository participant for dematerialization of their holdings in their own interest. **The ISIN No. allotted to Company is INE709A01018** for both the Depositories viz. The National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
9. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting except on Saturdays, Sundays and other Holidays.
10. 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 will not be distributed at the Annual General Meeting.
11. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act 1956, for item No. 7 of the notice is annexed hereto and forms part of this notice.
12. The Unpaid/unclaimed dividends up to 31/03/95 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 31/03/95 up to the financial year 1997-99 (18 months) has been credited to Investor Education & Protection Fund ('IEPF'). Please note that once unclaimed dividend is transferred to IEPF of the Central Government in accordance with the regulations, no claim shall lie against the Company or IEPF in respect thereof. No dividend is pending for transfer to IEPF in terms of the provisions of Section 205C of the Companies Act, 1956.
13. *The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has notified that service of notice/ documents including Annual Report can be made by Company through e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address, 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 Registrar and Transfer Agents M/s RCMC Share Registry Pvt. Ltd., at B-106, Sector -2, Noida, U.P. 201301 or to the Company.*
14. *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. With the advent of clause 5A in the Listing agreement, the undelivered shares will be credited to "Unclaimed Suspense Account" with a depository participant in due course. As a consequence inter-alia, the voting rights in respect of such shares shall stand frozen till shares are restored to members. The members are, therefore requested to update their address in Company's records by informing respective depository participant, in case shares are held in demat (electronic) form and where shares are held in physical form by writing to Company or its Registrar and Transfer Agent.*

**15. Information regarding Directors:**
**(A) Retiring by rotation and seeking re-appointment:**

Sl. No.	Name of the Director	Date of Birth	Date of Appointment	Qualifications and Expertise in specific functional areas	List of Companies in which Directorship held as on 31/07/2011.	Chairman/Member of the Committees of other companies as on 31/07/2011.	Whether qualified u/s 274(1)(g) of the Companies Act, 1956
1.	Shri Somesh Mehrotra	06/04/1967	06/06/1994	M. Com. Industrialist having over 22 years experience in financial services, administration and amusement industry.	a) VLS Capital Ltd. b) Gaurav Overseas Export Pvt. Ltd. c) Om Sai Sports Ltd.	NIL NIL NIL	Yes
2.	Shri. N.C. Sundarajan	15/11/1929	25/04/1992	FCA He is former president of the Institute of Chartered Accountants of India and renowned Chartered Accountant having over 5 decades of experience in field of finance, taxation, corporate laws and administration.	NIL	NIL	Yes
3.	Shri B.B. Tandon (Retd.)	30/06/1941	22/10/2008	M.A., LL.B, CAIIB He is a retired IAS officer of 1965 batch and was Chief Election Commissioner of India from 16/05/2005 to 29/06/2006. He has held various top-level posts in the Government of India including as Additional Secretary- Ministry of Company Affairs and at State level as Principal Secretary (Power) - Govt. of Himachal Pradesh. He has also served on the Board of several Public Sector Undertakings. He has over 4 decades of experience in policy making, administration and Government affairs.	1. Adani Power Ltd. 2. Precision Pipes & Profiles Ltd. 3. Oriental Carbon & Chemicals Ltd. 4. Jaiprakash Power Ventures Ltd. 5. Exicom Tele Systems Ltd. 6. Vikas Global One Ltd. 7. Birla Corporation Ltd. 8. Dhapur Sugar Mills Ltd. 9. Ambience Pvt. Ltd. 10. Bhushan Steels Ltd. 11. Jaypee Infratech Ltd.. 12. Filatex India Ltd. 13. Lanco Anpara Power Ltd. 14. ABC(India) Ltd. 15. Ambuja Cement Foundation.	i. Audit Committee-Member ii. Remuneration Committee Chairman iii. Finance Committee Member  i. Audit Committee Member ii. Remuneration Committee Chairman  i. Audit Committee Member ii. Remuneration Committee Member  i. Audit Committee Member ii. Committee of Directors Remuneration Committee Member iii. Shareholders/ investors Grievance Committee Member ii. Remuneration/ Compensation Committee Member  Audit Committee Chairman  NIL  Audit Committee Member  NIL  Remuneration Committee Member  NIL	Yes

Sl. No.	Name of the Director	Date of Birth	Date of Appointment	Qualifications and Expertise in specific functional areas	List of Companies in which Directorship held as on 31/07/2011.	Chairman/Member of the Committees of other companies as on 31/07/2011.	Whether qualified u/s 274(1)(g) of the Companies Act, 1956
1.	Shri Gian Vijeshwar	02/03/1945	31/01/2007	M.A. (Public Administration) He is an eminent figure in Indian amusement industry and had pioneered in establishment of amusement parks in India, the first being Appu Ghar in Delhi. He has over 40 years of rich experience in general management, financial administration and project management.	1. International Amusement Ltd. 2. International Recreation Parks Pvt. Ltd. 3. Unitech Amusement Parks Ltd. 4. Appu Ghar Entertainment Pvt. Ltd. 5. Appu Ghar Holdings Pvt. Ltd. 6. Appu Ghar Recreation Parks Pvt. Ltd. 7. Appu Ghar Securities & Solutions Pvt. Ltd. 8. International Amusement Solutions Ltd. 9. GKMR Corporate Solutions Pvt. Ltd. 10. D.B.Holding Pvt. Ltd. 11. International Amusement & Infrastructures Ltd. 12. VLS Capital Ltd. 13. South Asian Enterprises Ltd.	i) Share Application Committee-Chairman ii) Share Allotment Committee-Chairman iii) Share Transfer Committee-Chairman iv) Audit Committee-Member  NIL  NIL  NIL  NIL  NIL  NIL  i. Audit Committee-Member ii. Remuneration Committee-Member  NIL  NIL	Yes

**(B) Shareholding of above Directors as on 31/03/2011**

S. No.	Name of Directors	No. of Shares held in Company	Percentage
1.	Shri Somesh Mehrotra	404106	1.0514
2.	Shri N.C. Sundarajan	3000	0.0075
3.	Shri Gian Vijeshwar	NIL	NIL
4.	Shri B.B. Tandon	NIL	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**
**ITEM NO.7**

Shri S. K. Agarwal was reappointed as Managing Director of the Company for period of 3 years w.e.f. 21<sup>st</sup> August, 2010 by the Board of Directors in its meeting held on 27/07/2010 on the terms and conditions as contained in agreement entered into between the Company and Shri S. K. Agarwal for this purpose on that date. The appointment was approved by members in their meeting held on 21/9/2010.

Shri S. K. Agarwal- Managing Director of the Company, is 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 30/06/2010 for a further period of 3 years w.e.f. 01.07.2010. He is not drawing any remuneration from said subsidiary.

The revision in remuneration of Shri S. K. Agarwal Managing Director has been made in accordance with the conditions specified in Part 1 of Schedule XIII 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 Board concurring to the recommendation of remuneration committee, revised the remuneration of Shri S. K. Agarwal – Managing Director w.e.f. 01/04/2011, subject to approval of members vide its resolution dated 12/8/2011.

The above enhancement in remuneration of Shri S.K. Agarwal is subject to the approval of the members.

Shri S. K. Agarwal does not hold any shares in the Company.

A copy of Board's approval for revision of remuneration package of Managing Director 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. In terms of Section 302 of the Companies Act, 1956, this may be construed as abstract of revised terms and conditions of appointment of Shri S. K. Agarwal as Managing Director.

None of the Directors except Shri S. K. Agarwal is concerned or interested in the resolution.

By Order of the Board  
For **VLS Finance Ltd.**  
H. Consul  
Company Secretary

Place: New Delhi  
Date :12/08/2011

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors are pleased to present the Twenty fourth Annual Report of the Company together with the audited statement of accounts for the year ended 31<sup>st</sup> March, 2011.

1. Financial Results	(Rs. in Lakhs)	
	For the year ended 31 <sup>st</sup> March 2011	For the year ended 31 <sup>st</sup> March 2010
<b>Gross Receipts</b>	<b>60153.05</b>	<b>104937.78</b>
Profit before Interest & Depreciation	830.90	728.81
Less: Interest & Finance Charges	59.00	4.92
Profit before depreciation	771.90	723.89
Less: Depreciation	45.91	48.91
Profit before Tax	725.99	674.98
Less: Provision for Taxation	222.73	194.56
Profit after Tax	503.26	480.32
Surplus b/fd. From previous year	1547.50	1131.33
Previous year adjustments/other adjustment	3.14	31.91
Available for Appropriations	2053.90	1643.56
<b>Appropriations:</b>		
To General Reserve	0.00	0.00
To Statutory Reserve (under RBI Act, 1934)	100.65	96.06
Total Appropriations	100.65	96.06
Surplus c/f	1953.25	1547.50

## 2. Management Discussion and Analysis

### Financial Review

During the period under review, the gross receipts have declined to Rs. 60153.05 lacs as compared to gross receipts of the previous year of Rs. 104937.78 lacs. The profit after tax of Rs.503.26 lacs has increased as compared to profit after tax of Rs. 480.32 lacs of the previous year mainly due to better margins earned in trading activities, inspite of shrinkage of arbitrage opportunities.

### Industry Structure and Development

The global economy grew at 3.7% in 2010-11, belying earlier expectations of higher growth. While the Asian economies, with the exception of Japan which was struck by natural calamities and nuclear accident, grew by over 7%, the developed economies such as the US, UK and Europe registered lower growth in the range of 3 to 4%. The Asian economies were less affected by the recession during the last two years thereby enabling a faster return to normalcy. However the emerging economies were impacted by rising oil, food and commodity prices forcing several Central Banks to take a series of anti inflationary measures.

The Economic Survey of India 2010-11 has predicted the 9% growth for

the Indian economy in the next fiscal and estimated 8.6 percent growth in this financial year. The Survey has expressed concern over inflation and advocated for more money tightening by the Reserve Bank of India to reduce inflationary pressures. As per the survey, the inflation stood at 8.23 per cent in January 2011. The Survey stated that inflation could be 1.5 per cent more in future as India is on a growth path. As per the Survey, despite risks of global events like volatility in commodity prices and political turmoil in the West Asia, the Indian economy is set to grow faster and scale greater heights.

According to the Economic Survey, Manufacturing sector registered 9.1 percent growth and Exports had an impressive growth of 29.5 percent from April to December 2010. The Survey pointed out that imports also increased by 19 percent in the same period due to higher prices of crude oil and food grains. The Survey stated that the spending in social sector programmes increased by five percent of the GDP over past five years. The Survey pointed out that Forex reserves of India are estimated to be over 297 billion US dollars. Besides advocating for a new goods and services tax, the Economic Survey has also suggested increasing private public partnerships in the infrastructure sector.

According to the said Economic Survey, inflation and widening current account deficit remain major areas of concern. The Economic Survey puts emphasis on the farm and the infrastructure sectors for achieving higher economic growth. In view of above, strong growth in financial service sector is expected though the inflationary pressure may pose a restraint on same.

While the Reserve Bank of India (RBI) has continued the process of exiting from the expansionary monetary policy, it has focused its attention on controlling inflation. Between April 2010 and May 2011, RBI revised its policy rates seven times raising Repo Rates from 5.25% to 7.25% and Reverse Repo rates from 3.75 % to 6.25%. The stance of the monetary policy announced by RBI in May 2011 is clearly aimed at inflation targeting. The key priorities as set out by the policy are:

1. To maintain an interest rate environment that moderates inflation and anchors inflation expectations.
2. To foster an environment of price stability that is conducive to sustaining growth in the medium- term, coupled with financial stability.
3. To manage liquidity in order to ensure that it remains broadly in balance, with neither a large surplus diluting monetary transmission nor a large deficit choking off fund flows.

Besides above, the regulatory framework of financial services providers including Banks and NBFCs was reviewed and modified by RBI intermittently to achieve alignment with its policies. During the year, RBI announced several changes in the regulatory guidelines applicable to NBFCs. Notable among these are:

- Increase in CRAR from 12% to 15% for all NBFCs by 31<sup>st</sup> March 2011.
- Contingent provision of 0.25% on standard Assets.
- Removal of Priority Sector status for Bank lending to NBFCs other than MFIs.

RBI has set up a Working Group on NBFCs under the Chairmanship of a former Deputy Governor of RBI, to examine a range of emerging issues pertaining to regulation of the NBFC sector. The broad terms of reference of the working group are:

- To focus on the definition and classification of NBFCs.
- To address regulatory gaps and regulatory arbitrage.

- To maintain standards of governance in the NBFC Sector and appropriate approach to NBFC supervision.

It is hoped that the working group will take into account the heterogeneity of the sector and address the various issues that have been raised by them over the years, in order that they may continue to play their important role in India's growth story.

#### **Outlook, Risks and Concerns**

The relentless increase in interest rates over the past year has already started exerting pressure on corporate and retail borrowers alike. The rise in funding costs comes at a time when manufacturing segments of industries are already under strain with rising costs of oil, commodities and other inputs. Similarly, as inflation stretches the wallets of families grappling with higher prices of food and other essentials, the strains are very visible. As always, global events, oil and commodity price movements, geo political factors and inevitably, the behaviour of the monsoon, will all come to bear on the trajectory of India's economic growth in 2011-12.

Your Company's fortunes are closely linked to those of the stock and commodities markets. Consequently, the growth prospects for 2011-12 are likely to be broadly reflective of those trends. In the projected scenario of low to moderate growth, continuing inflation and higher interest costs, your Company will continue to strive for meaningful growth, focusing as always on, a balanced portfolio mix and efficient cost management, in order to sustain profitability.

The NBFC sector in which your Company operates, continues to face stiff competition from Banks and Financial Institutions leading to thinning of margins. The Company as a measure of risk mitigation, has not been focusing on financing activities as part of its activities to generate revenues for last few years. As in earlier years, the Company's operations continued to be capital/commodity market centric during the year under review. Your Company has been making a judicious use of risk hedging tools for generating revenues in a risk neutral environment. Your Company will continue to explore opportunities in other areas related to its operations.

The Company is exposed to normal industry risks such as credit, interest rate, economic, political, market and operational risks. The Company views risk management as integral to its business for creating and maintaining best practices in business operations and administration. Your Company follows prudent business and risk management practices to combat these challenges. The Risk Management Committee and the Asset Liability Management Committee review and monitor these risks at periodic intervals. Your Company has been consistently following a conservative investment policy over the years, maintaining a reasonably high level of cash and cash equivalents which enable the Company to not only eliminate short and medium term liquidity risks but also undertake capital expenditure for scaling up operations at a short notice.

#### **Opportunities and Threats**

The fast growing infrastructure sector and allied areas are perceived to give good returns and it is intended to invest in these areas through joint ventures, corporate advisory services, investment appraisal and syndication. The Company is carefully gauging each opportunity in terms of risks and rewards involved and hopes to tie up successful ventures in the near future.

Your Company is also making efforts to strengthen its subsidiary and associate companies and make efforts to harness the benefits of group synergy.

#### **Adequacy of Internal Control Systems**

The Company has proper and adequate system of internal controls to

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

#### **Segment wise Performance**

The Company being an NBFC is mainly engaged in finance business. Therefore, there are no separate segments for reporting as per the Accounting Standard AS-17 issued by The Institute of Chartered Accountants of India.

#### **Cautionary Statement**

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

#### **3. Dividend**

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

#### **4. Directors**

Shri Somesh Mehrotra, Shri N. C. Sundararajan, Shri Gian Vijeshwar and Shri B. B. Tandon - Directors would retire by rotation at the forthcoming Annual General Meeting and all, being eligible, offer themselves for reappointment. To enable the Company to obtain their continued valuable direction, guidance and assistance in conduct of the affairs of your Company, it is recommended that their reappointment be approved.

#### **5. Directors' Responsibility Statement**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

- that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2011, 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that they have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2011 on a 'going concern' basis.

#### **6. Corporate Governance and Compliance Certificate**

The Corporate Governance philosophy of your Company is to comply with not only the statutory requirements, but also voluntarily formulate and adhere to a set of strong Corporate Governance practices. We at VLS, believe that sound Corporate Governance is critical to enhance and retain investors' trust. The responsibility for this lies with the Board of Directors and the Management of the Company. The driving forces of Corporate Governance at VLS are its core values, which are : belief in

people, entrepreneurship, innovation and pursuit of excellence. The Company's goal is to find creative and productive ways of keeping its stakeholders, such as investors, customers and associates informed, while fulfilling the role of a responsible corporate, committed to best practices. The Board and the Company Management strive hard to serve the interests of all stakeholders including shareholders, Government and the society at large in the best possible manner.

## 7. 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 224 (1B) of the Companies Act, 1956 to act as the Auditors of the Company, if appointed. Concurring to the recommendation of the Audit Committee, the Board of Directors recommends their appointment. The Board may also be authorised to fix their remuneration.

## 8. Auditors' Report

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

## 9. Statutory Information

Not being a manufacturing Company, your Company is advised that Form A prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to Conservation of Energy and Technology Absorption, is not applicable to it. It is informed that during the year under review, the Company did not absorb any new technology or carried out any R&D related activity for this purpose. However, use of energy efficient devices, wherever possible, in conducting business of Company is part of administration policies. Details of foreign exchange earnings and outgo are given below:

Foreign Exchange earnings	:	Nil
Foreign Exchange outgo	:	Rs. 27,56,104/-

The shares of the Company are presently listed at BSE Ltd. (formerly, The Stock Exchange, Mumbai), The National Stock Exchange of India Ltd. Mumbai, The Calcutta Stock Exchange Ltd., Kolkata and The Madras Stock Exchange Ltd., Chennai.

The Company has paid the Annual Listing fees for the year 2011-2012 to all the aforesaid Stock Exchanges. The delisting confirmation is yet to be received from The Calcutta Stock Exchange Ltd. and The Madras Stock Exchange Limited.

## 10. 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.

## 11. Human Resource

The Company has a team of able and experienced professionals. The management recognizes the intellectual capital as its most valuable asset and constantly strives to strategically align personal goals and organizational growth. It encourages open channels of communication, blending the individual's vision with that of the organization and building a shared understanding of how each team member can contribute to the Company's success. It aims to build a strong corporate culture on core values such as safety, integrity, innovation and teamwork, thus creating

a vision-guided, values-driven organization that focuses on employee fulfillment and leadership development. Employee relations continued to be cordial during the year. The number of employees stood at 21. The Directors place on record their appreciation of the devoted service of the employees at all levels. In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, there was no employee during the year drawing remuneration more than the stipulated amount in the said rules.

## 12. Subsidiary Companies

Statement pursuant to Section 212(1) (e) read with sub-section (3) of the said section of the Companies Act, 1956 for the financial year ended 31/3/2011 in respect of the subsidiary companies, is enclosed with Annual Accounts of the Company.

## 13. Consolidated Financial Statements

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

## 14. Group

Group for inter se transfer of shares under Clause 3 (e) of Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997:

- a. Shri M. P. Mehrotra
- b. M. P. Mehrotra (HUF)
- c. Dr. (Mrs.) Sushma Mehrotra
- d. Shri Somesh Mehrotra
- e. Ms. Divya Mehrotra
- f. Mrs. Sadhana Mehrotra
- g. Ms. Daya Mehrotra
- h. Shri Ramji Mehrotra
- i. Mrs. Sushma Mehrotra
- j. VLS Capital Ltd.
- k. Gaurav Overseas Exports Pvt. Ltd.
- l. Pragati Moulders Ltd.
- m. South Asian Enterprises Ltd.

## 15. Acknowledgements

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

**For and on behalf of the Board**

**Place : New Delhi**  
**Date : 12/08/2011**

**S. K. AGARWAL**  
**Managing Director**

**M. P. MEHROTRA**  
**Director**

**REPORT ON CORPORATE GOVERNANCE**
**Our Mission:**

To be one of the top ranking NBFCs 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. 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 ensures that the Company operates within the regulatory framework. Your Company has been practicing the principles of good Corporate Governance over the years and has been the follower of rewarding its shareholders over a sustained period of time by aligning the interest of the Company with that of its shareholders and other stakeholders. Your Company respects the right of shareholders to the information on performance of the Company and endeavors to provide detailed information on various issues concerning its business and financial performance.

**1. BOARD OF DIRECTORS**

- a) The total strength of the Board is 11 Directors all being non-executive, except the Managing Director. The Board of your Company consist of 2 (Two) Promoter Directors, 8 (Eight) Independent Directors and 1 (One) Non-Independent Director. With over two third members being independent Directors, the present constitution of Board adequately complies with requirement of Clause-49 of Listing Agreement, which stipulates that at least one third of the Board Members should be independent if the Chairman is non-executive Director.

The attendance record of Directors for the year ended on 31/03/2011 and other information about them as required under listing agreement is as follows:

S.No.	Name of the Director	Whether Promoter/Executive or Non-Executive/Independent	No. of Board Meetings attended during 2010-2011	Whether attended AGM held on 21.09.2010	No. of Directorships in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies	
						Chairman	Member
1)	Shri Ajit Kumar (Chairman)	Non-Executive, Independent	4	NO	1	-	1
2)	Shri S. K. Agarwal (Managing Director)	Executive, Non-Independent	4	YES	3	1	-
3)	Shri Somesh Mehrotra	Non-Executive, Promoter	2	NO	2	-	-
4)	Shri N. C. Sundararajan	Non-Executive, Independent	2	NO	-	-	-
5)	Shri A. K. Puri	Non-Executive, Independent	4	NO	-	-	-
6)	Shri M. G. Diwan	Non-Executive, Independent	4	NO	6	1	3
7)	Dr. S. Ramesh	Non-Executive, Independent	4	NO	3	1	2
8)	Shri B. M. Oza	Non-Executive, Independent	2	YES	-	-	-
9)	Shri M. P. Mehrotra	Non-Executive, Promoter	4	NO	14	5	5
10)	Shri Gian Vijeshwar	Non-Executive, Independent	0	NO	6	1	2
11)	Shri B. B. Tandon	Non-Executive, Independent	4	NO	14	1	7

None of the Directors is a member of more than 10 Board-level committees, namely the Audit Committee and the Shareholders/Investors Grievance Committee or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement. The Directorship in other companies excludes Directorships in any foreign Company, Private Company and Section 25 Company.

- b) During the year ended 31/03/2011, 4 (Four) Board Meetings were held with one meeting in every quarter on 26/05/2010, 27/07/2010, 28/10/2010 and 9/02/2011.

- c) There were no material transactions with the non-executive Directors during the year under review. For other related party transactions, necessary disclosures have been made under the head "Notes on Accounts" in the Annual Accounts for the year under review.

- d) Information supplied to the Board:

The Board has unfettered and complete access to any information within the Company and to any employee of the Company. At meetings of the Board, it welcomes the presence of senior executives who can provide additional insights into the items being discussed. The VLS Board oversees the business conduct, while the Audit Committee, comprising majority of independent Directors, appraises control and procedures. As a result, the Company continuously examines its governance practices to protect investor trust and enhance the Board effectiveness. Members of VLS management team regularly review the health of its business across strategy and performance to staffing and compliance.

All other relevant information as and when required including those envisaged in Clause 49 of Listing Agreement was regularly provided to the Board and Committees thereof. The requisite CEO and CFO certification was also placed before the Board alongwith the Quarterly and Annual Accounts for the year under review as required under Clause 41 of Listing Agreement.

- e) Details of remuneration paid to the Directors during the year ended on 31.03.2011:

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.	40,000	N.A.	40,000
2)	Shri S.K. Agarwal	15,60,000	3,67,592	0	0	19,27,592
3)	Shri Somesh Mehrotra	N.A.	N.A.	30,000	N.A.	30,000
4)	Shri B.M. Oza	N.A.	N.A.	38,000	N.A.	38,000
5)	Dr. S. Ramesh	N.A.	N.A.	90,000	N.A.	90,000
6)	Shri A.K. Puri	N.A.	N.A.	90,000	N.A.	90,000
7)	Shri N.C. Sundararajan	N.A.	N.A.	40,000	N.A.	40,000
8)	Shri M.G. Diwan	N.A.	N.A.	40,000	N.A.	40,000
9)	Shri M. P. Mehrotra	N.A.	N.A.	80,000	N.A.	80,000
10)	Shri Gian Vijeshwar	N.A.	N.A.	0	N.A.	0
11)	Shri B. B. Tandon	N.A.	N.A.	1,06,000	N.A.	1,06,000

**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.
- iii) Shri M. P. Mehrotra, Shri Somesh Mehrotra and Shri N.C.Sundararajan held 285, 4,04,106 and 3,000 equity shares of the Company respectively as on 31.03.2011. No other director held any shares of the Company on that date for self or for others on beneficial basis. None of the Directors except Shri M.P. Mehrotra and Shri Somesh Mehrotra are related to each other.
- iv) The service contract in case of Managing Director is 3 years with notice period of 3 months. All the Non-Executive Directors are liable to retire by rotation.

**f) Code of Conduct**

The Code of Conduct is applicable on all Directors and Senior Managerial personnel of the Company with certain provisions applicable to all employees e.g. Insider Trading etc. The said code though formally adopted in compliance of Clause 49 of listing agreement, its principles were in practice long before as governing factor of the business rules of the Company. The Code of Conduct is available on the Company's Website. The declaration from Managing Director that all Board Members and other concerned have complied with the code is appended to and forms part of this Report.

**Declaration under Clause 49 I (D)  
for compliance with the Code of Conduct**

Pursuant to Clause 49 (1) (D) of the listing agreement entered into with Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with Code of Conduct from all the Board Members and Senior Management personnel of the Company for the period under review, which ended on 31/03/2011.

**Date: 12/08/2011**

**Place: New Delhi**

**S. K. Agarwal**  
**Managing Director**

**g) Disclosures regarding appointment or re-appointment of Directors**

Shri Somesh Mehrotra, Shri B. B. Tandon, Shri N. C. Sundararajan and Shri Gian Vijeshwar - Directors will retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for reappointment. The relevant information about these Directors has been furnished in notice convening the ensuing Annual General Meeting.

**2. AUDIT COMMITTEE**
**a) Composition**

As on 01/04/2011 the Audit Committee consisted of Dr. S. Ramesh (Chairman of the Committee) with Shri N. C. Sundararajan, Shri A.K. Puri, Shri M. P. Mehrotra and Shri B. B. Tandon as members. The majority of the members are independent Directors including chairman of the committee. Shri M. P. Mehrotra and Shri N. C. Sundararajan are Chartered Accountant by profession. Shri A.K.Puri is a retired Banker. Dr. S. Ramesh and Shri B. B. Tandon are retired Civil Services officers. All the members of committee are financially literate in terms of relevant stipulation under Clause- 49 of the listing agreement and majority has extensive experience in areas of finance, taxation and other financial services.

**b) Terms of reference**

The role, terms of reference, authority and powers of the Committee are in conformity with the listing agreement read with Section 292A of the Companies Act, 1956. The Audit Committee inter-alia advises the management on areas where systems, processes, measures for controlling and monitoring revenue, internal audit and risk management can be improved. The Company Secretary is the Secretary of the Committee. The Statutory Auditor is regularly invited for meetings of the Committee. The Internal Auditor, the Managing Director and other Executives are also invited to committee's meetings, whenever required. The minutes of Audit committee meetings are regularly placed before the Board. The Board had accepted all the recommendations made by Audit Committee during the year under review.

**c) Meetings and attendance**

During the year ended on 31/03/2011, 4 (Four) Audit Committee Meetings were held on 26/05/2010, 27/07/2010, 28/10/2010 and 9/02/2011. The summary of attendance of members is as under:

Name	Shri A.K. Puri	Shri N. C. Sundararajan	Shri M.P. Mehrotra	Dr. S. Ramesh	Shri B.B. Tandon
Attendance in Four Meetings	4	2	4	4	4

**3. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**
**a) Composition and terms of reference**

The Committee consisted of Shri B.M. Oza as Chairman with Shri B.B. Tandon and Shri S. K. Agarwal as members. Apart from approval of share transfer and related aspects the Committee is vested with the requisite powers and authority to specifically look into the redressal of the shareholders and investor's grievances. The Company Secretary is the Compliance Officer and Secretary of the Committee.

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

**b) Meetings and attendance**

During the year under review, 13 (Thirteen) meetings of Shareholders/ Investors Grievance Committee were held on 27/04/2010, 26/05/2010, 30/06/2010, 30/07/2010, 31/08/2010, 13/09/2010, 28/09/2010, 28/10/2010, 30/11/2010, 29/12/2010, 29/01/2011, 28/02/2011 and 29/03/2011.

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

Name	Shri B.M. Oza	Shri S. K. Agarwal	Shri B. B. Tandon
Attendance in 13 meetings	9	13	13



### c) Shareholders Complaints

The Company had received 14 complaints during the financial year ended 31<sup>st</sup> March, 2011. All the complaints whether received through SEBI, Stock Exchange or individual members during the year were redressed to the satisfaction of investors and none remained outstanding at the end of the year under report. The nature wise summary of complaints received and redressed during the year is as under:

Nature of Complaints**	Received	Redressed
Non-receipt of Dividend	0	0
Non-receipt of shares after transfer	0	0
Non-receipt of Annual Report	9	9
Non-receipt of Bonus Shares	5	5
Non-receipt of Name change sticker	0	0
Loss of shares/for duplicate shares	0	0
Non- receipt of share certificate after Rejection of Demat request	0	0
<b>Total</b>	<b>14</b>	<b>14</b>

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

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

## 4. GENERAL BODY MEETINGS

### a) Details of the last three Annual General Meetings

Financial year ended	Date	Time	Venue
March 31, 2010	September 21, 2010	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Lodhi Road Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.
March 31, 2009	August 31, 2009	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Lodhi Road Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.
March 31, 2008	September 30, 2008	3.00 p.m.	Sri Sathya Sai International Centre Auditorium, Lodhi Road Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.

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

- In the AGM held on 21.9.2010, a Special Resolution was passed for approval of raising funds under section 81(1A) of the Companies Act, 1956.
- In the AGM held on 31.8.2009, no agenda item was required to be approved by special resolution.
- In the AGM held on 30.9.2008, no agenda item was required to be approved by special resolution.

### c) Postal ballots

During the year under review, no item was proposed for approval of members through Postal Ballot. In the ensuing Annual General Meeting also no item is proposed to be passed through Postal Ballot.

## 5. 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 on Accounts'

### b) Statutory compliance, penalties and strictures

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

The adjudicating officer SEBI, vide letter dated 31/03/2003 had imposed a penalty of Rs.5 lakhs on Company for alleged violation of regulation 10 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 in the matter of transfer of 3,44,658 shares of Trackparts of India Ltd. The Company had preferred an appeal against the said order vide appeal no. 61/2003 before Hon'ble Securities Appellate Tribunal, Mumbai (SAT), but the appeal was dismissed by said Tribunal vide order dated 17.11.2005. The Company had appealed before the Hon'ble Supreme Court against decision of Hon'ble tribunal. In the mean time, the Company was advised that in order to settle the issue, the Company may approach SEBI for a consent order in the matter. The requisite application was made by the Company vide application dated 10<sup>th</sup> June, 2008 which has been accepted by SEBI and the Company has paid Rs.10,97,280/- towards settlement charges on 09/02/2010. Subsequently the Supreme Court on 16/07/2010 heard the matter and disposed off the case in terms of aforesaid settlement made according to SEBI's guidelines for consent order.

### c) Legal Proceedings

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

### d) Whistle blower policy

The Company does not have a documented Whistle blower policy at present, but no person is denied access to Audit Committee. Further, the existing working setup also provides unfettered approach to management by the employees in reporting any matter envisaged to be covered in the whistle blower policy.

### e) Compliance of Non-mandatory requirements

- 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.
- Remuneration Committee

The Remuneration Committee as on 01/04/2010 comprised Shri B.M. Oza - Chairman of the Committee with Shri Somesh Mehrotra, Dr. S. Ramesh, and Shri A. K. Puri as Members. The company secretary acts as secretary of the committee. The Committee formulates the remuneration package for managerial personnel including Executive Director(s) for approval of the Board and performs other roles detailed out in the listing agreement executed with the Stock Exchanges or as assigned by the Board from time to time. During the year under review one meeting of remuneration committee was held on 27/07/2010.

- iii) The periodic results were not sent to any shareholders. However, they had been published in newspapers as prescribed in listing agreement. They are also available on company website namely [www.vlsfinance.com](http://www.vlsfinance.com). The results of the Company were available on [www.sebidifar.nic.in](http://www.sebidifar.nic.in) in terms of Clause 51 of the Listing Agreement which has been discontinued by SEBI w.e.f. 01/04/2010 and Clause 51 of the Listing Agreement has been deleted vide SEBI's circular no. CIR/CFD/DCR/3/2010 dated 19/04/2010. The periodic reporting is being done on [www.corpfiling.co.in](http://www.corpfiling.co.in) in terms of clause 52 of the Listing Agreement.
- iv) The Board has so far not adopted Peer group evaluation of Directors and restricting the tenure of Independent Directors to nine years in aggregate as recommended in listing agreement. Your Directors being seasoned and highly experienced personalities in their field, keep themselves abreast of latest developments in their area of expertise and in the area of technology, management etc. The Directors are also kept posted of requisite information about business activities of the Company and risks involved therein to enable the Directors to discharge their responsibilities in best possible manner. Periodic presentations are made at Board/committee meetings encompassing business and performance updates of Company, business strategy relevant statutory changes and judicial pronouncements, internal policies etc. The individual contribution of Directors in fulfilling their responsibilities as Director inter alia in strategic management of Company forms basis of internal evaluation by the Board.
- v) There was no qualification in the Auditor's Report on the Annual Accounts of the Company for the year under review.
- vi) The Company has adhered to applicable directions of Reserve Bank of India (RBI) for Non Banking Finance Companies.

## 6. COMMUNICATION TO SHAREHOLDERS

- a) The Company does not send newsletter to shareholders on quarterly or half yearly basis. The Company publishes un-audited quarterly results in prescribed format, in two newspapers viz. The Financial Express and Jansatta regularly. The said results are also made available on the Company's website <http://www.vlsfinance.com> and [www.corpfiling.co.in](http://www.corpfiling.co.in) in terms of clause 52 & 54 of Listing Agreement. Further, disclosures pursuant to the listing agreement are promptly communicated to the Stock Exchanges. The documents filed by the Company with Registrar of Companies can be inspected at MCA's website namely [www.mca.gov.in](http://www.mca.gov.in) and the Company identification number (CIN) of Company is **L65910DL1986PLC023129**.
- b) 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.
- c) 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.
- d) The Company also dedicated an e-mail ID exclusively for redressal of Investor Complaints in compliance of Clause 47 (f) of listing agreement namely [hconsul@vlsfinance.com](mailto:hconsul@vlsfinance.com) which is also displayed on the Company's website [www.vlsfinance.com](http://www.vlsfinance.com) under heading 'contact us'.

## 7. SHAREHOLDERS INFORMATION

### a) Annual General Meeting

- Date and time	:	Thursday, 29 <sup>th</sup> September, 2011 at 3.30 PM
- Venue	:	The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003
- Financial Year	:	April to March
- Book Closure	:	From 22-09-2011 to 29-09-2011 (both days inclusive)
- Buy back of shares	:	During the year under review, there was no proposal by the Company to buy back its shares.
- Dividend payment date	:	Not Applicable as no dividend has been recommended.

### b) Listing at Stock Exchanges

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

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

The annual listing fee has been paid to all the Stock Exchanges as mentioned above up to the year 2011-2012. However, de-listing confirmation is yet to be received from the Calcutta Stock Exchange Ltd. and the Madras Stock Exchange Ltd.

### c) Stock Market data

(Source: Metastock)

Monthly highs, lows and trading volume for the Financial Year 2010-2011:

NSE				BSE		
Months	High Rs.	Low Rs.	Volume Nos.	High Rs.	Low Rs.	Volume Nos.
Apr-10	14.60	12.50	749680	14.95	12.65	691324
May-10	16.25	11.50	1070848	15.70	11.73	783118
Jun-10	14.40	11.70	830175	14.30	12.12	604054
Jul-10	15.40	13.20	1046349	15.45	13.30	865728
Aug-10	32.95	13.85	15086135	32.82	14.00	12872364
Sep-10	29.25	21.70	5156264	29.00	21.60	3361117
Oct-10	25.60	21.00	1760971	25.00	21.10	1214714
Nov-10	22.80	16.00	1085131	22.95	16.35	709556
Dec-10	21.30	16.75	1334016	21.55	16.00	1132251
Jan-11	19.70	13.60	404135	19.50	14.30	246431
Feb-11	16.75	11.90	476013	16.80	12.05	374660
Mar-11	17.50	12.65	689082	17.00	13.00	591691
<b>Total</b>			<b>29688799</b>			<b>23447008</b>