

**V. B. DESAI  
FINANCIAL SERVICES LIMITED**

**TWENTY NINTH  
ANNUAL REPORT  
2014-2015**

# V. B. DESAI FINANCIAL SERVICES LIMITED

CIN L74120MH1985PLC037218

<b>BOARD OF DIRECTORS</b> Mr. Samir R. Dedhia- Chairman Mr. Pradip R. Shroff - Managing Director Mr. Manoj T. Shroff Mr. Khurshid Shaikh Mr. Hemendra J. Shroff Mrs. Rachana S. Vijayakar	<b>CONTENTS</b>	<b>Page No.</b>
	Board of Directors	2
	Notice	3
	Directors' Report	7
	Secretarial Audit Report	11
	Extract of Annual Return	13
	Auditors' Report	24
	Balance Sheet	27
	Profit & Loss Account	28
	Cash Flow Statement	29
	Corporate Information	30
	Notes forming part of the Financial Statements	31
<b>REGISTERED OFFICE</b> Cama Building, 1 <sup>st</sup> Floor, 24/26, Dalal Street, Fort, <b>Mumbai – 400 001</b>		
<b>AUDITORS</b> M/s. A.N. DAMANIA & CO. Chartered Accountants, Mumbai		
<b>BANKERS</b> HDFC Bank Ltd. Corporation Bank		
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b> Purva Sharegistry (India) Pvt. Ltd. 9, Shiv Shakti Industrial Estate J.R.Boricha Marg, Lower Parel (East), Mumbai – 400 011. Te: 022-		

## IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken the "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / document including annual report can be sent by e-mail to its members. To support this green initiative of the Government in full measures, members who have so far not registered their e-mail addresses are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send the e-mail address to the Registrar & Transfer Agents quoting their folio number.

## V. B. DESAI FINANCIAL SERVICES LIMITED

### NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Ninth Annual General Meeting of the Members of V. B Desai Financial Services Limited will be held at Cama Building, 1<sup>st</sup> Floor, 24/26, Dalal Street, Fort, Mumbai – 400 001 on Wednesday, the 23rd September, 2015 at 11.00 a.m. to transact the following business.

### ORDINARY BUSINESS

1. To receive and adopt the Profit and Loss Account for the year ended on 31<sup>st</sup> March, 2015 and the Balance Sheet as on that date and the reports of Auditors and Directors thereof.
2. To appoint a Director in place of Mr. Hemendra J. Shroff (DIN 00286509), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint a Director in place of Mrs. Rachana S. Vijayakar (DIN 03317373), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.
4. To appoint M/s. A.N. Damania & Co., Chartered Accountants as statutory auditors of the Company and fix their remuneration

### IMPORTANT NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument of Proxy should be deposited at the registered office of the Company not less than 48 hours before commencement of meeting.
3. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar and Transfer Agents of the Company.
4. Details under clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice and given in Annexure "A" to this notice.
5. Electronic copy of the Notice of the 29th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 29th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
6. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.vbdesai.com](http://www.vbdesai.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@vbdesai.com](mailto:info@vbdesai.com)

## 7. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for members for voting electronically are as under:-

- i. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on "Shareholders" tab to cast your votes.
- iv. Select the Electronic Voting Sequence Number ("EVSN") 150817003 along with "V.B. Desai Financial Services Limited" from the drop down menu and click on Submit.
- v. Now, fill up the following details in the appropriate boxes:

	For members holding shares in demat form	For members holding shares in physical form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. # Any one	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <vbfds29agm> in the PAN field.

- vi. After entering these details appropriately, click on "SUBMIT" tab
- vii. Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ %& \*). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- viii. You can also update your mobile number and e-mail ID in your demat account, which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the member forgets the password and the same needs to be reset.
- ix. For members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in the Notice of AGM.

- x. On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - xi. Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
  - xii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- II. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- III. The voting period begins on 18th September 2015 (9:00 am) and ends on 21st September, 2015 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- IV. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 11th September 2015.
- VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- VIII. Mr. P. V. Ramaswamy, Practicing Company Secretaries (Membership No. FCS 1708, CP No. 2087) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting by polling papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- XI. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.vbdesai.com](http://www.vbdesai.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

8. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
9. The Register of members and Share Transfer Books of the Company will be closed from 21st September 2015 to 23rd September 2015 (both days inclusive).
10. Members are requested to please bring their copies of the Annual Report to the Meeting.

#### **ANNEXURE –A**

Details of directors seeking re-appointment at the forthcoming Annual General Meeting as required under clause 49 of the listing agreement with the stock exchanges are given below:

##### **1) Mr. Hemendra J. Shroff**

DIN & Date of Birth	00286509 - 07/11/1974	
Qualification	B.Com	
Experience in specific area	Mr. Hemendra Shroff has 17 years' experience in Investment Banking and other related business	
Directorship in other Companies	Arodyne Chemicals Limited Bluechip Leasing and Finance Ltd. Aarayaa Finstock Pvt. Ltd. Budh Holding & Trading Co. Pvt. Ltd.	Bahl & Co. Pvt. Ltd. Citi Securities & Financial Services Pvt, Ltd. Desai Investments Pvt. Ltd. VBD Capital Advisors Pvt. Ltd.
Committee positions held in other Companies	Nil	
No. of shares held in the Company	14,300	

##### **2) Mrs. Rachana S. Vijayakar**

DIN & Date of Birth	03317373 - 02/11/1969	
Qualification	B.A	
Experience in specific area	Mrs. Rachana Vijayakar is a Accounting profession having knowledge in Finance sector	
Directorship in other Companies	First Native Consultants Pvt, Ltd,.	
Committee positions held in other Companies	Nil	
No. of shares held in the Company	Nil	

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

Pradip R. Shroff  
Managing Director

#### **REGISTERED OFFICE**

Cama Building, 1<sup>st</sup> Floor,  
24/26, Dalal Street, Fort,  
Mumbai – 400 001

DATED: 30<sup>th</sup> July 2015

## V. B. DESAI FINANCIAL SERVICES LIMITED

### DIRECTORS' REPORT

The Directors present their 29th Annual Report on the business and operations of the Company and the financial accounts for the year ended on 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS

(Rs. In lac)

Particulars	For the year ended on 31/03/2015	For the previous year ended on 31/03/2014
Gross Income	125.60	105.68
Profit (before interest, depreciation & taxation)	38.86	3.17
Financial charges	0.08	0.01
Depreciation	4.35	2.31
Net profit	34.43	0.85
Provision for taxation	12.25	6.50
Deferred Tax	(1.06)	(0.28)
Income Tax of earlier years/MAT credit entitlement	(13.76)	(11.74)
Profit after adjustments	37.00	6.38
Profit/(Loss) carried to Balance Sheet	37.00	6.38
APPROPRIATIONS / TRANSFERS		
Profit/(loss) carried to Balance Sheet	37.00	6.38

### Dividend

Your Directors do not recommend any dividend on equity shares in view of working capital requirement.

### Performance review

During the year under review, income from operations was Rs. 125.60 lac against Rs. 105.68 lac, an increase of 18.85% compared to previous year. The net profit after tax and adjustments is Rs. 37.00 lac against Rs. 6.38 lac, an increase of 480%, compared to the previous year.

The Company is mainly engaged in Merchant Banking activities viz. ESOP valuation, Company valuation, Advisory services and capital raising activities. There were no changes in nature of Company's business during the year.

### Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There were no material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

### Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

### **Internal control systems and their adequacy**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Chairman.

The management of the Company evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the assessment, the management undertakes corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations with corrective actions thereon are presented to the Audit Committee of the Board.

### **Subsidiaries/ Joint Ventures**

The Company does not have Subsidiary or Joint Ventures.

### **Fixed deposit**

The Company has not accepted deposits from Public and there were no outstanding deposits payable by the Company.

### **Auditors & auditor's report**

The Company's Auditors M/s. A.N. Damania & Co., Chartered Accountants will retire at the forthcoming annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the provision prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

### **Extract of Annual Return**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure –A.

### **Conservation of energy, technology absorption etc.**

The particulars of conservation of Energy, Technology, Absorption, foreign Exchange Earnings and outgo have not been given since the same are not applicable to the Company.

### **Corporate Social Responsibility Initiatives**

The Company does not come under the parameters specified under Section 135 of the Companies Act, 2013, hence no Committee has constituted Committee for Corporate Social Responsibility Initiatives.

### **Directorate :**

Mr. Hemendra J. Shroff and Mrs. Rachana S. Vijayakar Directors of the Company shall retire by rotation at the forthcoming Annual General Meeting and offer themselves for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.



As required under Clause 49 of the Listing Agreement with the Stock Exchange, the information on the particulars of the Directors proposed for appointment/ re-appointment has been given in the Notice of the Annual General Meeting.

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration and Stakeholder's Grievance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### **Nomination and Remuneration Committee**

The Board has on the recommendation of the Appointment and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### **Board and Audit Committee Meetings**

During the year, Five Board Meetings and Four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

### **Vigil Mechanism / Whistle Blower Policy**

The Company has established a vigil mechanism to be known as the "Whistle Blower Policy" for its Directors and employees to report instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

### **Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. All the members of the Board and designated employees have confirmed compliance with the Code.

### **Particulars of loans, guarantees or investments**

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by Company is given in the notes to the financial statements.

### **Related Party Transactions**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

## **Secretarial Audit**

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mr. P.V. Ramaswamy, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as Annexure-B, which is self-explanatory.

## **Risk Management Policy**

Pursuant to Section 134(3) (n) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted a business risk management committee. The details of the Committee and its terms of reference are set out in the corporate governance report forming part of the Board report. At present the Company has not identified any element of risk which may threaten the existence of the Company.

## **Corporate Governance**

The Report on Corporate Governance along with a certificate of compliance from the Auditors and Management Discussion and Analysis Report forms part of this Report.

## **Director's responsibility statement**

The Board of Directors of your Company confirms that:

- a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the Annual Accounts on a going concern basis; and
- e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operative effectively.

## **Particulars of employees**

The Company did not have any employee falling within the purview of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5 (3) of Companies (Appointment and Remuneration of Managerial Persons Rule 2014.

## **ACKNOWLEDGEMENT**

The Directors wish to place on record their sincere appreciation for the continued co-operation by the Clients and the the Shareholders of the Company.

On behalf of the Board of Directors  
Samir R. Dedhia  
Chairman

PLACE: MUMBAI

DATE : 30<sup>th</sup> July 2015

**SECRETARIAL AUDIT REPORT**

**For the financial year ended 31st March 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To the Members,  
V.B. Desai Financial Services Limited

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

Based on my verification of the V.B. Desai Financial Services Limited (name of the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 1<sup>st</sup> April 2014 to 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by V.B. Desai Financial Services Limited ("the Company") for the financial year ended on 31<sup>st</sup> March 2015, according to the provisions as applicable to the Company:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws applicable:
  - (a) Prevention of Money Laundering Act, 2002;
  - (b) The Employees Provident Fund & Miscellaneous Provisions Act, 1952
  - (c) Employees State Insurance Act, 1948
  - (d) Payment of Gratuity Act, 1972;
  - (e) The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange i. e BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Non compliances / observations / audit qualification, reservation or adverse remarks – Nil

**I further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Specific observations / qualification, reservation or adverse remarks in respect of the Board Structures/ system and processes relating to the Audit period - Nil

**I further report that** during the audit period the company has not incurred any specific event/ action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**P.V. RAMASWAMY**

Practicing Company Secretary

Membership No. 1708; Certificate of Practice No. 2087

Place: Mumbai

Date: 29<sup>th</sup> July 2015

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

**Annexure A to Secretarial Audit Report**

To the Members,

V.B. Desai Financial Services Limited

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

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

**P.V. RAMASWAMY**

Practicing Company Secretary

Membership No. 1708; Certificate of Practice No. 2087

Place: Mumbai

Date: 29<sup>th</sup> July 2015

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN  
As on the financial year ended on 31/03/2015**

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 11(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i) CIN: L74120MH1985PLC037218

ii) Registration date: 21st August 1985

iii) Name of the Company: V. B. Desai Financial Services Limited

iv) Category/ Sub-category of the Company: Company limited by shares

v) Address of the Registered office and contact details: Cama Building, 1<sup>st</sup> Floor, 24/26, Dalal Street, Fort,  
Mumbai – 400 001

vi) Whether listed Company: Yes

vii) Name, Address and contact details of Registrar and Transfer Agents:

Purva Sharegistry (I) Pvt. Ltd., 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai-400 011; Tel: 022-23016761

**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:-

Sr. No.	Name & description of main products/ services	NIC code of the product/ service	% to total turnover of the company
1	Merchant Banking activities	67190	80.3.4%
2	Interest Income	67190	16.64
3	Other income	67190	3.02

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

*(No. of Companies for which information is being filled)*

S.No.	Name and Address of the Company	CIN/GLN	Holding/subsidiary/ associate	% of shares held	Applicable section
	NIL				

**iv) SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholder	No. of Shares held at the beginning of year				No. of Shares held at the end of the year				% of change total capital
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individuals/ Hindu Undivided Family	491612	2521	494133		650324	100	650424	0.00	
b) Central Government/ State Government(s)	0	0	0		0	0	0	0.00	
c) Bodies Corporate	1374381	16178	1390559		1283081	0	1283081	0.00	
d) Financial Institutions/ Banks	0	0	0		0	0	0	0.00	
<b>Sub Total(A)(1)</b>	<b>1865993</b>	<b>18699</b>	<b>1884692</b>		<b>1933405</b>	<b>100</b>	<b>1933505</b>	<b>0.00</b>	
<b>Foreign</b>									
a) NRI Individuals/ Other Individuals)	0.00	0.00	0		0.00	0.00	0	0.00	
b) Bodies Corporate	0.00	0.00	0		0.00	0.00	0	0.00	
d) Any Others(Specify)	0.00	0.00	0		0.00	0.00	0	0.00	
<b>Sub Total(A)(2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>		<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>1865993</b>	<b>18699</b>	<b>1884692</b>		<b>1933405</b>	<b>100</b>	<b>1933505</b>	<b>0.00</b>	
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/ UTI	0	0	0		0	0	0	0.00	
b) Financial Institutions / Banks	200	0	200		200	0	200	0.00	
c) Central/ State Government	0	0	0		0	0	0	0.00	
d) Venture Capital Funds	0	0	0		0	0	0	0.00	
e) Insurance Companies	0	0	0		0	0	0	0.00	
f) Other Foreign Investors	0	0	0		0	0	0	0.00	
<b>Sub-Total (B)(1)</b>	<b>200</b>	<b>0</b>	<b>200</b>		<b>200</b>	<b>0</b>	<b>200</b>	<b>0.00</b>	
<b>Non-institutions</b>									
a) Bodies Corporate									
i) Indian	203976	29296	233272		220583	30396	250979	0.00	
ii) Overseas	0		0		0		0	0	
b) Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1188041	388265	1576306		1168449	382117	1550566	0.00	
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	624657	144300	768957		589054	144300	733354	0.00	
Any Other (specify)	0	0	0		0	0	0	0.00	
NRI (Repat & Non Repat)	7930	0	7930		7930	0	7930	0.00	
Trust	15310	0	15310		15310	0	15310	0.00	
Hindu Undivided Family	41196	0	41196		36046	0	36046	0.00	
Clearing Members	27	0	27		0	0	0		
<b>Sub-Total (B)(2)</b>	<b>2081137</b>	<b>561861</b>	<b>2642998</b>		<b>2037372</b>	<b>556813</b>	<b>2594185</b>	<b>0.00</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2643198</b>	<b>561861</b>	<b>2081337</b>		<b>2037572</b>	<b>556813</b>	<b>2594385</b>	<b>0.00</b>	
<b>TOTAL (A)+(B)</b>	<b>3947330</b>	<b>580560</b>	<b>4527890</b>		<b>3970977</b>		<b>4527890</b>	<b>0.00</b>	
<b>C. Shares held by Custodians for GDR &amp; ADRs</b>	<b>0.00</b>	<b>0</b>	<b>0</b>		<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3947330</b>	<b>580560</b>	<b>4527890</b>		<b>3970977</b>	<b>556913</b>	<b>4527890</b>	<b>0</b>	

(ii) Shareholding of Promoters

S.. No.	Name of the shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		Number of shares held	% of total Shares of the Co.	% of Shares Pledged to total shares	Number of shares held	% of total Shares of the company	% of Shares Pledged to total shares	
1	DESAI INVESTMENTS PVT. LTD.	771607	17.04	0.00	771607	17.04	0	0
2	SOM HOLDING & TRAD CO. PVT LTD.	372138	8.22	0.00	344215	7.60	0	0
3	DHARTI J SHROFF	249931	5.52	0.00	261041	5.77	0	0.25
4	MUKESH THAKORLAL SHROFF	158946	3.51	0.00	158946	3.51	0	0
5	BAHL & CO. PVT. LTD.	104820	2.31	0.00	104820	2.31	0	0
6	J.R. SHROFF HUF	19060	0.42	0.00	90918	2.01	0	1.59
7	ALPA J.SHROFF	0	0.00	0.00	38217	0.84	0	0.84
8	KAMLESH J. SHROFF	0	0.00	0.00	31750	0.70	0	0.70
9	J.R. SHROFF	15200	0.34	0.00	0	0.00	0	-0.34
10	AVDHOT FINANCE & INV ESTMENT PVT. LTD.	0	0.00	0.00	27923	0.62	0	0.62
11	GOVARDHAN HOLDING & TRADING CO. PVT. LTD.	25189	0.56	0.00	25189	0.56	0	0
12	THAKORLAL R. SHROFF	4221	0.09	0.00	14421	0.32	0	0.23
13	TEJAL K. SHROFF	0	0.00	0.00	12700	0.28	0	0.28
14	PURVI RAJ SHROFF	12000	0.27	0.00	12000	0.27	0	0
15	AARAYAA FINSTOCK PVT LTD	100627	2.22	0.00	9327	0.21	0	-1.01
16	RAKSHA PRADIP SHROFF	7792	0.17	0.00	7792	0.17	0	0
17	BINDU S MARFATIA	5431	0.12	0.00	5431	0.12	0	0
18	PRADIP RATILAL SHROFF	4252	0.09	0.00	4252	0.09	0	0
19	HEMENDRA J. SHROFF	0	0.00	0.00	4206	0.09	0	0.09
20	PINKI MUKESH SHROFF	3000	0.07	0.00	3000	0.07	0	0
21	JYOTI GIRISH SHROFF	1000	0.02	0.00	2950	0.07	0	0.05
22	GIRISH RATILAL SHROFF	1200	0.03	0.00	1200	0.03	0	0
23	MANOJ THAKORLAL SHROFF	800	0.02	0.00	800	0.02	0	0
24	RAJ PRADIP SHROFF	800	0.02	0.00	800	0.02	0	0
25	MANJULA T. SHROFF	10200	0.23	0.00	0	0.00	0	-0.23
26	ARCHANA M. SHROFF	300	0.01	0.00	0	0.00	0	-0.01
27	VISHVAKARMA EQUIPMENT FIN LTD	10186	0.22	0.00	0	0.00	0	-0.22
28	V.B.DESAI INDUSTRIAL FIN LTD	4792	0.11	0.00	0	0.00	0	-0.11
29	V.B.DESAI SECURITIES & FINANCE LTD	1200	0.03	0.00	0	0.00	0	-0.03
<b>TOTAL</b>		<b>1884692</b>	<b>41.62</b>	<b>0.00</b>	<b>1933505</b>	<b>42.70</b>	<b>0</b>	<b>1.08</b>

(iii) Change in Promoters' Shareholding ( please specify, if there is no change)

S. No.		Shareholding at the beginning of the year		Inter-se transfer & Buy/ sold & during the year		Cumulative Shareholding during year	At the end of year on 31/03/2015	
		No. of shares 01/042014	% of total shares	Date	No. of shares		No. of Shares	% of total shares
1	DHARATI J. SHROFF	249931	5.52	21/05/2014	11110	261041	261.41	5.77
2	J.R. SHROFF HUF	19060	0.42	21/05/2014	71858	90918	90918	2.01
3	ALPA J. SHROFF	0	0	12/09/2014	38217	38217	38217	0.84
4	KAMLESH J. SHROFF	0	0	12/09/2014	31750	31750	31750	0.70
5	J.R. SHROFF	15200	0.34	21/05/2014	-15200	15200	0	0
6	AVDHOT FINANCE & INV PVT. LTD.	0	0	05/06/2014	27923	27923	27923	0.62
7	THAKORLAL R. SHROFF	4221	0.09	18/06/2014	10200	14421	14421	0.32
8	TEJAL K. SHROFF	0	0	12/09/2014	12700	12700	12700	0.28
9	AARAYAA FINSTOCK PVT LTD	100627	2.22	21/05/2014	-91300	100627	9327	0.20
10	HEMENDRA J. SHROFF	00	0	12/09/2014	4206	4206	4206	0.09
11	JYOTI GIRISH SHROFF	1000	0.02	21/05/2014	1950	2950	2950	0.07
12	MANJULA T. SHROFF	10200	0.23	18/06/2014	-10200	10200	0	0
13	ARCHANA M. SHROFF	300	0.01	18/06/2014	-300	300	0	0
14	VISHVAKARMA EQUIPMENT FIN LTD	10186	0.22	21/05/2014	-10186	10186	0	0
15	V.B.DESAI INDUSTRIAL FIN LTD	4792	0.11	21/05/2014	-4792	4792	0	0
16	V.B.DESAI SECURITIES & FINANCE LTD	1200	0.03	21/05/2014	-1200	1200	0	0

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

S. No.		Shareholding at the beginning of the year		Inter-se transfer & Buy/ sold & during the year		Cumulative Shareholding during year	At the end of year on 31/03/2015	
		No. of shares 01/042014	% of total shares	Date	No. of shares	No. of shares	No. of Shares	% of total shares
1	NITIN KOHLI	130000	2.87	0	0	130000	130000	2.87
2	SRIHARI SIRDESHPANDE	76700	1.69	0	0	76700	76700	1.69
3	KRUTI CAPITAL SERVICES PVT. LTD.	65000	1.44	0	0	65000	65000	1.44
4	SHREEKANT JAVALGEKAR	57000	1.26	0	0	57000	57000	1.26
5	SNEHALATA SINGHI	49497	1.09	0	0	49497	49497	1.09
6	A.C. CHOKSI SHARE BROKERS PVT.LTD.	0	0	10/10/2014 17/10/2014 31/10/2014 07/11/2014 22/11/2014 29/11/2014 16/01/2015	5233 55069 -14371 477 2510 -2436 -401	46081	46081	1.02
7	MILIND KRISHNAJI KULKARNI	58500	1.29	31/12/2014	-18500	58500	58500	1.29
8	ASHA SHREEKANT JAVALGEKAR	37825	0.84	0	0	37825	37825	0.84
9	NAYANKUMAR K. SHAH	31200	0.69	31/12/2014	300	31500	31500	0.70
10	HITESH RAMJI JAVERI	29305	0.65	17/10/2014	695	30000	30000	0.66

## (v) Shareholding of Directors and Key Managerial Personnel:

S. No.		Shareholding at the beginning of the year		Inter-se transfer & Buy/ sold & during the year		Cumulative Shareholding during year	At the end of year on 31/03/2015	
		No. of shares 01/042014	% of total shares	Date	No. of shares	No. of shares	No. of Shares	% of total shares
1	PRADIP RATILAL SHROFF	4252	0.09	0	0	4252	4252	0.09
2	MANOJ THAKORLAL SHROFF	800	0.02	0	0	800	800	0.02
3	HEMENDRA J. SHROFF	0	0	12/09/2014	4206	4206	4206	0.09

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
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	0	0	0
Change in Indebtedness during the financial year				
· Addition	0	0	0	0
· Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
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	0	0	0



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD	Total Amount
		<b>Mr. Pradip R. Shroff</b>	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 3,00,000/-	Rs. 3,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission- as % of profit & - others, specify...	0	0
5	Others, please specify	0	0
	<b>Total (A)</b>	<b>Rs. 3,00,000/-</b>	<b>Rs. 3,00,000/-</b>
	Ceiling as per the Act	Rs. 30,00,000/-	Rs. 30,00,000/-

### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Manoj Shroff	Khurshid Shaikh	Hemendra Shroff	Samir Dedhia	Rachana Vijayakar	
1	<b>Independent Directors</b>						
	Fee for attending board committee meetings		20,000		18,000	12,000	50,000
	Commission		0		0	0	0
	Others, please specify		0		0	0	0
	Total (1)		20,000		18,000	12,000	50,000
2	<b>Other Non-Executive Directors</b>						
	Fee for attending board committee meetings	14,000		10,000			24,000
	Commission	0		0			0
	Others, please specify	0		0			0
	Total (2)	14,000		10,000			24,000
	<b>Total (B)=(1+2)</b>	<b>14,000</b>	<b>20,000</b>	<b>10,000</b>	<b>18,000</b>	<b>12,000</b>	<b>74,000</b>
	Total Managerial Remuneration	3,00,000					3,00,000
	Overall Ceiling as per the Act						30,00,000

### C. Remuneration to key managerial personnel other than MD/Manager/WTD - NIL

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Nil	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission – as % of profit others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	0	0	0

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES - NIL

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

**REPORT ON CORPORATE GOVERNANCE**

In terms of clause 49 of the listing agreement with the Stock Exchanges, a report on Corporate Governance is given below:

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company has adopted good corporate governance practices and ensures compliance with all relevant laws and regulations. It has lead to the satisfaction and transparency to the shareholders. Company's philosophy is concerned with ethics, values, morals and social responsibility of the Company. The Company remains accountable to shareholders and other beneficiaries for their actions. The Company conducts its activities in a manner that is fair and transparent and perceived to be such by others. The Board of Directors of the Company has adopted the Code of Conduct for its members and senior management executives.

**2. BOARD OF DIRECTORS**

**a) Composition**

Name	Category	Designation
Mr. Samir R. Dedhia	Independent	Chairman
Mr. Pradip R. Shroff	Executive-Non Independent	Managing Director
Mr. Manoj T. Shroff	Non-Independent	Director
Mr. Khurshid Shaikh	Independent	Director
Mr. Hemendra J. Shroff	Non-Independent	Director
Mrs. Rachana S. Vijayakar	Non-Independent	Director

The composition of the Board of Directors is in accordance with the provisions of Clause 49 of the Listing Agreement. Non-Executive Independent Directors of your Company have no pecuniary relationship or any transaction with your Company.

**b) Board Meetings**

The meeting of the Board of Directors are scheduled well in advance and generally held at the Company's Registered Office. The notice and the detailed agenda is sent well in advance to all the Directors. During the financial year ended on 31/3/2015, five board meetings were held on 07/05/2014, 30/05/2014, 28/07/2014, 11/11/2014 & 30/01/2015.

The attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and number of other Directorship and Membership/Chairmanship of Committee are as follows:

Name of the Director	Attendance Particulars		No. of directorship/and Committee Membership / Chairmanship in other Companies				Sitting fees paid for attending Board & Committee Meeting
	Board Meetings	Last AGM	Directorship in private Companies	Directors hip in public Companies	Committee Members hips	Committee Chairmans hips	
Mr. Samir R. Dedhia	4	Yes	0	0	0	0	Rs. 18000
Mr. Pradip Shroff	5	Yes	1	8	0	0	Rs. 0
Mr. Manoj Shroff	5	No	2	8	0	0	Rs. 14000
Mr. Khurshid Shaikh	5	No	1	0	0	0	Rs. 20000
Mr. Hemendra J. Shroff	5	No	8	2	0	0	Rs. 10000
Mrs. Rachana S. Vijayakar	4	Yes	1	0	0	0	Rs. 12000
Total							Rs. 74000

**c) Brief Note on the Directors seeking appointment/ re-appointment at the 29<sup>th</sup> Annual General Meeting:**

In Compliance with Clause 49 IV (G) of Listing Agreement, brief resume, expertise and details of other directorship, membership in committees of Directors of other companies and shareholding in the Company of the Directors proposed to be re-appointed are given in the Annexure A of forming part of Notice.

**c) Remuneration of Directors**

The Company has during the year paid Rs. 3.00 lac being remuneration to Mr. Pradip R. Shroff, the Managing Director of the Company. At present Independent Directors are not paid any remuneration except sitting fees for attending Board and Committee Meetings. The sitting fees paid to the Directors are as given above.

**3. AUDIT COMMITTEE**

The scope of activities and powers of Audit Committee includes the areas prescribed under the clause 49 of the Listing Agreement and section 177 of the Companies Act, 2013. The Board has set up Audit Committee having Three Directors viz. Mr. Samir R. Dedhia as Chairman and Mr. Khurshid Shaikh and Mr. Pradip R. Shroff, members of the Committee. During the financial year under review, 4 meetings were held on 30/05/2014, 28/07/2014, 11/1/2014, & 30/01/2015.

#### **4. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was constituted on 30<sup>th</sup> May, 2014 in compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 (IV) of the revised Listing Agreement with the Stock Exchange. Mr. Samar R. Dedhia is the Chairman of the Committee and Mr. Khurshid Shaikh and Mrs. Rachana S. Vijayakar are the other members of the Committee.

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Clause 49(IV) of the revised Listing Agreement with the Stock Exchange and Section 178 of the Companies Act, 2013. The broad terms of reference of the Nomination and Remuneration Committee therefore include recommending a policy relating remuneration and employment terms of Managing Director and senior management personnel, adherence to the remuneration / employment policy from time to time as finally approved by the Board of Directors. Preliminary evaluation of every Director's performance, Board diversity, compliance of the Code for Independent Directors referred to in Schedule IV of the Companies Act, 2013, compliance with the Company's Code of Conduct by Directors and employees of the Company, reporting of non-compliances to the Board of Directors, recommending draft of the report required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, monitor loans to employees and any other matters which the Board of Directors may direct from time to time.

During the financial year ended on 31<sup>st</sup> March, 2015, one meeting of Nomination and Remuneration Committee was held on 28<sup>th</sup> July 2014. All the members have attended the aforesaid meeting. Sitting fees of Rs. 2000/- each were paid to the members attending the Committee Meeting.

#### **Policy for selection and appointment of Directors and their Remuneration:**

##### **Criteria of selection of Non-executive Directors**

The Non-executive Directors shall be of high integrity with relevant expertise and experience in the fields of finance, marketing, taxation, governance and general management.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

- a) Qualification, expertise and experience of the Directors in their respective fields;
- b) Personal, Professional or business standing;
- c) Diversity of the Board.

In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

##### **Remuneration:**

The Non-executive Directors shall be entitled to receive sitting fees for each Meeting and Committee attended by them of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and reimbursement of expenses for participation in the Board Meetings.

##### **Criteria for selection and appointment of CEO and Managing Director**

The Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

##### **Remuneration for the CEO and Managing Director**

At the time of appointment or re-appointment, the CEO and Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board of Directors) and the CEO and Managing Director within the overall limits prescribed under the Companies Act, 2013. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO and Managing Director comprises of fixed and variable component as per the provisions of the Companies Act, 2013. The fixed component comprises salary, allowances, perquisites and retiral benefits.

##### **Remuneration Policy for the Senior Management Employees**

The Managing Director will carry out the individual performance review based on the respective defined objectives, qualification, expertise, experience and other factors whilst recommending the annual increment and performance incentive to the Committee for its review and approval. While determining the remuneration of the Senior Management Employees, the Committee shall ensure the relationship of remuneration and performance benchmark is clear.

#### 4. RISK MANAGEMENT COMMITTEE

The Board of Directors, during the year, constituted “Risk Management Committee” as required under Clause 49 of the Listing Agreement. The Committee is responsible for risk identification, evaluation and mitigation and to set up process for risk management plan. The Risk Management Committee comprises of Mr. Pradip R. Shroff, Managing Director and Mr. Hemendra J. Shroff as Member of the Committee.

#### 5. PERFORMANCE EVALUATION OF THE BOARD

Based on the inputs on aspects under the provisions of the Companies Act, 2013 and under the Clause 49 of the Listing Agreement such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, independence of judgement, safeguarding the interest of the Company etc. received from each Directors specifically Executive, Non-Executive and Independent Directors, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees.

#### 6. STATEHOLDERS GRIEVANCE COMMITTEE

The Stakeholders' Grievance Committee comprises of 3 Directors viz. Mr. Manoj T. Shroff, the non-executive Director is the Chairman and Mr. Pradip R. Shroff and Mrs. Rachana S. Vijayakar are the members of the Committee. The Committee reviews the status of Investor Grievances and recommends measure to improve in solving Investor Services. During the year there were no complaints received from shareholders and there is no complaint which has remained un-addressed.

#### 7. GENERAL BODY MEETINGS

Date	AGM/EGM	Location	Time	No. of Special Resolution
12.09.2014	AGM	M.C.Ghia Hall, Bhogilal Hargovindas Bldg. 2 <sup>nd</sup> Fl <sup>r</sup> 18/20, K.Dubash Marg, Mumbai – 400 001	11.00 a.m	5
11.09.2013	AGM	M.C.Ghia Hall, Bhogilal Hargovindas Bldg. 2 <sup>nd</sup> Fl <sup>r</sup> 18/20, K.Dubash Marg, Mumbai – 400 001	11.00 a.m	3
22.09.2012	AGM	M.C.Ghia Hall, Bhogilal Hargovindas Bldg. 2 <sup>nd</sup> Fl <sup>r</sup> 18/20, K.Dubash Marg, Mumbai – 400 001	10.30 a.m	Nil

During the last year no business had been conducted through postal ballot.

#### 7. DISCLOSURES:

- There was no transaction of material nature with the Promoters, Directors, Management or their relatives during the financial Year of the Company, which could have potential conflict with the interests of the Company at large.
- During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any regulatory authority for non-compliance of any matter related to the capital market.
- No personnel have been denied access to the Chairman or members of the Audit Committee. The mechanism of Whistle Blower Policy is in place.
- The Company is in Compliance with the mandatory Provisions of Clause 49 of the Listing Agreement.
- Code of Business Conduct and Ethics for Board of Directors and Senior Management:** The Company has in place the Code of Business Conduct and Ethics for Board of Directors and Senior Management (the Code) approved by the Board of Directors. The Code has been communicated to Directors and the members of the senior management.

#### 8. MEANS OF COMMUNICATION

- The financial results of all four quarters were published in The Free Press Journal and Navshakti dailies. These were not sent individually to the shareholders.
- The financial results or official news are displayed on the Company's website [www.vbdesai.com](http://www.vbdesai.com)
- There were no presentations made to the institutional investors or to the analysts
- The Management Discussion and Analysis Report forms a part of this Annual Report

#### 9. GENERAL INFORMATION FOR SHAREHOLDERS

i	AGM: Date, Time & Venue	23 <sup>rd</sup> September, 2015 at 11.00 a. m Registered Office at Cama Building, 1 <sup>st</sup> Floor, 24/26, Dalal Street, Fort, Mumbai – 400 001
ii	Financial Year	1 <sup>st</sup> April 2014 - 31 <sup>st</sup> March, 2015
iii	Date of Book closure	21.09.2015 to 23.09.2015
iv	Dividend payment date	No dividend recommended.
v	Listing on Stock Exchange	BSE Limited (BSE) Annual Listing fees have been paid to both the Stock Exchanges for the year 2015-16.
vi	Stock Code	BSE Limited - 511110
vii	ISIN of the Company for dematerialisation	INE848D01018

## Market price date and performance in comparison to BSE Sensex during each month in 2014 -2015 on BSE Limited

Month	High – Rs.	Low – Rs.	BSE Sensex
April 2014	9.24	7.49	22417.80
May 2014	11.00	7.60	24,217.34
June 2014	12.05	8.46	25,413.78
July 2014	12.00	8.52	25,894.97
August 2014	16.00	11.27	26,638.11
September 2014	19.50	13.12	26,630.51
October 2014	17.85	14.50	27,865.83
November 2014	17.95	14.30	28,693.99
December 2014	15.25	12.00	27,499.42
January 2015	13.70	11.50	29,182.95
February 2015	13.38	10.22	29,361.50
March 2015	12.63	9.75	27,957.49

### Registrars & Transfer Agents

Purva Sharegistry (India) Pvt. Ltd.

9, Shiv Shakti Industrial Estate,

J.R.Boricha Marg,

Lower Parel (East), Mumbai – 400 011.

Tel: 022-23016761/ 23018261; Email: [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in); website: [www.purvashare.com](http://www.purvashare.com)

### Share Transfer System

All requests received for transfer of shares in physical form are processed by the Registrar and Transfer Agents and are approved by Stakeholders' Grievance Committee (earlier Share Transfer Committee). The share transfers are registered and returned within 15 days from the date of receipt, subject to documents being valid and complete in all respects.

### Distribution of shareholding as on 31<sup>st</sup> March 2015

No. of Equity Shares Held	No. of Shareholders	No. of Shares	% Total
1 - 500	4,243	6,57,037	14.51
501 - 1000	297	2,36,100	5.21
1001 - 2000	148	2,20,074	4.86
2001 - 3000	43	1,08,845	2.40
3001 - 4000	37	1,29,152	2.85
4001 - 5000	22	1,02,522	2.26
5001 - 10000	39	2,73,084	6.03
10001 and above	45	28,01,076	61.86
<b>TOTAL</b>	<b>4,874</b>	<b>45,27,890</b>	<b>100.00</b>

### Shareholding pattern as on 31<sup>st</sup> March 2015

SR.NO	CATEGORY	NO.OF SHARES HELD	% OF SHARE-HOLDING
1.	Promoters Holding -Indian Promoters and Persons Acting in concert	19,33,505	42.70
2.	Mutual Funds & UTI	--	--
3.	Banks & Financial Institutions	200	0.00
4.	Private Corporate Bodies	2,50,979	5.54
5.	NRIs/OCBs	7,930	0.18
6.	Trust	15,310	0.34
7.	Hindu Undivided Family	36,046	0.80
8.	Indian Public	22,83,920	50.44
	<b>TOTAL</b>	<b>45,27,890</b>	<b>100.00</b>

### Dematerialization of shares

As on 31<sup>st</sup> March 2015, 87.70% of the Company's total shares represented by 39,70,977 shares were held in dematerialized form.

### Outstanding GDR/Warrants/ Convertible Instruments

The Company has no outstanding GDR/ Warrants/ Convertible Instruments.

**Address for correspondence**

V.B. Desai Financial Services Limited  
Cama Building, 1<sup>st</sup> Floor  
24/26, Dalal Street, Fort, Mumbai – 400 001.  
Tel: 022-40770777; email: investor@vbdesai.com

**On behalf of the Board of Directors**

Pradip R. Shroff  
Managing Director

MUMBAI

DATED : 30<sup>th</sup> July 2015

**ANNEXURE TO CORPORATE GOVERNANCE REPORT**

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of the Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2015.

Mumbai  
Dated: 30<sup>th</sup> July 2015

Pradip R. Shroff  
Managing Director

**Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.****To the members of V.B. Desai Financial Services Ltd.**

We have examined the compliance of the conditions of Corporate Governance by V.B. Desai Financial Services Ltd. (the Company) during the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clauses 49 of the Listing Agreements with the Stock Exchange have been completed with in all material respects by the Company.

**A.N. DAMANIA & CO.**  
Chartered Accountants  
Firm Reg. No: 102077W  
**Ashvin Damania**  
Membership No. 040166  
Proprietor

MUMBAI  
Date: 30<sup>th</sup> July 2015

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Overview**

Management discussion and analysis of financial condition and results of operations include forward looking statements based on certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate. Although the management has considered future risks as part of the discussions, future uncertainties are not limited to the management perceptions.

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The Management of the Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year. The following discussion may include forward looking statements, which may involve risks and uncertainties, including but not limited to the risks inherent to Company's growth strategy, dependency on certain clients, dependency on availability of qualified technical personnel and other factors discussed in this report.

### **Industry structure and developments**

The main activities of the Company are Merchant Banking and related activities. With strengthening of the economic environment, the Indian capital market is expected to perform well. The improved performance of the industrial and service sector and strong capital inflows witnessed robust growth in primary and secondary capital market and is expected to hold in the coming years. The Company will continue to capitalize on Merchant Banking, Advisory Services and fund raising opportunities by the growing economic needs of the industries.

### **Opportunities and Threats**

Your Company being a Financial Services Company (Merchant Banking and related activities), the Company seeks opportunities in the capital market. The likely increase in capital mobilization from the primary market and phenomenal growth in secondary market volumes provides significant business opportunities for the Company.

### **Segment wise performance**

The Company has one segment i.e Merchant Banking and related services; therefore segment wise reporting has not given as per the Accounting Standard 17.

### **Outlook**

The financial services sector has shown rapid growth with an improvement in the economic environment. Company will continue to capitalize the growing economic opportunities and looks forward in view of the reposed confidence of Investors in the capital market. With strengthening of the economy and stable economic environment, the Indian capital market is expected to perform well. The management will continue to focus on Merchant Banking activities and Advisory Services and endeavor to deliver best solutions to the clients to their satisfaction.

### **Risks and Concerns**

The timely and effective risk management is of prime importance our Company. The Company is potentially exposed to increasing competition in capital market, newer and more complex products and transactions and stringent regulatory framework. With its past long experience in financial service industry, dedicated and trained professionals the Company counter the threats to the best possible extent in its business operation.

### **Internal control system**

The Company has a sound and adequate system of internal controls to monitor and control all the activities. The Company complies with all internal control policies and procedures as also other regulatory requirements.

On behalf of the Board of Directors  
Samir R. Dedhia  
Chairman

PLACE: MUMBAI

DATE : 30<sup>th</sup> July 2015

# **Independent Auditor's Report to the Members of V. B. Desai Financial Services Limited**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of **V. B. Desai Financial Services 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 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 and 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 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 auditor's judgement, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

## **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 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
- 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 the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

**For A. N. Damania & Co.**

Chartered Accountants  
Firm Reg. No.102077W

Ashvin Damania  
Proprietor  
M. No. 040166

Date: 30<sup>th</sup> July 2015  
Place: Mumbai

**Annexure to Independent Auditor's Report**

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

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1. In respect of Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
2. In respect of its inventories (securities):
  - (a) The inventories of shares/stock lying in demat/physical form, have been verified by the management. In our opinion, the frequency of verification is reasonable;
  - (b) The procedures of physical verification of inventories (securities) followed by the management are reasonable and adequate in relation to size of the Company and the nature of its business;
  - (c) The Company is maintaining proper records of inventories (securities). No material discrepancy was noticed between physical verification of stocks and book records.
3. During the year the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Hence, clauses (iii)(a) and (iii)(b) of paragraph 3 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to

purchase of fixed assets and sale of inventories (securities)/services. During the course of our audit, we have not observed any major weakness in such internal control systems.

5. The Company has not accepted any deposits during the year in terms of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended during the year and no order under the aforesaid sections has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard in respect of the Company.
6. We are informed that the Central Government has not prescribed maintenance of cost records u/s.148(1) of the Companies Act, 2013 for any of the services rendered by the Company.
7. In respect of statutory dues:
  - (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing with the appropriate authorities undisputed dues, including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to it and there were no such dues outstanding as at 31<sup>st</sup> 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 and the records of the Company examined by us, there were no disputed amounts in respect of the aforesaid dues which have not been deposited as at 31<sup>st</sup> March 2015.
  - (c) According to the information and explanations given to us the Company is not required to transfer any sum during the year under report to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
8. The Company does not have any accumulated losses at the end of financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. The Company has not obtained any loans from the financial institution or bank nor issued any debentures hence clause (ix) of paragraph 3 of the Order is not applicable.
10. As informed to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions, hence clause (x) of paragraph 3 of the Order is not applicable.
11. The Company has not taken any term loans hence clause (xi) of paragraph 3 of the Order is not applicable.
12. According to the information to and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of the audit.

**For A. N. Damania & Co.**

Chartered Accountants  
Firm Reg. No.102077W

Ashvin Damania  
Proprietor  
M. No. 040166

Date: 30<sup>th</sup> July, 2015  
Place: Mumbai

**Balance Sheet as at 31st March, 2015**

	Note No.	As at 31st March, 2015		As at 31st March, 2014	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
(a) Share Capital	1	45,381,316		45,381,316	
(b) Reserves and Surplus	2	42,205,830		38,505,821	
			87,587,146		83,887,137
<b>Non-Current Liabilities</b>					
(a) Other Long-Term Liabilities	3	19,500		9,500	
(b) Long-Term Provisions	4	1,073,410		1,455,435	
			1,092,910		1,464,935
<b>Current Liabilities</b>					
(a) Trade Payables	5	515,358		359,406	
(b) Other Current Liabilities	6	36,468		3,257,792	
(c) Short -Term Provisions	7	607,527		633,438	
			1,159,353		4,250,636
<b>Total</b>			<b>89,839,409</b>		<b>89,602,708</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
(a) Fixed Assets					
Tangible Assets	8	1,592,449		2,015,452	
(b) Non-Current Investments	9	32,873,449		23,468,871	
(c) Deferred Tax Assets (Net)	10	469,608		363,251	
(d) Long-Term Loans and Advances	11	17,508,131		717,828	
(e) Other Non-Current Assets	12	-		-	
			52,443,637		26,565,402
<b>Current Assets</b>					
(a) Inventories (Securities)	13	246,936		367,768	
(b) Trade Receivables	14	697,038		40,546,617	
(c) Cash and Cash Equivalents	15	2,117,596		4,890,254	
(d) Short-Term Loans and Advances	16	2,188,865		17,194,608	
(e) Other Current Assets	17	32,145,337		38,059	
			37,395,772		63,037,306
<b>Total</b>			<b>89,839,409</b>		<b>89,602,708</b>
<b>Significant Accounting Policies</b>					
<b>Notes on Financial Statements</b>	24 to 34				

As per our attached report of even date

**For A. N. Damania & Co.**Chartered Accountants  
Firm Regn. No. 102077W**Ashvin Damania**Proprietor  
Membership No. 040166

Place : Mumbai

Date : 28th May 2015

**For and on behalf of the Board of Directors****Samir R. Dedhia** – Chairman  
**Pradip R. Shroff** - Managing Director  
**Manoj T. Shroff** - Director  
**Khurshid Shaikh** - Director  
**Hemendra J. Shroff** - Director  
**Rachana S. Vijayakar** - Director

Place : Mumbai

Date : 28th May 2015

## Statement of Profit and Loss for the year ended 31st March, 2015

	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
		₹	₹
<b>INCOME</b>			
Revenue From Operations	18	12,538,461	10,456,282
Other Income	19	21,217	111,497
<b>Total Revenue</b>		<b>12,559,678</b>	10,567,779
<b>EXPENDITURE</b>			
Employee Benefits Expense	20	1,898,902	1,459,882
Finance Costs	21	7,761	620
Depreciation	22	435,003	231,298
Other Expenses	23	6,774,889	8,790,740
<b>Total Expenses</b>		<b>9,116,555</b>	10,482,540
<b>Profit/(Loss) Before Tax</b>		<b>3,443,123</b>	85,239
<b>Tax Expenses</b>			
Current Tax		1,225,000	650,000
Current Tax & MAT Credit Entitlement relating to Previous Years		(1,375,530)	(1,174,022)
Deferred Tax		(106,356)	(28,367)
<b>Profit/(Loss) for the year</b>		<b>3,700,009</b>	637,628
<b>Earnings per share of ₹10/- each:</b>			
Basic		<b>0.82</b>	0.14
<b>Significant Accounting Policies</b>			
<b>Notes on Financial Statements</b>	24 to 34		

As per our attached report of even date

**For A. N. Damania & Co.**  
Chartered Accountants  
Firm Regn. No. 102077W

**Ashvin Damania**  
Proprietor  
Membership No. 040166  
Place : Mumbai  
Date : 28th May 2015

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

**Samir R. Dedhia** – Chairman  
**Pradip R. Shroff** - Managing Director  
**Manoj T. Shroff** - Director  
**Khurshid Shaikh** - Director  
**Hemendra J. Shroff** - Director  
**Rachana S. Vijayakar** - Director

Place : Mumbai  
Date : 28th May 2015

## Cash Flow Statement for the year ended 31st March, 2015

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹	₹	₹	₹
<b>A Cash Flow from Operating Activities</b>				
Net Profit before Tax		3,443,123		85,239
<b>Adjustments for :</b>				
Depreciation	435,003		231,298	
Reduction in value of Investments	4,375		36,570	
Provision for Gratuity	100,653		118,525	
Provision for Doubtful Trade Receivables	-		1,750,593	
Interest on Income Tax Refund	(2,134)		(74,897)	
Dividend Income	(9,955)		(16,600)	
Profit on Sale of Investments	(361,697)		(1,750,000)	
		<u>166,245</u>		<u>295,489</u>
Operating Profit before Working Capital Changes		3,609,368		380,728
<b>Adjustments for :</b>				
(Increase)/Decrease in Trade Receivables	39,849,579		(39,998,713)	
(Increase)/Decrease in Inventories, Loans and Advances & Other Current and Non-Current Assets	(33,073,357)		8,257,133	
Increase/(Decrease) in Liabilities & Provisions	(2,954,719)		(3,490,368)	
		<u>3,821,503</u>		<u>(35,231,948)</u>
		7,430,871		(34,851,220)
Income Tax Refund		32,883		8,418,563
Interest on Income Tax Refund		2,134		3,578,750
Income Tax Paid		(1,310,087)		(487,395)
Dividend Income		9,955		16,600
<b>Net Cash flow from Operating Activities (A)</b>		<u>6,165,756</u>		<u>(23,324,702)</u>
<b>B Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets		(12,000)		(237,038)
Purchase of Investments/Stock in trade		(11,456,838)		(14,070,800)
Sale of Investments		2,530,424		38,348,943
<b>Net Cash flow from Investing Activities (B)</b>		<u>(8,938,414)</u>		<u>24,041,105</u>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B)</b>		<u>(2,772,658)</u>		<u>716,403</u>
Cash & Cash Equivalents at the beginning of the year		4,890,254		4,173,851
Cash & Cash Equivalents at the end of the year		2,117,596		4,890,254

As per our attached report of even date

**For A. N. Damania & Co.**  
Chartered Accountants  
Firm Regn. No. 102077W

**Ashvin Damania**  
Proprietor  
Membership No. 040166  
Place : Mumbai  
Date : 28th May 2015

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

**Samir R. Dedhia** – Chairman  
**Pradip R. Shroff** - Managing Director  
**Manoj T. Shroff** - Director  
**Khurshid Shaikh** - Director  
**Hemendra J. Shroff** - Director  
**Rachana S. Vijayakar** - Director

Place : Mumbai  
Date : 28th May 2015

## CORPORATE INFORMATION

The Company is registered with Securities and Exchange Board of India as Category - I Merchant Banker to carry out merchant banking and related activities.

### SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2015

#### A Basis of Preparation of Financial Statements

The accounts have been prepared on the accrual basis of accounting, under historical cost convention and in accordance with the generally accepted accounting principles to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act"), read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of "the Act", except where otherwise stated. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### B Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### C Fixed Assets and Depreciation

Fixed Assets are carried on at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost comprise purchase price, all direct expenses relating to the acquisition and installation and any attributable cost of bringing the asset to its working condition for the intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation has been provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Assets costing less than ₹ 5,000/- each are fully depreciated in the year of capitalisation.

#### D Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### E Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction. Monetary items denominated in foreign currencies at the year end are restated at year end rates. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

#### F Investments

Non-Current Investments (unquoted), are carried individually at cost. Non-Current Investments (quoted), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value.

#### G Inventories (Securities)

Quoted securities are valued at lower of the cost or last available market price. However, in case of securities where Market Price is not available through out the year, the same are valued at the rate at which they were valued in the previous year. Unquoted securities are valued at cost. Units of Mutual Funds are valued at cost or market value whichever is lower. Net asset value of units declared by mutual funds is considered as market value for non-exchange traded Mutual Funds.

#### H Revenue Recognition

Revenue from sale of services are recognised when services are rendered and related costs are incurred. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**I Employee Benefits**

The Company's contribution to Provident fund is charged to the Statement of Profit and Loss. The Gratuity liability, which is a defined benefit plan, is provided on the basis of actuarial valuation as on balance sheet date and same is unfunded. Employees are entitled to avail leave instead of leave encashment.

**J Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**K Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

**L Provision for Taxation**

Provision for taxation is made for the income tax liability as per the provisions of the Income Tax Act, 1961. Deferred Tax is recognized on timing differences being the differences between the taxable incomes and accounting incomes that originate in one period and are capable of reversal in one or more subsequent period, at the current rate of tax.

**M Provisions, Contingent Liabilities and Contingent Assets**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the financial statements.

**Notes forming part of the financial statements for the year ended 31st March, 2015**

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>1. Share Capital</b>		
<b>Authorised</b>		
50,00,000 (50,00,000) Equity Shares of ₹10/- each with voting rights	<b>50,000,000</b>	50,000,000
<b>Total</b>	<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued</b>		
45,46,200 (45,46,200) Equity Shares of ₹10/- each fully paid up with voting rights	<b>45,462,000</b>	45,462,000
	<b>45,462,000</b>	<b>45,462,000</b>
<b>Subscribed &amp; Paid up</b>		
45,27,890 (45,27,890) Equity Shares of ₹10/- each fully paid up with voting rights	<b>45,278,900</b>	45,278,900
Add: 18,310 (18,310) Forfeited Equity Shares	<b>102,416</b>	102,416
	<b>45,381,316</b>	<b>45,381,316</b>
<b>Details of Forfeited Shares :</b>		
<b>Amount originally paid up</b>	₹	₹
<b>Class of Shares</b>		
18,310 (18,310) Equity Shares	<b>102,416</b>	102,416
	<b>102,416</b>	<b>102,416</b>

The reconciliation of the number of shares outstanding with voting rights is set out below :

Particulars	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	<b>4,527,890</b>	4,527,890
Add : Shares issued	-	-
Less : Shares Bought Back	-	-
Equity Shares at the end of the year	<b>4,527,890</b>	4,527,890

The details of Shareholders holding more than 5% shares with voting rights:

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% held	No. of Shares	% held
Desai Investments Pvt. Ltd.	<b>771,607</b>	<b>17.04</b>	771,607	17.04
Mrs. Dharati J. Shroff	<b>261,041</b>	<b>5.77</b>	249,931	5.52
Som Holding & Trading Co. Pvt. Ltd.	<b>344,215</b>	<b>7.60</b>	372,138	8.22



## Notes forming part of the financial statements for the year ended 31st March, 2015

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>2. Reserves and Surplus</b>		
Share Premium		
Balance as per last Balance Sheet	21,290,975	21,290,975
	<u>21,290,975</u>	<u>21,290,975</u>
Profit and Loss Account		
Balance as per last Balance Sheet	17,214,846	16,577,218
Add: Profit/(Loss) for the year	3,700,009	637,628
	<u>20,914,855</u>	<u>17,214,846</u>
<b>Total</b>	<b><u>42,205,830</u></b>	<b><u>38,505,821</u></b>
<b>3. Other Long-Term Liabilities</b>		
<b>Trade Payables</b>		
Other than Acceptances (Other than S.S.I.)	19,500	9,500
<b>Total</b>	<b>19,500</b>	<b>9,500</b>
The company does not owe any amount payable to persons registered under the Micro, Small and Medium Enterprises Development Act, 2006.		
<b>4. Long-Term Provisions</b>		
<b>Provision for employee benefits</b>		
Provision for Gratuity	1,073,410	1,455,435
<b>Total</b>	<b><u>1,073,410</u></b>	<b><u>1,455,435</u></b>
<b>5. Trade Payables</b>		
Others (Other than S.S.I.) (Refer Note below)	515,358	359,406
<b>Total</b>	<b><u>515,358</u></b>	<b><u>359,406</u></b>
The company does not possess information about the micro, small and medium enterprises, as defined in the Micro, Small and Medium Enterprises Act, 2006 to whom the company owes and accordingly no additional disclosures have been made.		
<b>6. Other Current Liabilities</b>		
Income Received in Advance	-	3,200,000
<b>Other Payables</b>		
Statutory Dues	15,378	57,792
Advance from Customer	21,090	-
<b>Total</b>	<b><u>36,468</u></b>	<b><u>3,257,792</u></b>
<b>7. Short - Term Provisions</b>		
Provision for Tax	-	508,589
<b>Provision for employee benefits</b>		
Provision for Gratuity	607,527	124,849
<b>Total</b>	<b><u>607,527</u></b>	<b><u>633,438</u></b>

## Notes forming part of the financial statements for the year ended 31st March, 2015

## 8. Fixed Assets

All amounts in ₹

ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 01.04.2014	Additions during the year	Deletion during the year	As on 31.03.2015	As on 01.04.2014	For the year	As on 31.03.2015	As on 31.03.2015	As on 31.03.2014
<b>TANGIBLE ASSETS</b>									
Furniture & Fixtures	2,242,433	-	-	2,242,433	643,013	283,563	926,576	1,315,857	1,599,420
Office Equipments	724,521	12,000	-	736,521	679,426	28,177	707,603	28,918	45,095
Plant & Machinery	289,000	-	-	289,000	58,804	18,035	76,839	212,161	230,196
Computer & Software	645,289	-	-	645,289	504,548	105,228	609,776	35,513	140,741
Motor Vehicle	281,063	-	-	281,063	281,063	-	281,063	-	-
<b>T O T A L</b>	<b>4,182,306</b>	<b>12,000</b>	<b>-</b>	<b>4,194,306</b>	<b>2,166,854</b>	<b>435,003</b>	<b>2,601,857</b>	<b>1,592,449</b>	<b>2,015,452</b>
Previous Year	3,945,268	237,038	-	4,182,306	1,935,556	231,298	2,166,854	2,015,452	-

## 9. NON-CURRENT INVESTMENTS

Name of the Scrip	Face Value	No. of Shares	₹	No. of Shares	₹
		As at 31st March 2015		As at 31st March 2014	
<b>Un-Quoted Equity Shares</b>					
Arodyne Chemicals Ltd	10	1,250	1,750,000	1,250	1,750,000
Bluechip Leasing & Finance Ltd	10	50,000	500,000	50,000	500,000
Bodh Gaya Ceramics	10	500	1	500	1
Essar Steel Ltd.	10	172	258	172	258
Etiam Emedia	10	3,200	400,000	3,200	400,000
Fairgrowth Financial Services Ltd.	10	80,000	1	80,000	1
Fairgrowth Home Finance Ltd.	10	20,000	1	20,000	1
Imperial Spirits Ltd.	10	54,800	13,700,000	54,800	13,700,000
Indag Products Ltd.	10	9,500	1	9,500	1
Matunga Inv. & Trad. Co.Pvt.Ltd.	100	-	-	438	72,270
Merican Funds Ltd	10	6,535	261,400	6,535	261,400
Motorol (I) Ltd.	10	688	1	688	1
Neptune Steel Strips Ltd.	10	256,000	6,400,000	256,000	6,400,000
Panchmahal Cement Co. Ltd.	10	800	1	800	1
Rajinder Steel Ltd.	10	640	1	640	1
Rinki Hydro Carbons Ltd.	10	2,000	1	2,000	1
Serentronics Ltd.	10	200	1	200	1
Suchitra Tubes Ltd.	10	31,880	1	31,880	1
Valuecorp Securities & Fin. Ltd.	10	351,658	4,028,419	-	-
Vishvakarma Equipment Fin. (I) Ltd.	10	500,000	5,728,429	-	-
Solix Technologies Ltd.	10	9,080	90,800	37,080	370,800
			<b>32,859,316</b>		<b>23,454,738</b>
<b>Mutual Funds</b>					
UTI Master Share	10	566	14,133	566	14,133
<b>Total of Unquoted Securities</b>			<b>32,873,449</b>		<b>23,468,871</b>

## Notes forming part of the financial statements for the year ended 31st March, 2015

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>10. Deferred Tax Assets (Net)</b>		
<b>Deferred Tax Assets</b>		
Provision for Gratuity	519,410	488,307
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	49,802	125,056
<b>Total</b>	<b>469,608</b>	<b>363,251</b>
<b>11. Long-Term Loans And Advances (Unsecured, Considered Good)</b>		
Security Deposits	55,000	55,000
Loans and Advances to Employees	20,000	20,000
Prepaid Expenses	99,282	271,291
Advance Tax (Net of Provisions)	697,649	-
MAT Credit Entitlement	-	325,315
Other Loans and Advances		
Inter Corporate Deposit	16,600,000	-
To Others	36,200	46,222
<b>Total</b>	<b>17,508,131</b>	<b>717,828</b>
<b>12. Other Non-Current Assets</b>		
<b>Long-Term Trade Receivables*</b>		
<b>Unsecured</b>		
Considered Doubtful	1,750,593	1,750,593
Less: Provision for Doubtful Trade Receivables	(1,750,593)	(1,750,593)
<b>Total</b>	<b>-</b>	<b>-</b>
*Trade Receivables are subject to confirmation.		
<b>13. Inventories (Securities)</b>		
Equity Shares	229,911	350,743
Mutual Funds	17,025	17,025
<b>Total</b>	<b>246,936</b>	<b>367,768</b>
<b>Aggregate Market Value</b>		
Equity Shares	357,744	521,246
Mutual Funds	26,889	29,071
<b>14. Trade Receivables*</b>		
<b>(Unsecured, Considered Good)</b>		
Over Six Months	-	-
Others	697,038	40,546,617
<b>Total</b>	<b>697,038</b>	<b>40,546,617</b>
*Trade Receivables are subject to confirmation.		

**Notes forming part of the financial statements for the year ended 31st March, 2015**

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>15. Cash And Cash Equivalents</b>		
Cash on Hand	2,051,325	2,294,346
Balances with Banks		
in Current Accounts	66,271	595,908
in Deposit Accounts	-	2,000,000
<b>Total</b>	<b>2,117,596</b>	<b>4,890,254</b>
<b>16. Short-Term Loans And Advances (Unsecured, Considered Good)</b>		
Prepaid Expenses	188,865	190,968
Inter-Corporate Deposits	2,000,000	2,000,000
Others	-	15,003,640
<b>Total</b>	<b>2,188,865</b>	<b>17,194,608</b>
<b>17. Other Current Assets (Unsecured, Considered Good)</b>		
<b>Accruals</b>		
Interest Accrued on Deposits	1,663,200	38,059
<b>Others</b>		
Receivable on Sale of Non-Current Investments	30,342,095	-
Contractually Reimbursable Expenses	138,299	-
Advance to Service Provider	1,743	-
<b>Total</b>	<b>32,145,337</b>	<b>38,059</b>
Particulars	For the Year Ended 31st March, 2015 ₹	For the Year Ended 31st March, 2014 ₹
<b>18. Revenue from Operations</b>		
(a) Interest	2,086,764	1,021,282
(b) Other Financial Services	10,090,000	7,685,000
(c) Other Operating Revenues	361,697	1,750,000
<b>Total</b>	<b>12,538,461</b>	<b>10,456,282</b>
<b>19. Other Income</b>		
(a) Interest on Income Tax Refund	2,134	74,897
(b) Dividend	9,955	16,600
(c) Miscellaneous Income	9,128	20,000
<b>Total</b>	<b>21,217</b>	<b>111,497</b>

## Notes forming part of the financial statements for the year ended 31st March, 2015

Particulars	For the Year Ended 31st March, 2015 ₹	For the Year Ended 31st March, 2014 ₹
<b>20. Employee Benefits Expense</b>		
Salaries	1,485,450	1,077,300
Contribution to Provident & Other Funds	167,562	119,556
Gratuity	100,653	118,525
Staff Welfare Expenses	145,237	144,501
<b>Total</b>	<b>1,898,902</b>	<b>1,459,882</b>
<b>21. Finance Costs</b>		
Interest	7,761	620
<b>Total</b>	<b>7,761</b>	<b>620</b>
<b>22. Depreciation and Amortisation Expenses</b>		
Depreciation	435,003	231,298
<b>Total</b>	<b>435,003</b>	<b>231,298</b>
<b>23. Other Expenses</b>		
Power & Fuel	225,068	282,716
Repairs and maintenance - Others	64,691	145,166
Communication	105,897	182,602
Travelling and Conveyance	5,332	8,121
Printing and Stationery	171,217	181,443
Advertisement Expenses	93,474	82,558
Donations	198,702	247,702
Business Service Charges	146,400	26,010
Office Expenses	180,600	-
Legal and Professional	4,819,220	5,241,916
Payments to Auditors (Refer Note below)	60,000	60,000
Bad Trade and Other Receivables Written Off	63,084	32,770
Adjustment in Carrying Amount of inventories/Investments	4,375	36,570
Provision for Doubtful Trade Receivables	-	1,750,593
Registration Fees	166,666	166,572
Listing Fees	100,000	15,000
Miscellaneous Expenses	370,163	331,001
<b>Total</b>	<b>6,774,889</b>	<b>8,790,740</b>
Payments to the auditors comprises (net of service tax input credit, where applicable):		
As Auditors - Statutory Audit	60,000	60,000
<b>Total</b>	<b>60,000</b>	<b>60,000</b>

**Notes forming part of the financial statements for the year ended 31st March, 2015**

**24. Contingent Liabilities**

There are no contingent liabilities.

**25. Related Party Disclosures**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

**Details of related parties:**

<b>Description of relationship</b>	<b>Names of related parties</b>
Enterprise in which KMP/ Relatives of KMP can exercise significant influence	Arodyne Chemicals Ltd. Aum Financial Consultants Avdhoot Finance & Investment Pvt. Ltd. Bahl & Co. Pvt. Ltd. Desai Industrial Finance Pvt. Ltd. J R Shroff HUF Som Holding & Trading Co. Pvt. Ltd.
Key Management Personnel (KMP)	Mr. Pradeep R. Shroff Mr. Manoj T. Shroff

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:**

	<b>Enterprise in which KMP/ Relatives of KMP can exercise significant influence</b>	<b>KMP</b>	<b>Total</b>
	₹	₹	₹
Net Loans and Advances given/(returned)	-	-	-
	<i>(4,595,971)</i>	-	<i>(4,595,971)</i>
Remuneration	-	300,000	300,000
	-	4,517	4,517
Consultancy Charges	121,500	-	121,500
	-	-	-
<u>Balances outstanding at the end of the year</u>			
Net Loans and Advances given/(returned)	-	-	-
	-	-	-

Note: Figures in italics relates to the previous year

**26. Earnings per share**

<b>Particulars</b>	<b>For the Year Ended 31st March, 2015</b>	<b>For the Year Ended 31st March, 2014</b>
<u>Basic</u>		
Net profit for the year (₹)	3,700,009	637,628
Weighted average number of equity shares (Nos.)	4,527,890	4,527,890
Par value per share (₹)	10	10
Earnings per share (₹)	0.82	0.14

## Notes forming part of the financial statements for the year ended 31st March, 2015

### 28. Employee Benefit

As per actuarial valuation as on 31-03-2015 and recognized in the financial statements in respect of employee benefit schemes as required under AS 15 (R) are as under:

Particulars	Gratuity	
	31st March, 2015	31st March, 2014
<b>Unfunded Liabilities</b>		
(i) Assumptions		
Discount Rate	7.96% p.a.	9.03% p.a.
Salary Escalation	10.00% p.a.	10.00% p.a.
Attrition Rate	2.00% p.a.	2.00% p.a.
(ii) Table Showing Change in Benefit Obligation	₹	₹
Liability at the beginning	1,580,284	1,479,179
Interest Cost	142,700	118,334
Current Service Cost	52,787	51,732
Benefit Paid	-	-
Actuarial (Gains) / Losses on obligations	(94,834)	(68,961)
Liability at the end	1,680,937	1,580,284
(iii) Amount Recognised in the Income Statement		
Current Service Cost	52,787	51,732
Interest Cost	142,700	118,334
Expected Return on Plan Assets	-	-
Net Actuarial (Gains) /Losses	(94,834)	(68,961)
Expenses Recognised in Profit & Loss A/c	100,653	101,105
(iv) Amount Recognised in the Balance Sheet		
Opening Net Liability	1,580,284	1,479,179
Expenses as above	100,653	101,105
Employers Contribution paid / Benefits Paid	-	-
Closing Net Liability	1,680,937	1,580,284

29. In the opinion of Board of Directors all assets other than non-current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated and the provisions for all known liabilities are adequate and not in excess of the amounts reasonably necessary.

30. No personal expenses have been debited to Profit and Loss Account except those payable under contractual obligation or normal business practices.

### 31. Earnings in Foreign Exchange

Particulars	For the Year Ended	For the Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
Professional Fees	200,000	-

**Notes forming part of the financial statements for the year ended 31st March, 2015**

**32. Information pursuant to Clause 32 of Listing Agreement with Stock Exchanges.**

Loans and Advances in the nature of loans are as under:

Particulars	Balance		Maximum Balance	
	As at 31st March, 2015	As at 31st March, 2014	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
	₹	₹	₹	₹
<b>Interest free loans without specified repayment schedule</b>				
Aarayaa Finstock Pvt. Ltd.	-	-	-	1,799,439
Arodyne Chemicals Ltd.	-	-	-	121,655
Aum Financial Consultants	-	-	-	825,415
Avdhoot Finance & Investments Pvt. Ltd.	-	-	-	3,290
Avdhoot Housing Finance Co. Pvt. Ltd.	-	-	-	17,687
Bahl & Co. Pvt. Ltd.	-	-	-	6,871
Blue Chip Leasing & Finance Ltd.	-	-	-	1,855,596
Budh Holding & Trading Co. Pvt. Ltd.	-	-	-	1,081,983
Citi Securities & Financial Services Pvt. Ltd.	-	-	-	141,892
Desai Industrial Finance Pvt. Ltd.	-	-	-	3,345,995
Desai Investments Pvt. Ltd.	-	-	-	3,928,405
Guru Holding Pvt. Ltd.	-	-	-	775,703
J R Shroff HUF	-	-	-	115,000
Mahimna Securities Pvt. Ltd.	-	-	-	15,000
Merican Funds Ltd.	-	-	-	3,000
Som Holding & Trading Co. Pvt. Ltd.	-	-	-	162,558
M/s. V. B. Desai	-	-	-	3,282

**33. Segment Reporting**

The Company has only one segment i.e. Merchant Banking and financial services, therefore segmentwise reporting has not been given as required by Accounting Standard 17.

**34. Previous year's figures**

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

As per our attached report of even date

**For A. N. Damania & Co.**

Chartered Accountants  
Firm Regn. No. 102077W

**Ashvin Damania**

Proprietor  
Membership No. 040166  
Place : Mumbai  
Date : 28th May 2015

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

**Samir R. Dedhia** – Chairman  
**Pradip R. Shroff** - Managing Director  
**Manoj T. Shroff** - Director  
**Khurshid Shaikh** - Director  
**Hemendra J. Shroff** - Director  
**Rachana S. Vijayakar** - Director

Place : Mumbai  
Date : 28th May 2015



## V.B.DESAI FINANCIAL SERVICES LIMITED

Registered Office: Cama Building, 1<sup>st</sup> Floor, 24/26, Dalal Street, Fort, Mumbai – 400 001  
(CIN: L74120MH1985PLC037218) Email: [investor@vbdesai.com](mailto:investor@vbdesai.com); Website: [www.vbdesai.com](http://www.vbdesai.com); Phone: 022-40770777

### PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s).....	E-mail Id:.....
Registered address:.....	Folio/Client Id:.....
.....	DP ID:.....
.....	.....

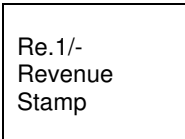
I/We, being the member(s) of .....Shares of the above named company, hereby appoint:

- 1) .....of .....having e-mail id.....or failing him
- 2) .....of .....having e-mail id.....or failing him
- 3) .....of .....having e-mail id.....or failing him

And whose signature(s) are appended below, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company, to be held on 23rd September 2015 at 11.00 a.m at the Registered Office at Cama Building, 1<sup>st</sup> Floor, 24/26, Dalal Street, Fort, Mumbai – 400 001, and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions
	<b>Ordinary Resolutions</b>
1	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March 2015
2	Re-appointment of Mr. Hemendra J. Shroff, who retires by rotation
3	Re-appointment of Mrs. Rachana S. Vijayakar, who retires by rotation
4	Appointment of M/s. A.N. Damania & Co., Chartered Accountants, as Auditors and fix their remuneration

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015



Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder \_\_\_\_\_

Notes:

1. A Proxy need not be a member of the Company
2. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a singly person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.

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## ATTENDANCE SLIP

29<sup>th</sup> Annual General Meeting on Wednesday, 23<sup>rd</sup> September 2015

Registered Folio/ DP ID & Client ID	
Name and address of the Shareholder(s)	
Joint Holder 1 Joint Holder 2	
No. of shares held	

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company, I hereby record my presence at the 29<sup>th</sup> Annual General Meeting of the Company held at the Registered Office at Cama Building, 1st Floor, 24/26, Dalal Street, Fort, Mumbai – 400 001, at 11.00 a.m. on Wednesday, 23rd September 2015.

\_\_\_\_\_  
Proxy's Name in Block letters

\_\_\_\_\_  
Member's/ Proxy's Signature

### NOTES:

1. This Meeting is of Members only and you are requested not to bring with you any person who is not a Member
2. Shareholders/ Proxy holders are requested to bring the attendance slips with them when they come to the Meeting and hand over at the entrance after affixing their signature on them.
3. Shareholders are requested to bring their copy of the Annual Report along with them to the Annual General Meeting, as copies of the Report will not be distributed again at the Meeting.
4. If it is intended to appoint a proxy, the Form of Proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

BOOK - POST

To,

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If undelivered please return to:

**V.B.DESAI FINANCIAL SERVICES LIMITED**

Cama Building, 1st floor,

24/26, Dalal Street. Fort

Mumbai - 400 001