

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC SCENARIO

Indian markets have witnessed a buoyant trend that indicates better profit growth prospects for 2015. This seems to be the start of a golden era, not just for the markets, but also the Indian economy. Many factors have fallen into place for Indian markets and the economy. India is the only major country that is projected to see a pickup in growth momentum. The government's initial estimates for Fiscal Year 2014 (ending 31 March 2015) show that economic growth accelerated to 7.4%. Growth in the gross domestic product is expected to accelerate to 7.8% in FY 2015 on improved performance in both industry and services as policy addresses structural bottlenecks and external demand improves. Growth is expected to edge up further to 8.2% in FY 2016, helped by a supportive monetary policy in 2015, as inflation continues to trend lower and by a pickup in capital expenditure. In this scenario, the Non-Banking Finance Companies (NBFC) sector has scripted a story that is remarkable. It speaks to the truly diverse and entrepreneurial spirit of India. There has been greater recognition of the role of NBFCs in financing India's growth in the recent past, even as global debates on systematic risks arising from non-banks have travelled to Indian shores and led to somewhat fundamental shifts in the policy environment governing NBFCs. Much public discussion and regulatory action later, clarity regarding goals and signposts of public policy have emerged. For the industry, there are some costs associated with greater regulations, but the opportunity of being a well regulated participant in the financial system is likely to outweigh the costs in the long run. We believe that some shadow zones persist in the regulatory landscape, but there is enough clarity for NBFCs to define their way forward.

INDUSTRY OUTLOOK

'FY2014-15' has been a tough year for the NBFC sector as the business has greatly suffered in the subdued environment. NBFC's specifically the ones with high exposure in lending against commercial vehicles and construction equipment have recorded high NPA's mainly on account of stagnation on infrastructure development, stunted growth, rash law making, bad political environment and higher level of stressed business.

Additionally, India's Apex Bank also has tightened rules for so-called 'shadow banks', raising minimum capital requirements and restricting deposits. However, the revised RBI regulations for NBFCs have been formed with the purpose of strengthening the financial system and to bring the norms in line with those of banks. It is to reduce the systematic risk they pose to the financial system and are aimed to improve NBFCs capacity to endure asset quality shocks.

Nevertheless, the outlook for the sector over next year looks comparatively better on account

of positive trend of growth in economy which is expected to boost credit demand. This along with revival of certain infrastructure projects, which have been cleared by the cabinet committee in recent months, pick-up in industrial growth and corporate investments also is expected to benefit most of the commercial assets financed by the NBFCs and is expected to ease the pressure on the cash flows of their borrowers through enhanced utilization of their assets. Last, but not the least, the sector would also be looking forward to Budget 15-16 with industry body, CII pitching for giving NBFCs, bank like tax benefit in its Pre-Budget Memorandum to the Ministry of Finance.



OPPORTUNITIES & THREATS

The Reserve Bank of India (RBI) recently issued a slew of regulatory changes to tighten rules and bring about a level playing field between non-banking finance companies (NBFCs) and banks. In a nutshell, NBFCs will now have to maintain higher capital, recognize bad loans earlier and increase their provision on bad loans.

But despite the more stringent norms, this space continues to offer good opportunities for investors. For one, the new regulations have ended the uncertainty over how the RBI will address the iniquity arising from the regulatory advantage that NBFCs have been enjoying over banks. Two, over the long run, a better regulatory framework to mitigate risk, improve disclosures and strengthen governance standards will also reduce the perceived risks of NBFCs.

Lastly, and more importantly, while most of the changes have been in line with earlier recommendations, the additional time given by the RBI to comply with these norms comes as a relief for the sector.

Newer regulatory updates pose a constant challenge for smooth operations of the Company. With constant updates governing the functional aspects of financial institutions, there lies an unseen challenge in the coming years. Higher cost of funds might lead to reduced bottom-line for the Company. Also, a lesser interest spread, or higher cost of lending might lead to customers turning away to cheaper source of funds.

RISKS & CONCERNS

NBFCs have been playing a crucial role in terms of the macroeconomic perspective as well as strengthening the structure of the Indian financial system. Consolidation in the sector and better regulatory framework for NBFCs has helped them become more focused. However, in the real world of competition, NBFCs have to focus more on their core strengths and must constantly endeavor to search for new products and services in order to survive and grow constantly. The risk weights to be applied by banks for capital adequacy purposes also take

into account the credit rating of the borrower. This provision is not available for NBFCs even though banks and NBFCs operate in the same macroeconomic environment. Even in respect of secured lending / investments where the quality of security is similar to that of banks, no differentiation in risk weights is allowed for NBFCs. To add to their difficulties, the draft NBFC guidelines proposed higher risk weights for exposure to capital markets and the commercial real estate sector. The NBFC industry has long been requesting revision in the allocation of risk weights and introduction of norms similar to those prescribed for banks. Restrictions on debentures funding, securitization and loss of Priority Sector status to on-lending through NBFCs will continue to constrain the funding ability of the NBFCs.

INTERNAL CONTROL SYSTEM

The Companies Internal control/supervisory system is established to ensure that board and management are able to achieve their business objectives in a prudent manner, safeguarding the interest of Companies shareholders and other stakeholders whilst minimizing the key risk such as fraud, misleading financial statements, breach of legal and contractual obligation, unauthorized business activity. Further details have been disclosed in Board's report.

HUMAN RESOURCE

Your Company follows a strategy of attracting and retaining the best talent and keep employees engaged, motivated and innovative. The Company continues to have cordial relations with its employees and provide personnel development opportunities for all round exposure to them.

FINANCIAL & OPERATIONAL PERFORMANCE

Financial and Operational performance forms part of the Annual Report and is presented elsewhere in the report.

CAUTIONARY STATEMENT

Some of the Statements in Management discussion and Analysis describing companies objective may be "forward looking statement" within the meaning of applicable Securities law and Regulations. Actual results may differ substantially or materially from those expressed or implied. Important factors that could influence companies operation include various global and domestic economic factors.

REPORT ON CORPORATE GOVERNANCE



In Compliance with clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practices as followed by the Company.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good corporate governance leads to long term shareholders value and enhances interest of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board of align and direct the actions of the organization towards creating wealth and shareholder value.

The company's essential character is shaped by the value of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavors to improve on these aspects. The Board views corporate governance in its widest sense. The main objective is to create and adhere to corporate culture of integrity and consciousness, transparency and openness. Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Company's philosophy on corporate governance is guided by the company's philosophy of knowledge, action and care. The Company has complied with all the requirements of listing agreement and listed below is the status with regard to same.

A. BOARD OF DIRECTORS

- (i) The Company is fully compliant with the Corporate Governance norms in the terms of constitution of the Board of Directors ("the Board"). The Company's policy is to maintain an optimum combination of Executive and non Executive Independent directors. The Composition of your Company's Board, which comprises of five directors, is given in the table below and is in conformity with clause 49 of the listing agreement with stock exchange.

As will be seen from the following table, none of the directors holds office as a director, including alternate director, in more than 20 companies at the same time. None of them has directorships in more than 10 public companies, None of the directors serves as an independent director in more than seven listed companies or in more than three listed companies in case he is a whole time director in any listed company nor is any of them a member of more than ten committees of the prescribed nature or holds chairmanship of more than five such committee across all public limited companies in which they are directors. The Board does not have any nominee director representing any institution.

Name of Director	Category	No. of Board Meetings Attended	Date of Joining the Board	Whether attended last AGM held on 09.09.2014	No. of Directorship (including this Company)		No. of Committee membership Position (including this Company)	
					Chairman	Member	Chairman	Member
Mr. Vijay Kothari (Din No.00172878)	Promoter NED (Chairman)	5	12.10.1994	Yes	1	3	-	-
Mr. Manish Tambi (Din No.00172883)	WTD	5	26.11.2002	Yes	-	4	-	-
Mr. Suresh Singh Jain (Din No.03584190)	ID,NED	5	01.08.2011	Yes	-	1	3	3
Mr. Hiren Kamdar (Din No.03584178)	ID,NED	5	01.08.2011	Yes	-	2	-	3
Ms. Roshani Maheshwari (Din No. 06872862)	ID,NED	5	23.05.2014	Yes	-	1	-	3
*Mr. Manish Sanghvi (Din No. 01532977)	ID,NED	0	01.11.2002	No	-	5	-	-

WTD= Whole Time Director, ID = Independent Director, NED= Non Executive Director

Note: This includes directorship in public limited companies, subsidiary of public limited companies and directorship in Private Limited Companies but excluding , overseas companies, companies under Section 8 of the Companies Act, 2013 and alternate directorship if any.

All independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

*Mr. Manish Sanghvi ceased from Directorship of the Company w.e.f. 23rd May, 2014 on account of his resignation due to his pre occupation and other personal reasons. The Board has appointed Ms Roshani Maheshwari as an additional women independent director to hold office up to five years.

The notice of every board meeting is given in writing to each director. The agenda along with the relevant information such as financial results, capital expenditure proposals and statutory dues, among others, are as a matter of routine, placed before the Board for its approval/information. Board Meetings are governed by a structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.

The necessary quorum remained present in all the meetings. Leave of absence is granted to the concerned directors who could not attend the respective Board Meeting. In Financial year 2014-15 five Board Meetings were held and the gap between two meetings did not exceed 120 days. The dates on which the said Meetings were held are as follows:



May 25th 2014, August 8th 2014, November 13th 2014, February 10th 2015 & March 30th 2015.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company

Independent Directors Meeting

Pursuant to the clause 49 of the Listing Agreement and schedule IV of the Companies Act, 2013, the independent directors of the Company shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 30th March 2015 to consider the following business as required under clause 49 of the Listing Agreement and the Companies Act, 2013:-

- (a) Review the performance of Non-Independent Directors and the Board as a whole;
- (b) Review the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors and;
- (c) Assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent directors were present for the meeting.

Performance evaluation of independent directors

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. Well-defined and structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, areas of responsibility, execution and performance of specific duties, obligations and governance, compliance, oversight of Company's subsidiaries, etc.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. Qualitative comments and suggestions of Directors were taken into consideration by the Chairman of the Board and the Chairman of the Nomination and Remuneration Committee. The Directors have expressed their satisfaction with the evaluation process.

Familiarization of Independent Directors

The details of familiarization programme for Independent Directors have been disclosed on website of the Company www.vijifinance.com.

ii) Inter-se relationship among directors

There is no inter-se relationship among the directors.

iii) Role of Independent Director

Independent Directors play a key role in the decision making process of the Board and in shaping various strategic initiatives of the Company. The Independent directors are committed to act in what they believe to be in the best interest of the Company and its stakeholders. The Independent Directors are professionals, with expertise and experience in general corporate management, public policy, finance, financial services and other allied fields. The Company benefits immensely from their inputs in achieving its strategic direction.

iv) Shareholding of Non-executive Director

The Number of equity shares held by Non-Executive Directors as on 31.03.2015 was as under:

Name of Director	No. of shares
Ms. Roshani Maheshwari (Din No. 06872862)	Nil
Mr. Hiren Kamdar (Din No.03584178)	Nil
Mr. Suresh Singh Jain (Din No.03584190)	Nil

Except Mr Vijay Kothari and Mr Manish Tambi , no directors and their relatives hold any share in the Company.



v) Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as per Clause 49(1)(A) of the Listing Agreement.

Brief resume(s) of the Directors proposed to be appointed / re-appointed are given in the Notice convening the Annual General Meeting in separate annexure.

vi) Board Procedure

A detailed agenda folder is sent to each Director in advance of Board and Committee meetings. To enable the Board to discharge its responsibilities effectively, the Chairman briefs the Board at every meeting on the overall Company performance and compliance of the company wherever applicable.

COMMITTEES OF THE BOARD

(I) Audit Committee (Mandatory Committee)

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report. As required under Section 177 of the Companies Act, 2013 ("the Act") read with the provisions of Clause 49 of the Listing Agreement(s), the Board has Reconstituted an Audit Committee consisting of Mr. Suresh Singh Jain, Mr Hiren Kamdar and Ms. Roshani Maheshwari Non Executive independent Directors. All the members of the committee, including committee chairman are independent director. All the members of the committee are financial literate.

(i) Meeting and Composition

The Composition of Audit Committee as on 31.03.2015 and attendance record of the members at the meetings held during the year was as under:

Name of the Member	Category	Status	No. of meetings attended	
			Held during tenure	Attended
Mr. Suresh Singh Jain (Din No.03584190)	Non executive Independent Director	Chairman	4	4
Mr. Hiren Kamdar (Din No.03584178)	Non executive Independent Director	Member	4	4
Ms. Roshani Maheshwari (Din No. 06872862)	Non executive Independent Director	Member	4	3

During the year the committee met on four occasions during the year on following dates namely:

25/05/2014	08/08/2014	13/11/2014	10/02/2015
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As mandated by clause 49 of the Listing agreement

1. The representatives of statutory and internal auditors of the company are also invited in the audit committee meetings.
2. The gap between two audit committee meetings was not more than 120 days.
3. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

(ii) Terms of reference of the Audit Committee

The terms of reference of Audit Committee are as under:

- Examination of Financial statement and statutory Auditor's Report thereon and discussion of any related issues with the internal Auditor's Report & statutory Auditors and the management of the Company.
 - Review of Financial statement before their submission to the Board, including Director's Responsibility statement, changes in accounting policies and practices, statutory compliances and qualification in draft audit report.
 - Approval or any subsequent modification of transactions of the Company with related parties.
 - Recommending the appointment and removal of external auditor, fixation of audit fee and approval of payment of any other services:
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- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - Reviewing with management, the annual financial statement before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors responsibility statement to be included in the board's report as per Section 134(3)(c) of the Companies Act, 2013.
 - b. Changes in the Accounting policies and practices and the reasons for the same, major accounting entries and significant adjustments made in the financial statements arising out of audit findings.
 - c. Significant adjustments made in the financial statements arising out of audit findings.
 - d. Compliance with listing and other legal requirements relating to financial statements.
 - e. Disclosure of any related party transactions & Approval or any subsequent modification of transactions of the company with related parties.



- Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern,
- Reviewing the management discussion and analysis of the financial conditions and results of operations.
- Reviewing the Company's financial and risk management policies;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Undertake such other functions as may be entrusted to it by the Board from time to time.
- The Chairman of the Committee to attend the Annual General Meeting to respond to the queries of shareholders.

(II) Stakeholders' Relationship Committee

As required under Section 178(5) of the Companies Act, 2013 ("the Act") read with the provisions of Clause 49 of the Listing Agreement(s), the Board has re-constituted Stakeholders Relationship Committee which comprises of three Directors of Mr. Suresh Singh Jain, Mr. Hiren Kamdar and Ms. Roshani Maheshwari Non Executive independent Directors. The constitution and terms of reference of Stakeholders' Relationship Committee of the Company are in compliance with provisions of Companies Act, 2013 and the Listing Agreement.

(i) Meeting and Composition

The Composition of Committee as on 31.03.2015 and attendance record of the members at the meetings held during the year was as under:

Name of the Member	Category	Status	No. of meetings attended	
			Held during tenure	Attended
Mr. Suresh Singh Jain (Din No.03584190)	Non executive Independent Director	Chairman	4	4
Mr. Hiren Kamdar (Din No.03584178)	Non executive Independent Director	Member	4	4
Ms. Roshani Maheshwari (Din No. 06872862)	Non executive Independent Director	Member	4	3

During the year the committee met on four occasions during the year on following dates namely:

25/05/2014	08/08/2014	13/11/2014	10/02/2015
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(ii) During the year under review (18) complaints were received from shareholders and all were disposed off, there were no complaints pending unresolved as at the end of the year.

(iii) Share transfer in physical form are registered by the Registrar and returned to respective Transferee/person within a period ranging from one to two weeks provided the documents lodged with Registrar /Company are clear in all respects.

(iv) Name, designation and address of Compliance Officer:-

Mr. Bhushan Tambe, Company secretary and Compliance officer

11/2, Usha Ganj, Jaora Compound, Indore-452001 (M.P.)

Email: info@vijifinance.com

Telephone and Fax: 0731-4246092

Terms of Reference:

The Board has clearly defined the terms of reference for this committee, which meets in regular intervals and looks into the matters of shareholders/investors grievances along with other matter listed below:



- Approval of transfer of shares and issue of duplicate/split/consolidation/sub-division of shares certificates.
- Monitor redressal of investors' / shareholders' / security holders' grievances.
- Oversee the performance of the Company's Registrar and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and e-mail addresses to facilitate prompt action.

(III) Nomination and Remuneration Committee

Pursuant to Clause 49 of the Listing Agreement and Section 178 of the Act, the Board has re-constituted and renamed the Remuneration Committee as Nomination and Remuneration Committee and adopted new terms of reference.

The terms of reference for the Nomination and Remuneration Committee includes:

- To formulate a Nomination and Remuneration Policy on:
 - determining qualifications, positive attributes and independence of a director.
 - guiding remuneration of Directors, Key Managerial Personnel ("KMP") and other employees and Board diversity.
- Recommend Nomination and Remuneration Policy to the Board.
- Identify candidates who are qualified to become Directors.
- Identify persons who are qualified to become Senior Management (Senior Management of the Company means employees of the Company who are Divisional Heads and Corporate Functional Heads).
- Recommend to the Board the appointment and removal of Directors and Senior Management.
- Lay down the process for evaluation of the performance of every Director on the Board.
- The Chairman of the Committee to attend the General Meeting to respond to the queries of shareholders.

During the period under review, the Nomination and Remuneration Committee met two times on i.e. 23rd May, 2014 & 8th August, 2014 . Constitution of the Nomination and Remuneration Committee and attendance details during the financial year ended March 31, 2015 are given below:

Name of the Member	Category	Status	No. of meetings attended	
			Held during tenure	Attended
Mr. Suresh Singh Jain (Din No.03584190)	Non executive Independent Director	Chairman	2	2
Mr. Hiren Kamdar (Din No.03584178)	Non executive Independent Director	Member	2	2
Ms. Roshani Maheshwari (Din No. 06872862)	Non executive Independent Director	Member	2	1

Remuneration of directors

Remuneration paid or payable to Directors during the year 2014-15

Name of Director	Sitting Fees	Commission on Profit	Salary & Allowance	Contribution to PF	Perquisites	Total
Manish Tambi (Din No. 00172883)	---	---	600000	---	---	600000

- No sitting Fees was paid to any Director of the Company during the financial year.
- The company does not have any service contract with any of its directors.
- The company has not granted any stock option to any of its director/employees

The Nomination and Remuneration Committee at its meeting held on 8th August 2014 approved the Nomination and Remuneration Policy and the methodology for conducting the performance appraisal of the Board, the Board Committees and the Directors. The details of Nomination and Remuneration Policy and methodology for conducting the performance appraisal of the Board, the Board Committee and the Directors is given below:.

Nomination and Remuneration Policy

Pursuant to Clause 49 of the Listing Agreement and Section 178 of the Act, the Nomination and Remuneration Committee has adopted a Nomination and Remuneration Policy which provides guidance on:

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.



b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM / TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

In respect of an independent director, in addition to the above he/she should fulfill the

criteria for being appointed as an independent Director prescribed under section 149 of the Companies Act, 2013 read with schedule IV to the said Act and the provisions of clause 49 of the Listing agreement as amended from time to time.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.



3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, as decided from to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

4) Subsidiary Company

The Company does not have any Subsidiary Company.

MANAGEMENT

A. The Management discussion and analysis report

The Annual Report has a detailed chapter on Management Discussion and Analysis.

B. Disclosure by Management to the Board

All details relating to the financial and commercial transactions where directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

Compliance with Mandatory / Non Mandatory requirements.

The Company has complied with all the applicable mandatory requirement of clause 49 of the listing agreement.

The following non-mandatory requirements have been adopted by the Company:

- (a) Half yearly financial result including summary of the significant events are presently not being sent to the shareholders of the company.
- (b) Auditor's Report does not contain any qualifications.
- (c) At present, there is no separate office for use of Chairman.
- (d) The Internal Auditors report directly to the Audit Committee.

DISCLOSURES

- A. There were no material transactions of the Company with its promoters, directors, and management on their relatives that may have conflict with the interest of the Company at large.
- B. The particulars of transactions between the Company and its related parties in accordance with the accounting standard are set out in Annual report. These transactions are in the ordinary course of business and are not likely to have any conflict with the interest of the Company. There were no material related party transactions.
- C. The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, and in conformity, in all respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statements are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.
- D. The Company has well defined management policies to manage the risk inherent in the various aspects of business. The Board is regularly informed about the business risks and the steps taken to mitigate the same.
- E. During the last three years , there were no strictures or penalties imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets.
- F. During the year under review Company has not issued any type of securities. No GDR/ADR issued by the Company.
- G. The company has established a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- H. Pursuant to section 177(9) and (10) of the Companies Act, 2013 and clause 49 of the listing agreement, the Company has formulated Whistle Blower policy for vigil mechanism for directors and employees to report to the management about the unethical behavior, fraud or violation of company code of conduct.
- I. Business risk evaluation and management is an ongoing process within the company. The assessment is periodically examined by the Board.
- J. The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. During the year no complaints of sexual harassment were received.
- K. As per clause 5All of the listing agreement there is no unclaimed shares in the company.

SHAREHOLDER'S INFORMATION

Means of Communication



Presently, the quarterly/half yearly financial result is not sent individually to the shareholders. However as required under the listing agreement, the same are published in the Free Press Journal (English) & Chotha Sansar (Hindi).

The approved financial results are forthwith send to the Stock exchanges and are published in a national English news paper. In addition the same are also posted on website of the Company.

The Company's financial results and official press releases, shareholding patterns, and all other corporate communication are displayed on company's website www.vijjifinance.com and same has been send to stock exchanges for their up gradation.

A separate dedicated section under "Investor Relations" on the Companies Website gives the information on unclaimed dividends, quarterly Compliances with stock exchange and other relevant information of interest to the investor's public.

Sections 20 & 129 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members'/ shareholders' email addresses. The Company, during the year under review sent documents, such as notice calling the general meeting, audited financial statements, Board's Report, Auditors' Report etc. in electronic form at the email addresses provided by the shareholders and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form, upon request.

The Company also files the following information, statements, reports on websites specified by Bombay Stock Exchange Limited.

- Full version of the Annual Report including the Balance Sheet, Statement of Profit and Loss, Board's Report and Auditors' Report, Cash Flow Statement and quarterly financial statements.
- Corporate Governance Report.
- Shareholding pattern.

GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as detailed below:

Meeting	Date	Time	Venue
20 th Annual General Meeting 2013-14	09.09.2014	10.00 A.M.	At Regd. Office at 11/2, Usha Ganj, Jaora Compound, Indore M.P.
19 th Annual General Meeting 2012-13	10.06.2013	10.30 A.M.	At Regd. Office at 11/2, Usha Ganj, Jaora Compound, Indore M.P.
18 th Annual General Meeting 2011-2012	11.09.2012	10.00 A.M.	At Regd. Office at 11/2, Usha Ganj, Jaora Compound, Indore M.P.

POSTAL BALLOT & SPECIAL RESOLUTION:

No resolutions were passed by postal ballot in last three years.

None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a resolution through Postal Ballot.

- Following special resolutions were passed in last three Annual General Meetings.
- Creation of mortgage and/or charge on all or any of the movable and/or immovable properties of the company U/s 180 (1) (a) of the Companies Act, 2013 in annual general meeting held on 09.09.2014.
- Authority to obtain loan/borrowings under Section 180(1)(c) and (2) of the Companies Act, 2013 in annual general meeting held on 09.09.2014.
- Increase in Authorized Share Capital of The Company and Alteration in Memorandum of Association in annual general meeting held on 09.09.2014.
- Issue of 22,50,000 Equity Shares on Preferential basis in annual general meeting held on 10.06.2013.
- Alteration in Article of Association for increase In Authorized share capital in annual general meeting held on 11.09.2012.
- Preferential allotment of 22,50,000 Equity shares to promoter and other then non promoters in annual general meeting held on 11.09.2012.
- Change of Name of company from Panjon Finance Limited to VIJI Finance Limited in annual general meeting held on 11.09.2012.

No Extra Ordinary General Meeting was held during the financial year 2014-15.

GENERAL SHAREHOLDER INFORMATION



AGM: Date, Time and Venue	Thursday 17 th September 2015 at 10.00 A.M. Venue of the meeting: 11/2, Usha Ganj, Jaora Compound, Indore M.P. Last date for receipt of proxy forms: 15 th September, 2015
Financial reporting for 2015-16:-- 1 st Quarter ending 30 th June, 2015 2 nd Quarter ending 30 th September, 2015 3 rd Quarter ending 31 st December 2015 4 th Quarter ending 31 st March, 2016	Second fortnight of August, 2015 Second fortnight of November, 2015 Second fortnight of February, 2016 Before 30 th May, 2016
Date of Book Closure	Saturday 12 th September 2015 to Thursday 17 th September 2015 [Both days inclusive]
Listing on Stock Exchanges	The Kolkata Stock Exchange Limited Bombay Stock Exchange, Mumbai *MP Stock Exchange Limited (Derecognized w.e. f. 9 th June, 2015)
Dividend Payment Date	Dividend of Rs.0.30/- (3%) per shares having a face value of Rs.10/- for the year 2014-15 has been recommended by the Board of Directors and if approved by the Shareholders at the ensuing Annual General Meeting will be paid to the Shareholders. Dividend will be paid on or after 20 th September 2015.
Stock Code - ISIN Code- CIN	Bombay Stock Exchange Limited (537820) INE159N01019 L65192MP1994PLC008715
Registrar and Transfer Agents	Ankit Consultancy Private Limited 60- Pardesipura, Electronic Complex, Indore-452010, M.P. PH 0731-3198601-602
Share Transfer System	All the transfer received are processed by the Registrar and transfer Agent
Distribution of shareholding as on 31.03.2015	Please see Annexure 'A'
Shareholding pattern as on 31.03.2015	Please see Annexure 'B'
Market Rate	Please see Annexure 'C'
Outstanding GDRs/ADRs/Warrants or any convertible instruments , Conversion date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants or any convertible Instruments.
Address for correspondence	Shareholders correspondence should be addressed to: Viji Finance Limited 11/2, Usha Ganj, Jaora Compound, Indore M.P. Phone: 0731-4246092 , website www.vijifinance.com

Transfer Unpaid/Unclaimed amount Dividend to Investor Education and Protection fund:

Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the company for payment thereof as the same will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to Section 205 of the Companies Act, 1956, on the respective dates mentioned below. Intimation in this regard is being sent to the concerned shareholder periodically. Kindly note that after such dates the members will lose their right to claim such dividend.

Financial Year	Date of Declaration	Due date of transfer unpaid dividend to IEPF
2010-11	30.08.2011	29.09.2018
2011-12	11.09.2012	10.10.2019
2012-13	10.06.2013	09.07.2020
2013-14	09.09.2014	08.10.2021

Whistle blower policy/vigil mechanism

Pursuant to section 177(9) of Companies Act, 2013 and clause 49 of Listing Agreement, the Company has a Board approved whistle blower policy/vigil mechanism to enable directors and employees to report to the Management their concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethics policy. This mechanism provides safeguards against victimization of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The policy/vigil mechanism has been appropriately communicated to the employees within the organization and has been put on the Company's website www.vijifinance.com.

None of the employees has been denied access to the Audit Committee under this policy during the year under review

Secretarial Audit for Reconciliation of Capital

As stipulated by SEBI a qualified practicing Company Secretary carries out secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the listed stock exchanges. The audit confirms that the total listed and paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL/CDSL) and total number of shares in physical form. As on 31st March 2015, 93.71% of shares were held in dematerialized form and rest 6.29% in physical form.

Code of Conduct

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is also placed on the Company's website – www.vijifinance.com. A certificate from the Whole Time Director, affirming compliance of the said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this report.



Further, the Directors and the Senior Management of the Company has submitted disclosure to the Board that they do not have any material financial and commercial transactions that may have a potential conflict with the interest of the Company at large.

Code for prevention of Insider trading practices

Securities and Exchange Board of India has notified on 15 January 2015 new regulations for prohibition of insider trading (effective from 15 May 2015) repealing the regulations issued in 1992. In Compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended till date on prohibition of insider trading, the Company has comprehensive Code of Fair Disclosure and Code of Conduct for prevention of Insider Trading, 2015 strictly adhered to by its management, staff and relevant business associates and the same is being uploaded on website. The code expressly lays down the guidelines and the procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences on non-compliance thereof.

WTD & CFO Certification

The Whole time Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Whole Time Director and the Chief Financial Officer also give quarterly certification on financial results to the Board in terms of Clause 41 of the Listing Agreement.

Certificate on Corporate Governance

The Company has obtained the certificate from the Practicing Company Secretary regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the Listing Agreement with the stock exchanges. This report is formed part of Corporate Governance Report for the year 2014-15. This certificate will be sent to the stock exchanges, along with the annual report to be filed by the Company.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I Manish Tambi, Whole Time Director of the VIJI Finance Limited declared that all the members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct for the financial year ended on 31st March 2015.

Place: Indore

Date : 08.08.2015

For VIJI Finance Limited

Manish Tambi

(Din No.00172883)

Whole Time Director

CEO/CFO CERTIFICATE



We hereby certify to the Board of Directors of VIJI FINANCE LIMITED that :-

- a. We have reviewed financial statements and the cash flow statement for the year ended on 31/03/2015 and that to the best of our knowledge and belief.
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Indore

Date: 08.08.2015

For VIJI Finance Limited

Siddhant Sharma Manish Tambi (00172883)
Chief Financial Officer Whole Time Director

ANNEXURE ADistribution of Shareholding by size as on 31st March 2015:

Share or Debenture holding of nominal value Of Rs.	Shares/Debenture holders		Shares/Debentures Amount	
	Number	% of total number	Rs.	% of Total Amount
Upto-1000	59	8.48	30240	0.04
1001-2000	22	3.16	40820	0.05
2001-3000	18	2.59	47570	0.06
3001-4000	14	2.01	53960	0.07
4001-5000	294	42.24	1469700	1.96
5001-10000	182	26.15	1600370	2.13
10001-20000	32	4.60	474140	0.63
20001-30000	11	1.58	271670	0.36
30001-40000	5	0.72	179560	0.24
40001-50000	14	2.01	664200	0.89
50001-100000	16	2.30	1259510	1.68
100000 ABOVE	29	4.17	68908260	91.88
Total	696	100.00	75000000	100.00

ANNEXURE B**SHAREHOLDING PATTERN AS AT 31ST MARCH 2015 [SHAREHOLDING PATTERN]**

	Category	No. Of Share held	Percentage of Shareholding
A	Promoters Holding		
1.	Promoters Indian Promoters: Foreign Promoters:	5591250	74.55
2.	Persons acting in concert		
	Sub Total	5591250	74.55
B.	Non-Promoters Holding	-	-
1.	Institutional Investors	-	-
2.	Mutual Funds and UTI	-	-
3.	Banks, Financial Institutions, Insurance Companies [Central/ State Govt. Institutions, Non- Government Institutions]	-	-
4.	Flls	-	-
5.	Sub-Total	-	-
6.	Others	-	-
	Private Corporate Bodies	116641	1.56

7.	Individuals		
	Holding up to Rs. 1.00 lacs	569764	7.60
	Holding excess Rs. 1.00 lacs	1217540	16.23
8.	NRI/OCBs	-	-
9.	Any other [please specify] Clearing Member	4805	0.06
	Sub-Total	1908750	25.45
	Grand Total	7500000	100.00

April, 2014 to March, 2015 at BSE

Month	Apr-14	May-14	June-14	July-14	Aug-14	Sept-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	March-15
High	57.00	50.10	33.00	59.00	75.70	106.45	112.00	115.95	116.50	134.80	162.00	147.80
Low	20.50	28.90	24.50	33.40	55.20	74.05	84.00	76.15	86.00	85.25	110.50	93.00

CERTIFICATE ON CORPORATE GOVERNANCE REPORT

We have examined to the compliance of conditions of Corporate Governance by **VIJI FINANCE LIMITED**, for the year ended 31st March, 2015, as stipulated in the clause 49 of the Listing agreement entered into by the company with the Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing agreement.

We further state that in respect of investor grievances received during the year ended 31st March, 2015, the Registrars of the Company have certified that as at 31st March, 2015, there were no investor grievances remaining unattended/pending for more than 30 days.

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

Place : Indore
Dated : 8th August, 2015

L.N. Joshi & Company
Practicing Company Secretaries

L N Joshi
Proprietor
Cp -4216