

## VLS FINANCE LIMITED

Regd. Office: - 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065  
CIN: L65910DL1986PLC023129, email: [vls@vlsfinance.com](mailto:vls@vlsfinance.com), Website: [www.vlsfinance.com](http://www.vlsfinance.com)  
Ph: 011-4665 6666, Fax: 011-4665 6699

### NOTICE of 34th Annual General Meeting ("AGM")

NOTICE is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of VLS FINANCE LTD. will be held on Thursday 30<sup>th</sup> September 2021 at 3:30 p.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2021, the statement of Profit & Loss for the year ended on that date, the enclosures thereto together with the report of Auditors and Directors thereon and the consolidated Financial Statements for the said period.
2. To approve dividend of Rs.1.50/- per equity share.
3. To appoint a Director in place of Shri Kishan Kumar Soni (DIN: 00106037) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Vikas Mehrotra (DIN: 06476150) who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

5. To approve the appointment of Shri Deepak Kumar Chatterjee (DIN: 03379600) as an Independent Director of the Company.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with applicable Rules and relevant provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Shri Deepak Kumar Chatterjee (DIN: 03379600) aged about 68 years, who was appointed as Additional Director in the category of Independent Director in terms of section 161(1) of the Act, by the Board of Directors concurring to the recommendation of Nomination and Remuneration Committee and who in the opinion of the Board fulfills the criteria given under Section 149(6) of the Act for an Independent Director of the Company and in respect of whom a notice under Section 160 of the Act has been received from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as Non-Executive Director in the category of Independent Director not liable to retire by rotation, for the first term of five consecutive years commencing from 12/02/2021 till 11/02/2026 or till such earlier date to conform with the policy on retirement as may be determined by the Board of Directors or statute(s), as the case may be.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to aforesaid resolution."

6. To consider, and if thought fit, to pass the following resolution with or without modification(s) for appointment of Shri Dinesh Kumar Mehrotra (DIN: 00142711) as a Non-Executive Independent Director of the Company as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with applicable Rules and relevant provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Shri Dinesh Kumar Mehrotra (DIN: 00142711) aged about 68 years, who was appointed as Additional Director in the category of Independent Director in terms of section 161(1) of the Act, by the Board of Directors concurring to the recommendation of Nomination and Remuneration Committee and who in the opinion of the Board fulfills the criteria given under Section 149(6) of the Act for an Independent Director of the Company and in respect of whom a notice under Section 160 of the Act has been received from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as Non-Executive Director in the category of Independent Director not liable to retire by rotation, for the second term of five consecutive years commencing from 29/06/2021 till 28/06/2026 or till such earlier date to conform with the policy on retirement as may be determined by the Board of Directors or statute(s), as the case may be.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to aforesaid resolution."

7. To approve revision of remuneration of Shri Mahesh Prasad Mehrotra (DIN: 00016768) - Executive Vice-Chairman of the Company and in this connection to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 203 read with Schedule V of the Companies Act, 2013 as amended and other applicable laws, subject to such approvals, permission and sanctions, if any, as may be required, the consent of the Company be and is hereby accorded to the revision in remuneration of Shri Mahesh Prasad Mehrotra (DIN: 00016768) - Executive Vice-Chairman of the Company and the revised remuneration package of Shri Mahesh Prasad Mehrotra - Executive Vice-Chairman shall be as under:

#### **a. Salary**

Basic salary of Rs. 5,75,000/- (Rupees Five Lacs Seventy Five Thousand Only) per Month.

#### **b. Perquisites**

In addition to the aforesaid salary, the Executive Vice-Chairman will be entitled to the following Perquisites:

- i. Rent free furnished Leased Accommodation for himself and his family, the company bearing the cost of society charges, repairs, maintenance and electricity for the said accommodation.

- ii. Medical Reimbursement:

Expenses incurred for self on actual basis.

Provided that the total value of salary and perquisites herein above shall not exceed at any time, the ceiling of remuneration prescribed in relevant regulations in force, for the time being and the perquisites shall be valued at actual cost or as per income tax rules where the actual cost is not ascertainable.

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

- iv. Facility of Telephones or provision of similar equipment/facilities for official purpose will be free & not to be considered as perquisites except that the charges for personal long distance calls will be billed by Company to Executive Vice-Chairman.

#### **c. Sitting Fees:** The Executive Vice-Chairman shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment."

All other terms and conditions of service as contained in the agreement dated 16/07/2020 entered into between the Company and the Executive Vice-Chairman will remain unchanged.

**RESOLVED FURTHER THAT** the aforesaid revision in remuneration shall be effective from 1<sup>st</sup> April, 2020, for residual period of appointment of Executive Vice-Chairman unless enhanced during the intervening period, in accordance with applicable provisions of Companies Act, 2013 and/or other law(s), for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to vary and/or revise upwards the remuneration of the Executive Vice-Chairman within the permissible limits under the provisions of the Companies Act, 2013 or any statutory amendment/modification thereof, from time to time, to take all necessary steps in this regard in order to comply with all the legal, procedural and other formalities to settle any question or difficulty in connection therewith or incidental thereto and to do all such things, deeds and acts including delegation of powers herein to any person/committee as may be deemed necessary or expedient for giving effect to said revision and in case it is required to obtain the consent of Company in this regard, to the end and intent that it shall be deemed to have been accorded expressly by authority of this resolution."

8. To approve revision of remuneration of Shri Suresh Kumar Agarwal (DIN: 00106763) - Managing Director of the Company and continuation of employment and in this connection to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 203 read with Schedule V of the Companies Act, 2013 as amended and other applicable laws, subject to such approvals, permission and sanctions, if any, as may be required, the consent of the Company be and is hereby accorded to the revision in remuneration of Shri Suresh Kumar Agarwal (DIN: 00106763) - Managing Director of the Company and the revised remuneration package of Shri Suresh Kumar Agarwal – Managing Director shall be as under:

**a. Salary**

Basic salary of Rs. 2,72,500/- (Rupees Two Lacs Seventy Two Thousand Five Hundred Only) per Month.

**b. Perquisites**

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

- i. HRA/ Leased Accommodation: Rs.71,350/- (Rupees Seventy One Thousand Three Hundred Fifty Only) per Month.
- ii. Leave Travel Concession: For the Managing Director and his family incurred not exceeding Rs.24,000/- ( Rupees Twenty Four Thousand only) per annum as per rules of the Company.
- iii. Reimbursement of expenses for Books and Periodicals upto Rs. 6,570/- (Rupees Six Thousand Five Hundred Seventy only) per Month.
- iv. Reimbursement of secretarial services upto Rs.19,000/- (Rupees Nineteen Thousand only) per Month.
- v. Reimbursement of expenses for Business Promotion upto Rs. 8,500/- (Rupees Eight Thousand Five Hundred only) per Month.
- vi. Provident Fund, Gratuity payable, entitlement & encashment of leave, bonus and other benefits as per rules of the Company.
- vii. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.
- viii. Facility of Telephones or provision of similar equipment/facilities for official purpose will be free & not to be considered as perquisites except that the charges for personal long distance calls will be billed by Company to the Managing Director as per rules of the Company.

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

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

All other terms and conditions of service as contained in the agreement dated 17/05/2019 entered into between the Company and the Managing Director will remain unchanged.

**RESOLVED FURTHER THAT** the aforesaid revision in remuneration shall be effective from 1st April, 2020, for residual period of appointment of Managing Director unless enhanced during the intervening period, in accordance with applicable provisions of Companies Act, 2013 and/or other law(s), for the time being in force and that in terms of section 196 of the Companies Act, 2013 the consent of Company be and is hereby accorded for continuation of employment of Shri Suresh Kumar Agarwal as Managing Director in present tenure after attaining the age of 70 (Seventy) years.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to vary and/or revise upwards the remuneration of the Managing Director within the permissible limits under the provisions of the Companies Act, 2013 or any statutory amendment/modification thereof, from time to time, to take all necessary steps in this regard in order to comply with all the legal, procedural and other formalities to settle any question or difficulty in connection therewith or incidental thereto and to do all such things, deeds and acts including delegation of powers herein to any person/committee as may be deemed necessary or expedient for giving effect to said revision and in case it is required to obtain the consent of Company in this regard, to the end and intent that it shall be deemed to have been accorded expressly by authority of this resolution.”

9. To approve revision of remuneration of Shri Kishan Kumar Soni (DIN: 00106037) – Director-Finance & CFO of the Company and in this connection to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 203 read with Schedule V of the Companies Act, 2013 as amended and other applicable laws, subject to such approvals, permission and sanctions, if any, as may be required, the consent of the Company be and is hereby accorded to the revision in remuneration of Shri Kishan Kumar Soni (DIN: 00106037) - Director-Finance & CFO of the Company and the revised remuneration package of Shri Kishan Kumar Soni - Director-Finance & CFO shall be as under:

**a. Salary**

Basic salary of Rs. 2,64,000/- (Rupees Two Lac Sixty Four Thousand Only) per Month.

**b. Perquisites**

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

- i. HRA/ Leased Accommodation: Rs.66,000/- (Rupees Sixty Six Thousand only) per Month.
- ii. Leave Travel Concession: For the Director-Finance & CFO and his family incurred not exceeding Rs.24,000/- (Rupees Twenty Four Thousand only) per annum as per rules of the Company.
- iii. Reimbursement of expenses for Books and Periodicals upto Rs.5,570/- (Rupees Five Thousand Five Hundred Seventy only) per Month.
- iv. Reimbursement of secretarial services upto Rs.19,000/- (Rupees Nineteen Thousand only) per Month.
- v. Reimbursement of expenses for Business Promotion upto Rs. 8,500/- (Rupees Eight Thousand Five Hundred only) per Month.
- vi. Provident Fund, Gratuity payable, entitlement & encashment of leave, bonus and other benefits as per rules of the Company.
- ii. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.
- viii. Facility of Telephones or provision of similar equipment/facilities for official purpose will be free & not to be considered as perquisites except that the charges for personal long distance calls will be billed by Company to the Director-Finance & CFO as per rules of the Company.

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

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

All other terms and conditions of service as contained in the agreement dated 25/10/2018 entered into between the Company and Director-Finance & CFO will remain unchanged.

**RESOLVED FURTHER THAT** the aforesaid revision in remuneration shall be effective from 1<sup>st</sup> April, 2020 for residual period of appointment of Director-Finance & CFO, unless enhanced during the intervening period, in accordance with applicable provisions of Companies Act, 2013 and/or other law(s), for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to vary and/or revise upwards the remuneration of the Director Finance & CFO within the permissible limits under the provisions of the Companies Act, 2013 or any statutory amendment/modification thereof, from time to time, to take all necessary steps in this regard in order to comply with all the legal, procedural and other formalities to settle any question or difficulty in connection therewith or incidental thereto and to do all such things, deeds and acts including delegation of powers herein to any person/committee as may be deemed necessary or expedient for giving effect to said revision and in case it is required to obtain the consent of Company in this regard, to the end and intent that it shall be deemed to have been accorded expressly by authority of this resolution.”

By order of the Board  
for VLS Finance Ltd.

Place: New Delhi  
Date : 26/07/2021

(H. Consul)  
Company Secretary  
M. No. A11183

\*\*\*\*\*

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto and form part of this notice. The Board of Directors have considered and decided to include the Item No. 5 to 9 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
  2. In view of the continuing restrictions on the movement of people at several places in the country, due to global outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 02/2021 dated 13/01/2021 read with Circular no. 20/2020 dated 5th May, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 14/2020 dated 8th April, 2020 respectively and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021 respectively, issued by the Securities and Exchange Board of India ('SEBI'), collectively referred to as the Circulars, hereinafter and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 34<sup>th</sup> AGM of the Company shall be conducted through VC / OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 8 herein and is also available on the website of the Company at [www.vlsfinance.com](http://www.vlsfinance.com).
  3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. The term 'member' or 'shareholder' appearing anywhere herein refers to person whose name stands in register of members of the Company on the relevant date.
  4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 24/09/2021 to Thursday 30/09/2021 (both days inclusive).
- ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**
5. In accordance with, the General Circular No. 02/2021 dated 13th January, 2021 issued by MCA and Circular No. SEBI/HO/CFD/ CMD2/ CIR/P/2021/11 dated January 15, 2021 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith) for the year 2020-21, such statements including the Notice of AGM are to be sent in electronic mode only, to Members whose e-mail address is registered with the Company or the depositories, as per records of the Company on the date of sending the documents. Attention of members is also invited to the Ministry of Corporate Affairs "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and it has been clarified through circulars that service of notice/ documents including Annual Report can be made by e-mail or other electronic means to its members for compliance of relevant provisions of the Act. To support this green initiative of the Government in full measure, members who have not registered their e-mail address so far are requested to register their email address as per procedure enumerated hereinafter.
  6. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at its registered office or email at [vls@vlsfinance.com](mailto:vls@vlsfinance.com) followed by physical copy of the signed request besides updating other information as per SEBI's directive dated 20/04/2018, if not done already. Please refer clause 42 herein for details.  
Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulty in registering the e-mail address, Members may write to [vls@vlsfinance.com](mailto:vls@vlsfinance.com) or [hconsul@vlsfinance.com](mailto:hconsul@vlsfinance.com).
  7. This Notice of AGM along with Annual Report for the financial year 2020-21, is available on the website of the Company at

[www.vlsfinance.com](http://www.vlsfinance.com), on the website of Stock Exchanges i.e. BSE Limited, National Stock Exchange of India Limited, the Calcutta Stock Exchange Association Ltd. and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

8. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in Note no. 20 herein. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
  9. For convenience of the Members and proper conduct of AGM, Members can login and join 15 (Fifteen) minutes before the time scheduled for the AGM and facility to join shall be kept open throughout the proceedings of AGM.
  10. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  11. Members who need assistance before or during the AGM with use of technology, can:
    - Send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or use Toll free no.: 1800-222-990; or
    - Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or at telephone number +91-99202 64780; or
    - Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone number +91-75066 82281.
  12. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM. Any Institutional Member, facing issues for participating in AGM can write to [vls@vlsfinance.com](mailto:vls@vlsfinance.com) or [investor.services@rcmcdelhi.com](mailto:investor.services@rcmcdelhi.com).
  13. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
  14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**
15. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name securities account number / folio number, email id, mobile number at [vls@vlsfinance.com](mailto:vls@vlsfinance.com). Questions / queries received by the Company till 5.00 p.m. on Wednesday, 22<sup>nd</sup> September, 2021 shall only be considered and responded during the AGM.
  16. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address to [vls@vlsfinance.com](mailto:vls@vlsfinance.com) mentioning their name, DP ID and Client ID/folio number, PAN, mobile number between 9.00 a.m. on Thursday, 23<sup>rd</sup> September, 2021 and 5.00 p.m. on Sunday, 26<sup>th</sup> September, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
  17. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

**PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:**

18. The Members, whose names appear in the Register of Members / list of Beneficial Owners at the closing hours on Thursday, 23<sup>rd</sup> September, 2021, i.e. the date preceding to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
19. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Monday 27/09/2021 and end at 5.00 pm. on Wednesday 29/09/2021. The remote e-voting facility will be disabled by NSDL for voting thereafter. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at <https://www.evoting.nsdl.com/>. The e-voting module on the day of

the AGM shall be disabled by NSDL for voting, 15 minutes after the conclusion of the meeting.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

20. The remote e-voting period begins on Monday, 27<sup>th</sup> September, 2021 at 9:00 A.M. and ends on Wednesday, 29<sup>th</sup> September, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday 23<sup>rd</sup> September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

**How do I vote electronically using NSDL e-Voting system?**


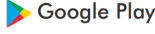


The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdcasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdcasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [vls@vlsfinance.com](mailto:vls@vlsfinance.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to any of the officials as per note no. 11 herein at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate

(front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [vls@vlsfinance.com](mailto:vls@vlsfinance.com).

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [vls@vlsfinance.com](mailto:vls@vlsfinance.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
  3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
21. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
  22. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  23. In terms of provisions of sections 108 and 109 of the Companies Act, 2013 ('the Act') read with rules 20 and 21 of Companies (Management and Administration) Rules, 2014 and regulation 44 of the listing regulations for votes cast through remote e-voting and by e-voting at AGM on the business to be transacted in AGM of the Company on 30/09/2021, the Board of Directors of the Company has appointed Shri Ashutosh Aggarwal (M. No.A9972 and CoP No. 7467) of A. Aggarwal & Associates - Company Secretaries to act as the scrutinizer. Shri Ashutosh Aggarwal has consented to act as Scrutinizer for conducting voting process in fair and transparent manner. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The scrutinizer after completion of scrutiny of the voting (Votes casted through remote e-voting prior to AGM and votes casted during AGM) shall submit a consolidated scrutinizer report of votes cast in favour or against for each items of notice to the chairman of the meeting or in his absence to the Director -Finance & CFO of the Company who shall countersign

the same and declare the result not later than 2 working days from the conclusion of AGM. The Members desiring to vote through remote e-voting/ e-voting at AGM are requested to refer to the detailed procedure given hereinbefore.

24. The results of the electronic voting upon declaration shall be disseminated forthwith to the concerned Stock Exchanges. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company at [www.vlsfinance.com](http://www.vlsfinance.com).

**PROCEDURE FOR INSPECTION OF DOCUMENTS:**

25. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode or at the registered office of the Company on all working days between 11.00 A. M. to 1.00 P.M. upto the date of AGM. Request for inspection may be sent on [vls@vlsfinance.com](mailto:vls@vlsfinance.com).
26. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection electronically upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>.

**DIVIDEND RELATED INFORMATION:**

27. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 24th September, 2021, i.e. the date of the commencement of book closure, will be paid the Dividend for the financial year ended 31<sup>st</sup> March, 2021, as recommended by the Board on or before 30/10/2021, if approved at the AGM.
28. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants and also ensure that complete and correct updation is done by concerned depository participant.
29. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. RCMC Share Registry Pvt. Ltd., Registrar and Share Transfer Agent of the Company or Corporate Secretarial Department of the Company by sending a request on email at [vls@vlsfinance.com](mailto:vls@vlsfinance.com) or its Registrar and transfer agent at [investor.services@rcmcdelhi.com](mailto:investor.services@rcmcdelhi.com) followed by physical copy thereof. It is advisable to update all information sought as per SEBI directive dated 20/04/2018 in prescribed format to facilitate serving to members by the Company. The format is available on the website of the Company and can also be obtained by sending email at [vls@vlsfinance.com](mailto:vls@vlsfinance.com). In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall upon normalisation of the postal services, dispatch the dividend warrant to such shareholder by post.
30. Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of payment of dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with, the provisions of the Income Tax Act, 1961.
  - a) For Resident Shareholders, TDS shall be made under Section 194 of the Income Tax Act, 1961 at 10% on the amount of Dividend declared and paid by the Company during financial year 2021-22 provided PAN is registered by the Shareholder. If PAN is not registered, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by him during financial year 2021-22 does not exceed Rs. 5,000/- . Please note that this includes the future dividends if any which may be declared by the Board in the financial year 2021-22.

Further, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an individual above the age of 60 years),

provided that the eligibility conditions are being met, no TDS shall be deducted.

- b) For Non-resident Shareholders, taxes are required to be withheld in accordance with, the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:
- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident.
  - Self declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
  - Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
  - Self-declaration, certifying the following points:
    - i. Member is and will continue to remain a tax resident of the country of its residence during the financial year 2021-22;
    - ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
    - iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
    - iv. Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and
    - v. Member does not have a taxable presence or a permanent establishment in India during the financial year 2021-22.
31. Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident shareholder.
32. Kindly note that the aforementioned documents are required to be submitted at <https://rcmcdelhi.com> on or before Thursday, 16<sup>th</sup> September, 2021 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination / deduction shall be entertained post Thursday, 16<sup>th</sup> September, 2021. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.
33. The Company shall arrange to email the soft copy of TDS certificate to you at your registered email ID in due course, post payment of the said Dividend.
34. The Unpaid/unclaimed dividends up to 31/03/1995 had been transferred to General Revenue Account of Central Government and can be claimed from the Central Government in prescribed form. Pursuant to Section 205A of the Companies Act, 1956 ("the Act") all unclaimed/unpaid dividends after 31/03/1995 up to the financial year 1997-1999 (18 months) has been credited to Investor Education & Protection Fund ("IEPF"). At present no unpaid /unclaimed dividend remains liable to be transferred to IEPF. The Member(s) whose dividend / shares have been transferred to the IEPF Authority can now claim their dividend / shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>. The amount remaining unpaid /unclaimed of the dividend declared for the year 2016-17, 2017-18, 2018-19 and 2019-20 would be transferred to IEPF as per applicable procedure i.e. after 7 years. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 10/12/2020 (date of previous AGM)

are available on the website of the Company at <https://www.vlsfinance.com/investorrelations/unclaimed-and-unpaid-dividends/> and on IEPF's website.

35. Members are requested to claim the Dividend for following years by writing to the Company or its RTA, alongwith complete details of their Bank Account and the expired dividend instrument/undertaking for loss of instrument, at the earliest.

Financial year ended on	AGM Date	Dividend rate	Date of transfer to Unpaid Dividend A/c	Due for Transfer to fund on
31/03/2017	25/09/2017	10%	31/10/2017	31/10/2024
31/03/2018	20/09/2018	10%	26/10/2018	26/10/2025
31/03/2019	12/09/2019	10%	18/10/2019	18/10/2026
31/03/2020	10/12/2020	15%	16/01/2021	16/01/2028

36. The investors details of amount remaining unpaid /unclaimed of the dividend declared for the year 1995-96, 1996-97 (18 months), 1997-99 (18 months) and refund of unpaid amount belonging to the public issue in the year 1993 and 1994 had been filed with the IEPF (MCA portal) in Excel format in compliance of Investor Education and Protection fund Authority (Accounting, Audit, Transfer and Refund) Second amendment Rules 2019 effective from 20/08/2019. The list of Members whose dividend/refund for aforesaid years is unclaimed/unpaid is available inter alia on Company's website. Members are requested to claim the said Dividend/refund by applying online in Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) alongwith fee specified by the Authority.
37. The Company in adherence to its policy to provide par excellence investor service, periodically undertakes to locate members whose share certificate are lying undelivered and promptly sends share certificates upon identification of members. In terms of regulation 39 of SEBI listing regulations, the undelivered shares will be credited to "Unclaimed Suspense Account" with a depository participant and the company has initiated procedural compliance in this regard. As a consequence inter-alia, the voting rights in respect of such shares shall stand frozen till shares are restored to members. Further, the said shares will be transferred to 'IEPF' alongwith the dividend remaining unpaid/unclaimed as and when the first of such dividend remaining unpaid/unclaimed is liable to be transferred to 'IEPF' i.e. upon expiry of seven years.

**OTHERS:**

38. Members of the Company had approved the appointment of M/s. M. L. Puri & Co, Chartered Accountants (FRN: 002312N), as the Statutory Auditors for period of 5 years at the 30<sup>th</sup> AGM of the Company which is valid till conclusion of 35<sup>th</sup> AGM of the Company. In accordance with the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.
39. Those persons, who become members of the Company after the dispatch of this notice of the AGM by the Company and whose names appear in the register of members or register of beneficial holders as on the cut-off date may view the notice of the 34<sup>th</sup> AGM on the Company's website or on the website of NSDL or concerned Stock Exchanges. Such members may exercise their e-voting rights either through remote e-voting by following the procedure as mentioned above or by voting at the AGM. In case of any difficulty Members may contact the Company or its Registrar and Transfer Agent.
40. Members who wish to obtain information about the Company or view the financials of Company may visit the Company's website viz. [www.vlsfinance.com](http://www.vlsfinance.com)
41. The Company has retained M/s RCMC Share Registry Pvt. Ltd., as its Registrar & Transfer Agent ("RTA") w.e.f. 01/04/2003 for entire shareholder services. All correspondence, therefore, may be addressed to the said Registrar & Transfer Agent at :

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

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

**2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065**  
**Phone No. 011-4665 6666, Fax: 4665 6699.**  
**Dedicated Investor Services e-mail: [hconsul@vlsfinance.com](mailto:hconsul@vlsfinance.com)**

42. The extant SEBI listing regulations mandate that no transfer of securities of listed Companies be effected in physical form after 31/03/2019. However, transmission and transposition of physical

shares are allowed. Exception is provided under SEBI Press Release No. 12/2019 dated 27/03/2019 only for those transfers of which transfer deed(s) were lodged prior to deadline and returned due to deficiency. The cutoff date for such lodgment was fixed as 31/03/2021 as per SEBI Circular No. SEBI/HOO/MIRSD/RTAMB/CIR/P/2020/166 dated 07/09/2020. Accordingly after aforesaid cutoff date, no request for transfer of share in physical form can be entertained. The copy of PAN card of all holders is required to be furnished to the Company/ RTAs for transposition of shares and in case of transmission the PAN details of claimant is mandatory. Further, Members holding shares in physical form are again requested to promptly respond to Company's letter requesting them to provide PAN and Bank details besides other information.

43. Members, who are holding shares in identical order of names in more than one Folio i.e. physical form, are requested to write to the RTA of the Company or the Company at its registered office, to enable the

Company to consolidate their holding under one Folio. Members can avail the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in prescribed Form no. SH-13/ SH-14 as the case may be, duly filled in, to the RTA of Company.

44. The shares of the Company are traded in demat segment only w.e.f. 28<sup>th</sup> August, 2000 for all categories of investors in Stock Exchanges. **The ISIN allotted to Company is INE709A01018** for both the Depositories viz. The National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
45. Information regarding Directors retiring by rotation and seeking reappointment as required under secretarial standard-2 and Regulation 36(3) of SEBI (Listing regulations and disclosure requirements) Regulation, 2015:

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

Sl. No.	Name Of The Director	Date Of Birth	Date Of Appointment	Qualifications and Expertise in specific functional areas / No. of Board meetings attended during the year	List of Companies in which Directorship held as on 26/07/2021.	Chairman/ Member of the Committees of other companies as on 26/07/2021.	Whether qualified u/s 164(2) of the Companies Act, 2013.
1.	Shri Kishan Kumar Soni (DIN:00106037)	14/09/1953	14/11/2013	B.Com, FCA, FCS He is a qualified Chartered Accountant and Company Secretary with over 40 years of experience in the field of Accounts, Finance, Taxation and other Corporate Affairs. In his first stint with the Company, Shri Kishan Kumar Soni served as President (Corporate Affairs) from 1995 to 1998 before resigning.  Subsequently Shri Kishan Kumar Soni was appointed as Non-Executive Director of the Company w.e.f. 25/05/2005 and on 28/07/2006 was designated as Director - Finance & CFO which position he held till 31/01/2007. He served as Executive Director & CFO from 01/02/2007 till 14/11/2013. Upon appointment as Director, w.e.f. 14/11/2013 he was re-designated as Director - Finance & CFO till 31/01/2016 and re-appointed thereafter for said position for 3 years till 31/01/2019. He was again re-appointed as Director -Finance & CFO for 3 years and 6 months w.e.f. 01/02/2019 and his current term is upto 31/07/2022.	a) South Asian Enterprises Limited  b) VLS Securities Ltd.  c) VLS Asset Management Ltd.  d) VLS Real Estate Limited	i. Audit – Member ii. Stakeholders Relationship - Chairman  i. Audit – Member ii. Nomination And Remuneration- Chairman  Nil  Nil	Yes
2.	Shri Vikas Mehrotra (DIN: 06476150)	25/04/1968	28/05/2016	Shri Vikas Mehrotra is a Commerce Graduate from the University of Delhi with an MBA from Rochester Institute of Technology (USA). He is the Founder CEO of Venus Capital, actively investing in Asia since 1989. He is regular speaker at various conferences on Emerging markets. He is related to Shri M.P. Mehrotra who is an Executive Director and also Promoter of the Company besides Dr. Neeraj Arora – Non- Executive Director.	1. Venus India Asset Finance (P) Limited.  2. VLS Securities Ltd.  3. VLS Capital Ltd.  4. VCM Portfolio Management Service Pvt. Ltd.	Nil  Nil  Nil  Nil	Yes

**(B) Shareholding of above Directors as on 26/07/2021**

S. No.	Name	No. of shares held in the Company	Percentage
1	Shri Kishan Kumar Soni	1	0
2	Shri Vikas Mehrotra	485783	1.26



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

**ITEM NO. 5**

**Appointment of Shri Deepak Kumar Chatterjee (DIN: 03379600) as Independent Director for his first term of five years.**

The Board in its meeting held on 12/02/2021, concurring to the recommendation of the Nomination and Remuneration Committee had appointed Shri Deepak Kumar Chatterjee (DIN: 03379600) aged about 68 years, as an Additional Director of the Company in the category of Independent Director subject to requisite approvals. He has attended 1 (One) Meeting of the Board held during the financial year 2020-2021. As an Additional Director, Shri Deepak Kumar Chatterjee would hold office till the date of ensuing Annual General Meeting according to provisions of section 161 (1) of the Companies Act, 2013 unless the appointment is approved by the members.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member proposing the appointment of Shri Deepak Kumar Chatterjee as an Independent Director of the Company. In the opinion of the Board, Shri Deepak Kumar Chatterjee fulfils the conditions prescribed in the Companies Act, 2013 and other applicable regulations of appointment as Independent Director. Shri Deepak Kumar Chatterjee has consented for said appointment. Having regard to his expertise and experience, it will be in the interest of the Company to appoint him as Independent Director.

Other information as required under secretarial standard -2 and Regulation 36(3) of SEBI (Listing regulations and disclosure requirements) Regulation, 2015.

Name of Director/ DIN	Shri Deepak Kumar Chatterjee (DIN: 03379600)	Other Details
Age/Occupation	68 years/Retd. Banker	Term would be 5 (five) consecutive years subject to applicable regulations.
Qualification	B.Com. MBA, CAIIB	
Date of appointment	12/02/2021	<p>No other remuneration except sitting fee for attending Board/ Committee meeting unless in accordance with applicable regulations.</p> <p>Not liable to retire by rotation.</p> <p>Board meeting attended in previous year: 1 (One) i.e. on 12/02/2021.</p> <p>Independent Directors meeting attended – 1 (one) on 30/03/2021.</p> <p>Sitting fee paid for attending meeting of the Board and Committees thereof during the year : Rs.60,000/-</p>
Brief profile	<p>Shri Deepak Kumar Chatterjee is retired Managing Director &amp; CEO, SBI Mutual Fund and has over 42 years of experience in financial field. He is Independent Director in UTI Asset Management Company Ltd. besides directorship in My Leads Fintech Pvt. Limited.</p> <p>A brief description of positions held by him is given below:</p> <ul style="list-style-type: none"> <li>• He was Director &amp; CEO, IIFCL Projects Ltd ('IPL') from June 2014 to June, 2018 which is a wholly owned subsidiary of India Infrastructure Finance Co. Ltd., a 100% Govt enterprise and a specialised long term infrastructure lender. IPL is the advisory and arranger subsidiary of IIFCL, working in the areas of project structuring, transaction advisory, syndication of infrastructure project loans and management consultancy.</li> <li>• He joined the SBI Mutual Fund on deputation from SBI.</li> <li>• General Manager, SBI, Corporate Centre, International Business (Aug, 2009 to Dec, 2010)</li> <li>• EVP &amp; Regional Head, SBI Capital Markets Ltd. (2004 to 2009)</li> <li>• Prior to this he had a number of assignments in SBI in the areas of credit, NRI banking, general banking, HR and also a four year stint abroad in Belgium at SBI's Antwerp office as Manager (Forex &amp; Trade).</li> <li>• He joined SBI as a Probationary Officer in 1978.</li> </ul> <p>He has extensively travelled abroad for business, and managing relationships, meeting professionals across continents.</p>	
Other Directorship as on 26/07/2021.	UTI Asset Management Company Ltd. My Leads Fintech Pvt. Limited.	
Chairman/ Member of Audit Committee of other Companies as on 26/07/2021.	UTI Asset Management Company Ltd. –Chairman	
Chairman/ Member of Stakeholders Relationship Committee of other Companies as on 26/07/2021.	UTI Asset Management Company Ltd. –Member	
Chairman/ Member of Nomination and Remuneration Committee of other Companies as on 26/07/2021..	Nil	
Chairman/ Member of CSR Committee of other Companies as on 26/07/2021.	Nil	
Shareholding in the Company	Nil	
Relationship between directors inter-se	Shri Deepak Kumar Chatterjee is not related to any of the Directors of the Company.	

Accordingly it is proposed to appoint Shri Deepak Kumar Chatterjee as an Independent Director for a period of 5 years w.e.f. 12/02/2021 subject to stipulation for age of retirement if any, prescribed from time to time. Shri Deepak Kumar Chatterjee shall not be liable to retire by rotation during his tenure as independent director. Your Directors recommend his appointment as an Independent Director of the Company as set out in item no. 5 of the accompanying Notice.

A copy of notice received from member and other documents is available for inspection by the members of the Company both electronically and at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting.

None of the Directors or Key Managerial Personnel or their relatives except Shri Deepak Kumar Chatterjee and his relatives are directly or indirectly interested in the resolution.

**Item Nos. 6 :**

**Re-appointment of Shri Dinesh Kumar Mehrotra (DIN: 00142711) as an Independent Director for the 2<sup>nd</sup> term of 5 years.**

Shri Dinesh Kumar Mehrotra (DIN: 00142711) was appointed as Independent Director of the Company by the members w.e.f 28/05/2016 for a period of 5 years in terms of section 149 read with other applicable provisions of the Companies Act, 2013 and listing regulations in the annual general meeting held on 15/09/2016. The 1<sup>st</sup> term of Shri Dinesh Kumar Mehrotra had ended on 27/05/2021.

Further, the Board in its meeting held on 29/06/2021, concurring to the recommendation of the Nomination and Remuneration Committee had appointed Shri Dinesh Kumar Mehrotra (DIN: 00142711) aged about 68 years, as an Additional Director of the Company in the category of Independent Director for 2<sup>nd</sup> term of upto 5 years subject to fulfilling of eligibility criteria and subject to requisite approvals. Subsequent to his appointment as an Additional Director,

Shri Dinesh Kumar Mehrotra was nominated as a member of the Audit Committee, the Nomination and Remuneration Committee and CSR Committee of the Board. He has attended 5 (Five) Meetings of the Board held during the financial year 2020-2021. As an Additional Director, Shri Dinesh Kumar Mehrotra would hold office till the date of ensuing Annual General Meeting according to provisions of section 161 (1) of the Companies Act, 2013 unless the appointment is approved by the members.

As per Section 149(10) of the Companies Act, 2013 an Independent Director can hold office for a term of upto five consecutive years on the Board of a Company, but can be re-appointed as Independent Director on the Board of a Company on passing a **Special Resolution** by the Company for another term of upto five consecutive years. The Nomination and Remuneration Committee ("NRC") on the basis of performance evaluation of Directors have recommended reappointment of Shri Dinesh Kumar Mehrotra as Independent Director for second term of five years subject to applicable regulations which has been accepted by the Board.

In order to have the continued guidance of the Shri D. K. Mehrotra in the management of the Company, your Board recommends the **Special Resolution** set out at item no. 6 of the Notice for approval by the Members. A copy of the draft letter of appointment as Independent Directors is available for inspection by the members of the Company at Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting except on Saturdays, Sundays and Holidays.

Other information as required under secretarial standard -2 and Regulation 36(3) of SEBI (Listing regulations and disclosure requirements) Regulation, 2015

Name of Director/DIN	Shri Dinesh Kumar Mehrotra (DIN: 00142711)
Age	68 years.
Qualification	Honours Graduate in Science.
Date of appointment	29/06/2021
Brief profile	He joined LIC as a Direct Recruit Officer in 1977 and in an illustrious career spanning 35 years, has occupied several pivotal positions in LIC spanning three Zones and the Corporate Office at Mumbai besides International exposure in the field of Insurance during his posting in the foreign office of LIC at Suva in Fiji. Prior to taking charge as Managing Director of LIC, Shri D. K. Mehrotra was posted as Executive Director (International Operations) to lead LIC's overseas thrust.  Shri D. K. Mehrotra has attended several important knowledge forums in India and abroad and is associated with the apex training institutes of insurance in India like the National Insurance Academy and the Insurance Institute of India.
Other Directorship	Metropolitan Stock Exchange of India Limited SBI Cards and Payment Services Limited Vardan Ceqube Advisors Pvt. Ltd. Computer Age Management Services Limited Tata AIA Life Insurance Company Limited UTI Asset Management Company Limited Aidia Technovations Private Limited
Chairman/ Member of Audit committee as on 26/07/2021.	1. Computer Age Management Services Ltd. – Member. 2. Tata AIA Life Insurance Company Ltd. –Member 3. Metropolitan Stock Exchange of India Ltd.- Member 4. UTI Asset Management Company Ltd.-Member
Chairman/ Member of Stakeholders Relationship committee as on 26/07/2021.	1. Metropolitan Stock Exchange of India Ltd.- Member
Chairman/ Member of Nomination and Remuneration committee as on 26/07/2021.	1. Computer Age Management Services Ltd. – Member. 2. Metropolitan Stock Exchange of India Ltd.- Member 3. UTI Asset Management Company Ltd.-Member
Chairman/ Member of CSR committee as on 26/07/2021.	1. UTI Asset Management Company Ltd.-Member 2. Computer Age Management Services Ltd. – Member.
Shareholding in the Company	Nil
Relationship between directors inter-se	Shri Dinesh Kumar Mehrotra is not related to any of the Directors of the Company.

Accordingly it is proposed to appoint Shri Dinesh Kumar Mehrotra as an Independent Director for a period of 5 years w.e.f. 29/06/2021 subject to stipulation for age of retirement if any, prescribed from time to time and he has consented for said appointment. Shri Dinesh Kumar Mehrotra shall not be liable to retire by rotation during his tenure as Independent Director.

A copy of notice received from member and other documents is available for inspection by the members of the Company both electronically and at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting.

None of the Directors or Key Managerial Personnel or their relatives except Shri Dinesh Kumar Mehrotra and his relatives are directly or indirectly interested in the resolution.

#### **ITEM NO. 7**

Shri Mahesh Prasad Mehrotra (DIN:0016768) was re-appointed as the Whole Time Director designated as Executive Vice-Chairman of the Company with effect from 1<sup>st</sup> August, 2020 for a period of 3 years and his terms of appointment were approved by the members of the Company at the Annual General Meeting held on 10/12/2020 with liberty to the Board to revise the remuneration upward as and when deemed fit. The Board in its meeting held on 12/02/2021, concurring to the recommendations made by Nomination and Remuneration Committee of the Board and subject to requisite approvals, had approved the revision in the remuneration payable to Executive Vice-Chairman effective from 1<sup>st</sup> April, 2020 as set out in the resolution sought to be approved in the accompanying notice. All other terms and conditions of service of Executive Vice-Chairman will remain unchanged. There has been no change in remuneration of Executive Vice-Chairman since his appointment in 2017.

#### **Previous remuneration package of Shri M. P. Mehrotra as Executive Vice- Chairman was as under-**

##### **a. Salary**

Basic salary of Rs. 5,00,000 /-(Rupees Five Lac Only) per month.

##### **b. Perquisites**

In addition to the aforesaid salary, the Executive Vice-Chairman will be entitled to the following Perquisites:

- Leased Accommodation until company owned accommodation is made available to him for himself and his family with electricity expenses on actual basis.

- ii. **Medical Reimbursement:**  
Expenses incurred for self on actual basis.  
Provided that the total value of salary and perquisites herein above shall not exceed at any time, the ceiling of remuneration prescribed in relevant regulations in force, for the time being.
- iii. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.
- iv. Facility of Telephones or provision of similar equipment/facilities for official purpose will be free & not to be considered as perquisites except that the charges for personal long distance calls will be billed by Company to Executive Vice-Chairman.
- c. **Sitting Fees:** The Executive Vice-Chairman shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment as such.

A copy of the agreement entered into between the Company and Shri Mahesh Prasad Mehrotra on 16/07/2020 and resolution of Board of Directors on 16/07/2020 and 12/02/2021 is available for inspection by the members of the Company both electronically and at Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting except on Saturdays, Sundays and Holidays.

In terms of Section 196 read with other applicable provisions of the Companies Act, 2013, the appointment and any modification in terms and conditions of appointment including remuneration of Executive Vice-Chairman is subject to the approval of members. The revised overall remuneration of Executive Vice-Chairman would be within prescribed limits of relevant provisions of the Companies Act, 2013. The Board of Directors recommends the Special resolution for your approval.

Except Shri Mahesh Prasad Mehrotra and his relatives, none of the Directors or Key Managerial Personnel or their relatives are concerned or interested directly or indirectly in the resolution set at item no. 7 of the corresponding notice.

Other information is as under:-

<b>Name of Director</b>	<b>Shri Mahesh Prasad Mehrotra (DIN: 00016768)</b>		
Age	81 years.		
Qualification	B. Com. FCA, LL.B.		
No. of Board meetings attended during the year	5 out of 5 meetings.		
Other Directorship	Dhampur Sugar Mills Ltd. South Asian Enterprises Ltd. VLS Commodities Pvt. Ltd. VLS Capital Ltd. Maxim Infracon Private Ltd. Pragati Moulders Ltd.		Delton Cables Ltd. Moonrock Hospitality (P) Ltd. Vinu Promoters (P) Ltd. Big Wong Hospitality (P) Ltd. VLS Real Estate Ltd. Baroda Asset Management India Ltd
Chairman/ Member of Audit Committee of other Companies as on 26/07/2021.	a. Dhampur Sugar Mills Ltd. b. Delton Cables Ltd. c. Baroda Asset Management Company Ltd.	- - -	Chairman Chairman Member
Chairman/ Member of Stakeholders Relationship Committee of other Companies as on 26/07/2021.	Nil		
Chairman/ Member of Nomination and Remuneration Committee of other Companies as on 26/07/2021.	a. Dhampur Sugar Mills Ltd. b. Delton Cables Ltd.	- -	Chairman Member
Chairman/ Member of CSR Committee of other Companies as on 26/07/2021.	a. Dhampur Sugar Mills Ltd.- Member		
Shareholding in the Company	1 (One) Equity Share		
Relationship between directors inter-se	He is related to Shri Vikas Mehrotra (DIN: 06476150) and Dr. (Mrs.) Neeraj Arora (DIN: 07191167) - Non-Executive Director of the Company.		

#### **ITEM NO. 8**

Shri Suresh Kumar Agarwal (DIN:00106763) was re-appointed as the Managing Director of the Company with effect from 21<sup>st</sup> August, 2019 for a period of 3 years and his terms of appointment were approved by the members of the Company at the Annual General Meeting held on 12/09/2019 with liberty to the Board to revise the remuneration upward as and when deemed fit. The Board in its meeting held on 12/02/2021, concurring to the recommendations made by Nomination and Remuneration Committee of the Board and subject to requisite approvals, had approved the revision in the remuneration payable to Managing Director effective from 1<sup>st</sup> April, 2020 as set out in the resolution sought to be approved in the accompanying notice. All other terms and conditions of service of Managing Director will remain unchanged. There has been no change in remuneration of Managing Director since his appointment in present term.

Previous remuneration package of Shri Suresh Kumar Agarwal as Managing Director was as under-

#### **a. Salary**

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

#### **b. Perquisites**

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

- HRA/ Leased Accommodation: Rs.61,950/- (Rupees Sixty One Thousand Nine Hundred Fifty Only) per Month.
- Leave Travel Concession: For the Managing Director and his family incurred not exceeding Rs.60,000/- ( Rupees Sixty Thousand only) per annum as per rules of the Company.
- Reimbursement of expenses for Books and Periodicals upto Rs. 6,750/- (Rupees Six Thousand Seven Hundred Fifty only) per Month.
- Reimbursement of secretarial services upto Rs.19,000/- (Rupees Nineteen Thousand only) per Month.
- Reimbursement of expenses for Business Promotion upto Rs. 8,500/- (Rupees Eight Thousand Five Hundred only) per Month.
- Provident Fund, Gratuity payable, entitlement & encashment of leave, bonus and other benefits as per rules of the Company.
- Facility of Chauffeur driven car for use on Company's business as per rules of the Company.
- Facility of Telephones or provision of similar equipment/facilities for official purpose will be free & not to be considered as perquisites except that the charges for personal long distance calls will be billed by Company to the Managing Director as per rules of the Company.

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

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

The approval of members has also been sought for continuation of employment of Shri Suresh Kumar Agarwal as Managing Director post attaining age of 70 years in terms of section 196 of the Companies Act, 2013 because approval by way of Special Resolution was not obtained at the time of his appointment as Managing Director for present tenure.

A copy of the agreement entered into between the Company and Shri Suresh Kumar Agarwal on 17/05/2019 and resolution of Board of Directors on 12/02/2021 is available for inspection by the members of the Company both electronically and at the Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting except on Saturdays, Sundays and Holidays.

Other details is as under-

Name of Director	Shri Suresh Kumar Agarwal (DIN: 00106763)
Age	70 years
Qualification	B.Com(H), C.A.I.I.B
No. of Board meetings attended during the year	5 out of 5 meetings.
Other Directorship	VLS Asset Management Ltd VLS Real Estate Ltd. Risk Software Solution Pvt. Ltd. VLS Securities Ltd.
Chairman/ Member of Audit Committee of other Companies as on 26/07/2021.	Nil
Chairman/ Member of Stakeholders Relationship Committee of other Companies as on 26/07/2021.	Nil
Chairman/ Member of Nomination and Remuneration Committee of other Companies as on 26/07/2021.	Nil
Chairman/ Member of CSR Committee of other Companies as on 26/07/2021.	Nil
Shareholding in the Company	1 (One) Equity Share
Relationship between directors inter-se	Shri Suresh Kumar Agarwal is not related to any of the Directors of the Company.

The Board of Directors recommends the Special resolution as set out in item no. 8 of the accompanying notice for your approval. None of the Directors or key managerial personnel or relatives thereof except Shri Suresh Kumar Agarwal and his relatives is concerned or interested in the resolution.

**Item no. 9**

Shri Kishan Kumar Soni was re-appointed as Director Finance & CFO vide agreement dated 25/10/2018 for a period of 3 years and 6 months w.e.f. 01/02/2019. The appointment as Director-Finance & CFO was approved by members in Annual General Meeting of the Company held on 12/09/2019 with liberty to Board to revise remuneration upward as and when deemed fit.

The Board in its meeting held on 12/02/2021, concurring to the recommendations made by Nomination and Remuneration Committee of the Board and subject to requisite approvals had approved the revision in the remuneration payable to Director-Finance & CFO effective from 1<sup>st</sup> April, 2020 as set out in the resolution sought to be approved in the accompanying notice. All other terms and conditions of service of Director-Finance & CFO will remain unchanged. There has been no change in remuneration of Director-Finance & CFO since his appointment in present term.

Previous remuneration package of Shri Kishan Kumar Soni as Director-Finance & CFO was as under:

**a. Salary**

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

**b. Perquisites**

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

- HRA/ Leased Accommodation: Rs.56,000/- (Rupees Fifty Six Thousand only) per Month.
- Leave Travel Concession: For the Director-Finance & CFO and his family incurred not exceeding Rs.60,000/- (Rupees Sixty Thousand only) per annum as per rules of the Company.
- Reimbursement of expenses for Books and Periodicals upto Rs.5,340/- (Rupees Five Thousand Three Hundred Forty only) per Month.
- Reimbursement of secretarial services upto Rs.19,000/- (Rupees Nineteen Thousand only) per Month.
- Reimbursement of expenses for Business Promotion upto Rs. 8,500/- (Rupees Eight Thousand Five Hundred only) per Month.
- Provident Fund, Gratuity payable, entitlement & encashment of leave, bonus and other benefits as per rules of the Company.
- Facility of Chauffeur driven car for use on Company's business as per rules of the Company.
- Facility of Telephones or provision of similar equipment/facilities for official purpose will be free & not to be considered as perquisites except that the charges for personal long distance calls will be billed by Company to the Director-Finance & CFO as per rules of the Company.

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

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

Other details is as under-

Name of Director	Shri Kishan Kumar Soni (DIN: 00106037)		
Age	68 years		
Qualification	B.Com., FCA, FCS		
No. of Board meetings attended during the year	5 out of 5 meetings.		
Other Directorship	VLS Asset Management Ltd VLS Real Estate Ltd. South Asian Enterprises Ltd. VLS Securities Ltd.		
Chairman/ Member of Audit Committee of other Companies as on 26/07/2021.	South Asian Enterprises Ltd.	-	Member
	VLS Securities Ltd.	-	Member
Chairman/Member of Stakeholders Relationship Committee of other Companies as on 26/07/2021.	South Asian Enterprises Ltd.	-	Chairman
Chairman/ Member of Nomination and Remuneration Committee of other Companies as on 26/07/2021.	VLS Securities Ltd.	-	Chairman
Chairman/ Member of CSR Committee of other Companies as on 26/07/2021.	Nil		
Shareholding in the Company	1 (One) Equity Share		
Relationship between directors inter-se	Shri Kishan Kumar Soni is not related to any of the Directors of the Company.		

The copy of the resolution passed by the Board of Directors in its meeting held on 12/02/2021 raising the remuneration of Shri Kishan Kumar Soni as Director- Finance & CFO and the agreement entered into between the Company and Shri Kishan Kumar Soni dated 25/10/2018 are available for inspection by the members of the Company both electronically and at the Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting except on Saturdays, Sundays and Holidays.

The Board of Directors recommends the resolution as set out in item no. 9 of the accompanying notice for your approval. None of the Directors or key managerial personnel or relatives thereof except Shri Kishan Kumar Soni and his relatives is concerned or interested in the resolution.

By order of the Board  
for VLS Finance Ltd.

(H. Consul)  
Company Secretary  
M. No. A11183

Place: New Delhi  
Date : 26/07/2021

\*\*\*\*\*



**VLS**

# **XXXIV ANNUAL REPORT 2020-21**

**VLS FINANCE LTD.**

Regd. Office : 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065

CIN : L65910DL1986PLC023129, email : [vls@vlsfinance.com](mailto:vls@vlsfinance.com), Website : [www.vlsfinance.com](http://www.vlsfinance.com)

Phone : 011-46656666 Fax : 011-46656699

# VLS FINANCE LIMITED

**NOTICE**  
**34<sup>th</sup> ANNUAL GENERAL MEETING**  
of the Members of the Company will be held  
through Video Conferencing ("VC") / Other  
Audio Visual Means ("OAVM")  
at 3:30 p.m.  
on Thursday, 30<sup>th</sup> September, 2021

## SHARE TRANSFER & INVESTOR SERVICES

M/s. RCMC Share Registry Pvt. Ltd.  
Unit: VLS Finance Ltd.  
B-25/1, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-II,  
New Delhi-11 0020  
Ph. : 011 26387320-21-23 Fax: 011 26387322  
Email : investor.services@rcmc.com

Our e-mail address:  
For investor services: [hconsul@vlsfinance.com](mailto:hconsul@vlsfinance.com)  
Other than above: [vls@vlsfinance.com](mailto:vls@vlsfinance.com)  
visit us at [www.vlsfinance.com](http://www.vlsfinance.com)

### Attention Members

*In order to improve investor services, we request you to update/ register your correct postal and email address besides Bank Account details with the Company in case of holding in physical form. The holders in demat (electronic) form may register the same with concerned depository participant.*

## BOARD OF DIRECTORS:

Shri Ajit Kumar	Chairman - Independent Director (DIN: 00106597)
Shri M. P. Mehrotra	Executive Vice-Chairman (DIN: 00016768)
Shri S. K. Agarwal	Managing Director (DIN: 00106763)
Shri K. K. Soni	Director-Finance & CFO (DIN: 00106037)
Dr. (Mrs.) Neeraj Arora	Non-Executive Director (DIN: 07191167)
Shri Vikas Mehrotra	Non-Executive Director (DIN: 06476150)
Shri. D. K. Mehrotra	Independent Director (DIN: 00142711)
Dr. R. L. Bishnoi	Independent Director (DIN: 00130335)
Shri D. K. Chatterjee	Independent Director (DIN: 03379600)

## COMPANY SECRETARY

Shri H. Consul

## AUDITORS

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

## BANKERS

HDFC Bank  
UCO Bank

## EQUITY SHARES LISTED AT :

### THE NATIONAL STOCK EXCHANGE OF INDIA LTD.

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

### BSE LTD

25, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400 001.

### THE CALCUTTA STOCK EXCHANGE LTD. (Pending Delisting)

7, Lyons Range, Kolkata-700001.

CONTENTS	Page No.
Directors' Report .....	1-23
Auditors' Report .....	24-26
Balance Sheet .....	27
Statement of Profit & Loss .....	28
Statement of Change in Equity .....	29
Cash Flow Statement .....	30
Notes .....	31-53
Annual Report of Subsidiaries .....	54-100
Consolidated Financial Statements .....	100-136

## DIRECTORS' REPORT

Your directors are pleased to present the 34<sup>th</sup> Annual Report of the Company together with the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2021.

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

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Total Income	21562.91	2773.37
Less: Total Expenditure	1302.87	3879.22
Less: Finance Cost	1.63	6.56
Gross Profit/(loss)	20258.41	(1112.41)
Less: Depreciation	76.17	115.60
Profit/ (loss) before tax	20182.24	(1228.01)
Less: Current Tax	(614.00)	0
Less/Add: Tax adjustment for earlier year	(6.45)	(9.20)
Add: Deferred Tax	2020.39	4485.97
Net Profit/ (loss) after tax	21582.18	3248.76
Paid up Equity Share Capital (excluding calls in arrears)	3878.42	3878.42
Reserves excluding revaluation reserve	131356.11	85311.03
Earnings per share (Rs.)	55.82	8.40

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

### 2. Management Discussion and Analysis

#### Industry Structure and Development

The trend in Indian Stock Market had largely been upbeat during the year under review inspite of continuing COVID-19 pandemic. The COVID-19 outbreak which engulfed India resulted in nationwide lockdown starting 25<sup>th</sup> March, 2020. However, a gradual and calibrated easing of lockdown measures started from June 2020. During this unprecedented time, the Company has successfully managed to have operations carried out with limited staff coming to office and with part of its employees working from home.

During the restrictions imposed due to subsequent wave of pandemic, the operations of Company continued with the same pace. It is expected that measures taken by Government will show results in due course of time for bringing back the economy on track which will further strengthen the stock market.

#### Health Safety and Pandemic Risk

In addition to serious implications for people's health and the healthcare services, coronavirus (COVID-19) is having a significant impact on the world-wide economy including India in terms of business growth and business models. The disruption has pushed the various sectors to adopt digital model for sustenance and growth. The Company and its subsidiaries have been proactive enough to adopt the digital mode since the Covid-19 outbreak ensuring employees best health safety measures and uninterrupted service to the stakeholders. In keeping with its employee-safety first approach, the Company quickly instituted measures to be in contact with all employees and assured of their well-being. The Company's focus on liquidity, supported by a strong balance sheet and acceleration in cost optimization initiatives, would help in navigating any near-term challenge. However, the performance of the Company and its subsidiaries may be impacted in future because of the lasting effect of this

disruption on the economy, in case the stock market does not farewell due to this pandemic.

#### Outlook, Risks and Concerns

The country's equity markets remains promising for both global and domestic investors. The underlying strength of Indian consumption and demand, continues to remain healthy. The performance of your Company is closely linked to those of the stock markets. Your Company has been making use of available opportunities in the capital markets keeping in view its business objectives.

The Company is exposed to normal industry risks such as credit, interest rate, economic, currency, political, market and operational risks. The Company views risk management as integral to its business for creating and maintaining best practices in business operations and administration.

#### Opportunities and Threats

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

#### Adequacy of Internal Financial Control Systems

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

#### Financial Review

During the year under review, your Company generated total income of Rs. 21562.91 lakhs as against Rs. 2773.37 lakhs in the previous year. The other income stood at Rs. 2.17 lakhs for the year under review as against Rs. 9.24 lakhs in the previous year. The Company has earned a net profit after tax of Rs. 21582.18 lakhs for the year under review compared to the profit of Rs. 3248.76 lakhs in previous year. The other comprehensive income for the period stood at Rs. 25042.83 lakhs as compared to the corresponding other comprehensive income figure of Rs. 15,437.22 lakhs for the previous year.

Further, the Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('IND AS') as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), read with relevant Rules issued thereunder and in conformity with the accounting principles generally accepted in India.

#### Key Ratios

Summary of applicable key ratios on standalone basis for FY 20-21 vis-à-vis FY 19-20

	<b>Particulars</b>	<b>FY 2021</b>	<b>FY 2022</b>
1	Return on equity (PAT/Equity)	16%	3.60%
2	Return on assets (PAT/Total Assets)	13.2%	2.90%
3	Net profit margins(PAT/ Turnover)*	3.72%	0.97%
4	Earning before interest tax depreciation and amortization (EBITDA/ Turnover)*	3.49%	-0.33%

\* Turnover comprises of Total Income (net of Trading in shares/Securities as per P & L Account and sale of Shares/ Securities/Mutual Funds etc. as specified in Note No. 24 of Annual Financial Statements for the year 2020-21.

The above changes in ratios are on account of stock market conditions.

### Segment wise Performance

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

### Cautionary Statement

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

### 3. Dividend & Reserve

The Board has recommended 15% dividend on equity shares i.e. @Rs.1.50 per equity share for the year 2020-21 subject to approval of members. The dividend, if approved, will be paid to the registered members as on the date of book closure of Annual General Meeting scheduled to be held on 30/09/2021 ('AGM'). No amount was proposed to be transferred to the reserve during the year under review.

### 4. Directors/ Key Managerial Personnel (KMP)

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

#### Directorate:

In accordance with the provisions of Article 89 of the Articles of Association of the Company, Shri Kishan Kumar Soni- Director Finance & CFO (DIN: 00106037) and Mr. Vikas Mehrotra – Non Executive Director (DIN: 06476150) will be retiring by rotation at the ensuing AGM of your Company and being eligible, have offered themselves for re-appointment. Concurring to recommendation of Nomination and Remuneration Committee of the Company, your Directors recommend their re-appointment as set out in the Notice convening the ensuing AGM.

Shri R. Bandyopadhyay – Independent Director (DIN:01122778) resigned w.e.f. 29/04/2020 from the Board due to personal reasons and had confirmed that there was no other reason for his resignation. The Board places on record its appreciation for valuable contribution made by Shri R. Bandyopadhyay during his tenure as Director of the Company.

Shri Deepak Kumar Chatterjee (DIN: 03379600) aged about 68 years, who fulfills the criteria given under Section 149 (6) of the Act for an Independent Director of the Company, had been appointed as an Additional Director in the category of Independent Director by the Board in its meeting held on 12/02/2021 for the first term of five consecutive years commencing from 12/02/2021 till 11/02/2026 subject to approval of members. Concurring to recommendation of Nomination and Remuneration Committee of the Company, your Directors recommend his appointment as Independent Director for his first term of five years as set out in the Notice convening the ensuing AGM.

Further, the first term of Shri Dinesh Kumar Mehrotra (DIN: 00142711) as Independent Director had ended on 27/05/2021. The Board had reappointed him for his 2nd term of five years w.e.f. 29/06/2021 as Additional Director in the category of Independent Director concurring to recommendation of Nomination and Remuneration Committee of the Company. Your Directors recommend re-appointment of Shri Dinesh Kumar Mehrotra as Independent Director who in the opinion of the Board fulfils the criteria given under section 149(1) of the Act for an Independent Director for his second term for a period of five consecutive years as set out in the Notice convening the ensuing AGM

The opinion of the Board on expertise and other attributes of Directors including Independent Directors has been charted in the Report on Corporate Governance enclosed as **Annexure -I** to this report.

The revision in remuneration of Shri M. P. Mehrotra- Executive Vice - Chairman, Shri S. K. Agarwal – Managing Director and Shri Kishan Kumar Soni- Director Finance & CFO is also proposed as set out in the Notice convening the ensuing AGM besides approval for continuation of employment of Managing Director upon attaining age of 70 (Seventy) years.

#### Key Managerial Personnel (KMP):

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons were Key Managerial Personnel of the Company as on March 31, 2021:

1. Shri M. P. Mehrotra- Executive Vice-Chairman
2. Shri S. K. Agarwal- Managing Director
3. Shri K. K. Soni- Director Finance & Chief Financial Officer
4. Shri H. Consul- Company Secretary

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

### 5. Independent Directors

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

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



During the year ended 31/03/2021, 1 (one) meeting of Independent Directors was held on 30/03/2021 as detailed hereunder:

S. No.	Name of the Director	Whether Chairman / Member	No. of Meeting(s) attended during F.Y. 2020-2021 and dates	
1	Shri Ajit Kumar	Chairman	1	30/03/2021
2	Shri D.K. Mehrotra	Member	1	30/03/2021
3	Dr. R. L. Bishnoi	Member	1	30/03/2021
4	Shri D. K. Chatterjee	Member	1	30/03/2021

In the meeting of Independent Directors, held on 30/03/2021 pursuant to Schedule IV of the Act and the Listing Regulations the Independent Directors reviewed the performance of the Chairman and Non-Independent Directors of the Company. The Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board, which is necessary for the Board to effectively and reasonably perform their duties. Their conclusion on all the issues discussed was satisfactory.

#### 6. Number of Board and Committee Meetings

Relevant details have been provided in the Report on Corporate Governance enclosed as **Annexure I** of this Annual Report.

#### 7. Corporate Governance and Compliance Certificate

We have reported in **Annexure -I** to this report, the extent of compliance of Corporate Governance practices in accordance with Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The requisite certificate from A Aggarwal and Associates-Company Secretaries signed by Shri Ashutosh Aggarwal, Practicing Company Secretary (COP:7467) confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Company by the SEBI / Ministry of Corporate Affairs or any such statutory authority is appended at the end of aforesaid report.

#### 8. Directors' Responsibility Statement

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

- that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the *profit* of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they have prepared the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2021 on a 'going concern' basis;

- that they have laid down Internal Financial controls to be followed by the Company and that such Internal Financial Controls are adequate and effective and
- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

#### 9. Evaluation of Board/Committees/Individual Directors

The Board carried out the annual performance evaluation of its own performance and its Committees in its meeting held on 29/06/2021. The said exercise was led by the independent directors who are also constituents of Nomination and Remuneration Committee. The evaluation process focused on different aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competence, performance of specific duties and obligations, governance issues etc. The aim was to assess the effectiveness of the Board's/Committees' processes, and to identify any actions required to improve effectiveness. The review thus focused on the following associated areas viz. structure, leadership, strategy, risks, decision making and development.

The evaluation process inter-alia comprised the following:

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

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

As per the provisions of Section 178(2) of Companies Act, 2013, the Board of Directors also carried out annual evaluation of each Director's performance in its meeting held on 29/06/2021 on the parameters including attendance, contribution and independent judgment by individual directors. Since all Directors have rich experience of corporate environment, so they are accustomed to having their performance regularly evaluated.

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

The professional conduct sets expectations that all employees shall comply with all laws and regulations governing Company's conduct. Information is reported upwards internally within the organization to senior management and if appropriate, also shared with the Board of Directors and/or the external auditors. Information is reported externally in public filings, if it meets the criteria for requiring public disclosure.

#### 11. Corporate Social Responsibility (CSR)

The Company is covered under the threshold prescribed under the Act for CSR. During the year under review the Company sanctioned Rs. 5.25 Lacs to IIMPACT, a Gurgaon based non-profit organisation inter-alia engaged in activities relating to promotion of primary education of girls to support its centers in rural areas of Kanpur Dehat, Uttar Pradesh. The Company has supported these centers in past three years as well. Further, Rs. 31,76,629/- (Rupees Thirty One Lacs Seventy Six Thousand Six Hundred Twenty Nine only) was released

in favour of Smt. Sunderdevi Memorial Charitable Trust to be utilised for setting up a VEDIC SCHOOL at Dist. Karnal in the state of Haryana. The amount of Rs. 5.00 Lacs sanctioned earlier to Rahab for their project was not disbursed pending completion of documentation. The amount sanctioned to RAHAB was cancelled during the year, since documentation was not completed by them inspite of reminders.

The recent amendment in CSR Rules effective from 22/01/2021 issued by Ministry of Corporate Affairs, mandates under Rule 10 thereof that the amount which remains unspent till the 31st March of every financial year, must be transferred to designated fund by the Government ('fund') within 6 months from the end of financial year and the Company would no longer be able to use or disburse under the CSR activities or carry over to next year or spend in future the allocated amount for CSR which remained unspent on 31st March of every financial year.

For the financial year 2020-21, the entire amount available on CSR initiative by the Company has been spent. There being no unspent amount left in CSR corpus for the year 2020-21, no amount would be required to be transferred to the fund under second proviso to sub-section 5 of section 135 of the Companies Act 2013 read with Rule 10 of Companies (Corporate Social Responsibility policy) Rules, 2014.

The report of CSR Committee in terms of Section 135 of the Companies Act, 2013 is enclosed as **Annexure-II** to this report.

## 12. Annual Return Extract (MGT-9)

The reporting of extract of Annual Return in Form no. MGT-9 had been done away with pursuant to amendment in section 92(3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 w.e.f. 28/08/2020. Hence, the reporting of extract of Annual Return has not been made in this report. The Annual Return is now required to be placed on the website of the Company, if any, in terms of section 92(3) read with section 134(3)(a) of the Act and link thereof is required to be given in the Board's Report. The Annual Return for the Financial Year 2019-20 is available on web link viz.: <https://www.vlsfinance.com/category/annual-return/>

## 13. Policies

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

### A. Corporate Social Responsibility Policy

The CSR policy can be accessed at Company's website viz. [www.vlsfinance.com](http://www.vlsfinance.com) under the head 'Investor Relations'.

### B. Related Party Transaction

The detailed policy may be accessed at [www.vlsfinance.com](http://www.vlsfinance.com) under the head 'Investor Relations'.

The Board of Directors (the "Board") of VLS Finance Limited (the "Company") has adopted this Policy. The said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions ("Policy") in compliance with the requirements of Section 188 of the Companies Act, 2013 and conforms to the requirements of regulation 23 of the Listing Regulations.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of

transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

### C. Board diversity

The detailed policy may be accessed at [www.vlsfinance.com](http://www.vlsfinance.com) under the head 'Investor Relations'.

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

### D. Risk Management

The detailed policy may be accessed at [www.vlsfinance.com](http://www.vlsfinance.com) under the head 'Investor Relations'.

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

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

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

### E. Anti-sexual harassment mechanism

The detailed mechanism may be accessed at [www.vlsfinance.com](http://www.vlsfinance.com) under the head 'Investor Relations'.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All women employees inter-alia permanent, contractual, temporary, trainees are covered under this policy.

The Internal Complaints Committee is headed by the woman Director on the Board. There were no complaints received from any employee or otherwise during the

year under review and no complaints were pending as on 31/03/2021.

#### **F. Nomination and Remuneration Policy**

The detailed policy may be accessed at [www.vlsfinance.com](http://www.vlsfinance.com) under the head 'Investor Relations'.

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the NRC has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management and other employees including their annual evaluation. While formulating this policy, the NRC has considered the factors laid down in Section 178(4) of the Companies Act, 2013 and the Listing Regulations, as amended.

#### **G. Vigil Mechanism /Whistle Blower**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. Vigil (whistleblower) mechanism provides a channel to the employees and directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policy. The mechanism provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. It is hereby affirmed that no person was denied access to the Audit Committee.

The detailed mechanism may be accessed at [www.vlsfinance.com](http://www.vlsfinance.com) under the head 'Investor Relations'.

#### **14. Contracts with Related Party**

The disclosure in prescribed form AOC-2 is enclosed as **Annexure - III**.

#### **15. Auditors**

##### **Statutory Auditors**

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

##### **Cost Auditor**

The provisions relating to cost records and audit are not applicable to your Company.

#### **16. Auditors' Report**

The observations made by the Statutory Auditors, with reference to notes on accounts for the year under report, have been adequately dealt with in the relevant Notes forming part of Financial Statements and need no further comments from Directors. Further, the Auditors have not reported any fraud in terms of section 143(12) of the Companies Act, 2013 to the Board for the year under review.

#### **17. Secretarial Audit Report**

The Secretarial Audit Report for the year 2020-21 submitted by Secretarial Auditor in terms of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure-IV**. The said report does not contain any adverse remark or observation by the Secretarial Auditor.

#### **18. Statutory Information.**

- The Board in its meeting held on 25/10/2018 had approved the proposal for voluntary delisting from the Calcutta Stock Exchange Ltd. ('CSE'). When the Company approached CSE, thereafter, for completing formalities of delisting, it was learnt that CSE had suspended the scrip of your Company alleging non-payment of listing fee for the year 2014-15 and other non-compliances. Since the Company had paid the said listing fee in time and also made other compliances the same were promptly informed to CSE in response to their communications. However, the Exchange had been inordinately delaying the process and delisting approval has not yet been granted. Regarding listing fee for the year 2021-22, the stand taken by the Company is that the same is not payable since the Company had approached Exchange for delisting of scrip well in time and cannot be made liable for payment of the fee when the delay is on part of Exchange.
- There had been no change in the nature of business and name of Company during the year under review. Further, no proceedings/ application under Insolvency and Bankruptcy Code, 2016 had been made/pending against the Company.
- Your Company's dispute with BMS IT Institute Pvt. Ltd. had come to an end in terms of order dated 05/04/2020 of Hon'ble Supreme Court of India and remaining amount due as per settlement in terms of aforesaid order had been received in the year 2020-21.
- During the year under review, the Company did not absorb any new technology or carry out any R&D related activity for this purpose. However, use of energy efficient devices, wherever possible, in conducting business of Company is part of its administration policies. The detailed disclosure is enclosed as **Annexure-V** to this report.
- The shares of the Company are presently listed at BSE Ltd., The National Stock Exchange of India Ltd., Mumbai and The Calcutta Stock Exchange Ltd., Kolkata (pending delisting).
- The Company has paid the annual listing fees for the year 2021-22 to BSE Ltd. and The National Stock Exchange of India Ltd.
- Your Company's principal business is acquisition of securities; hence Section 186 of the Act is not applicable.
- Your Company has not issued equity shares with differential voting rights, sweat equity or ESOP in terms of Section 43 and Section 62 of the Companies Act, 2013, during the year under review.
- No revision of financial statements or Board's Report has been made in terms of Section 131 of the Companies Act, 2013, during the year under review. Further, there was no one time settlement with Bank/ Financial Institutions during the year under review.

- Disclosure relating to ratio of the remuneration of each director to the median employee's remuneration in terms of Section 197(12) of the Companies Act, 2013 is enclosed as **Annexure -VI** to this report.
- Executive Vice-Chairman, Managing Director and Director-Finance & CFO of your company are not in receipt of any remuneration or commission from any of subsidiary company in terms of Section 197(14) of the Companies Act, 2013. No Independent Director was appointed by special resolution during the year under review.
- There had been no significant and material orders passed by regulatory authorities/ court that would impact the going concern status of the Company and its future operations. Further, there were no material changes or commitments affecting financial position of the Company occurred between the year under review and date of this report.

#### 19. Fixed Deposits

The Company has not accepted any fixed deposit during the year under review. The Company has no plans to accept any deposits from the public in the current year.

#### 20. Human Resources

Employee relations continued to be cordial during the year. The number of employees stood at 32 (Thirty two) at the end of the year under review. The Directors place on record their appreciation of the devoted service of the employees at all levels. In terms of the provisions of Section 197 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there was no employee during the year drawing remuneration more than the stipulated amount in the said rules. Your Company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of Section 67(3)(b) of the Companies Act, 2013 during the year under review.

#### 21. Green initiative in Corporate Governance

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

#### 22. Subsidiary/Associate Companies

Statement pursuant to Section 129(3) of the Companies Act, 2013 for the financial year ended 31/03/2021 in respect of the subsidiary/associate companies, is enclosed with Annual Accounts of the Company.

The consolidated financial results include the audited financial results for the year ended on 31/03/2021 of the subsidiaries VLS Securities Limited (99.67%) and VLS Asset Management Limited (99.15%). The financial results of VLS Capital Ltd. for the same period have been consolidated as an associate under equity method of accounting. The financial results of other companies included in consolidated results in previous years namely, BMS IT Institute Private Limited (BMS) and Sunair Hotels Ltd. (Sunair) are not included in these consolidated financial statements as the company has already disposed off its investments in equity of BMS during the year 2019-20 as per the settlement reached in terms of the order passed by the Hon'ble Supreme Court of India. As regards Sunair, it does not fall under the definition of an associate as per Ind AS-28 due to absence of significant influence on account of ongoing disputes between the Company and Sunair, hence excluded from consolidation of financial results of the year under review.

During the year a wholly owned subsidiary by the name VLS Real Estate Ltd. was incorporated on 03/02/2021 by the Company for undertaking business in real estate sector. The first financial year of said subsidiary being upto 31/03/2022, the audited financial statements as on 31/03/2021 had not been prepared for the purpose of consolidation of financial results, however, the relevant financial figures of said subsidiary had been considered in consolidated financial statement for the year under review.

Separate section on performance and financial position of subsidiary companies and associate company have been provided as Note no. 40 of Notes forming part of consolidated financial statement in the Annual Report for the year under review.

#### 23. Consolidated Financial Statements

In compliance of Section 129(3) of the Companies Act, 2013, the consolidated financial statements in accordance with the prescribed accounting standards are annexed to the audited annual accounts for the year under review.

#### 24. Acknowledgements

The Directors thank the Company's business associates, customers, Bankers, the Securities & Exchange Board of India and Stock Exchanges, employees, customers, vendors, investors and academic partners for their continuous support. The Directors also thank the Government of India and Governments of various states in India.

For and on behalf of the Board

Place: New Delhi	S.K. Agarwal	K. K. Soni
Date : 29/06/2021	(Managing Director)	Director Finance & CFO
	DIN: 00106763	DIN: 00106037

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

To be one of the top ranking Corporate to achieve sustained growth of business and profitability in core areas of investments, private placements and securities related operations, fulfilling socio economic obligations, excellence in customer service through up-gradation of skills of staff, their effective participation and making use of state of art technology.

**Corporate Philosophy:**

Your Company is committed to good corporate governance which enjoins the highest standard of ethical and responsible conduct of business to create value for all stake holders. The philosophy of your Company is to enhance the long-term economic value of the Company, its stakeholders and the society at large by adopting better corporate practices which not only ensures that the Company operates within the regulatory framework but also strive to achieve more transparency in management and institutional soundness.

**1. Board of Directors**

- a) The present strength of the Board is 9 Directors and except the Executive –Vice Chairman, Managing Director and Director -Finance & CFO, all are non-executive, consisting of 4 (four) independent directors and 2 (two) non-executive & non-independent directors. The Chairman is Non-Executive, Independent Director. The present constitution of Board adequately complies with the present requirement of composition of Board under Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"). The Independent Directors aforesaid adequately meet the criteria laid down in Section 149 of Companies Act, 2013 and other relevant laws as per declarations received by the Company. The details of changes in Board of Directors have been dealt with in Directors' Report under the head 'Directorate'.

The attendance record of directors for the year ended 31/03/2021 and other information about them as required under the Listing Regulations is as follows:

S. No.	Name of the Director	Whether Promoter/ Executive or Non- Executive/ Independent	No. of Board Meetings attended during F.Y. 2020-2021	Whether attended AGM held on 10/12/2020	No. of Directorships in other Public Limited Companies as on 29/06/2021	No. of Committee positions held in other Public Limited Companies	
						Chairman	Member
1)	Shri Ajit Kumar (Chairman)	Independent, Non-Executive	5	Yes	0	0	0
2)	Shri M. P. Mehrotra (Vice-Chairman)	Promoter, Executive	5	Yes	7	2	1
3)	Shri S. K. Agarwal (Managing Director)	Executive	5	Yes	3	0	0
4)	Shri K. K. Soni (Director Finance & CFO)	Executive	5	Yes	4	1	2
5)	Dr. (Mrs.) Neeraj Arora	Non-Executive	5	No	1	0	0
6)	Shri R. Bandyopadhyay (Resigned w.e.f. 29/04/2020)	Independent, Non-Executive	0	NA	NA	NA	NA
7)	Shri D.K. Mehrotra	Independent, Non-Executive	5	Yes	5	0	5
8)	Shri Vikas Mehrotra	Promoter, Non-Executive	4	No	2	0	0
9)	Dr. R. L. Bishnoi	Independent, Non-Executive	5	No	4	1	4
10)	Shri D. K. Chatterjee (Appointed w.e.f. 12/02/2021)	Independent, Non-Executive	1	NA	1	1	1

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

**b) Board meetings and attendance**

During the year ended 31/03/2021, 5 (Five) board meetings were held with atleast one meeting in every quarter on 16/07/2020, 31/08/2020, 07/11/2020, 21/12/2020 and 12/02/2021 and the gap between two Board meetings did not exceed 120 days. The information as required under Schedule V (C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is made available to the Board. The agenda and papers for consideration at the Board and its committee meetings are circulated in advance as required under law except when the meeting was called at a shorter notice. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions.

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

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors present	Leave of absence was granted to:
1	16/07/2020	8	8	None
2	31/08/2020	8	8	None
3	07/11/2020	8	8	None
4	21/12/2020	8	7	Shri Vikas Mehrotra
5	12/02/2021	9	9	None

- c) There were no material transactions with the non-executive directors during the year under review. For other related party transactions, necessary disclosures have been made under the head "Notes forming part of financial statement" in the annual accounts for the year under review.
- d) Information supplied to the Board:

The Board has unfettered and complete access to any information within the Company and to any employee of the Company. All other relevant

information as and when required including those envisaged in Regulation 17 of the listing regulations was regularly provided to the Board and Committees thereof. The requisite CEO and CFO certification was also placed before the Board alongwith the quarterly and annual accounts for the year under review as required under Regulation 33 of the listing regulations.

- e) Details of remuneration paid to the Directors during the Financial year ended on 31/03/2021:

(Amount in Lacs)

S.No.	Name of the Director	Salary	Perquisites	Sitting fee	Commission	Total
1	Shri Ajit Kumar	N.A.	N.A.	4.10	N.A.	4.10
2	Shri M. P. Mehrotra	69.00	0.00	N.A.	N.A.	69.00
3	Shri S.K. Agarwal	41.26	0.00	N.A.	N.A.	41.26
4	Shri K. K. Soni	39.60	0.00	N.A.	N.A.	39.60
5	Shri Vikas Mehrotra	N.A.	N.A.	1.70	N.A.	1.70
6	Dr. (Mrs.) Neeraj Arora	N.A.	N.A.	2.50	N.A.	2.50
7	Shri R Bandyopadhyay*	N.A.	N.A.	0.00	N.A.	0.00
8	Shri D. K. Mehrotra	N.A.	N.A.	3.65	N.A.	3.65
9	Dr. R. L. Bishnoi	N.A.	N.A.	3.55	N.A.	3.55
10	Shri D. K. Chatterjee #	N.A.	N.A.	0.60	N.A.	0.60

\* Resigned w.e.f. 29/04/2020 # Appointed w.e.f. 12/02/2021

**Notes:**

- Currently, the Company does not have any stock option scheme.
- No remuneration, except sitting fee, is paid to Non-Executive Directors. The non-executive directors of your Company are only paid sitting fees and they are not entitled to any stock options and no payment of commission has been approved by the members. The criteria can also be accessed at [www.vlsfinance.com](http://www.vlsfinance.com).
- Shri Vikas Mehrotra hold 485783 equity shares and Shri M.P. Mehrotra, Shri S. K. Agarwal, Shri K. K. Soni hold 1 equity share of the Company as on 31/03/2021. No other director held any shares of the Company on that date. None of the directors except Shri M.P. Mehrotra, Shri Vikas Mehrotra and Dr. (Mrs.) Neeraj Arora are related to each other.
- The service contract in case of Managing Director is 3 years ending on 20/08/2022. The tenure of Director -Finance & CFO is upto 31/07/2022. The service contract in case of Executive Director designated as Executive Vice - Chairman was for a period of 3 years upto 31/07/2020. The Company has renewed the contract with its Executive Vice - Chairman for 3 years i.e. upto 31/07/2023 which was approved by the members in the AGM held on 10/12/2020. The notice period is 3 months for all the Whole-time Directors. Presently, all the directors other than independent directors are liable to retire by rotation as per provisions of the Companies Act, 2013.
- In case of Executive Directors the fixed component of salary are based on the recommendation of Nomination and Remuneration Committee of the Company, which takes into consideration the performance of relevant period. The performance criterion is provided in the section 'Evaluation of Board/ Committees/ Individual Directors' of the Directors' Report.

**f) Code of Conduct**

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

<b>Declaration for compliance with the Code of Conduct</b>	
Pursuant to Regulation 26 read with Schedule V (D) of the Listing Regulations I hereby declare that the Company has obtained affirmative compliance with Code of Conduct from all the Board members and senior management personnel of the Company for the period under review, which ended on 31/03/2021.	
<b>Date: 29/06/2021</b> <b>Place: New Delhi</b>	<b>S. K. Agarwal</b> <b>Managing Director</b> <b>DIN: 00106763</b>

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

The relevant information about Directors retiring by rotation and appointment of Independent Directors has been furnished in notice convening the ensuing Annual General Meeting.

- h) Details of familiarization program imparted to independent directors can be accessed at [www.vlsfinance.com](http://www.vlsfinance.com).

- i) Names of the listed entities where Directors are on Board including VLS Finance Ltd:

Name of Directors	Name of Listed Company	Category
Shri Ajit Kumar	VLS Finance Ltd.	Chairman- Independent Director
Shri M. P. Mehrotra	VLS Finance Ltd. Delton Cables Ltd. Dhampur Sugar Mills Ltd. South Asian Enterprises Ltd.	Executive Vice – Chairman Independent Director Independent Director Non-Executive Director
Shri S.K. Agarwal	VLS Finance Ltd.	Managing Director
Shri K. K. Soni	VLS Finance Ltd. South Asian Enterprises Ltd.	Director- Finance & CFO Non-Executive Director
Shri Vikas Mehrotra	VLS Finance Ltd.	Non-Executive Director
Dr. (Mrs.) Neeraj Arora	VLS Finance Ltd. South Asian Enterprises Ltd.	Non-Executive Director Non-Executive Director
Shri R Bandyopadhyay (Resigned w.e.f. 29/04/2020)	NA	NA
Shri D. K. Mehrotra	VLS Finance Ltd. Computer Age Management Services Ltd. UTI Asset Management Co. Ltd. SBI Cards and Payment Services Ltd.	Independent Director Independent Director Independent Director Independent Director

Name of Directors	Name of Listed Company	Category
Dr. R. L. Bishnoi	VLS Finance Ltd. South Asian Enterprises Ltd Jammu and Kashmir Bank Ltd.	Independent Director Independent Director Independent Director
Shri D. K. Chatterjee (Appointed w.e.f. 12/02/2021)	UTI Asset Management Company Ltd. VLS Finance Ltd.	Independent Director Independent Director

#### Key Board qualifications, expertise and attributes

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

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

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

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

Name	Financial	Leadership	Governance
Shri Ajit Kumar	-	√	√
Shri M. P. Mehrotra	√	√	√
Shri S.K. Agarwal	√	√	√
Shri K. K. Soni	√	√	√
Shri Vikas Mehrotra	√	-	√
Dr. (Mrs.) Neeraj Arora	-	-	√
Shri R Bandyopadhyay (Ceased w.e.f. 29/04/2020)	-	√	√
Shri D. K. Mehrotra	√	√	√
Dr. R. L. Bishnoi	√	√	√
Shri D. K. Chatterjee (Appointed w.e.f. 12/02/2021)	√	√	√

## 2. Audit Committee

### a) **Composition**

As on 01/04/2020 the Audit Committee consisted of Dr. Rajeev Lochan Bishnoi (Chairman) with Shri Ajit Kumar, Shri R. Bandyopadhyay, Shri D. K. Mehrotra, Shri S. K. Agarwal and Shri M. P. Mehrotra as members. Shri R. Bandyopadhyay, resigned as Director w.e.f 29/04/2020 and ceased to be the member of the Committee from the same date. Shri S. K. Agarwal ceased to be member of the Committee w.e.f. 31/08/2020 due to withdrawal of nomination by the Board. The Committee then comprised of Dr. Rajeev Lochan Bishnoi (Chairman) with Shri Ajit Kumar, Shri D. K. Mehrotra and Shri M. P. Mehrotra as members. Shri D. K. Mehrotra, ceased to be member of Committee w.e.f. 27/05/2021 upon completion of his first term as Independent Director. He was nominated to the committee on 29/06/2021 upon re-appointment as Independent Director for second term. Majority of members are independent directors including Chairman of the Committee. All the members of Committee are financially literate in terms of relevant stipulation under Regulation 18 of the listing regulations and three members have extensive experience in areas of finance, taxation and other financial services. The Committee continues to comply with the constitution norms stipulated in Listing Regulations. The Company Secretary acts as Secretary of the Committee.

### b) **Terms of reference**

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

### c) **Meetings and attendance**

During the year ended on 31/03/2021, 5 (Five) meetings of Audit Committee were held on 16/07/2020, 31/08/2020, 07/11/2020, 21/12/2020 and 12/02/2021. The summary of attendance of members is as under:

Name	Shri Ajit Kumar	Shri M. P. Mehrotra	Shri R. Bandyopadhyay*	Shri D. K. Mehrotra	Dr. R. L. Bishnoi	Shri S. K. Agarwal#
Attendance in meetings	5	5	0	5	5	2

\*ceased to be member w.e.f. 29/04/2020

# ceased to be member w.e.f. 31/08/2020

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

Sr. No.	Date of Audit Committee Meeting	Audit Committee Strength	No. of Directors present	Leave of absence was granted to:
1	16/07/2020	5	5	Nil
2	31/08/2020	5	5	Nil
3	07/11/2020	4	4	Nil
4	21/12/2020	4	4	Nil
5	12/02/2021	4	4	Nil

### 3. **Nomination and Remuneration Committee**

#### a) **Composition**

The Nomination and Remuneration Committee ('NRC') as on 01/04/2020 comprised of Shri R. Bandyopadhyay-Chairman of the Committee with Shri Ajit Kumar, Shri D. K. Mehrotra and Dr. (Mrs.) Neeraj Arora-Director as members. During the year Shri Bandyopadhyay ceased to be the constituent of this Committee as he had resigned as Director of the Company w.e.f. 29/04/2020. Post cessation of Shri R. Bandyopadhyay as Chairman, Shri D.K. Mehrotra was elected as chairman of the Committee. Further, the Board had nominated Dr. R. L. Bishnoi as member of the Committee in its meeting held on 31/08/2020. Shri D. K. Mehrotra, ceased to be member of Committee w.e.f. 27/05/2021 upon completion of his first term as Independent Director. He was nominated to the committee on 29/06/2021 upon re-appointment as Independent Director for second term. The Committee continues to comply with the constitution norms stipulated in Listing Regulations. The Company Secretary acts as Secretary of the Committee.

#### b) **Terms of reference**

The Committee formulates the remuneration package for directors including key managerial personnel subject to approval of the Board and performs other roles detailed out in the listing regulations or as assigned by the Board from time to time. During the year under review two meetings of NRC were held on 16/07/2020 and 12/02/2021. The performance evaluation criteria for independent directors is based on participation, contribution, effective utilization of expertise & skill, relationship with stakeholders, maintenance of confidentiality, independent judgment, willingness to contribute time etc. The Committee has complied with composition and requirements of applicable regulations.

#### c) **Meetings and attendance**

The summary of attendance of members is as under:

Name	Shri Ajit Kumar	Shri D. K. Mehrotra	Dr. (Mrs.) Neeraj Arora	Shri R. Bandyopadhyay*	Dr. R. L. Bishnoi§
Attendance in meetings.	2	2	2	0	1

\* Resigned w.e.f. 29/04/2020

§ Nominated w.e.f. 31/08/2020

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

Sr. No.	Date of NRC Meeting	NRC Strength	No. of Directors present	Leave of absence was granted to:
1	16/07/2020	3	3	None
2	12/02/2021	4	4	None

### 4. **Stakeholders Relationship Committee**

#### a) **Composition and terms of reference**

The Committee as on 01/04/2020 consisted of Shri Ajit Kumar – Independent Director as Chairman, Shri S. K. Agarwal and Shri K. K. Soni as its members. Shri H. Consul- Company Secretary is the Compliance Officer and Secretary of the Committee. The Committee is vested with the requisite powers and authority to specifically look into the redressal of the shareholders and investor's grievances apart from powers of issuing duplicate shares and other related matters. The processing of request for dematerialisation/ transfer/ transmission/ issue of duplicate certificates and matters related thereto is processed by M/s. RCMC Share Registry Pvt. Ltd., the Registrar & Transfer Agents within the time prescribed. The Committee continues to comply with the constitution norms stipulated in Listing Regulations.

With the notification dated 30/11/2018, SEBI has amended Regulation 40 of the Listing Regulations prohibiting transfer of shares held in physical form after 31/03/2019. Accordingly, only the shares held in dematerialized form can be transferred after 31/03/2019. The aforesaid prohibition however is not applicable in case of transmission, transposition of shares held in physical form and also for transfer deeds once lodged prior to 01/04/2019 and returned due to deficiency in documents ('defective deeds'). The last date for lodging defective deeds was 31/03/2021 as per SEBI circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September, 2020.

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

#### b) **Meetings and attendance**

During the year under review, 5 (Five) meetings of Stakeholders Relationship Committee ('SRC') were held on 09/09/2020, 30/10/2020, 03/12/2020, 24/02/2021 and 30/03/2021.

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

Name	Shri Ajit Kumar	Shri S. K. Agarwal	Shri K. K. Soni
Attendance in meetings	5	5	5

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

Sr. No.	Date of SRC Meeting	SRC Strength	No. of Directors present	Leave of absence was granted to:
1	09/09/2020	3	3	None
2	30/10/2020	3	3	None
3	03/12/2020	3	3	None
4	24/02/2021	3	3	None
5	30/03/2021	3	3	None



**c) Shareholders Complaints**

The Company had not received any complaints during the financial year ended 31<sup>st</sup> March, 2021. All the complaints whether received through SEBI, stock exchanges or individual members during the year were redressed to the satisfaction of investors and none remained outstanding at the end of the year under report. The nature wise summary of complaints received and redressed during the year is as under:

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

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

General correspondence e.g. change of address, enquiry on dividend for the year, ISIN of the Company etc. have been excluded from above.

**5. CSR Committee**
**a) Composition and terms of reference**

As on 01/04/2020 the Committee consisted of Shri Ajit Kumar - Independent Director as Chairman, Shri R. Bandyopadhyay- Independent Director, Shri M.P. Mehrotra, Executive Vice-Chairman and Shri S. K. Agarwal - Managing Director as members. Shri Bandyopadhyay ceased to be the member of this Committee as he resigned as Director of the Company w.e.f. 29/04/2020. The Board had nominated Dr. R. L. Bishnoi as member of the Committee in its meeting held on 31/08/2020. The terms of reference of CSR Committee are in compliance with the applicable regulations. During the year 2 (two) meetings of the Committee were held on 31/08/2020 and 12/02/2021. The Committee continues to comply with the constitution norms stipulated under applicable laws.

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

Name	Shri M. P. Mehrotra	Shri Ajit Kumar	Shri S. K. Agarwal	Shri R. Bandyopadhyay*	Dr. R. L. Bishnoi§
Attendance in meetings	2	2	2	0	1

\* Resigned w.e.f. 29/04/2020

§ Nominated w.e.f. 31/08/2020

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

Sr. No.	Date of CSR Committee Meeting	CSR Strength	No. of Directors present	Leave of absence was granted to:
1	31/08/2020	3	3	None
2	12/02/2021	4	4	None

**6. Other Committees of Board of Directors:**
**a) Operations Management Committee**
**Composition and terms of reference**

As on 01/04/2020 the Committee consisted of Shri Ajit Kumar - Independent Director as Chairman, Shri M. P. Mehrotra – Executive Vice-Chairman, Shri K.K. Soni – Director Finance & CFO and Shri S. K. Agarwal - Managing Director as members. The terms of reference of this Committee are approved by the Board. During the year no meeting of the Committee were held.

**b) Risk Management Committee**

The provisions of Regulation 21 read with clause 5A of part C of Schedule V of Listing Regulations are not applicable to the Company for the year under review.

**7. General Body Meetings**
**a) Details of the last three annual general meetings (AGM) and extraordinary general meeting (EGM).**

Financial year ended	Date	Time	Venue
March 31, 2020 (AGM)	December 10, 2020	3.30 p.m.	From registered office through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')
March 31, 2019 (AGM)	September 12, 2019	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.
March 31, 2018 (AGM)	September 20, 2018	3.30 p.m.	Sri Sathya Sai International Centre Auditorium, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003.

**b) Special resolution passed in the previous 3 AGMs**

- In the AGM held on 20/09/2018, continuation of Non-Executive Directors after 31/03/2019 till their remaining tenure having attained 75 years of age or more for Shri Ajit Kumar and Dr. S Ramesh under SEBI (LODR) Regulations, 2015 was approved by special resolutions.
- In the AGM held on 12/09/2019, re-appointment of Shri Ajit Kumar (DIN: 00106597) and Dr. S Ramesh (DIN: 00126120) under Companies Act, 2013 and SEBI (LODR) Regulations, 2015 for the 2<sup>nd</sup> term of 5 years was approved by special resolutions.
- In the AGM held on 10/12/2020, appointment of Shri M. P. Mehrotra as Executive Vice- Chairman was approved by special resolution.

**a) Postal ballot**

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

## 8. Disclosures

### a) Related party transactions

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

### b) Statutory compliance, penalties and strictures

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

- None.

### c) Legal Proceedings

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

### d) Whistle Blower Policy/Vigil Mechanism

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

### e) Certificate on disqualification of Directors

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

### f) Web link for different policies of the Company.

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

### g) Compliance of Non-mandatory requirements

#### i) Operations Management Committee

The Board delegated some of the powers to this committee including opening of various bank / demat accounts, borrowing money subject to the upper limit approved by the members and such other assignments as may be given by the Board from time to time.

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

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

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

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

## 9. Communication to Shareholders

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

#### a) The official news releases and presentations made to analysts/ institutional investors shall also be posted on the website as and when made. No presentation was, however, made by company to analysts etc. during the year under review.

#### b) The 'Management Discussion and Analysis' forms part of annual report for the year under review. The Company, however, assumes no responsibility in respect of forward looking statements, which may be amended or modified in future on the basis of subsequent developments or events.

#### c) The email of the Company is [vls@vlsfinance.com](mailto:vls@vlsfinance.com). The Company also has dedicated an e-mail ID exclusively for redressal of investor complaints in compliance of regulation 46 of the listing regulations namely [hconsul@vlsfinance.com](mailto:hconsul@vlsfinance.com) which is displayed on the Company's website [www.vlsfinance.com](http://www.vlsfinance.com) under heading 'contact us'. The queries may also be addressed at the registered office of the Company i.e. 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065.

## 10. Shareholders Information

### a) Annual General Meeting

-	<b>Date and time</b>	:	Thursday, 30 <sup>th</sup> September, 2021 at 3.30 p.m.
-	<b>Through</b>	:	Video Conferencing ("VC") / Other Audio Visual Modes ("OAVM") from registered office of the Company situated at 2 <sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065.
-	<b>Financial Year</b>	:	April 2020 to March 2021.
-	<b>Book Closure</b>	:	From 24/09/2021 to 30/09/2021 (both days inclusive)
-	<b>Buy back of shares</b>	:	No buy back of shares made /proposed during the period under review.
-	<b>Dividend payment date</b>	:	On or before 30/10/2021.

### b) Listing at Stock Exchanges

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

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

The annual listing fee has been paid to BSE and NSE as mentioned above up to the year 2021-2022. The Company had filed the application for

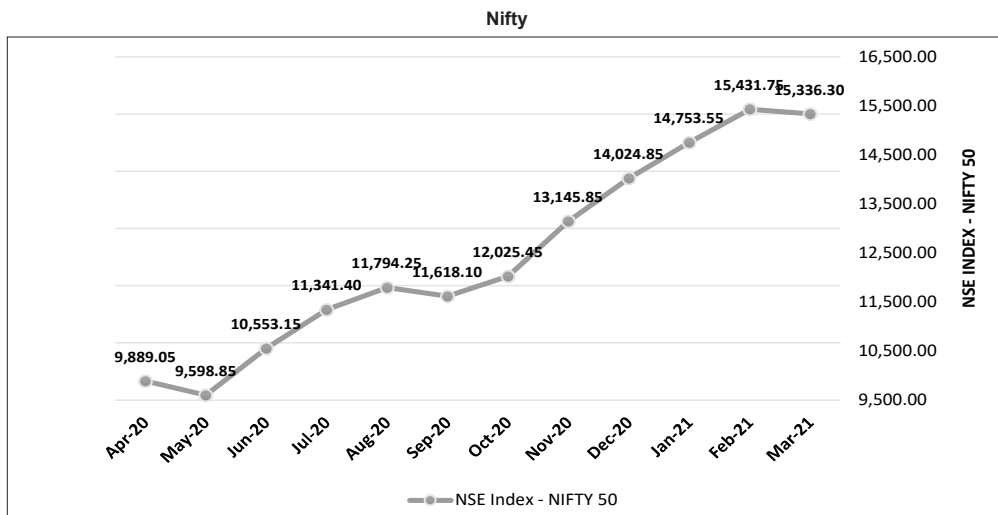
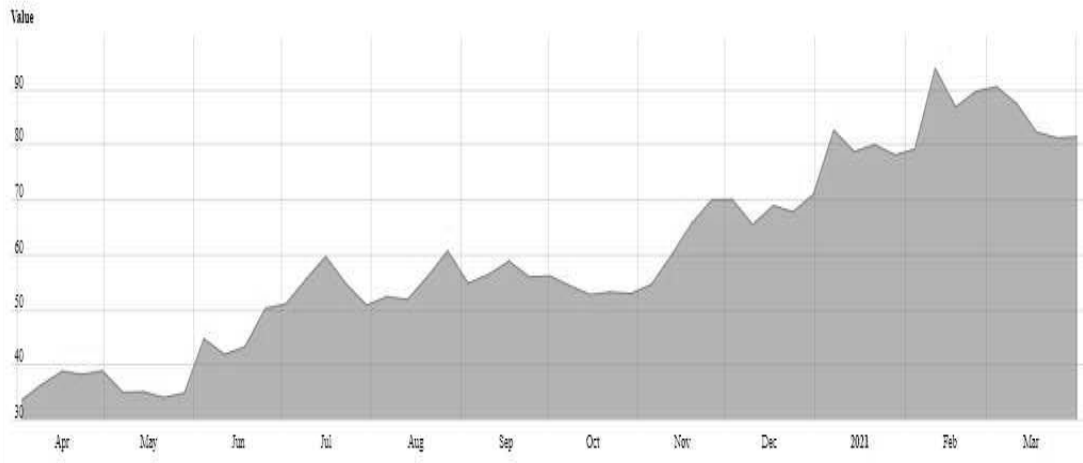
voluntary delisting of its shares from the CSE during the year 2018-19 itself and the same is under process, hence no listing fee has been paid to CSE for the year 2019-20, 2020-21 and 2021-22, as of now.

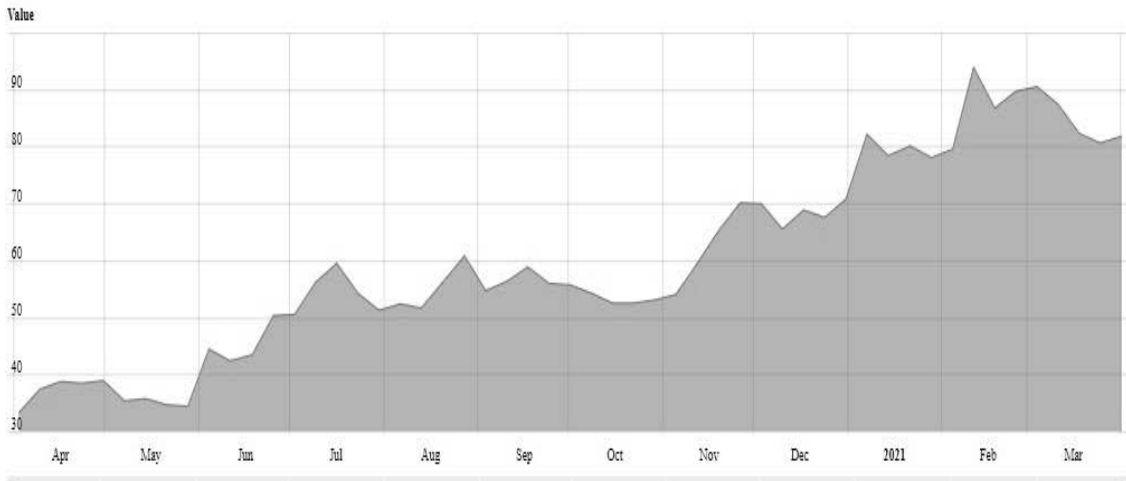
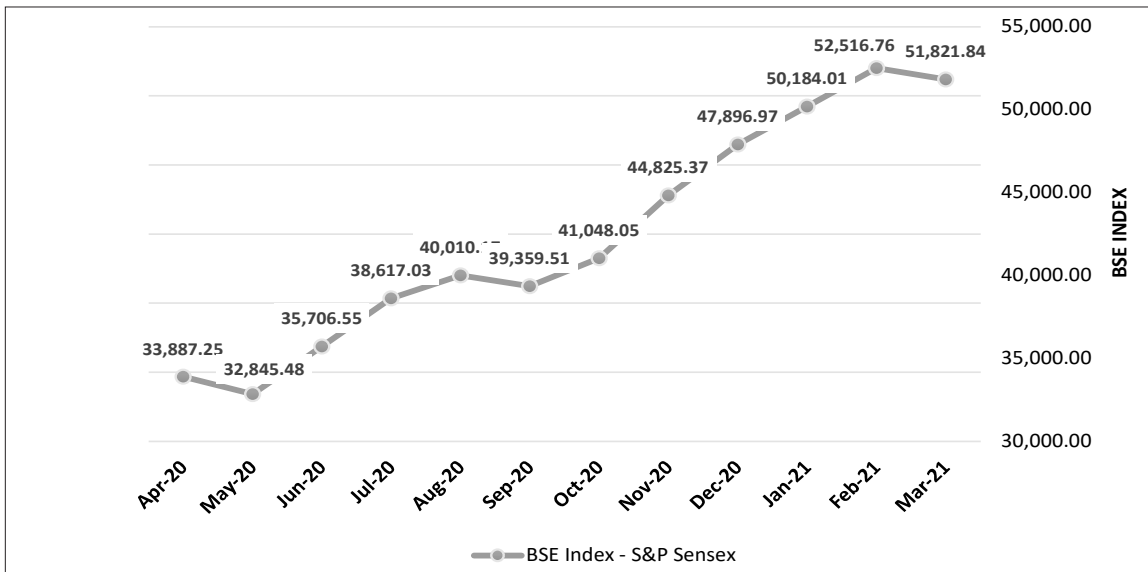
**c) Stock Market data**

Monthly highs, lows and trading volume for the financial year 2020-2021:

Months	NSE			BSE		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	Nos.	Rs.	Rs.	Nos.
Apr-20	42.90	31.65	288108	41.20	32.75	155999
May-20	39.00	32.70	224687	39.25	32.80	129919
Jun-20	56.60	35.25	1079397	56.50	36.05	196694
Jul-20	66.40	44.10	1766854	65.45	40.65	287552
Aug-20	63.70	50.40	1108540	63.80	50.70	177299
Sep-20	61.70	54.00	834580	62.00	53.70	185138
Oct-20	57.30	50.80	393505	58.70	51.00	77070
Nov-20	71.30	52.25	1817802	71.20	51.50	294599
Dec-20	73.75	60.05	1457006	73.70	60.35	223778
Jan-21	92.60	67.15	3821830	92.50	68.75	643328
Feb-21	100.90	72.20	1999214	96.40	75.30	392072
Mar-21	96.80	71.10	1444467	96.55	71.20	268969
<b>Total</b>			16235990			3032417

**Graphical representation of Shares Price in NSE and BSE vis-à-vis Index Movement:  
NSE Graph of VLS Finance Ltd.**



**BSE Graph of VLS Finance Ltd.**

**Sensex**

**d) Registrar and Transfer Agents and Share Transfer System**

The Company has retained M/s RCMC Share Registry Pvt. Ltd., as its Registrar & Transfer Agents for further period of one year w.e.f. 01/04/2021 for entire shareholder services viz. processing request for transfer, other shareholder services, dematerialisation of holding, providing connectivity services with depositories in compliance of SEBI's circular No.D&CC/F/TTC/CIR-15/2002 dated 27/12/2002.

**e) Investors Correspondence**

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

**RCMC Share Registry Pvt. Ltd.,**  
**B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020**  
**Phone Nos. 011 – 2638 7320-21-23, Fax 011-2638 7322**  
**Email- [investor.services@rcmcdelhi.com](mailto:investor.services@rcmcdelhi.com)**

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

**f) Distribution of shareholding as on March 31, 2021**
**Amount in Lakhs**

Slab of shareholding	No. of shareholders	%age	No. of shares	Nominal value of share held	%age
1-500	14628	62.81	2576403	257.64	6.6639
501-1000	6398	27.47	4234329	423.43	10.9522
1001-2000	1269	5.45	1832948	183.29	4.7410
2001-3000	341	1.46	872331	87.23	2.2563
3001-4000	163	0.70	593735	59.37	1.5357
4001-5000	105	0.45	492223	49.22	1.2731
5001-10000	206	0.88	1466213	146.62	3.7924
10001 and above	179	0.77	26593835	2659.38	68.7854
Total	23289	100.00	38662017	3866.20	100.0000

**According to categories of shareholders as on March 31, 2021**

Sl. No.	Categories	No. of Shares	Amount in Lacs	Percentage of Shareholding
1	Promoters, Directors and Relatives	17650225	1765.02	45.65
2	Financial Institution and Banks	12143	1.21	0.03
3	Mutual Fund	100	0.01	0.00
4	FII's	300	0.03	0.00
5	Corporate Bodies	969607	96.96	2.51
6	Clearing Members	106196	10.62	0.28
7	Indian Public	18018225	1801.82	46.60
8	NRI/OCBs/FN	316846	31.68	0.82
9	NBFC	0	0.00	0.00
10	LLP	10700	1.07	0.03
11	FPI	1000000	100.00	2.59
12	HUF	577675	57.77	1.49
	Grand Total	38662017	3866.20	100.00

**g) Dematerialisation of Shares and liquidity**

92.68% of the total share capital of Company was held in dematerialized form as on 31/03/2021 the shares of Company are actively traded in BSE Ltd. and The National Stock Exchange of India Ltd. The shares of the Company are traded only in demat segment w.e.f. 28<sup>th</sup> August 2000.

**h)** There were no ADRs/ GDRs/ Warrants or other convertible instruments outstanding as on 31/03/2021.

**i) Reconciliation of Capital**

The requisite certificate by a practicing company secretary was duly submitted to the stock exchanges, where the securities of the Company are listed, at the end of each quarter, within prescribed time.

**j) Financial Calendar (tentative)**

Quarter ending	June 30, 2021	Second week of August, 2021
Quarter ending	September 30, 2021	Second week of November, 2021
Quarter ending	December 31, 2021	Second of February, 2021
Year ending	March 31, 2022 #	End of May, 2022
Annual General Meeting for the year ended March 31, 2021		30 <sup>th</sup> September, 2021

# For the quarter ending 31/03/2022 un-audited results may not be published and only audited results will be published, unless decided otherwise.

**k) Subsidiary Companies**

The Company has a material non-listed Indian subsidiary namely VLS Securities Ltd. in terms of Regulation 16 of the listing regulations, as amended as per financial results for the immediate preceding year. Further, one Independent Director on Board of the Company is holding the position of an Independent Director in the said subsidiary.

**l) Plant Location**

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

**m) Credit Rating**

No credit ratings of any kind / class were obtained by the Company during the year under review.

**n) Commodity price risks and hedging activities**

Your Company does not take positions in trading /investing in commodities segment.

**o) Utilization of funds raised**

No funds were raised through preferential allotment or qualified institutions placement by the Company during the year under review.

**p) Consolidated Remuneration to Statutory Auditors**

The Statutory Auditors ('SA') had not been engaged by any of the Subsidiaries/ network entity of the Company for any services during the year under review and therefore no remuneration was paid to them by aforesaid entities. The details of remuneration paid to SA for the period under review has been detailed in Notes to Accounts for the year under review under the head 'Auditors Remuneration'.

**Certificate on Corporate Governance**

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

**CERTIFICATE**

To,

The Members of VLS Finance Ltd.

I have examined the compliance of applicable conditions of Corporate Governance by VLS Finance Ltd ("the Company"), for the year ended on March 31, 2021, and particularly in respect of:

- Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from April 01, 2020 to March 31, 2021.

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

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has in general complied with the conditions of Corporate Governance including regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations, during the year ended March 31, 2021.

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

Sd/-

Ashutosh Aggarwal

A Aggarwal and Associates

Company Secretaries

ACS 9972 CP No. 7467

P.R. Certificate No. 1097/2021

UDIN:A009972C000500407

Place: New Delhi

Date: June 23, 2021

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,

**The Members of VLS Finance Limited**

I have examined the relevant records of VLS Finance Limited (CIN:L65910DL1986PLC023129) having Registered Office at 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 (hereinafter referred to as 'the Company') including the disclosures received from the Directors by the Company, the relevant details available on portal of Ministry of Corporate Affairs, BSE Ltd. and The National Stock Exchange of India Ltd., other information in public domain about persons concerned for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and certify that none of the Directors of the Company as on 31st March, 2021 are disqualified from being appointed or continuing as Director by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

Sd/-

Ashutosh Aggarwal

A Aggarwal and Associates

Company Secretaries

ACS 9972 CP No. 7467

P.R. Certificate No. 1097/2021

UDIN: A009972C000500462

Place: New Delhi

Date: June 23, 2021

**ANNUAL REPORT ON CSR ACTIVITIES**

1. Brief outline on CSR Policy of the Company : The CSR policy of the Company has been formulated and adopted in accordance with sections 135 of the Companies Act, 2013 and rules made thereunder. The Company may undertake any CSR project specified under schedule VII of the Companies Act, 2013 subject to requisite approvals. The majority of CSR projects undertaken by Company in the past were for promoting education and healthcare.
2. Composition of CSR Committee:

SI. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Ajit Kumar	Independent Director	2	2
2	Dr. R. L Bishnoi*	Independent Director	2	1
3	Shri M. P. Mehrotra	Executive Vice- Chairman	2	2
4	Shri S. K. Agarwal	Managing Director	2	2

\* Nominated on 31/08/2020

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. [www.vlsfinance.com/annualreports/](http://www.vlsfinance.com/annualreports/)
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any NIL

SI. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. in Lakhs)	Amount required to be set- off for the financial year, if any (Rs. in Lakhs)
1			
	<b>TOTAL</b>		

6. Average net profit of the Company as per section 135(5). Rs.3,24,73,242/-
- (a) Two percent of average net profit of the Company as per section 135(5). Rs.6,49,465/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL
- (c) Amount required to be set off for the financial year if any NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c). Rs.37,01,629/-\*

\* Includes brought forward corpus under CSR of Rs.30,51,984/-.

7. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund		
	Amount.	Date of transfer.	Fund	Amount.	Date of transfer.

- (b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1) SI. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (Rs. in Lakhs).	(8) Amount spent in the current financial Year (Rs. in Lakhs).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in Lakhs).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	IIMPACT	Promoting Education	No	UP	Kanpur	5 years	5.25	5.25	NIL	No	IIMPACT	CSR00002935
2.	Smt. Sunderdevi Memorial Charitable Trust	Promoting Education	No	Haryana	Karnal Distt.	3 years	31.76	31.76	NIL	No	Smt. Sunderdevi Memorial Charitable Trust	CSR00007609
	<b>TOTAL</b>	--	--	--	--	--	37.01	37.01	NIL	--	--	--

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (Rs. in Lakhs).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation – Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
	TOTAL								

- (d) Amount spent in Administrative Overheads NIL  
(e) Amount spent on Impact Assessment, if applicable NIL  
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) Rs.37,01,629/-  
(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	6,49,465/-
(ii)	Total amount spent for the Financial Year	6,49,465/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

8. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (Rs. in Lakhs)	Amount spent in the reporting Financial Year (Rs. in Lakhs).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (Rs. in Lakhs)
				Name of the Fund	Amount (Rs. in Lakhs).	Date of transfer.	
1.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (Rs.).	(7) Amount spent on the project in the reporting Financial Year (Rs.).	(8) Cumulative amount spent at the end of reporting Financial Year. (Rs.)	(9) Status of the project- Completed /Ongoing.
1.	IIMPACT	Girl child Education	2017-18	5 years	5,50,000/-	5,50,000/-	5,50,000/-	Ongoing
2.	IIMPACT	Girl child Education	2018-19	---	5,50,000/-	5,50,000/-	11,00,000/-	Ongoing
3.	IIMPACT	Girl child Education	2019-20	---	5,50,000/-	5,50,000/-	16,50,000/-	Ongoing
	TOTAL	---	---	---	16,50,000/-	16,50,000/-	---	---

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**).

- (a) Date of creation or acquisition of the capital asset(s). NIL  
(b) Amount of CSR spent for creation or acquisition of capital asset. NIL  
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. N.A.  
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). N.A.

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). N.A.

Sd/-  
S. K. Agarwal  
Managing Director

Sd/-  
Ajit Kumar  
Chairman CSR Committee



**Form AOC-2**

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

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	VLS Asset Management Ltd. - Subsidiary
b)	Nature of contracts/arrangements/transactions	Financial assistance
c)	Duration of the contracts / arrangements/transactions	Perpetual unless rescinded.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Non- interest bearing.
e)	Justification for entering into such contracts or arrangements or transactions	Financial health of subsidiary.
f)	date(s) of approval by the Board	N.A.#
g)	Amount paid as advances, if any:	N.A.#
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	N.A.#

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party	Nil
b)	Nature of relationship	
c)	Nature of contracts/ arrangements/ transactions	
d)	Duration of the contracts / arrangements/transactions	
e)	Salient terms of the contracts or arrangements or transactions	
f)	Justification for entering into such contracts or arrangements or transactions	
g)	date(s) of approval by the Board	
h)	Amount received	

Please also refer note no. 31 of Annual Report for the year 2020-21 for disclosures under 'Related Party'.

**SECRETARIAL AUDIT REPORT**  
**For the financial year ended 31<sup>st</sup> March, 2021**  
**Form MR-3**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
VLS Finance Limited,  
2<sup>nd</sup> Floor, 13, Sant Nagar,  
East of Kailash,  
New Delhi-110065.

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **VLS Finance Limited** (hereinafter called 'the Company'). Secretarial audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by it and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company had proper Board processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable during the year under review.)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the year under review.)
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations 2014; (Not applicable during the year under review.)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the year under review.)

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable during the year under review.)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the financial year under review.)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the financial year under review.)
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (j) The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992.
- (k) Securities and Exchange Board of India (Depository and Participants ) Regulations, 2018;
- (vi) The Company had properly complied the other laws viz. Income tax Act 1961, Prevention of Money Laundering Act, 2002 and rules made thereunder, other applicable tax laws, labour laws, local revenues laws, Insurance Act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder, Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder, Environment (Protection) Act, 1986, local revenue laws, etc. as applicable to it.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India,
- ii) The Listing Agreement entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015,

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Company has been filing requisite forms and returns with Registrar of Companies in time. However, additional filing fee was paid in respect of one forms for exceeding stipulated period of filing. Further no action was initiated against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) or Registrar of Companies under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

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

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

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

Further, on the basis of my examination of records and explanations given to me, I am of the opinion that the expenditure made under CSR so far is accordance with the applicable regulations and CSR policy of the Company.

**I further report that** based on review of compliance mechanism established by the Company and on the basis of compliance certificate issued inter-alia by Company Secretary which was taken on record by Board of Directors, I am of the opinion that there are adequate systems and processes in the Company are commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the Company has not taken any action having major bearing on affairs of the Company pursuant to above referred laws.

Sd/-  
(Pooja Nichani)  
Company Secretary  
ACS No.:20092  
C P No.:11351  
Place: New Delhi  
Date: 23<sup>rd</sup> June, 2021  
UDIN: A020092C000501749

This report is to be read with my letter of even date which is annexed as 'Annexure 1' and forms an integral part of this report.

To,  
The Members,  
VLS Finance Limited,  
2<sup>nd</sup> Floor, 13, Sant Nagar,  
East of Kailash,  
New Delhi-110065.

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

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

Sd/-  
(Pooja Nichani)  
Company Secretary  
ACS No.:20092  
C P No.:11351  
Place: New Delhi  
Date: 23<sup>rd</sup> June, 2021  
UDIN: A020092C000501749

**Information as per section 134(3)(m) of the Companies Act, 2013 read with rule 8 of Companies (Accounts) Rules, 2014 and forming part of directors' report for the year ended 31<sup>st</sup> March, 2021.**

**Conservation of Energy**

- |   |       |
|---|-------|
| a) Energy conservation measure taken  | : Nil |
| b) Proposals under implementation for reduction in consumption of energy or utilizing alternative sources of energy | : Nil |
| c) Capital investment on energy conservation equipments   | : Nil |

**Technology Absorption**

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

**Foreign Exchange Earnings and Outgo**

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

For and on behalf of the Board of Directors

Place: New Delhi  
Date : 29/06/2021

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

**Annexure VI to the Board's Report**

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**1 The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-2021:**

Sl.No	Name of the Directors	Designation	% increase of remuneration in 2021 as compared to 2020	Ratio to the median remuneration.
1	Shri Ajit Kumar	Non-Executive Independent Director (Chairman)	10.81	0.74:1
2	Dr. (Mrs.) Neeraj Arora	Non-Executive Non Independent Director	150.00	0.45:1
3	Dr. R.L. Bishnoi	Non-Executive Independent Director	222.73	0.64:1
4	Shri D. K. Mehrotra	Non-Executive Independent Director	73.81	0.66:1
5	Shri D. K. Chatterjee#	Non-Executive Independent Director	Not Comparable	0.11:1
6	Shri Vikas Mehrotra	Non-Executive Non Independent Director	6.25	0.31:1
7	Shri R. Bandyopadhyay*	Non-Executive Independent Director	Not Comparable	0
8	Shri M. P. Mehrotra	Executive Vice-Chairman	15.00	12.47:1
9	Shri S. K. Agarwal	Managing Director	17.75	7.46:1
10	Shri K. K. Soni	Director- Finance & CFO	17.75	7.16:1

#Appointed w.e.f. 12/02/2021

\*Resigned w.e.f. 29/04/2020

The Non-Executive Directors of the Company are entitled for sitting fees and reimbursement of expenses for attending meetings and the same are within the prescribed limits as per statutory provisions. The detail of sitting fees of Non Executive Directors is provided in the Corporate Governance Report which is part of this Director's Report. The sitting fees of the Non-Executive Directors attending Meeting of the Board and Audit Committee was revised upwards w.e.f. 12/02/2021. Besides, the overall increase/decrease in the sitting fee paid compared to previous year is also due to number of meetings attended by them.

**2 The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year 2020-21:**

Sl.No	Name of the Company Secretary	Designation	% increase of remuneration in 2021 as compared to 2020
1	Mr. H. Consul	Company Secretary	26.09

Please refer clause -1 above for disclosure in respect of Directors.

**3. The percentage increase in the median remuneration of employees in the financial year 2020-2021.**

There was percentage decrease in the median remuneration of employees in the financial year of around 2.82%

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

32 (Thirty Two)

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

The average increase in salaries of employees other than managerial personnel in 2020-21 was about 20% .

The average increase in remuneration of Key Managerial Personnel in 2020-21 was about 15%.

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

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

**7. Top 10 employees in items of remuneration drawn in the financial year 2020-21:**

S. No.	Name/Designation of employee	Remuneration received (Rs. in lacs)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of such employee (Years)	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2)	Whether any such employee is a relative of any director or manager of the company and if so name of such director or manager
1	M. P. Mehrotra Executive Vice-Chairman	69.00	Contractual	B.Com., FCA, LL.B. 58 years	01/08/2017	81	Self employed	---	Shri Vikas Malhotra Dr. (Mrs) Neeraj Arora
2	S. K. Agarwal Managing Director	41.26	Contractual	B.Com.(Hons.), CAIIB 49 years	01/01/1998	70	VLS View Asset Management Ltd.	---	---
3	K.K. Soni Director Finance & CFO	39.60	Contractual	B.Com., FCA, FCS 45 years	28/7/2006	68	VLS Capital Limited	---	---
4	H. Consul Company Secretary	28.34	Permanent	B.Com. (Hons.), ACS, LL.B. 35 Years	02/02/1998	57	Prakash Ispat Ltd.	---	---
5	L. Thirumorthy Vice- President (Accounts)*	12.17	Permanent	B.Com. 41 years	10/07/2002	61	Self employed	---	---
6	Dinesh Negi Group Head - (Accounts)	11.67	Permanent	B.Com. 33 years	25/09/1995	56	Universal Subscription Agency Pvt. Ltd.	---	---
7	Ramesh Chandra Pandey Group Head- (Secretarial)	11.25	Permanent	B. Sc. , LL.B. 33 years	01/04/1994	57	Self employed	---	---
8	Nand Gopal Garg Group Member - (Accounts)	10.29	Permanent	B.Sc.(Bio.), C. A. (Inter) 1st Group 31 years	01/04/2016	57	VLS Capital Limited	---	---
9	Diwakaran P Group Member- (Accounts)	10.10	Permanent	B.Com. 41 years	23/02/1990	61	Super Seals India Ltd.	---	---
10	Kartik Chugh Group Member- (Research)	9.59	Permanent	MBA 13 years	15/01/2014	37	Escorts Ltd.	---	---

\* For part of the year upto 30/12/2020

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

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 29-06-2021

S.K. Agarwal  
Managing Director  
DIN:00106763

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

\*\*\*\*\*

## INDEPENDENT AUDITOR'S REPORT

To The Members of VLS Finance Limited  
Report on the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of **VLS Finance Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

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

view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we

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

#### Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Change in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) In our opinion, proper books of accounts and records as specified in Rule 15 of the Securities Contract (Regulation) Rules, 1957 have been kept in so far as it appears from our examination of such books;
- g) The company as Stock Broker has complied with the requirements of the stock exchange so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the Stock Exchange;
- h) With respect to the other matters to be included in the Auditor's Report

in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- j) 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 has informed & explained to us that pending litigations has no adverse effect on its financial position in its standalone financial statements as at 31st March, 2021.
  - ii. The Company has made provision as at 31st March, 2021, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There has been no requirement to transfer any amount to the Investor Education and Protection Fund, as the Company has no due outstanding during the year ended 31st March, 2021.

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

**M.L. Puri**  
Partner  
M. No. 009198

Place: New Delhi  
Date: June 29<sup>th</sup>, 2021  
UDIN: 21009198AAAABM9988

#### ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31 March 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets, except assets on lease which are in the possession of the lessees, have been physically verified by the Management according to the program of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- (c) As per the records and information and explanations given to us, title deeds of immovable properties are held in the name of the Company.
- ii. The company generally deals in shares, securities and Units of Mutual funds. Primarily these are held in electronic form so inventory of the Company has been electronically verified by the management at reasonable intervals and the procedures of verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. There were no discrepancies noticed on such verification of inventory as compared to book records.
- iii. The Company has granted interest free unsecured loan to one subsidiary company covered under section 189 of companies Act, 2013. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- a) As per the information given to us, the aforesaid loan given to the subsidiary company is payable on demand.
- b) In respect of the aforesaid loan, there is no overdue amount at the year end.
- iv. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions under the Act. Accordingly, paragraph v of the Order is not applicable to the Company.
- vi. Clause 3 (vi) of CARO is not applicable as the Company is not engaged in production of such goods and providing such services as prescribed by Central Government under sub section (1) of section 148 of the Companies Act, 2013 for maintenance of cost records.
- vii. a) The Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, wealth tax, service tax and any other statutory dues with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth tax, service tax and any other material statutory dues in arrears as at 31.03.2021 for a period of more than six months from the date they became payable.
- c) According to the records and information and explanations given to us, there is no outstanding of any disputed statutory dues as on 31.03.2021.
- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in

the repayment of loans and/or borrowings to financial institutions and banks. No debentures are outstanding as on 31.03.2021.

- ix. During the year, no monies have been raised by public offer of shares. Money raised on term loans has been applied for the purposes for which loans were raised.
- x. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and on the Company by its officers or employees has been noticed or reported during the course of the audit.
- xi. On the basis of records and information and explanations made available, managerial remuneration which has been paid or provided is in accordance with the requisite approvals mandated under Section 197 read with Schedule V of the Act.
- xii. In our opinion and according to information & explanation given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related parties transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained, details of related parties transactions are disclosed as per the applicable Accounting Standards.
- xiv. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not made any preferential allotment or private placement of shares during the financial year ended on 31<sup>st</sup> March, 2021, hence clause (xiv) is not applicable.
- xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him.
- xvi. The Company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934.

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

**M.L. Puri**  
Partner  
M. No. 009198

Place: New Delhi  
Date: June 29<sup>th</sup>, 2021  
UDIN: 21009198AAAABM9988

**Annexure - B to the Independent Auditors' Report**  
**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **VLS Finance Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in

accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Company.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**M.L. Puri**  
Partner  
M. No. 009198

Place: New Delhi  
Date: June 29<sup>th</sup>, 2021  
UDIN: 21009198AAAABM9988



**Standalone Balance sheet as at 31st Mar, 2021**

(Rupees in Lakhs)

	Particulars	Note No.	As At 31.03.2021	As At 31.03.2020
	<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	4	9,503.40	1,882.25
(b)	Bank Balance other than (a) above	5	418.58	190.21
(c)	Receivables	6		
	(I) Trade Receivables		196.43	293.89
	(II) Other Receivables		349.01	374.99
(d)	Loans	7	805.21	809.97
(e)	Investments	10	1,38,507.62	97,207.36
(f)	Other Financial assets (to be specified)	8	8,624.60	6,100.46
	<b>Total (1)</b>		<b>1,58,404.85</b>	<b>1,06,859.13</b>
<b>2</b>	<b>Non-financial Assets</b>			
(a)	Current tax assets (Net)	9	1,770.25	1,347.24
(b)	Investment Property		70.94	70.94
(c)	Property, Plant and Equipment	11	863.95	907.55
(d)	Capital work-in-progress		928.41	725.44
(e)	Other Intangible assets	11	0.86	0.74
(f)	Other non-financial assets (to be specified)	12	878.07	801.69
	<b>Total (2)</b>		<b>4,512.48</b>	<b>3,853.60</b>
	<b>Total Assets (1+2)</b>		<b>1,62,917.33</b>	<b>1,10,712.73</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Payables	13		
	(I) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.08	205.59
	(II) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		15.88	25.86
(b)	Borrowings (Other than Debt Securities)	14	-	22.89
(c)	Other financial liabilities (to be specified)	15	143.95	160.91
	<b>Total (1)</b>		<b>159.91</b>	<b>415.25</b>
<b>2</b>	<b>Non-financial Liabilities</b>			
(a)	Provisions	16	85.13	69.49
(b)	Deferred tax liabilities (Net)	18	27,415.93	21,013.76
(c)	Other non-financial liabilities (to be specified)	17	21.83	24.78
	<b>Total (2)</b>		<b>27,522.89</b>	<b>21,108.03</b>
<b>3</b>	<b>EQUITY</b>			
(a)	Equity Share capital	19	3,878.42	3,878.42
(b)	Other Equity	20	1,31,356.11	85,311.03
	<b>Total (3)</b>		<b>1,35,234.53</b>	<b>89,189.45</b>
	<b>Total Liabilities and Equity (1+2+3)</b>		<b>1,62,917.33</b>	<b>1,10,712.73</b>

Accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

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

 M.L. Puri  
 Partner  
 Membership No.009198

 New Delhi  
 June 29th, 2021  
 UDIN: 21009198AAAABM9988

For and behalf of the Board

 S.K. Agarwal  
 Managing Director  
 DIN: 00106763

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

 M.P. Mehrotra  
 Executive Vice Chairman  
 DIN: 00016768

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

**Standalone Statement of Profit and Loss for the Year ended 31.03.2021**

(Rupees in Lakhs)

	Particulars	Note No	Year Ended 31.03.2021	Year Ended 31.03.2020
I	<b>Revenue From Operations</b>			
	(i) Interest Income	21	644.65	546.20
	(ii) Dividend Income	22	445.48	757.10
	(iii) Net gain on fair value changes	23	15,167.02	1,418.15
	(iv) Trading in Shares/Securites (Net)	24	5,293.81	
	(v) Other Operating Income	25	9.78	42.68
	<b>Total Income from operations (Total I)</b>		<b>21,560.74</b>	<b>2,764.13</b>
II	Other Income	26	2.17	9.24
	<b>Total Other Income (Total II)</b>		<b>2.17</b>	<b>9.24</b>
III	<b>Total Income (I+II)</b>		<b>21,562.91</b>	<b>2,773.37</b>
IV	<b>EXPENSES</b>			
	(i) Employee benefits expense	27	431.71	348.45
	(ii) Finance costs	28	1.63	6.56
	(iii) Trading in Shares/Securites (Net)	24	-	2,827.88
	(iv) Depreciation and amortization expense	11	76.17	115.60
	(v) Other expenses	29	871.16	702.89
	<b>Total expenses (IV)</b>		<b>1,380.67</b>	<b>4,001.38</b>
V	<b>Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>20,182.24</b>	<b>(1,228.01)</b>
VI	Exceptional Items		-	-
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>20,182.24</b>	<b>(1,228.01)</b>
VIII	Tax (expense)/credit (net):			
	(1) Current tax		(614.00)	-
	(2) Tax adjustment for earlier Year		(6.45)	(9.20)
	(3) Deferred tax		2,020.39	4,485.97
	<b>Total Tax (expense)/credit (VIII)</b>		<b>1,399.94</b>	<b>4,476.77</b>
IX	<b>Profit / (Loss) for the period (VII+VIII)</b>		<b>21,582.18</b>	<b>3,248.76</b>
XI	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	Gain / (Loss) arising on Defined Employee Benefits			
	- Remeasurement of Defined Employee Benefits		(20.00)	4.86
	Gain / (Loss) arising on fair valuation of Investment		33,485.40	20,624.31
	(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		(8,422.57)	(5,191.95)
	<b>Total (A)</b>		<b>25,042.83</b>	<b>15,437.22</b>
	B (i) Items that will be reclassified to profit or loss		-	-
	<b>Total (B)</b>		<b>-</b>	<b>-</b>
	<b>Total Other Comprehensive Income (A+B)</b>		<b>25,042.83</b>	<b>15,437.22</b>
XII	<b>Total Comprehensive Income for the period (IX+XI) (Comprising Profit/ (Loss) and Other Comprehensive Income for the period)</b>		<b>46,625.01</b>	<b>18,685.98</b>
XIII	Earnings per equity share (Face value per share Rs.10/-)	30		
	(1) Basic (in Rupees)		<b>55.82</b>	<b>8.40</b>
	(2) Diluted (in Rupees)		<b>55.82</b>	<b>8.40</b>

Accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

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

 M.L. Puri  
 Partner  
 Membership No.009198

 New Delhi  
 June 29th, 2021  
 UDIN: 21009198AAAABM9988

For and behalf of the Board

 S.K. Agarwal  
 Managing Director  
 DIN: 00106763

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

 M.P. Mehrotra  
 Executive Vice Chairman  
 DIN: 00016768

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

**Statement of Changes in Equity for the year ended 31 March 2021**
**A. Equity Share Capital**

(Rupees in Lakhs)

Particulars	Equity share capital	
	Number of shares (See Note below)	Amount (See Note below)
As at 31 March 2019	3,86,62,017	3,878.42
As at 31 March 2020	3,86,62,017	3,878.42
As at 31 March 2021	3,86,62,017	3,878.42

Note: Equity share capital amount includes Rs.12,22,250 being the amount forfeited on 4,67,500 equity shares.

**(b) Other equity**

(Rupees in Lakhs)

PARTICULARS	Reserves and surplus				Other Comprehensive Income		Total
	General Reserve	Securities Premium Account	Capital Redemption Reserve account	Retained Earning	FVTOCI reserve	Re-measurement of Defined Benefits	
<b>As at March 31, 2019</b>	<b>2,968.84</b>	<b>9,627.48</b>	<b>113.30</b>	<b>12,790.24</b>	<b>41,587.52</b>	<b>10.11</b>	<b>67,097.48</b>
Profit for the period	-	-	-	3,248.76	-	-	3,248.76
Transfer from FVTOCI to Retained Earnings	-	-	-	17,985.77	(17,985.77)	-	-
Right to use assets (IndAS 116)	-	-	-	(6.34)	-	-	(6.34)
Other Comprehensive Income	-	-	-	-	15,432.36	4.86	15,437.22
Cash Dividend	-	-	-	(386.62)	-	-	(386.62)
Dividend distribution tax	-	-	-	(79.47)	-	-	(79.47)
<b>At March 31, 2020</b>	<b>2,968.84</b>	<b>9,627.48</b>	<b>113.30</b>	<b>33,552.33</b>	<b>39,034.11</b>	<b>14.97</b>	<b>85,311.03</b>
Profit for the period	-	-	-	21,582.18	-	-	21,582.18
Transfer from FVTOCI to Retained Earnings	-	-	-	7,271.81	(7,271.81)	-	-
Transfer from/to FVTOCI from/to Remeasurement of Defined Benefit Plan	-	-	-	-	8.93	(8.93)	-
Transfer from/to Retained earnings from/to Remeasurement of Defined Benefit Plan	-	-	-	(0.29)	-	0.29	-
Other Comprehensive Income	-	-	-	-	25,057.80	(14.97)	25,042.83
Cash Dividend	-	-	-	(579.93)	-	-	(579.93)
<b>At March 31, 2021</b>	<b>2,968.84</b>	<b>9,627.48</b>	<b>113.30</b>	<b>61,826.10</b>	<b>56,829.03</b>	<b>(8.64)</b>	<b>1,31,356.11</b>

- Note on Securities Premium account: Of the above amount of Rs.9627.48 lakh, an amount of Rs.474.34 lakh is relating to share premium received on forfeited shares.
- Note on Capital Redemption Reserve account: Transfer from Surplus in the statement of Profit & Loss account towards 11,32,983 fully paid up Equity Shares of Rs.10/- each bought back on 11/02/2014 for cash.

As per our report of even date attached

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

 M.L. Puri  
 Partner  
 Membership No.009198

 New Delhi  
 June 29th, 2021

For and behalf of the Board

 S.K. Agarwal  
 Managing Director  
 DIN: 00106763

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

 M.P. Mehrotra  
 Executive Vice Chairman  
 DIN: 00016768

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

**Cash Flow Statement for the year ended 31.03.2021**

(Rupees in Lakhs)

Particulars	Standalone	
	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	20,182.24	(1,228.01)
Adjustment for:		
Depreciation	76.17	115.60
Interest Income	(24.86)	(7.92)
Share of profit of Associates	-	-
Dividend Income	(445.48)	(757.10)
Actuarial gain / (loss) on Defined Employee Benefits	(20.00)	4.86
Provision for Employee Benefits	15.64	3.06
	(398.54)	(641.50)
<b>Operating profit</b>	<b>19,783.70</b>	<b>(1,869.51)</b>
Adjustment for working capital changes		
1) Increase / (decrease) in borrowings	(22.89)	8.54
2) Increase / (decrease) in other financial liabilities	(16.97)	76.92
3) Increase / (decrease) in trade payables	(205.50)	2.81
4) Increase / (decrease) in Other payables	(9.98)	11.79
5) (Increase) / decrease in loans	4.75	10.53
6) Increase / (decrease) in other non-financial liabilities	(2.95)	(11.37)
7) (Increase) / decrease in other financial assets	(2,524.14)	(5,515.16)
8) (Increase) / decrease in other non-financial asset	(76.37)	(681.28)
9) (Increase) / decrease in trade receivables	97.46	(180.15)
10) (Increase) / decrease in other receivables	25.98	(105.44)
11) Increase / (decrease) in current tax assets	(423.01)	(895.15)
<b>Cash generated / (used) from operations</b>	<b>16,630.09</b>	<b>(9,147.48)</b>
Direct taxes paid (net)	(620.45)	(9.20)
<b>Net cash generated / (used) from operating activities (A)</b>	<b>16,009.64</b>	<b>(9,156.68)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / decrease on investments (net)	(7,814.86)	10,510.76
Purchase of Property, plant and equipment	(32.70)	(112.55)
Capital work in progress	(202.97)	(321.91)
Interest received on fixed deposits	24.86	7.92
Security Deposit	-	-
Dividend Income	445.48	757.10
<b>Net cash generated / (used) from investing activities (B)</b>	<b>(7,580.19)</b>	<b>10,841.33</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issued of equity shares	-	-
Dividend paid (including Dividend distribution tax)	(579.93)	(466.09)
<b>Net cash generated / (used) from financing activities (C)</b>	<b>(579.93)</b>	<b>(466.09)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (A +B+C)</b>	<b>7,849.52</b>	<b>1,218.56</b>
<b>Cash and cash equivalents as at beginning of the year</b>	<b>2,072.46</b>	<b>853.90</b>
<b>Cash and cash equivalents as at end of the year :</b>	<b>9,921.98</b>	<b>2,072.46</b>
Cash in hand	2.25	2.47
Scheduled bank - In current account	63.59	11.24
Fixed Deposit with Banks	698.39	109.46
In Liquid Funds	9,044.14	1,868.54
Scheduled Bank - Unpaid Dividend Account	113.61	80.75
<b>Total</b>	<b>9,921.98</b>	<b>2,072.46</b>
<b>Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 and 5)</b>		
Cash and cash equivalents as at end of the year as per above	65.84	13.71
Add:- Fixed deposit with banks	698.39	109.46
Add:- In Liquid Funds	9,044.14	1,868.54
Add:- Unpaid dividend account	113.61	80.75
<b>Total cash and bank balances equivalents as at end of the year</b>	<b>9,921.98</b>	<b>2,072.46</b>

As per our report of even date attached

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

 M.L. Puri  
 Partner  
 Membership No.009198

 New Delhi  
 June 29th, 2021  
 UDIN: 21009198AAAABM9988

For and behalf of the Board

 S.K. Agarwal  
 Managing Director  
 DIN: 00106763

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

 M.P. Mehrotra  
 Executive Vice Chairman  
 DIN: 00016768

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

**Notes forming part of Standalone Financial Statement for the year ended March 31, 2021**
**Note 1: Corporate information**

The company is a public limited company registered under the Companies Act, 1956 and is listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Calcutta Stock Exchange. The Company has voluntarily surrendered the Certificate of Registration (CoR) with RBI which has been accepted by the RBI vide its letter dated 13/02/2014 w.e.f. 29/01/2014. The Company had applied for membership of Bombay Stock Exchange (BSE) and the same had been approved by BSE vide letter dated 14/05/2014. The SEBI Registration Certificate in connection thereto has been received vide letter dated 01/10/2014 and thereafter the Company is, inter alia, carrying on business as stock broker.

**Note 2: Significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**
**(i) Compliance with Ind AS**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

For periods up to and including the year ended March 31, 2019, the Company presented its financial statements on accrual basis under historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India ('Indian GAAP' or 'previous GAAP') which encompasses applicable accounting standards, relevant provisions of the Companies Act, 2013, other statutory provisions and regulatory framework. The financial statements for the year ended 31<sup>st</sup> March 2020 were the first financial statements of the Company under Ind AS. The transition to Ind AS has been carried out in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", and accordingly, the impact of transition has been recorded in Other Equity as at 1<sup>st</sup> April 2018 in those financial statements.

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. These accounting policies have been applied consistently over all the periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain Financial instruments are measured at fair value.
- Assets held for sale – measured at fair value less incidental cost to sell.

**(iii) Preparation of financial statements**

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies

(Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity.

**(iv) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at Note 3.

**2.2 Revenue Recognition**

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

**(i) Brokerage fee income**

It is recognized on trade date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable.

**Notes forming part of Standalone Financial Statement for the year ended March 31, 2021**
**(ii) Interest income**

Interest income from financial assets is recognized on accrual basis.

**(iii) Dividend income**

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established.

**(iv) Gain / losses on dealing in securities**

Gains / losses on dealing in securities are recognized on a trade date basis.

**2.3 Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in "other comprehensive income" or directly in "other equity". In this case, the tax is also recognized in "other comprehensive income" or directly in "other equity", respectively.

**2.3.1 Current Tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

**2.3.2 Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets relating to unabsorbed depreciation/ business losses are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities. Transaction or event which is recognised outside profit or loss, either in "other comprehensive income" or in "other equity", is recorded along with the tax as applicable.

Current and deferred tax for the year: Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in "other comprehensive income" or directly in "other equity", in which case, the current and deferred tax are also recognised in "other comprehensive income" or directly in "other equity" respectively.

**2.4 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.5 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 in the Cash flow statement.

**2.6 Financial instruments**
**(i) Initial recognition and measurement:**

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. In regular way, purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability which are not carried through profit and loss statement at its fair value plus or minus, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

**(ii) Fair value of financial instruments:**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an

**Notes forming part of Standalone Financial Statement for the year ended March 31, 2021**

asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.

**2.6.1 Financial assets**
**(i) Classification and subsequent measurement**

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL):

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit and loss statement. The gain or loss on disposal is recognised in the profit and loss statement. Interest income is recognised in the profit and loss statement for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognised when the Company's right to receive dividend is established.

- Fair value through other comprehensive income (FVTOCI):

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- Contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in FVTOCI is transferred from FVTOCI to Retained Earnings.

- Amortised cost:

Financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into

account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

**(ii) Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The Company has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognized in OCI for its fair value changes. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss. When the investment is disposed of, the cumulative gain or loss previously accumulated in FVTOCI is transferred from FVTOCI to Retained Earnings. Dividend income on the investments in equity instruments are recognized as 'Revenue from operations' in the Statement of Profit and Loss.

The investments in equity instruments of the subsidiary company and associates are measured at amortized cost.

**(iii) Investments in mutual funds**

Investments in mutual funds are measured at fair value through other comprehensive income (FVTOCI).

**(iv) impairment**

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVTPL:

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired (the present value of all cash shortfalls that are possible within 12 months after the reporting date).
- Financials assets with significant increase in credit risk (the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets).
- Financials assets that are credit impaired (the difference between the gross carrying amount and the present value of estimated cash flows).

Financial assets are written off / fully provided for when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

**(v) Derecognition**

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual

**Notes forming part of Standalone Financial Statement for the year ended March 31, 2021**

rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more party/parties.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**2.7 Financial liabilities**
**(i) initial recognition and measurement**

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in Statement of Profit or loss.

**(ii) Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**(iii) derecognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and even in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.8 Property, plant and equipment**

- (i) Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets. Subsequent costs are included in the asset's carrying amount or recognized

as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**(ii) Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**(iii) Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated as per WDV method by company. Under this method, the depreciation is calculated at a certain fixed percentage each year on the decreasing book value commonly known as WDV of the asset (book value less depreciation).

The Company follows a procedure of writing off all capital expenses which do not exceed Rs.1000/- in each case.

**(iv) Assets Useful life**

The economic useful life of the asset is ascertained by the management as per Schedule II (Part-c) of the Companies Act, 2013.

Furniture and Fixtures: 10 years

Office Equipment: 5 years

Computers: 3 years/Servers: 6 years

Vehicles: 8 to 10 years

Buildings: 60 years

Leasehold Improvements- Over the primary lease period or useful life, whichever is less.

**(v) Derecognition:**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

**2.9 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.



**Notes forming part of Standalone Financial Statement for the year ended March 31, 2021**
**Amortisation**

Amortisation is calculated using the WDV method to write down the cost of intangible assets to their residual values over their estimated useful lives and is included in the depreciation and amortization in the statement of profit and loss.

<u>Intangible asset</u>	<u>Useful life / amortization period</u>
Computer Software	5 Years

**Optional exemption from retrospective application:**

Deemed cost for intangible assets.

The Company has elected to measure all its Intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**2.10 Investment Property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the group for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

**2.11 Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An Impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

**2.12 Provisions and contingencies:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the

expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**2.13 Earnings per share**
**a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

**b) Diluted earnings per share**

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive assets acquired and liabilities assumed.

**2.14 Leases**

The Company lease asset classes primarily consist of leases for buildings taken on lease for operating its office. The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments

**Transition**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**Notes forming part of Standalone Financial Statement for the year ended March 31, 2021**
**2.15 Foreign exchange transactions**

The functional currency and the presentation currency of the Company is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the period in which they arise.

**2.16 Borrowing costs**

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

The difference between the discounted amount mobilized and redemption value of securities is recognized in the statement of profit and loss over the life of the instrument using the EIR.

**2.17 Retirement and other employee benefits**
**(i) Short- term employee benefits**

Employee benefits payable wholly within twelve months of availing employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits such as salaries and wages, bonus and ex-gratia to be paid in exchange of employee services are recognized in the period in which the employee renders the related service.

**(ii) Post-employment benefits**
**(ii) (a). Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The contribution of company is recognized as an expense in the Statement of Profit and Loss during the period in which employee renders the related service. There are no other obligations other than the contribution payable to the Provident Fund and Employee State Insurance Scheme. These contributions are recognized as an expense in the statement of profit and loss during the period during the period in which the employee renders the related service.

**(ii) (b). Defined benefit plan:**

Gratuity liability, wherever applicable, is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Company's gratuity benefit scheme is a defined benefit plan.

**(ii) (c). Compensated absences**

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability

is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

**Note. 3 Key accounting estimates and Judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset: Judgments are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) Recognition of deferred tax assets: Deferred tax assets are recognized for unused tax-loss carry forwards and unused tax credits to the extent that realization of the related tax benefit is probable. The assessment of the probability with regard to the realization of the tax benefit involves assumptions based on the history of the entity and applicable laws.
- (d) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (e) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.
- (f) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

**Notes to the Standalone Financial Statements** (Rupees in Lakhs)

(Rupees in Lakhs)

NOTE NO.	PARTICULARS	As at	
		31.03.2021	31.03.2020
<b>4</b>	<b>Cash and cash equivalents</b>		
	a) Cash on hand	2.25	2.47
	b) Balances with Banks		
	-In Current Accounts	63.59	11.24
	-In Deposits Accounts	387.00	-
	(Original Maturity of Less than or equal to 3 months)		
	c) Interest accrued on Fixed Deposits	6.42	-
	d) Liquid Funds	9,044.14	1,868.54
	<b>Total</b>	<b>9,503.40</b>	<b>1,882.25</b>

<b>5</b>	<b>Bank Balance other than cash and cash equivalents</b>		
	a) Fixed deposits with bank (Refer note below)	300.20	109.14
	(Original Maturity of more than 3 months and less than or equal to 12 months)		
	b) Interest accrued on Fixed Deposits	4.77	0.32
	c) Bank balances in Unpaid dividend accounts	113.61	80.75
	<b>Total</b>	<b>418.58</b>	<b>190.21</b>

Note : Pledged with banks as security for overdraft facility

<b>6</b>	<b>Receivables</b>		
	<b>I) Trade Receivables</b>		
	<b>Unsecured, considered good</b>		
	a) Receivable from share brokers	192.15	292.96
	b) Others	4.28	0.93
	<b>Total</b>	<b>196.43</b>	<b>293.89</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTE NO.	PARTICULARS	As at	
		31.03.2021	31.03.2020
	<b>II) Other Receivables</b>		
	<b>Secured, considered good</b>		
	Interest accrued	373.70	374.58
	Allowance for Expected credit losses on Interest accrued	(25.00)	-
	<b>Unsecured, considered good</b>		
	a) Interest accrued	0.31	0.41
	<b>Total</b>	<b>349.01</b>	<b>374.99</b>

<b>7</b>	<b>Loans</b>		
	<b>(Unsecured and considered good)</b>		
	<b>a) Loan to employees (including deferred cost)</b>	5.21	9.97
	<b>b) Others</b>	800.00	800.00
	<b>Total</b>	<b>805.21</b>	<b>809.97</b>

<b>8</b>	<b>Other Financial Assets</b>		
	<b>(Unsecured, considered good)</b>		
	a) Margin Money Deposits		
	-Share brokers	8,500.00	281.73
	-Others	35.00	5.00
	b) Security deposits	89.39	63.64
	c) Others	0.21	5,750.09
	<b>Total</b>	<b>8,624.60</b>	<b>6,100.46</b>

<b>9</b>	<b>Current Tax Assets (Net)</b>		
	Advance Tax and Tax Deducted at source	2,576.75	1,972.53
	Less: Tax Provisions	(806.50)	(625.29)
	<b>Total</b>	<b>1,770.25</b>	<b>1,347.24</b>

**Schedule 10: Investments**

Particulars	As at 31.03.2021			As at 31.03.2020	
	Face Value	Holding	Fair Value	Holding	Fair Value
	(in Rs)	(in Nos)	(Rs in Lakhs)	(in Nos)	(Rs in Lakhs)
<b>1. Investment at Fair Value Through Other Comprehensive Income</b>					
<b>i) Quoted Equity Shares</b>					
3I INFOTECH LTD	10	22,00,000	163.90	-	-
AARTI DRUGS LIMITED	10	45,700	317.30	-	-
ACCELYA KALE SOLUTIONS LTD	10	-	-	2,61,218	2,228.19
ALCHEMIST LTD	10	9,690	-	-	-
ALLCARGO LOGISTICS LTD	2	-	-	4,69,082	274.18
AMBIKA COTTON MILLS LTD	10	39,000	347.30	88,500	467.23
ASAHI INDIA GLASS LIMITED	1	6,000	18.59	-	-
AXIS BANK LTD.	2	-	-	2,000	7.58
BAJAJ AUTO LTD.	10	-	-	3,000	60.67
BALLARPUR INDUSTRIES LIMITED	2	77,40,613	81.28	-	-
BALMER LAWRIE & COMPANY	10	-	-	10,000	7.94
BALRAMPUR CHINI MILLS LTD.	1	-	-	48,500	50.46
BANK OF BARODA	2	1,00,000	74.10	-	-
BANK OF INDIA	10	1,00,000	67.85	-	-
BANK OF MAHARASHTRA	10	9,05,000	188.24	-	-
BHANDARI HOSIERY EXPORTS LIMITED	1	5,44,171	12.24	-	-
BHARAT ELECTRONICS LTD.	1	-	-	3,04,000	226.33
BHARAT HEAVY ELECTRICALS LTD.	2	75,000	36.56	83,200	17.30
BHARAT PETROLEUM CORP LTD	10	9,000	38.52	45,350	143.71
BIOCON LTD.	5	-	-	50,000	135.28

Particulars	As at 31.03.2021			As at 31.03.2020	
	Face Value	Holding	Fair Value	Holding	Fair Value
	(in Rs)	(in Nos)	(Rs in Lakhs)	(in Nos)	(Rs in Lakhs)
BOROSIL RENEWABLES LIMITED	1	57,404	141.33	-	-
BRITANNIA INDUSTRIES LTD.	1	-	-	5,300	142.51
CANTABIL RETAIL INDIA LTD	10	1,75,000	661.68	1,75,000	352.27
CENTRAL BANK OF INDIA	10	10,00,000	163.00	-	-
CG POWER AND INDUSTRIAL SOLUTIONS LIMITED	2	26,50,000	1,772.85	-	-
COAL INDIA LTD.	10	-	-	20,000	28.01
COCHIN SHIPYARD LTD.	10	-	-	250	0.66
COX & KINGS FINANCIAL SERVICE LTD.	10	33,185	-	33,185	0.10
COX & KINGS LTD.	5	1,61,900	1.78	1,61,900	0.89
CPSE ETF	10	-	-	1,00,000	16.06
DEWAN HOISING FINANCE CORPORATION LTD.	10	-	-	2,00,000	17.30
DHAMPUR SUGAR (KASHIPUR) LTD	10	89,767	-	89,767	-
DHAMPUR SUGAR MILLS LTD.	10	3,50,000	639.45	89,000	73.29
DLF LTD	2	-	-	72,000	98.96
DWARIKESH SUGAR INDUSTRIES LTD.	1	39,80,428	1,225.97	10,20,000	168.81
EICHER MOTORS LIMITED	1	75,000	1,952.96	-	-
EMBASSY OFFICE PARKS REIT	300	-	-	20,000	70.15
ENGINEERS INDIA LIMITED	5	4,67,872	360.26	-	-
EXCEL INDUSTRIES LTD.	5	-	-	16,396	73.26
FINOLEX INDUSTRIES LIMITED	2	10,000	63.60	-	-
FUTURE CONSUMER LTD	6	81,22,857	487.37	85,000	6.20
FUTURE ENTERPRISES LTD	2	1,75,000	13.91	-	-
GAIL (INDIA) LTD	10	6,78,939	919.96	97,500	74.64
GE POWER INDIA LTD	10	12,387	35.55	-	-
GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD.	10	-	-	9,000	897.68
GLOBAL VECTRA HELICORP LTD.	10	-	-	7,000	2.51
GMR INFRASTRUCTURE LTD	1	20,00,000	486.00	8,00,000	130.80
GRANULES INDIA LTD.	1	-	-	40,000	57.46
GUJRAT NARMADA VALLEY FERTILISERS & CHEMICALS LTD.	10	-	-	13,000	14.91
GVK POWER & INFRASTRUCTURE LTD	1	-	-	3,00,000	6.75
HCL TECHNOLOGIES LTD	2	90,575	890.03	1,20,000	523.68
HEMISPHERE PROPERTIES INDIA LTD	10	21,000	28.86	-	-
HERO MOTOCORP LTD.	2	-	-	500	7.98
HINDUSTAN CONSTRUCTION CO LTD	1	-	-	2,00,000	7.90
HINDUSTAN PETROLEUM CORP LTD	10	-	-	20,000	38.02
HINDUSTAN ZINC LTD.	2	50,000	136.45	-	-
HOUSING & URBAN DEVELOPMENT CORPORATION LTD	10	50,000	21.93	-	-
HOUSING DEVELOPMENT FINANCE CORP LTD	2	-	-	7,000	114.32
ICDS LTD	10	21,929	-	21,929	-
ICICI BANK LTD.	2	-	-	2,000	6.48
IDBI BANK LTD.	10	13,00,000	501.15	-	-
IDFC FIRST BANK LTD	10	8,50,000	473.45	10,00,000	211.00
IDFC LIMITED	10	9,00,000	426.15	-	-
IFCI LIMITED	10	-	-	2,00,000	8.10
IL&FS INVESTMENT MANAGERS LTD.	2	-	-	80,000	1.52
INDIA CEMENTS LTD.	10	-	-	20,000	21.17
INDIAN BANK	10	1,40,000	162.54	-	-
INDIAN HOTELS CO. LTD.	1	1,00,000	110.85	26,000	19.50
INDIAN METALS & FERRO ALLOYS LTD.	10	1,504	6.80	-	-
INDIAN OIL CORPORATION LTD.	10	-	-	50,000	40.82
INDIAN OVERSEAS BANK	10	10,00,000	160.00	-	-
INDIAN RAILWAY FINANCE CORPORATION LTD	10	4,00,000	91.60	-	-
INDRAPRASTHA MEDICAL CORPORATION LTD.	10	-	-	1,16,000	39.32
INFIBEAM AVENUES LTD	1	2,50,000	118.63	-	-
INFOSYS LTD	5	1,62,600	2,224.45	2,50,000	1,603.75
INOX LEISURE LTD.	10	-	-	70,000	183.89
IRCON INTERNATIONAL LTD.	2	12,40,562	1,095.41	25,200	96.02
ITC LTD.	1	25,000	54.63	1,50,000	257.55
JAIPRAKASH ASSOCIATES LTD.	2	-	-	4,00,000	4.20
JAIPRAKASH POWER VENTURES LTD	10	-	-	2,00,000	1.20
JAMMU AND KASHMIR BANK LTD	1	4,25,127	109.05	3,99,000	49.68
JAYPEE INFRATECH LTD	10	40,00,000	64.00	50,000	0.33
JCT LTD.	2.5	50,00,000	53.50	-	-
JK TYRE & INDUSTRIES LTD	2	-	-	5,00,000	203.00
K.M.SUGAR MILLS LTD.	2	-	-	1,99,490	12.57

**Notes to the Standalone Financial Statements**

(Rupees in Lakhs)

Particulars	As at 31.03.2021			As at 31.03.2020	
	Face Value	Holding	Fair Value	Holding	Fair Value
	(in Rs)	(in Nos)	(Rs in Lakhs)	(in Nos)	(Rs in Lakhs)
KALYANI STEEL LTD	5	1,25,000	398.31	4,00,000	509.60
KNR CONSTRUCTIONS LTD.	2	1,25,000	266.75	-	-
L&T FINANCE HOLDING LTD	10	-	-	22,000	11.29
LARSEN & TOUBRO LTD.	2	-	-	27,500	222.34
MAJESCO LTD	5	10,00,000	659.50	-	-
MANGALAM ORGANICS LIMITED	10	10,000	51.79	-	-
MBL INFRASTRUCTURES LTD.	10	12,27,956	243.14	68,256	1.84
MEGHMANI ORGANICS LTD	1	49,04,229	5,718.33	61,50,000	2,278.58
MERCATOR LTD.	1	8,00,000	6.40	8,00,000	4.80
MISHRA DHATU NIGAM LTD.	10	-	-	25,000	44.71
MTAR TECHNOLOGIES LTD	10	100	1.02	-	-
NAHAR SPINNING MILLS LTD.	5	1,09,000	113.41	-	-
NATIONAL ALUMINIUM CO. LTD.	5	5,00,000	270.25	1,00,000	29.10
NATIONAL FERTILIZERS LTD.	10	-	-	70,116	12.87
NBCC INDIA LTD	1	52,10,000	2,438.28	5,50,000	89.65
NCC LTD	2	8,37,979	662.00	1,53,000	28.69
NETWORK 18 MEDIA & INVESTMENTS LTD.	5	-	-	10,000	1.84
NMDC LTD	1	3,50,000	473.73	1,50,000	120.00
NTPC LTD.	10	-	-	1,30,000	109.46
OIL AND NATURAL GAS CORPORATION LTD	5	50,000	51.08	1,53,750	105.01
ORIENTAL CARBON & CHEMICALS LTD.	10	1,548	14.19	-	-
ORRISA SPONGE IRON & STEEL LTD	10	2,936	-	2,936	-
PARSAVNATH DEVELOPERS LTD.	5	27,38,506	234.14	1,30,664	1.63
PHILLIPS CARBON BLACK LTD.	2	-	-	500	0.31
PILANI INVESTMENT AND INDUSTRIES CORPORATION LTD	10	3,446	54.43	-	-
POWER GRID CORPORATION OF INDIA LTD	10	-	-	1,00,000	159.10
PRAKASH INDUSTRIES LTD.	10	-	-	52,000	10.14
PUNJAB NATIONAL BANK	2	65,09,846	2,385.86	31,80,300	1,028.83
RAIL VIKAS NIGAM LTD	10	49,900	14.52	-	-
RASHTRIYA CHEMICALS & FERTILIZERS LTD	10	-	-	1,30,000	36.86
RBL BANK LTD.	10	-	-	65,000	88.08
REC LTD.	10	33,000	43.28	8,000	7.10
RELAXO FOOTWEAR LTD	1	90,06,496	78,932.93	1,03,41,063	61,937.80
RELIANCE HOME FINANCE LTD	10	12,35,217	29.64	-	-
RELIANCE INDUSTRIES LTD.	10	-	-	500	5.57
RELIANCE POWER LTD.	10	11,00,000	47.85	2,00,000	2.50
SBI CARDS & PAYMENT SERVICES LTD.	10	-	-	3,060	18.93
SHANKARA BUILDING PRODUCTS LTD	10	17,010	69.95	-	-
SHARDA CROPCHEM LTD.	10	-	-	11,182	12.00
STATE BANK OF INDIA	1	2,10,000	765.03	2,00,000	393.70
STEEL AUTHORITY OF INDIA LTD	10	3,00,000	236.40	1,50,000	34.58
STEL HOLDINGS LTD	10	1,25,000	102.56	2,33,183	89.78
STOVEC INDUSTRIES LTD.	10	-	-	100	1.59
SUMITOMO CHEMICAL INDIA LTD.	10	1,00,414	291.90	25,000	46.18
SUMMIT SECURITIES LTD	10	1,06,674	575.93	1,54,419	424.42
SURANA INDUSTRIES LTD	10	4,50,000	-	4,50,000	-
SURYA ROSHNI LTD	10	2,50,000	862.25	5,77,800	363.44
SUTLEJ TEXTILES & INDUSTRIES LTD.	1	1,25,296	49.18	-	-
TATA CHEMICALS LTD.	10	-	-	2,500	5.58
TATA CONSUMER PRODUCTS LTD.	1	-	-	2,850	8.40
TATA POWER COMPANY LTD.	1	-	-	50,000	16.42
TATA STEEL BSL LTD	2	8,50,000	443.27	5,50,000	90.48
TATA STEEL LTD.	10	500	4.06	-	-
TCI INDUSTRIES LTD	10	9,544	75.16	9,544	55.45
TECHNOCRAFT INDUSTRIES (INDIA) LTD	10	1,03,580	407.59	2,17,669	396.27
TRIDENT LTD.	1	53,00,000	744.65	20,00,000	85.00
TRIVENI ENGINEERING & INDUSTRIES LTD.	1	7,28,556	615.63	10,53,650	383.53
TRIVENI TURBINE LTD.	1	22,000	22.40	-	-
UNITECH LTD.	2	50,00,000	82.50	-	-
VA TECH WABAG LTD	2	-	-	50,000	41.18
VARDHMAN ACRYLICS LIMITED	10	2,11,922	77.67	-	-
VEDANTA LIMITED	1	1,25,000	285.94	-	-
VINATI ORGANICS LTD.	1	-	-	5,000	38.72
VODAFONE IDEA LTD	10	1,29,00,000	1,193.25	6,00,000	18.60
YES BANK LTD.	2	50,35,000	785.46	1,81,250	40.69
<b>Total 1.(i)</b>			<b>1,17,802.64</b>		<b>78,716.73</b>

**Notes to the Standalone Financial Statements**

(Rupees in Lakhs)

Particulars	As at 31.03.2021			As at 31.03.2020	
	Face Value	Holding	Fair Value	Holding	Fair Value
	(in Rs)	(in Nos)	(Rs in Lakhs)	(in Nos)	(Rs in Lakhs)
<b>ii) Unquoted Equity Shares</b>					
INDHRADHAN AGRO LTD.	10	1,50,000	0.00	1,50,000	0.00
INVEST INDIA ECONOMIC FOUNDATION PRIVATE LTD.	10	2,000	0.00	2,000	0.00
SUNAIR HOTELS LTD.	10	95,94,824	3,592.31	95,94,824	3,337.11
NSE LIMITED	1	50,000	515.00	-	-
DEWDROP CAREER SOLUTIONS PRIVATE LTD	10	10,000	0.00	10,000	0.00
MPL ENTERPRISES LTD	10	5,482	1.31	5,482	1.31
RUNEECHA TEXTILES LTD	10	3,57,600	0.00	3,57,600	0.00
<b>Total 1.(ii)</b>			<b>4,108.62</b>		<b>3,338.42</b>
<b>iii) Bonds/Debentures</b>					
<b>Quoted &amp; Fully Paid-up : Tax free Bonds*</b>					
- IRFC (NO)	1,000	16,507	200.26	16,507	193.96
- NHAI (NA)	1,000	2,81,528	3,398.04	2,81,528	3,223.52
- NHAI (NE)	1,000	86,668	1,051.41	86,668	1,022.68
- NHB BOND (N2)	5,000	7,000	466.05	7,000	430.50
- IRFC (N2)	1,000	1,00,000	1,172.76	1,00,000	1,165.00
- REC (NI)	1,000	1,00,000	1,196.99	1,00,000	1,165.05
<b>Total 1.(iii)</b>			<b>7,485.51</b>		<b>7,200.71</b>
<b>iv) Quoted Partly paid-up shares</b>					
TATA STEEL LIMITED	10	-	-	500	0.15
RELIANCE INDUSTRIES PP	3	37	0.40	-	-
<b>Total 1.(iv)</b>			<b>0.40</b>		<b>0.15</b>
<b>v) Mutual Funds/PMS</b>					
UNITS IN ICICI PRUDENTIAL REAL ESTATE AIF -II		63,028	51.78	1,30,524	70.63
UNITS IN IIFL REAL ESTATE FUND(DOMESTIC SERIES 3		19,26,894	104.25	19,26,894	137.75
BARODA HYBRID EQUITY FUND-PLAN B (DIV)		4,00,123	78.71	9,66,701	54.62
<i>(Formerly BARODA PIONEER BALANCE FUND-PLAN B (DIV))</i>					
BARODA DYNAMIC EQUITY FUND-PLAN B (DIV)		5,00,000	69.05	5,00,000	50.55
BARODA EQUITY SAVING PLAN-DIRECT DIVIDEND		10,00,000	118.90	10,00,000	100.30
BARODA BANKING & PSU BOND FUND - DIRECT P		10,03,975	100.58	-	-
BARODA LARGE & MID CAP FUND-DIRECT GROWTH		99,995	12.96	-	-
EDELWEISS CROSSOVER OPPORTUNITIES FUND-CLASS A1		10,57,841	178.38	14,35,917	164.53
UTI STRUCTURED DEBT OPPORTUNITIES FUND I -CLASS A4		68,44,877	758.57	2,68,98,757	992.34
UTI STRUCTURED DEBT OPPORTUNITIES FUND II		9,99,950	10.10	-	-
ACCURACAP CONSULTANT SERVICES P LTD		PMS	66.91	PMS	28.63
MOTILAL OSWAL ASSET MANAGEMENT CO LTD		PMS	-	PMS	104.59
GLOBE CAPITAL MARKETS LTD		PMS	2,564.71	PMS	961.86
<b>Total 1. (v)</b>			<b>4,114.90</b>		<b>2,665.80</b>
<b>Total 1. (i+ii+iii+iv+v)</b>			<b>1,33,512.07</b>		<b>91,921.81</b>
<b>2. Investment at amortized cost</b>					
<b>(a) Unquoted &amp; Fully Paid-up : Debentures</b>					
SRGP CORPORATION LIMITED	100	3,50,000	350.00	3,50,000	350.00
<i>(18% Secured and Non convertible debentures)</i>					
<b>Total 2.(a)</b>			<b>350.00</b>		<b>350.00</b>
<b>(b) Unquoted and Fully paid-up Equity shares</b>					
<b>(i) Subsidiary Company</b>					
VLS Securities Ltd.	10	2,99,00,000	2,990.00	2,99,00,000	2,990.00
VLS Real Estate Ltd.	10	1,00,000	10.00	-	-
VLS Asset Management Ltd.	10	70,100	7.01	70,100	7.01
<b>Total 2.(b)(i)</b>			<b>3,007.01</b>		<b>2,997.01</b>
<b>(ii) Associate Company</b>					
VLS Capital Ltd.	10	88,20,833	1,938.54	88,20,833	1,938.54
<b>Total 2.(b)(ii)</b>			<b>1,938.54</b>		<b>1,938.54</b>
<b>Total 2.(b)</b>			<b>4,945.55</b>		<b>4,935.55</b>
<b>Total 2. (2a+2b)</b>			<b>5,295.55</b>		<b>5,285.55</b>
<b>Grand Total (1+2) (Gross)</b>			<b>1,38,807.62</b>		<b>97,207.36</b>
Less: Aggregate amount of provision for impairment in the value of investments ( Expected credit losses on Investment)			(300.00)		-
<b>Grand Total (Net)</b>			<b>1,38,507.62</b>		<b>97,207.36</b>

\* Excludes interest accrued on tax-free bonds, if any

**Notes to the Standalone Financial Statements**

(Rupees in Lakhs)

**Note No 11 : Property, Plant and Equipment**

Description	Building	Temporary Structure	Vehicles	Office Equipments	Furniture & fixtures	Air Conditioners	Computers	Electrical Installatoinis	Generator	Assets on Lease	Right to use Assets (IndAs 116)	Total
-------------	----------	---------------------	----------	-------------------	----------------------	------------------	-----------	---------------------------	-----------	-----------------	---------------------------------	-------

**Gross Carrying Amount**

<b>Balance as at 01.04.2019</b>	1,110.96	6.89	87.46	23.55	12.80	15.16	23.22	2.45	4.31	12,066.67	-	13,353.47
Additions during the year	-	-	33.03	2.92	-	-	2.35	-	-	-	73.95	112.25
Sales/Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2020</b>	1,110.96	6.89	120.49	26.47	12.80	15.16	25.57	2.45	4.31	12,066.67	73.95	13,465.72

<b>Balance as at 01.04.2020</b>	1,110.96	6.89	120.49	26.47	12.80	15.16	25.57	2.45	4.31	12,066.67	73.95	13,465.72
Additions during the year	-	-	19.69	7.03	-	-	5.59	-	-	-	-	32.32
Sales/Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2021</b>	1,110.96	6.89	140.18	33.50	12.80	15.16	31.16	2.45	4.31	12,066.67	73.95	13,498.04

**Accumulated Depreciation**

<b>Balance as at 01.04.2019</b>	230.76	6.89	67.37	19.84	11.30	13.13	21.57	2.33	4.09	12,065.67	-	12,442.95
Depreciation for the year	42.84	-	10.91	2.00	0.32	0.39	1.12	-	-	-	57.65	115.23
Sales/Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2020</b>	273.60	6.89	78.28	21.84	11.62	13.52	22.69	2.33	4.09	12,065.67	57.65	12,558.18

<b>Balance as at 01.04.2020</b>	273.60	6.89	78.28	21.84	11.62	13.52	22.69	2.33	4.09	12,065.67	57.65	12,558.18
Depreciation for the year	39.57	-	13.09	3.04	0.22	0.28	3.41	-	-	-	16.30	75.91
Sales/Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2021</b>	313.17	6.89	91.37	24.88	11.84	13.81	26.09	2.33	4.09	12,065.67	73.95	12,634.09

**Net Carrying Amount**

<b>As at 31.03.2020</b>	837.36	0.00	42.21	4.64	1.18	1.64	2.88	0.12	0.22	1.00	16.30	907.55
<b>As at 31.03.2021</b>	797.79	0.00	48.81	8.63	0.96	1.35	5.07	0.12	0.22	1.00	0.00	863.95

**Note No: 11 Other Intangible assets**

Description	Computer Software	Total
-------------	-------------------	-------

**Gross Carrying Amount**

<b>Balance as at 01.04.2019</b>	9.88	9.88
Additions during the year	0.30	0.30
Sales/Adjustments during the year	-	-
<b>Balance as at 31.03.2020</b>	10.18	10.18

<b>Balance as at 01.04.2020</b>	10.18	10.18
Additions during the year	0.38	0.38
Sales/Adjustments during the year	-	-
<b>Balance as at 31.03.2021</b>	10.56	10.56

**Accumulated Depreciation**

<b>Balance as at 01.04.2019</b>	<b>9.07</b>		<b>9.07</b>
Depreciation for the year	0.37		0.37
Sales/Adjustments during the year	-		-
<b>Balance as at 31.03.2020</b>	<b>9.44</b>		<b>9.44</b>

<b>Balance as at 01.04.2020</b>	<b>9.44</b>		<b>9.44</b>
Depreciation for the year	0.26		0.26
Sales/Adjustments during the year	-		-
<b>Balance as at 31.03.2021</b>	<b>9.70</b>		<b>9.70</b>

**Net Carrying Amount**

<b>As at 31.03.2020</b>	<b>0.74</b>		<b>0.74</b>
<b>As at 31.03.2021</b>	<b>0.86</b>		<b>0.86</b>

NOTE NO.	PARTICULARS	As at	
		31.03.2021	31.03.2020
<b>12</b>	<b>Other non-financial assets</b>		
	<b>Unsecured and considered good</b>		
	Capital Advances	805.72	747.71
	Prepaid Expenses	3.30	4.21
	Receivable from subsidiaries	57.87	17.43
	Advances recoverable in cash or kind	36.18	32.34
	Allowance for Expected credit losses	(25.00)	-
	<b>Secured and considered good</b>		
	Taxes due from Government	-	0.00
	<b>Total</b>	<b>878.07</b>	<b>801.69</b>

**13 Payables**
**Trade Payables**

a) Total outstanding dues of micro enterprises and small enterprises	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Payable to share brokers	-	203.57
- other payables	0.08	2.02
<b>Total</b>	<b>0.08</b>	<b>205.59</b>

**Other Payables**

a) Total outstanding dues of micro enterprises and small enterprises	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

NOTE NO.	PARTICULARS	As at	
		31.03.2021	31.03.2020
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.88	25.86
	<b>Total</b>	<b>15.88</b>	<b>25.86</b>
<b>14</b>	<b>Borrowings (Other than debt securities)</b>		
	<b>Secured Loans from Banks</b>		
	(Secured against Pledge of Fixed Deposit)	-	22.89
	<b>Total</b>	<b>-</b>	<b>22.89</b>

**15 Other financial liabilities**

a) Unpaid dividends accounts	113.61	80.75
b) Creditors for capital goods	30.34	61.83
c) Others	-	18.33
<b>Total</b>	<b>143.95</b>	<b>160.91</b>

**16 Provisions**

Provisions for employee benefits	85.13	69.49
<b>Total</b>	<b>85.13</b>	<b>69.49</b>

**17 Other non-financial liabilities**

Statutory dues payable	21.83	24.78
<b>Total</b>	<b>21.83</b>	<b>24.78</b>



**Notes to the Standalone Financial Statements**

(Rupees in Lakhs)

**Note 18 : Tax expense & Deferred tax assets / liabilities**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Deferred tax liability on account of :</b>		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	47.15	39.78
IndAS Adjustments	35,833.50	27,410.93
<b>Total deferred tax liabilities (A)</b>	<b>35,880.64</b>	<b>27,450.71</b>
<b>Deferred tax assets on account of:</b>		
Provision for leave encashment/Gratuity (Employee benefits)	16.39	17.49
Losses carried forward	217.09	105.98
On Provision for impairment (Expected Credit Loss)	88.09	-
IndAS Adjustments	8,143.14	6,313.48
<b>Total deferred tax assets (B)</b>	<b>8,464.71</b>	<b>6,436.95</b>
<b>Net deferred tax assets / (liability) (B-A)</b>	<b>(27,415.93)</b>	<b>(21,013.76)</b>

Particulars	As at 31.03.2021	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2020	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2019
<b>Deferred tax liabilities on account of:</b>							
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	47.15	7.37	-	39.78	(6.20)	-	45.98
Deferred tax on IND AS adjustments	35,833.50	-	8,422.57	27,410.93	-	5,191.95	22,032.35
<b>Total deferred tax liabilities</b>	<b>35,880.64</b>	<b>7.37</b>	<b>8,422.57</b>	<b>27,450.71</b>	<b>(6.20)</b>	<b>5,191.95</b>	<b>22,078.33</b>
<b>Deferred tax assets on account of:</b>							
On Provision for impairment (Expected Credit Loss)	88.09	88.09	-	-	-	-	-
Deferred Tax on Ind AS Adjustments	8,143.14	1,829.66	-	6,313.48	4,526.66	-	1,600.20
Provision for leave encashment/Gratuity (Employee benefits)	16.39	(1.10)	-	17.49	(5.72)	-	23.21
Losses carried forward	217.09	111.11	-	105.98	(41.16)	-	147.14
<b>Total deferred tax assets</b>	<b>8,464.71</b>	<b>2,027.76</b>	<b>-</b>	<b>6,436.95</b>	<b>4,479.77</b>	<b>-</b>	<b>1,770.55</b>
<b>Total deferred tax Assets/(liability) (net)</b>	<b>(27,415.93)</b>	<b>2,020.39</b>	<b>(8,422.57)</b>	<b>(21,013.76)</b>	<b>4,485.97</b>	<b>(5,191.95)</b>	<b>(20,307.78)</b>

**Note 19 : Equity share capital**

	As at 31-Mar-2021		As at 31-Mar-20	
	Number	Amount	Number	Amount
<b>Authorised</b>				
15,00,00,000 Equity Shares of Rs.10/- each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
	<b>15,00,00,000</b>	<b>15,000.00</b>	<b>15,00,00,000</b>	<b>15,000.00</b>
<b>Issued, subscribed and paid up</b>				
3,91,29,517 Equity Shares of Rs.10/- each	3,91,29,517	3,912.95	3,91,29,517	3,912.95
	<b>3,91,29,517</b>	<b>3,912.95</b>	<b>3,91,29,517</b>	<b>3,912.95</b>

**Terms / rights attached to shares**

The Company has one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

	As at 31-Mar-2021		As at 31-Mar-20	
	Number	Amount	Number	Amount
<b>SUBSCRIBED &amp; PAID-UP CAPITAL</b>				
3,86,62,017 Equity Shares of Rs.10/- each fully paid up for cash	3,86,62,017	3,866.20	3,86,62,017	3,866.20
Add: Amount forfeited on 4,67,500 equity shares	-	12.22	-	12.22
	<b>3,86,62,017</b>	<b>3,878.42</b>	<b>3,86,62,017</b>	<b>3,878.42</b>

(Of the above 3,31,62,500 fully paid-up equity shares have been issued as bonus shares by way of capitalisation of security premium)

**Reconciliation of number of shares outstanding**

	As at 31-Mar-2021		As at 31-Mar-20	
	Number	Amount	Number	Amount
At beginning of the year	3,86,62,017	3,866.20	3,86,62,017	3,866.20
At the end of the year	<b>3,86,62,017</b>	<b>3,866.20</b>	<b>3,86,62,017</b>	<b>3,866.20</b>

**List of shareholders holding more than 5% of the total number of equity shares issued by the Company**

Name of shareholder	As at 31-Mar-2021		As at 31-Mar-20	
	No. of shares held	% of holding	No. of shares held	% of holding
VLS Capital Limited	1,33,36,538	34.50	1,33,36,538	34.50

**Note 20 : Other Equity**

Particulars	As at 31-Mar-2021	As at 31-Mar-20
<b>a) General reserve</b>		
Balance at the beginning of the year	2,968.84	2,968.84
Add: during the year	-	-
<b>Balance as at end of the year</b>	<b>2,968.84</b>	<b>2,968.84</b>
<b>b) Securities premium</b>		
Balance at the beginning of the year	9,627.48	9,627.48
Add: during the year	-	-
<b>Balance as at end of the year</b>	<b>9,627.48</b>	<b>9,627.48</b>
<b>c) Capital Redemption Reserve</b>		
Balance at the beginning of the year	113.30	113.30
Add: during the year	-	-
<b>Balance as at end of the year</b>	<b>113.30</b>	<b>113.30</b>
<b>d) Retained earnings</b>		
Balance at the beginning of the year	33,552.33	12,790.24
Add: Profit/(loss) during the year	21,582.18	3,248.76
Transfer from/to FVTOCI to Retained Earnings	7,271.81	17,985.77
Less: Dividend Paid and Dividend Distribution tax Paid	(579.93)	(466.09)
Transfer from/to Retained earnings from/to Remeasurement of Defined Benefit Plan	(0.29)	
Right to use assets (IndAS 116)	-	(6.34)
<b>Balance as at end of the year</b>	<b>61,826.10</b>	<b>33,552.33</b>
<b>e) Fair value gain on equity and other instruments carried through other comprehensive income</b>		
Balance at the beginning of the year	39,034.11	41,587.51
Other Comprehensive Income during the year (net of tax)	25,057.80	15,432.36
Transfer from/to FVTOCI from/to Retained Earnings	(7,271.81)	(17,985.76)
Transfer from/to FVTOCI from/to Remeasurement of Defined Benefit Plan	8.93	
<b>Balance as at end of the year</b>	<b>56,829.03</b>	<b>39,034.11</b>
<b>f) Remeasurement of Defined Benefit Plans</b>		
Balance at the beginning of the year	14.97	<b>10.11</b>
Transfer from/to Retained earnings from/to Remeasurement of Defined Benefit Plan	0.29	
Transfer from/to FVTOCI from/to Remeasurement of Defined Benefit Plan	(8.93)	
Add: Other comprehensive income (net of tax)	(14.97)	4.86
<b>Balance as at end of the year</b>	<b>(8.64)</b>	<b>14.97</b>
<b>TOTAL (a to f)</b>	<b>1,31,356.11</b>	<b>85,311.03</b>

NOTE NO.	PARTICULARS	For the Year ended	
		31.03.2021	31.03.2020
21	<b>Interest Income</b>		
	Interest income from Investments:-		
	-From Tax Free Bonds	475.19	351.75
	-From PMS/MF investments	82.98	94.99
	-From Others	-	52.64
	On Margin Deposits with Share Brokers/stock exchange	61.62	38.90
	On deposits with Banks	24.86	7.92
	<b>Total</b>	<b>644.65</b>	<b>546.20</b>
22	<b>Dividend Income</b>		
	Dividend on Investments	445.48	757.10
	<b>Total</b>	<b>445.48</b>	<b>757.10</b>
23	<b>Net gain on fair value changes</b>		
	Net gain/ (loss) on financial instruments at fair value through Profit and loss account	15,167.02	1,418.15
	<b>Total</b>	<b>15,167.02</b>	<b>1,418.15</b>
24	<b>Trading in Shares/securities (Net)</b>		
	Sale of Shares/Securities/Mutual Funds etc	5,64,290.54	3,32,671.36
	Purchase of Shares/Securities/ Mutual Funds etc	(5,66,171.25)	(3,36,693.75)
	Change in Stock of Shares -Increase / (Decrease)	7,174.52	1,194.51
	<b>Total</b>	<b>5,293.81</b>	<b>(2,827.88)</b>
25	<b>Other Operating Income</b>		
	Income from Securities Lending	9.78	42.68
	<b>Total</b>	<b>9.78</b>	<b>42.68</b>
26	<b>Other Income</b>		
	Rent Receipts	0.60	0.60
	Misc Balances/Unspent liabilities written back (net)	-	5.91
	Reimbursement of expenses recovered	0.60	0.60
	Interest on staff loans and advances	0.19	0.76
	On Financial Assets measured at Amortised Cost	0.78	1.34
	Others	0.00	0.03
	<b>Total</b>	<b>2.17</b>	<b>9.24</b>
27	<b>Employee benefits expense</b>		
	Salaries	390.52	306.60
	Staff Amenities/welfare expenses	3.79	8.93
	Employer's Contribution to PF, ESI, Gratuity Fund etc.	37.40	32.92
	<b>Total</b>	<b>431.71</b>	<b>348.45</b>

**Notes to the Standalone Financial Statements**

(Rupees in Lakhs)

NOTE NO.	PARTICULARS	For the Year ended	
		31.03.2021	31.03.2020
28	<b>Finance Costs</b>		
	Bank / Finance Charges	0.74	0.86
	Interest Payment on Loans/ overdraft facilities	0.16	0.19
	Interest on Right of Use assets -AS116	0.73	5.51
	<b>Total</b>	<b>1.63</b>	<b>6.56</b>
29	<b>Other expenses</b>		
	Advertisement & Business Promotion	38.74	24.62
	Consultancy, Legal & Service Charges	193.98	216.62
	Communication Expenses	5.63	10.16
	Electricity & Water Charges	10.23	10.80
	Insurance	1.10	0.90
	Office Expenses	27.94	45.45
	Shares Transaction Charges	43.82	16.73
	Securities Transaction Tax on Investment	120.00	37.40
	Securities Transaction Tax on others	55.16	6.24
	Travelling Expenses & Conveyance	11.64	58.27
	Rates & Taxes	137.75	78.13
	Short-term leases	41.03	-
	Repairs & Maintenance		
	--Building	-	-
	--Others	14.82	14.83
	Miscellaneous Expenses	44.35	34.65
	Shared personnel expense	66.72	51.69
	CSR Expenditure	37.02	77.00
	Auditors' Remuneration		
	a) Audit Fees	1.70	1.70
	b) For Other Services		
	--For Tax audit	0.90	0.90
	-- For certification	1.28	1.60
	--Out of pocket expenses	0.35	0.35
	Internal Auditors' Remuneration		
	-- Fees	0.80	0.80
	--For certification	0.10	0.05
	Directors' Sitting Fees	16.10	14.00
	<b>Total</b>	<b>871.16</b>	<b>702.89</b>
30	<b>Earnings per equity share</b>		
	Net profit/(Loss) attributable to equity shareholders	21,582.18	3,248.76
	<b>Total (A) (Rupees in Lakhs)</b>	<b>21,582.18</b>	<b>3,248.76</b>
	Weighted average number of equity shares issued (face value of Rs 10/- each) (Numbers in lakhs)	386.62	386.62
	<b>Total (B) (Numbers in lakhs)</b>	<b>386.62</b>	<b>386.62</b>
	<b>Basic earnings per share [A/B] (In Rupees)</b>	<b>55.82</b>	<b>8.40</b>
	<b>Net Profit/(Loss) attributable to equity shareholders [C] (Rupees in Lakhs)</b>	21,582.18	3,248.76
	Less : Impact on net profit due to exercise of diluted potential equity shares [D]	-	-
	<b>Net profit/(Loss) attributable to equity shareholders for calculation of diluted EPS [C-D] (Rupees in Lakhs)</b>	<b>21,582.18</b>	<b>3,248.76</b>

NOTE NO.	PARTICULARS	For the Year ended	
		31.03.2021	31.03.2020
	Weighted average of equity shares issued (face value of Rs 10/- each) (Numbers in Lakhs) [E]	386.62	386.62
	Weighted number of additional equity shares outstanding for diluted EPS (Numbers in Lakhs) [F]	-	-
	<b>Weighted number of equity shares outstanding for diluted EPS (Numbers in lakhs) [E+F]</b>	<b>386.62</b>	<b>386.62</b>
	<b>Diluted earnings per share [C-D/E+F] (In Rupees)</b>	<b>55.82</b>	<b>8.40</b>

**Note 31. Related party transactions:**
**List of Related Parties and Relationships:**
**a) Subsidiary Companies:**

- VLS Securities Limited (99.67%)
- VLS Asset Management Limited (99.15%)
- VLS Real Estate Limited (100.00%)

**b) Associate Company:**

- VLS Capital Limited

**c) Key Managerial Personnel:**

- Shri M.P.Mehrotra (Executive Vice Chairman)
- Shri S. K. Agarwal (Managing Director)
- Shri K. K. Soni (Director Finance & CFO)
- Shri H Consul, Company Secretary

**d) Others:**

- South Asian Enterprises Limited
- Shri. Vikas Mehrotra (Non-Executive Director)
- M/s Vinayak Pharma-related to Mr SK Agarwal, Managing Director
- Shri Ajit Kumar (Chairman, Independent Director)
- Dr. (Mrs.) Neeraj Arora (Non-Executive Director)
- Shri. D. K. Mehrotra (Independent Director)
- Dr. R. L. Bishnoi (Independent Director)
- Shri R. Bandyopadhyay till 29/04/2020 (Independent Director)
- Shri Deepak Kumar Chatterjee w.e.f. 12/02/2021 (Independent Director)

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**
**(Rupees in lakhs)**
**Transactions with Related Parties:**

S No	Nature of Transaction	Related Party Type	Year Ended March 31, 2021	Year Ended March 31, 2020
1	Purchase of Securities (as share broker)	Subsidiary	5,74,754.42	69,735.79
2	Sale of Securities (as share broker)	Subsidiary	5,81,049.89	72,950.86
3	Rent and other Charges received	Subsidiary	1.42	1.42
4	Other charges paid	Subsidiary	298.90	117.84
5	Interest received on Margin Money Deposits	Subsidiary	59.23	36.29
6	Remuneration to Executive Vice Chairman	Key Managerial Personnel	69.00	60.00
7	Remuneration to Managing Director	Key Managerial Personnel	41.26	35.03
8	Remuneration to Director- Finance & CFO	Key Managerial Personnel	39.60	33.63
9	Remuneration to Company Secretary.	Key Managerial Personnel	26.09	21.99
10	Security Deposit Paid/(Received back)	Others	(120.00)	505.00
11	Sanitizer and other Medical consumables / equipment purchased (COVID-19 preventive measures)	Others	1.11	0.03
12	Other Transactions:			
13	Sitting Fees paid to Non-executive Directors	(Others)	16.10	14.00
14	Outstanding Balance at the year end (including margin money deposits)	1.Subsidiaries	8,557.87	299.16
		2.Security Deposits Paid (others)	385.00	505.00

**Note 32. Capital management**

For the purpose of the Company's capital management capital includes issued equity capital share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure the Company may adjust the dividend payment to shareholders return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio as less as possible. The Company includes within net debt interest bearing loans and borrowings trade and other payables less cash and cash equivalents excluding discontinued operations.

Particulars	31-03-2021	31-03-2020
Borrowings	-	22.89
Trade payables	0.08	205.58
Other payables	15.88	25.86
Less: cash and cash equivalents	9,503.40	1,882.25
Net debt	-	-
Total capital	1,35,234.53	89,189.45
Gearing ratio	NA	NA

In order to achieve this overall objective, the Company's capital management amongst other things aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

**Note 33. Other Financial Information**

a. Under the Micro Small and Medium Enterprises Development Act 2006 (MSMED) which came into force from 02 October 2006 certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the Company the following disclosures are made for the amounts due to the Micro and Small Enterprises.

There are no dues outstanding of an entity which is registered as the Micro Small and Medium Enterprises defined under "The Micro Small and Medium Enterprises Development Act 2006".

Particulars	31 March 2021	31 March 2020
Principal amount remaining unpaid to any supplier as at the period end.	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid	Nil	Nil

<b>b. Earnings in Foreign Currency</b>	Nil	Nil
<b>c. Expenditure in Foreign Currency</b>	Nil	2.31

**Note 34. Commitments and contingencies**
**a. Commitments:**

Estimated amount of contracts remaining to be executed on Capital Account:

31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
125.65	212.51

**b. Contingent liabilities**

31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Nil	Nil

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**
**(Rupees in lakhs)**
**Note 35. Fair Value**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Financial assets</b>				
Trade Receivables	196.43	293.89		
Other Receivables	349.01	374.99		
Other financial assets	8,624.60	6,100.46	-	-
Loans	805.21	809.97	-	-
FVTOCI financial investments	1,33,512.07	91,921.81	1,33,512.07	91,921.81
<b>Total</b>	<b>1,43,487.32</b>	<b>99,501.13</b>	<b>1,33,512.07</b>	<b>91,921.81</b>
<b>Financial liabilities</b>				
Borrowings	-	22.89	-	-
Other Financial Liabilities	143.95	160.91	-	-
<b>Total</b>	<b>143.95</b>	<b>183.80</b>	<b>-</b>	<b>-</b>

The management assessed that cash and cash equivalents trade receivables trade payables bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is shown at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted securities and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments is based on NAV as per latest financials of the respective company. Other financial liabilities as well as other non-current financial liabilities is based on carrying value and obligations under finance lease is estimated by discounting future cash flows using rates currently available for debt on similar terms credit risk and remaining maturities. The Company follows "FIFO" method for calculating the profit/loss on sale of investments.

**Note 36: Impact of COVID-19 on Going Concern Assumption**

The current "second wave" of COVID-19 pandemic has significantly increased in India. The Government of India has ruled out a nationwide lockdown for now, but regional lockdowns are implemented in areas with a significant number of COVID-19 cases. Safety of our employees continues to be our key priority. We are encouraging the vaccination for our employees, providing flexible work options and adhering to COVID-19 guidelines. We are closely monitoring the situation and will continue to take all necessary actions to ensure the health and safety of our employees. The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets.

In assessing the recoverability of different assets, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**Note 37: Financial risk management**
**Risk management framework**

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified measured and mitigated and also that policies procedures and standards are established to address these risks and ensure a systematic response in the case of crystallization of such risks.

The Company has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company has established required policies with respect to such risks which set forth limits mitigation strategies and internal controls to be implemented. The Board oversees the Company's risk management which frames and reviews risk management processes and controls.

**i. Credit risk:**

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance Stock-in-trade Trade receivables Loans Investments and Other financial assets.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivables.

Following provides exposure to credit risk for trade receivables:

Particulars	March 31, 2021	March 31, 2020
Trade and Other Receivables (net of impairment)	545.44	668.88
<b>Total</b>	<b>545.44</b>	<b>668.88</b>

**Trade Receivables:** The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date the Company assesses the impairment requirements.

**Other financial assets considered to have a low credit risk:**

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks of high standing. Investments comprise of quoted and unquoted Equity instruments bonds and mutual funds which are market tradable. Other financial assets include deposits for assets acquired on lease.

**ii. Liquidity risk**

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time both in normal and in stressed conditions without having to liquidate assets or raise funds at unfavorable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the trading and investment activities and in the management of trading positions. The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

Funds required for short period is taken care by borrowings through overdraft facility against fixed deposits with the bank.

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**
**(Rupees in lakhs)**

The table below summaries the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31 2021

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
<b>Assets</b>					
Cash and bank balances	9,811.52	110.46	-	-	9,921.98
Trade receivables	196.43	-	-	-	196.43
Other receivables	349.01	-	-	-	349.01
Loans	0.97	3.18	801.06	-	805.21
Investments	-	-	42,685.01	95,822.61	1,38,507.62
Other financial assets	8,500.00	50.51	-	74.09	8,624.60
<b>Total</b>	<b>18,857.93</b>	<b>164.15</b>	<b>43,486.07</b>	<b>95,896.70</b>	<b>1,58,404.85</b>
<b>Liabilities</b>					
Trade payables	0.08	-	-	-	0.08
Other payables	15.88	-	-	-	15.88
Borrowings	-	-	-	-	-
Other financial liabilities	143.95	-	-	-	143.95
<b>Total</b>	<b>159.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159.91</b>
Net Excess / (shortfall)	<b>18,698.02</b>	<b>164.15</b>	<b>43,486.07</b>	<b>95,896.70</b>	<b>1,58,244.94</b>

The table below summaries the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31 2020

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
<b>Assets</b>					
Cash and bank balances	1,882.25	109.46	-	80.75	2072.46
Trade receivables	293.89	-	-	-	293.89
Other receivables	374.99	-	-	-	374.99
Loans	6.56	2.13	1.28	800.00	809.97
Investments	-	-	26,630.96	70,576.40	97,207.36
Other financial assets	281.73	5,765.30	-	53.43	6,100.46
<b>Total</b>	<b>2,839.42</b>	<b>5,876.89</b>	<b>26,632.24</b>	<b>71,510.58</b>	<b>106,859.13</b>
<b>Liabilities</b>					
Trade payables	205.59	-	-	-	205.59
Other payables	25.86	-	-	-	25.86
Borrowings	22.89	-	-	-	22.89
Other financial liabilities	57.81	22.35	-	80.75	160.91
<b>Total</b>	<b>312.15</b>	<b>22.35</b>	<b>-</b>	<b>80.75</b>	<b>415.25</b>
Net Excess / (shortfall)	<b>2,527.27</b>	<b>5,854.54</b>	<b>26,632.24</b>	<b>71,429.83</b>	<b>106,443.88</b>

**iii. Market risk**

Market risk arises when movements in market factors (foreign exchange rates interest rates credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company in its course of business is exposed to market risk due to change in equity prices interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

- Equity price Risk
- Interest Rate Risk
- Currency Risk

**i) Equity price Risk**

The Company's exposure to equity price risk arises primarily on account of its investment positions

The Company's equity price risk is managed in accordance with its Corporate Risk and Investment policy (CRIP) approved by the board. The board specifies exposure limits and risk limits for the investments in equity.

**ii) Interest Rate Risk**

The Company's exposure to interest rate risk arises primarily on account of its amount given on loan and the surplus funds kept as deposits with the banks.

The Company's interest rate risk is managed in accordance with its policy approved by its board.

The non-traded Financial Assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the Company's statement of profit and loss.

**iii) Currency Risk /foreign exchange Risk**

There is no exposure to currency risk as there is no position of the company stands in exchange traded currency derivatives.

**Note 38: Employees Benefits**
**i. Defined Contribution Plans:**

Amount of Rs. 19.75 lakhs (Rs.15.87 lakhs for the financial year 2019-2020) contributed to provident funds is recognized as an expense under 'Employee Cost in the Statement of Profit and Loss.

**ii. Defined Benefit Plans**

Funded:

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

The following table summarizes the components of net expenses for gratuity benefits recognized in the statement of profit and loss other comprehensive income and the amounts recognized in the balance sheet:

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**
**(Rupees in lakhs)**

<b>1. Assumptions</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Discount rate	7.00%	7.00%
Salary Escalation	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
<b>2. Changes in present value of obligation at the year end</b>		
Present value of obligation as at beginning of the year	137.01	124.61
Interest Cost	9.59	8.72
Current Service Cost	8.07	7.15
Past Service Cost	-	-
Benefits Paid	(9.81)	-
Actuarial (gain) / loss on obligations	17.98	(3.47)
Present value of obligations as at end of the year	162.84	137.01
<b>3. Changes in fair value of plan assets at the year end</b>		
Fair value of plan assets at beginning of year	82.42	72.05
Expected return on plan assets	5.56	5.04
Contributions	9.50	4.80
Benefits paid	(0.43)	-
Actuarial gain / (loss) on plan assets	0.62	0.53
Fair value of plan assets at the end of the year	97.67	82.42
<b>4. OCI / Expenses (Re measurements)</b>		
Cumulative Un recognized Actuarial (gain)/loss opening b/f	(5.24)	(1.25)
Actuarial (gain) / loss on obligations	(17.98)	(3.47)
Actuarial (gain) / loss for the year – on plan assets	(0.62)	(0.52)
Total (gain) / loss for the year	17.36	(3.99)
Cumulative total actuarial (gain)/loss c/f	12.12	(5.24)
<b>5. Amounts to be recognized in the Balance Sheet</b>		
Present value of obligations as at the end of the year	162.84	137.01
Fair value of plan assets as at the end of the year	97.67	82.42
Net (asset) / liability recognized in balance sheet	65.17	54.59
Funded Status Surplus/ (Deficit)	(65.17)	(54.59)
<b>6. Amounts recognized in the Statement of Profit and Loss</b>		
Current service cost	8.07	7.15
Interest Cost	9.59	8.72
Past Service Cost	-	-
Expected return on plan assets	(5.56)	(5.04)
Expenses recognized in Statement of Profit and Loss	12.10	10.83

The following table summarizes the components of net expenses for leave encashment recognized in the statement of profit and loss other comprehensive income and the amounts recognized in the balance sheet:

<b>1. Assumptions</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Discount rate	7.00%	7.00%
Salary Escalation	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
<b>2. Changes in present value of obligation at the year end</b>		
Present value of obligation as at beginning of the year	14.90	13.88
Interest Cost	1.04	0.97
Current Service Cost	1.38	0.92
Benefits Paid	-	-
Actuarial (gain) / loss on obligations	2.64	(0.87)
Present value of obligations as at end of the year	19.96	14.90
<b>3. OCI / Expenses (Re measurements)</b>		
Cumulative Un recognized Actuarial (gain)/loss opening bf	(3.70)	(2.83)
Actuarial (gain) / loss on obligations	2.64	(0.87)
Actuarial (gain) / loss for the year – on plan assets	-	-
Total (gain) / loss for the year	2.64	(0.87)
Cumulative total actuarial (gain)/loss c/f	(1.06)	(3.70)
<b>4. Amounts to be recognized in the Balance Sheet</b>		
Present value of obligations as at the end of the year	19.96	14.90
Fair value of plan assets as at the end of the year	-	-
Net (asset) / liability recognized in balance sheet	19.96	14.90
Funded Status Surplus/ (Deficit)	(19.96)	(14.90)
<b>5. Amounts recognized in the Statement of Profit and Loss</b>		
Current service cost	1.38	0.92
Interest Cost	1.04	0.97
Expected return on plan assets	-	-
Expenses recognized in Statement of Profit and Loss	2.42	1.89

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

(Rupees in lakhs)

**Note: 39: Maturity Analysis of Assets and Liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	31-Mar-21			31-Mar-20		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	9,503.40	-	<b>9,503.40</b>	1,882.25	-	<b>1,882.25</b>
Bank Balance other than above	418.58	-	<b>418.58</b>	109.46	80.75	<b>190.21</b>
Trade receivables	196.43	-	<b>196.43</b>	293.89	-	<b>293.89</b>
Other receivables	349.01	-	<b>349.01</b>	374.99	-	<b>374.99</b>
Loans	4.15	801.06	<b>805.21</b>	8.69	801.28	<b>809.97</b>
Investments	-	1,38,507.62	<b>1,38,507.62</b>	-	97,207.36	<b>97,207.36</b>
Other financial assets	8,550.51	74.09	<b>8,624.60</b>	6,047.03	53.43	<b>6,100.46</b>
<b>Total-Financial assets</b>	<b>19,022.08</b>	<b>1,39,382.77</b>	<b>1,58,404.85</b>	<b>8,716.31</b>	<b>98,142.82</b>	<b>1,06,859.13</b>
<b>Non-Financial assets</b>						
Current Tax assets	-	1,770.25	<b>1,770.25</b>	-	1,347.24	<b>1,347.24</b>
Investment Property	-	70.94	<b>70.94</b>	-	70.94	<b>70.94</b>
Property, plant and equipment	-	863.95	<b>863.95</b>	16.30	891.25	<b>907.55</b>
Capital work-in-progress	928.41	-	<b>928.41</b>	725.44	-	<b>725.44</b>
Other Intangible assets	-	0.86	<b>0.86</b>	-	0.74	<b>0.74</b>
Other non-financial assets	809.20	68.87	<b>878.07</b>	748.26	53.43	<b>801.69</b>
<b>Total-Non financial assets</b>	<b>1,737.61</b>	<b>2,774.87</b>	<b>4,512.48</b>	<b>1,490.00</b>	<b>2,363.60</b>	<b>3,853.60</b>
<b>Total Assets</b>	<b>20,759.69</b>	<b>1,42,157.64</b>	<b>1,62,917.33</b>	<b>10,206.31</b>	<b>1,00,506.42</b>	<b>1,10,712.73</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	0.08	-	<b>0.08</b>	205.58	-	<b>205.58</b>
Other payables	15.88	-	<b>15.88</b>	25.86	-	<b>25.86</b>
Borrowings	-	-	<b>-</b>	22.89	-	<b>22.89</b>
Other financial liabilities	143.95	-	<b>143.95</b>	80.17	80.75	<b>160.92</b>
<b>Total- Financial Liabilities</b>	<b>159.91</b>	<b>-</b>	<b>159.91</b>	<b>334.50</b>	<b>80.75</b>	<b>415.25</b>
<b>Non Financial Liabilities</b>						
Provisions	79.68	5.45	<b>85.13</b>	-	69.49	<b>69.49</b>
Deferred tax liabilities	-	27,415.93	<b>27,415.93</b>	-	21,013.76	<b>21,013.76</b>
Other non financial liabilities	21.83	-	<b>21.83</b>	24.78	-	<b>24.78</b>
<b>Total-Non Financial Liabilities</b>	<b>101.51</b>	<b>27,421.38</b>	<b>27,522.89</b>	<b>24.78</b>	<b>21,083.25</b>	<b>21,108.03</b>
<b>Total Liabilities</b>	<b>261.42</b>	<b>27,421.38</b>	<b>27,682.80</b>	<b>359.28</b>	<b>21,164.00</b>	<b>21,523.28</b>

**Note: 40 Corporate Social Responsibility**

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2020-21. CSR initiatives majorly includes supporting under privileged in medical treatments and various other charitable and noble aids.

- a) Accumulated amount required to be spent by the company during the year Rs. 37.02 Lakhs (Previous year Rs. 107.52 Lakhs)
- b) Amount spent during the year ended 31 March 2021 on:

Particulars	Total amount to be spent	Amount spent	Yet to spend
i) Construction/acquisition of any asset	-	-	-
ii) on purposes other than (i) above	37.02	37.02	-
<b>Total</b>	<b>37.02</b>	<b>37.02</b>	<b>-</b>

- c) Amount spent during the year ended 31 March 2020:

Particulars	Total amount to be spent	Amount spent	Yet to spend
i) Construction/acquisition of any asset	-	-	-
ii) on purposes other than (i) above	107.52	77.00	*30.52
<b>Total</b>	<b>107.52</b>	<b>77.00</b>	<b>30.52</b>

- \* The amount has been spent during the year.



**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

**Note: 41 Fair Value Measurement**

**(i) Accounting classification and fair values**

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

The carrying value and fair value of financial instruments by categories as of 31 March 2021 are as follows:

(Rupees in Lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>31-Mar-21</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	9,503.40	9,503.40				-
Bank balance other than cash and cash equivalents above	-	-	418.58	418.58				-
Receivables								-
(I) Trade receivables	-	-	196.43	196.43				-
(II) Other receivables	-	-	349.01	349.01				-
Loans	-	-	805.21	805.21				-
Investments	-	1,33,512.07	4,995.55	1,38,507.62	1,28,414.72	988.74	4,108.62	<b>1,33,512.07</b>
Other financial assets	-	-	8,624.60	8,624.60				-
<b>Total financial assets</b>	<b>-</b>	<b>1,33,512.07</b>	<b>24,892.78</b>	<b>1,58,404.85</b>	<b>1,28,414.72</b>	<b>988.74</b>	<b>4,108.62</b>	<b>1,33,512.07</b>

<b>Financial liabilities</b>								
Payables								
(I) Trade payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	0.08	0.08		-	-	-
(II) Other payables				-				-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	15.88	15.88		-	-	-
Borrowings (Other than debt securities)	-	-	-	-		-	-	-
Other financial liabilities	-	-	143.95	143.95		-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>159.91</b>	<b>159.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The carrying value and fair value of financial instruments by categories as of 31 March 2020 are as follows:

(Rupees in Lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>31-Mar-20</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	1,882.25	1,882.25				-
Bank balance other than cash and cash equivalents above	-	-	190.21	190.21				-
Receivables								-
(I) Trade receivables	-	-	293.89	293.89				-
(II) Other receivables	-	-	374.99	374.99				-
Loans	-	-	809.97	809.97				-
Investments	-	91,921.81	5,285.55	97,207.36	87,355.89	1,227.50	3,338.42	<b>91,921.81</b>
Other financial assets	-	-	6,100.46	6,100.46				-
<b>Total financial assets</b>	<b>-</b>	<b>91,921.81</b>	<b>14,937.32</b>	<b>1,06,859.13</b>	<b>87,355.89</b>	<b>1,227.50</b>	<b>3,338.42</b>	<b>91,921.81</b>

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

(Rupees in lakhs)

<b>Financial liabilities</b>									
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	205.58	205.58			-	-	-
(II) Other payables									-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-			-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	25.86	25.86			-	-	-
Borrowings (Other than debt securities)	-	-	22.89	22.89			-	-	-
Other financial liabilities	-	-	160.92	160.92			-	-	-
<b>Total financial liabilities</b>	-	-	<b>415.25</b>	<b>415.25</b>			-	-	-

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investment in private equity funds, real estate funds.

**ii Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include :

- Quoted equity investments - Quoted closing price on stock exchange
- Mutual fund - net asset value of the scheme
- Alternative investment funds - net asset value of the scheme
- Unquoted equity investments - NAV on the last audited financials available of the companies.
- Private equity investment fund - NAV of the audited financials of the funds.
- Real estate fund - net asset value, based on the independent valuation report or financial statements of the company income approach or market approach based on the independent valuation report.

**iii. Financial instruments not measured at fair value**

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets.

These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

Fair value measurements using significant unobservable inputs (level 3)

**Note 42: Tax Expense**

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**
**(Rupees in lakhs)**

in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to opt the amended tax regime w.e.f. the financial year 2019-20.

**a) Income Tax recognised in Statement of Profit and Loss**

Particulars	Rupees in Lakhs	
	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Current tax (expense)/credit:</b>		
1 Current tax for the year	(614.00)	-
2 Minimum alternate tax	-	-
3 Tax adjustment in respect of earlier years	(6.45)	(9.20)
<b>Total current tax (expense)/credit (A)</b>	<b>(620.45)</b>	<b>(9.20)</b>
<b>Deferred tax (expense)/credit:</b>		
	2,020.39	4,485.97
<b>Net deferred tax (expense)/credit (B)</b>	<b>2,020.39</b>	<b>4,485.97</b>
<b>Income tax (expense)/credit (net): (C = A+B)</b>	<b>1,399.94</b>	<b>4,476.77</b>

**b) Reconciliation of estimated Income tax (expense)/credit reported in Statement of Profit and Loss**

Particulars	Rupees in Lakhs	
	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Profit / (loss) before tax</b>	20,182.24	(1,228.01)
1 Expected income tax (expense)/credit at the applicable tax rates	(5,079.47)	309.07
<b>Tax effect of adjustments to reconcile expected Income tax (expense)/credit at tax rate to reported income tax (expense)/credit</b>		
2 Effect of non-deductible expenses	(44.10)	(60.22)
3 Effect of differential tax rates and carried/brought forward losses	6,324.31	3,950.10
4 Effect of income exempt from tax	228.99	279.07
5 Others	(29.79)	(1.24)
<b>Income Tax (expenses)/credit reported in statement of profit and loss (1+2+3+4+5)</b>	<b>1,399.94</b>	<b>4,476.77</b>

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

As per our report of even date

For and on behalf of the board

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

**M.L. Puri**  
Partner  
M. No. 009198

**S.K. Agarwal**  
Managing Director  
(DIN:00106763)

**M. P. Mehrotra**  
Executive Vice Chairman  
(DIN:00016768)

Place: New Delhi  
Date: June 29 2021  
UDIN: 21009198AAAABM9988

**K.K. Soni**  
Director-Finance & CFO  
(DIN: 00106037)

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

**VLS Securities Ltd.**

Regd. Off: 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065,  
Ph: 011-4665 6666, Fax: 011-4665 6699

CIN: U74899DL1994PLC062123, email: vlssec@vlssecurities.com,  
website: [www.vlssecurities.com](http://www.vlssecurities.com)

**Directors' Report**

To the Members of **VLS Securities Limited**,

Your Directors are pleased to present the 27<sup>th</sup> Annual Report of your Company together with audited annual accounts for the year ended on 31<sup>st</sup> March, 2021. Due to Covid-19 pandemic, the annual general meeting of the Company, this year, will be held through video conferencing from the registered office.

**Financial Summary**

During the year under review, your Company generated revenue from operations of Rs. 639.58 lakhs as against Rs. 508.73 lakhs in the previous year. The other income stood at Rs. 6.41 lakhs for the year under review as against Rs. 2.97 lakhs in the previous year. The profit before tax of the Company stood at Rs. 496.52 lakhs for the year under review as against Rs. 222.08 lakhs in the preceding year. After providing for taxes, the Company has earned a net profit of Rs. 450.02 lakhs for the year under review compared to Rs. 152.95 lakhs in previous year. The total comprehensive income for the year under review stood at Rs. 32,480.58 lakhs as compared to the corresponding comprehensive income figure of Rs.25,564.51 lakhs for the previous year.

Further, the Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('IND AS') as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder and in conformity with the accounting principles generally accepted in India.

**Dividend /Reserves**

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

**Operations**

Your Company earned brokerage of Rs. 262.60 lakhs during the year under review, as compared to Rs. 52.74 lakhs earned during the previous year. The Company is continuing its efforts to increase its retail broking business.

The Company is a Trading and Clearing Member in cash segment of The National Stock Exchange of India Ltd. ('NSE') and also a Trading Member of NSE in Future & Option segment. It is also a registered Merchant banker with Securities & Exchange Board of India.

**Future Outlook**

The stock markets have been generally upbeat during the year under review in spite of the continuing Covid-19 pandemic, which had adversely affected many sectors globally. The Company is optimistic that the markets will continue to show positive trend. The Company is engaged in looking for new possibilities. The Merchant Banking Division of the Company is continuing to explore possibilities of making inroads in consultancy and similar fee based services.

**Directors/Key Managerial Personnel**
**Directors**

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

Shri Tej Bhan Gupta (DIN: 00106181) shall be retiring by rotation at the ensuing 27<sup>th</sup> Annual General Meeting of your Company and being eligible, offer himself for re-appointment. Concurring to recommendation of Nomination and Remuneration Committee of the Company, your Directors recommend his re-appointment.

**Key Managerial Personnel**

Mr. Iqbaljeet Singh Aujla resigned as Company Secretary of the Company w.e.f 01/02/2021 and Ms. Komal Taparia was appointed as Company Secretary w.e.f 08/02/2021.

**Directors' Responsibility Statement**

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013('Act') with respect to Directors' Responsibility statement, it is hereby confirmed that:

- in preparation of annual accounts for the financial year ended 31<sup>st</sup> March 2021, the applicable accounting standards had been followed;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the *profit* of the Company for that year;

- the directors had taken proper and sufficient care for the maintenance of proper accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2021 on a going concern basis;
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Internal Financial Control Systems**

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

**Meetings of Board of Directors**

During the year, 4 Board meetings were held on 14/07/2020, 27/08/2020, 28/10/2020 and 08/02/2021 respectively.

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

S. No.	Name of the Director	Whether Chairman / Member	No. of meetings attended during F. Y. 2020-21 & Dates
1	Dr. Rajeev Lochan Bishnoi	Chairman	3
			14/07/2020
			27/08/2020
2	Shri Rajendra Kumar Goswami	Member	4
			14/07/2020
			27/08/2020
3	Shri Kishan Kumar Soni	Member	4
			14/07/2020
			27/08/2020
4	Shri Tej Bhan Gupta	Member	4
			14/07/2020
			27/08/2020
5	Shri Suresh Kumar Agarwal	Member	4
			14/07/2020
			27/08/2020
6	Shri Vikas Mehrotra	Member	1
			14/07/2020
			27/08/2020
7	Ms. Divya Mehrotra	Member	3
			27/08/2020
			28/10/2020
			08/02/2021

**Audit Committee**

During the year, 4 meetings of the Audit Committee were held 14/07/2020, 27/08/2020, 28/10/2020 and 08/02/2021 respectively. The Audit Committee comprised Dr. Rajeev Lochan Bishnoi, Shri Rajendra Kumar Goswami - Independent Directors and Shri Kishan Kumar Soni – Director and there were no changes in the composition of the Committee during the year. Shri Goswami is the Chairman of the Committee. All the recommendations made by the Committee were accepted by the Board in entirety.

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

S. No.	Name	Chairman / Member	No. of meetings attended during F.Y. 2020-21 & Dates
1	Shri Rajendra Kumar Goswami	Chairman	3
			14/07/2020
			27/08/2020
2	Shri Kishan Kumar Soni	Member	4
			14/07/2020
			27/08/2020
3	Dr. Rajeev Lochan Bishnoi	Member	4
			14/07/2020
			27/08/2020
			28/10/2020
			08/02/2021

### Nomination and Remuneration Committee ('NRC')

During the year, 2 meeting of the Nomination and Remuneration Committee was held on 14/07/2020 and 08/02/2021. The Nomination and Remuneration Committee consisted of Dr. Rajeev Lochan Bishnoi, Shri Rajendra Kumar Goswami and Shri Kishan Kumar Soni. Shri Soni is the Chairman of the Committee and there were no changes in the composition of the Committee during the year. All the recommendations of the Committee were accepted by the Board in entirety.

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

S. No.	Name of the Director	Whether Chairman / Member	No. of meetings attended during F.Y. 2020-21 & Dates
1	Shri Kishan Kumar Soni	Chairman	2 14/07/2020 08/02/2021
2	Shri Rajendra Kumar Goswami	Member	2 14/07/2020 08/02/2021
3	Dr. Rajeev Lochan Bishnoi	Member	2 14/07/2020 08/02/2021

### Board Evaluation

The aim of the Board's evaluation was to assess the effectiveness of the Directors, Board's and Committee's composition, processes and arrangement in order to identify and realize any actions required to improve effectiveness. The evaluation process comprised of Board, Committee and management information and other relevant documentation, Meetings with key individuals within the organization and discussions with all members of Board of Directors, Committee members focusing on aspects of the Board's and Committee's composition; strategy, risk and controls; decision-making, roles and performance of the Chairman, independent directors, executive directors and other non-executive directors. As per the provisions of Section 178 of Companies Act, 2013, the Board carried out annual evaluation of each Director's performance, the Board as a whole and its committees, in its meeting held on 25<sup>th</sup> June, 2021.

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

### Independent Directors

Your Company has two Independent Directors namely, Dr. Rajeev Lochan Bishnoi and Shri Rajendra Kumar Goswami. They have confirmed to the Company that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

The Independent Directors carried out the evaluation of performance of Non-Independent Directors and the Board as a whole in the meeting of Independent Directors held on 8<sup>th</sup> February, 2021 as per Schedule IV of Companies Act, 2013. The evaluation of the Chairman of the Company was carried out in the meeting of Board of Directors held on 08/02/2021 which was referred to it by the Independent Directors in its meeting held on 08/02/2021.

### Annual Return Extract (MGT-9)

The reporting of extract of Annual Return in Form no. MGT-9 had been done away with pursuant to amendment in section 92(3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 w.e.f. 28/08/2020. Hence, the reporting of extract of Annual Return has not been made in this report. The Annual Return is now required to be placed on the website of the Company, if any, in terms of section 92(3) read with section 134(3)(a) of the Act and link thereof is required to be given in the Board's Report. The Annual Return for the F. Y. 2019-20 is available on web link viz.: <https://www.vlssecurities.com/Annual%20Return%20VLS%20Securities%20Ltd-2019-20.pdf>.

### Related Party

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

#### Form No. AOC-2

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

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

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

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party	VLS Finance Ltd.
b)	Nature of relationship	Holding Company
c)	Nature of contracts/ arrangements/ transactions	1. Client for stock trading 2. Usage of office Services
d)	Duration of the contracts / arrangements/ transactions	1. Perpetual unless rescinded 2. Perpetual unless rescinded
e)	Salient terms of the contracts or arrangements or transactions	1. As per stock Exchange regulations 2. Reimbursement of expenses for services on actual basis.
f)	Justification for entering into such contracts or arrangements or transactions	1. In ordinary course of business for revenue generation. 2. In ordinary course of business for facilitating operations.
g)	date(s) of approval by the Board	Not applicable for points 1 and 2 of serial no 'c' above, since entered into prior to enforcement of provisions of section 188 of the Companies Act, 2013.
h)	Amount paid during the year	Please refer note no. 31 of notes forming part of financial statements for details.

Please also refer note no. 31 of Annual Report for the year 2020-21 for disclosures under 'Related Party'.

### Anti-sexual harassment mechanism

The detailed mechanism may be accessed at [www.vlssecurities.com](http://www.vlssecurities.com)

The Company has in place an anti-sexual harassment policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All women employees, if any, inter-alia (permanent, contractual, temporary, trainees) are covered under this policy.

The Internal Complaints Committee is presently headed by a Woman Director on the Board of the holding company. There were no complaints received from any employee or otherwise during the year under review and no complaints were pending as on 31/03/2021.

### Risk Management Policy

The Company has developed and implemented a risk management policy for identification therein of elements of risk which in the opinion of the Board may threaten the existence of the Company. The policy of the company is available on Company's website viz. [www.vlssecurities.com](http://www.vlssecurities.com).

### Nomination and Remuneration Policy

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

### Auditors

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

### Auditors' Report

The Auditors' Report to the members on annual accounts for the year under review does not contain any qualification or remark requiring explanation thereto by the Board. Further the Auditors have not reported any fraud in terms of section 143(12) of the Companies Act, 2013 to the Board for the year under review.

### Deposits

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

### Subsidiary

The Company does not have any subsidiary.

### Green Initiative in Corporate Governance:

As a continuing endeavor towards the 'Go Green' initiative the Company proposes to send future correspondence and documents like the notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email address provided by the members. You may kindly note that as a member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the annual report of the Company, upon receipt of a requisition from you, at any time.

### Statutory Disclosures

During the year under review, the Company did not absorb any new technology nor has carried out any R&D activity including conservation of Energy. The relevant disclosures are contained in **Annexure-1** to this report.

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

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

Your Company's principal business is stock broking and investing in securities; hence Section 186 of the Act is not applicable.

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

Your Company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of section 67(3)(b) of the Companies Act, 2013.

No revision of Financial Statements or Board's Report has been made in terms of section 131(1) of the Companies Act, 2013.

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

The Managing Director of your Company is also the Managing Director of VLS Finance Ltd.- the holding Company and receives remuneration from the

holding Company in terms of section 197(14) of the Companies Act, 2013.

There has been no change in the nature of business and name of Company during the year under review. Further no proceedings/ application under Insolvency and Bankruptcy Code, 2016 had been made/pending against the Company.

There had been no significant and material orders passed by regulatory authorities/ court that would impact the going concern status of the Company and its future operations. Further, there were no material changes or commitments affecting financial position of the Company occurred between the year under review and date of this report.

The provisions relating to Corporate Social Responsibility, Secretarial Audit and Cost Audit are not applicable to the Company for the financial year under review. Further, there was no one time settlement with Bank/ Financial Institutions during the year under review.

### Human Resources

The relationship with the employees continued to be cordial during the year. The Directors place on record their sincere appreciation to the employees at all levels. The number of employees stood at 9 (nine) as on 31/03/2021.

### Acknowledgements

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

For and on behalf of the Board of Directors

Place : New Delhi	Sd/- (S.K. Agarwal)	Sd/- (K.K. Soni)
Date : 25/06/2021	Managing Director	Director
	DIN: 00106763	DIN: 00106037

### Annexure-1

#### Annexure to Directors' Report

**Information as per Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2021.**

#### **CONSERVATION OF ENERGY**

- |   |       |
|---|-------|
| a) Energy conservation measure taken  | : Nil |
| b) Proposals under implementation for reduction in consumption of energy or utilizing alternative sources of energy | : Nil |
| c) Capital investment on energy conservation equipments   | : Nil |

#### **TECHNOLOGY ABSORPTION**

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

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

For and on behalf of the Board of Directors

Place : New Delhi	Sd/- (S.K. Agarwal)	Sd/- (K.K. Soni)
Date : 25/06/2021	Managing Director	Director
	DIN: 00106763	DIN: 00106037

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VLS SECURITIES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of **VLS SECURITIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Annexure to Annual return in Form MGT-9, and directors' responsibility statement included in the Annual report, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material

misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account and records as specified in Rule 15 of the Securities Contracts (Regulation) Rule, 1957 and as required by other laws 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. The stock broker has complied with the requirements of the stock exchange so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the stock exchange.
  - e. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules thereon;
  - f. On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - h. With respect to the others matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For ANIL PARIEK & GARG  
CHARTERED ACCOUNTANTS  
FRN: 001676C

PLACE: KANPUR  
DATE: 25/06/2021  
UDIN: 21070250AAAAGW5810

H.K.PARIEK  
(PARTNER)  
M. NO.: 070250

#### Annexure – 'A' to The Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VLS SECURITIES LIMITED of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) All Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties are held in the name of the Company.
- (ii) The Company's business does not involve inventories and accordingly, the requirements under the paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, by the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, value added tax, goods and services tax, duty of custom, cess and other material statutory dues applicable to it. The provisions relating to wealth tax, and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, value added tax, goods and services tax, duty of custom, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in notes to financial statements, as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

For ANIL PARIK & GARG  
CHARTERED ACCOUNTANTS  
FRN: 001676C

PLACE: KANPUR  
DATE: 25/06/2021  
UDIN: 21070250AAAAGW5810

H.K.PARIK  
(PARTNER)  
M. NO.: 070250

## **ANNEXURE B to the Independent Auditors' Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VLS SECURITIES LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of **VLS SECURITIES LIMITED** ("the Company") as of 31st March 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting

and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future years are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ANIL PARIK & GARG  
Chartered Accountants  
Firm's Registration No.: 001676C

Place: Kanpur  
Date: 25/06/2021  
UDIN: 21070250AAAAGW5810

H. K. PARIK  
Partner  
Membership No. 070250

**Balance Sheet as at 31st March, 2021 (As per Indian Accounting Standard )**

(Rupees in Lakh)

Particulars	Note No.	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	4	998.12	83.92
(b) Bank Balance other than (a) above		-	-
(c) Receivables	5		
(I) Trade Receivables		-	-
(II) Other Receivables		1.50	-
(d) Loans	6	8.70	6.63
(e) Investments	7	1,43,911.70	98,530.49
(f) Other Financial assets	8	1,138.90	1,279.11
Sub - total financial assets (A)		<b>1,46,058.92</b>	<b>99,900.15</b>
<b>(2) Non-financial Assets</b>			
(a) Current tax assets (Net)	9	12.29	1.72
(b) Deferred tax assets (Net)		-	-
(c) Investment Property		-	-
(d) Property, Plant and Equipment	10	1.57	2.72
(e) Intangible assets under development		-	-
(f) Other Intangible assets		0.00	0.00
(g) Other non-financial assets	11	3.26	6.45
Sub - total non - financial assets (B)		<b>17.12</b>	<b>10.89</b>
<b>(3) Assets held for sale (C)</b>			
<b>Total Assets(A+B+C)</b>		<b>1,46,076.04</b>	<b>99,911.04</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(I) Trade Payables	12		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		47.69	9.19
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		14.97	13.84
(b) Debt Securities		-	-
(c) Borrowings (Other than Debt Securities)		-	-
(d) Deposits		-	-
(e) Other financial liabilities		-	-
Sub - total financial liabilities (A)		<b>62.66</b>	<b>23.03</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)		-	-
(b) Provisions	13	21.58	11.15
(c) Deferred tax liabilities (Net)	14	35,592.46	21,968.87
(d) Other non-financial liabilities	15	16.12	5.35
Sub - total non - financial liabilities (B)		<b>35,630.16</b>	<b>21,985.37</b>
<b>(3) Liabilities towards assets held for sale (C)</b>			
		-	-
<b>(4) EQUITY</b>			
(a) Equity Share capital	16	3,000.00	3,000.00
(b) Other Equity	17	1,07,383.22	74,902.64
Sub - total equity (D)		<b>1,10,383.22</b>	<b>77,902.64</b>
<b>Total Liabilities and Equity (A+B+C+D)</b>		<b>1,46,076.04</b>	<b>99,911.04</b>

The notes referred to above are an integral part of these financial statements

1 to 42

As per our report of even date attached

**For Anil Pariek and Garg**

(F.R.N.01676C)

Chartered Accountants

**H. K. Pariek**

(Partner)

Membership No. 070250

Place: Kanpur

Date: 25/06/2021

**For and on behalf of the Board**

**S. K. Agarwal**

Managing Director

DIN:00106763

**Anurag Bhatnagar**

C.F.O.

PAN: AAJPB6607R

Place: New Delhi

Date: 25/06/2021

**K. K. Soni**

Director

DIN:00106037

**Komal Taparia**

Company Secretary

M.No.: A55522

**Statement of Profit and Loss for the year ended 31st March, 2021 (As per Indian Accounting Standard)**

(Rupees in Lakh)

Particulars	Note No.	For the year ended 31st March 2021 (Audited)	For the year ended 31st March 2020 (Audited)
<b>1 Revenue from operations</b>			
(i) Interest Income	18	60.54	70.64
(ii) Dividend Income	19	5.16	366.34
(iii) Rental Income		-	-
(iv) Fees and commission Income			
Brokerage and fees income	20	262.60	52.74
(v) Net gain on fair value changes	21	311.18	-
(vi) Trading in Share/Securities (Net)	22	0.10	19.01
<b>(1) Total Revenue from operations</b>		<b>639.58</b>	<b>508.73</b>
<b>(2) Other Income</b>	23	6.41	2.97
<b>(3) Total Income (1+2)</b>		<b>645.99</b>	<b>511.70</b>
<b>Expenses</b>			
(i) Finance Costs	24	2.14	-
(ii) Fees and commission expense	25	42.87	11.46
(iii) Net Loss on Fair Value Changes	26	-	203.47
(iv) Employee benefits expense	27	84.82	58.73
(v) Depreciation, amortization and impairment	28	1.47	0.70
(vi) Others expenses	29	18.17	15.26
<b>(4) Total Expenses (4)</b>		<b>149.47</b>	<b>289.62</b>
<b>(5) Profit / (loss) before tax (3-4)</b>		<b>496.52</b>	<b>222.08</b>
<b>Tax expense / (credit):</b>			
(i) Current tax		50.32	12.56
(ii) Deferred tax expense / (credit)		(3.82)	56.57
<b>(6) Total tax expenses</b>		<b>46.50</b>	<b>69.13</b>
<b>(7) Profit / (loss) for the period from continuing operations(5-6)</b>		<b>450.02</b>	<b>152.95</b>
Profit /(loss) from discontinuing operations before tax			
Tax on discontinuing operations			
<b>(8) Profit/(loss) from discontinued operations</b>		-	-
<b>(9) Profit/(loss) for the period (7+8)</b>		<b>450.02</b>	<b>152.95</b>
<b>Other comprehensive income / (loss)</b>			
(i) Items that will not be reclassified subsequently to the profit or loss			
(a) Remeasurement of defined employee benefit plans		(6.22)	2.26
(b) Net changes in fair values of investments in equity shares carried at fair value through OCI		45,664.18	33,956.80
(ii) Income tax on items that will not be reclassified subsequently to the profit or loss		(13,627.41)	(8,547.50)
<b>(10) Other comprehensive income / (loss)</b>		<b>32,030.56</b>	<b>25,411.56</b>
<b>(11) Total comprehensive income for the period (9 +10)</b>		<b>32,480.58</b>	<b>25,564.51</b>
<b>Earnings per equity share (for continuing operations)</b>	30		
Basic (Rs.)		1.50	0.51
Diluted (Rs.)		1.50	0.51

1 to 42

As per our report of even date attached

**For Anil Pariek and Garg**

(F.R.N.01676C)

Chartered Accountants

**H. K. Pariek**

(Partner)

Membership No. 070250

Place: Kanpur

Date: 25/06/2021

For and on behalf of the Board

**S. K. Agarwal**

Managing Director

DIN:00106763

**Anurag Bhatnagar**

C.F.O.

PAN: AAJPB6607R

Place: New Delhi

Date: 25/06/2021

**K. K. Soni**

Director

DIN:00106037

**Komal Taparia**

Company Secretary

M.No.: A55522

**Statement of Changes in Equity for the year ended 31st March 2021**
**A. Equity Share Capital**

(Rupees in Lakh)

Particulars	Equity share capital	
	Number of shares	Amount
As at 31st March 2019	3,00,00,000.00	3,000.00
As at 31 March 2020	3,00,00,000.00	3,000.00
As at 31 March 2021	3,00,00,000.00	3,000.00

**B. Other Equity**

(Rupees in Lakh)

Particulars	Reserves and Surplus							Other comprehensive income		Total Equity	
	Capital Redemption Reserve	Capital Reserve	Securities premium	Share based payment reserve	Statutory Reserves (under Sec 45ic of RBI Act, 1934)	General Reserve	Debenture Redemption Reserve	Retained Earnings	Fair value gain on equity instruments carried through other comprehensive income		Re-measurement of Defined Benefit Plans
Balance as at 31st March 2019	-	-	-	-	-	-	-	368.72	48,968.96	0.45	49,338.13
Profit/Loss for the year	-	-	-	-	-	-	-	152.95	-	-	152.95
Other comprehensive income (net of tax)								-	25,409.87	1.69	25,411.56
Total Comprehensive Income for the year	-	-	-	-	-	-	-	152.95	25,409.87	1.69	25,564.51
Balance as at 31st March 2020	-	-	-	-	-	-	-	521.67	74,378.83	2.14	74,902.64
Profit/Loss for the year	-	-	-	-	-	-	-	450.02	-	-	450.02
Other comprehensive income (net of tax)								-	32,035.21	(4.65)	32,030.56
Total other comprehensive income for the year	-	-	-	-	-	-	-	450.02	32,035.21	(4.65)	32,480.58
Balance as at 31st March 2021	-	-	-	-	-	-	-	971.69	1,06,414.04	(2.51)	1,07,383.22

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

**H. K. Pariek**  
(Partner)  
Membership No. 070250

Place: Kanpur  
Date: 25/06/2021

**For and on behalf of the Board**

**S. K. Agarwal**  
Managing Director  
DIN:00106763

**K. K. Soni**  
Director  
DIN:00106037

**Anurag Bhatnagar**  
C.F.O.  
PAN: AAJPB6607R  
Place: New Delhi  
Date: 25/06/2021

**Komal Taparia**  
Company Secretary  
M.No.: A55522

**Cash Flow Statement for the year ended 31st March, 2021**

(Rupees in Lakh)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	496.52	222.08
Adjustment for:		
Depreciation	1.47	0.70
Interest Income	(58.93)	(69.93)
Dividend Income	(5.16)	(366.34)
Actuarial gain / (loss) on Defined Employee Benefits	(6.22)	2.26
Provision for Employee Benefits	10.43	0.69
	(58.41)	(432.62)
<b>Operating profit</b>	<b>438.11</b>	<b>(210.54)</b>
Adjustment for working capital changes		
1) Increase / (decrease) in borrowings	-	-
2) Increase / (decrease) in other financial liabilities	-	-
3) Increase / (decrease) in trade payables	39.63	(743.61)
4) (Increase) / decrease in loans	(2.07)	2.15
5) Increase / (decrease) in debt securities	-	-
6) (Increase) / decrease in other non financial liabilities	10.77	(1.60)
7) (Increase) / decrease in other financial assets	140.21	(261.54)
8) (Increase) / decrease in other non financial assets	3.19	2.98
9) (Increase) / decrease in trade receivables	-	-
10) (Increase) / decrease in current tax assets	(10.57)	9.38
<b>Cash generated / (used) from operations</b>	<b>619.27</b>	<b>(1,202.78)</b>
Direct taxes paid net	50.32	12.56
<b>Net cash generated / (used) from operating activities (A)</b>	<b>568.95</b>	<b>(1,215.34)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase / (decrease) on Investments (Net)	282.97	(12.56)
Purchase of Property, plant and equipment	(0.32)	(2.28)
Sale of Property, plant and equipment	-	-
Interest received on fixed deposits	58.93	69.93
Security Deposit	(1.50)	-
Dividend Income	5.16	366.34
<b>Net cash generated / (used) from investing activities (B)</b>	<b>345.24</b>	<b>421.43</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issued of equity shares	-	-
Premium on issue of equity shares	-	-
Dividend paid (including Dividend distribution tax)	-	-
Proceeds of deposits received	-	-
Interest expense	-	-
<b>Net cash generated / (used) from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (A + B + C)</b>	<b>914.19</b>	<b>(793.91)</b>
<b>cash and cash equivalents as at beginning of the year</b>	<b>83.92</b>	<b>877.83</b>
<b>Cash and cash equivalents as at end of the year :</b>	<b>998.12</b>	<b>83.92</b>
Cash in hand	0.16	0.13
Scheduled bank - In current account	136.96	83.79
Fixed Deposit with Banks	-	-
Scheduled Bank - Unpaid Dividend Account	-	-
Liquid Funds	861.00	-
<b>Total</b>	<b>998.12</b>	<b>83.92</b>
<b>Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 and 5)</b>		
Cash and cash equivalents as at end of the year as per above	998.12	83.92
Add:- Fixed deposit with banks	-	-
Add:- Unpaid dividend account	-	-
<b>Total cash and bank balances equivalents as at end of the year</b>	<b>998.12</b>	<b>83.92</b>

The notes referred to above are an integral part of these financial statements

1 to 42

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

For and on behalf of the Board

**H. K. Pariek**  
 (Partner)  
 Membership No. 070250

**S. K. Agarwal**  
 Managing Director  
 DIN:00106763

**K. K. Soni**  
 Director  
 DIN:00106037

**Anurag Bhatnagar**  
 C.F.O.  
 PAN: AAJPB6607R  
 Place: New Delhi  
 Date: 25/06/2021

**Komal Taparia**  
 Company Secretary  
 M.No.: A55522

 Place: Kanpur  
 Date: 25/06/2021

**Note 1: Corporate information**

VLS Securities Ltd., is a subsidiary of VLS Finance Ltd. incorporated in 1994. It is Category-I Merchant Banker registered with Securities and Exchange Board of India. It is registered Stock Broker with National Stock Exchange of India Ltd., in Capital Market and Future & Options Segment. Besides above providing consulting and advisory services are areas of activity of Company.

**Note 2: Significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**
**(i) Compliance with Ind AS**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

For periods up to and including the year ended March 31, 2019, the Company presented its financial statements on accrual basis under historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India ('Indian GAAP' or 'previous GAAP') which encompasses applicable accounting standards relevant provisions of the Companies Act, 2013, other statutory provisions and regulatory framework.

These financial statements for the year ended 31 March 2020 were the first financial statements of the Company under Ind AS. The transition to Ind AS has been carried out in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards". Accordingly, the impact of transition has been recorded in the other equity as at 1 April 2018.

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. These accounting policies have been applied consistently over all the periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain Financial instruments are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell.

**(iii) Preparation of financial statements**

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity.

**(iv) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments,

and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 3.

**2.2 Revenue Recognition**

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

**(i) Brokerage fee Income**

It is recognized on trade date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable.

**(ii) Interest income**

Interest income from financial assets is recognized on an accrual basis.

**(iii) Dividend income**

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

**(iv) Gain / losses on dealing in securities**

Gains / losses on dealing in securities are recognized on a trade date basis.

**2.3 Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**Current Tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred Tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**2.4 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.5 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 in the Cash flow statement.

**2.6 Financial instruments**

**Initial recognition and measurement:**

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

**Fair value of financial instruments:**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.

**Financial assets**

**(i) classification and subsequent measurement**

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); or
- Amortised cost.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2021**

(Currency: Indian Rupees)

**I. Financial assets carried at amortised cost**

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

**II. Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognized as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'Revenue from operations' in the Statement of Profit and Loss.

The investments in equity instruments of the subsidiary company and associates are measured at amortized cost.

**III. Investments in mutual funds**

Investments in mutual funds are measured at fair value through other comprehensive income (FVTOCI).

**(i) Impairment**

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVPTL:

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are written off / fully provided for when there is no reasonable of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

**(ii) Derecognition**

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Financial liabilities**
**(i) Initial recognition and measurement**

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in Statement of Profit or loss.

**(ii) Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**(iii) Derecognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.



## 2.7 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated as per WDV method by company. Under this method, the depreciation is calculated at a certain fixed percentage each year on the decreasing book value commonly known as WDV of the asset (book value less depreciation).

#### Assets Useful life

The economic useful life of the asset is ascertained by the management as per Schedule II of the Companies Act, 2013.

Lease hold Improvements Over the primary lease period or useful life, whichever is less.

Furniture and Fixtures 10 years

Office Equipment 5 years

Computers 3 years

Vehicles 8 years

#### Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

## 2.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.

### Amortisation

Amortisation is calculated using the straight- line method

to write down the cost of intangible assets to their residual values over their estimated useful lives and is included in the depreciation and amortization in the statement of profit and loss.

Intangible asset	Useful life / amortization period
Computer Software	4 Years

### Optional exemption from retrospective application:

Deemed cost for intangible assets.

The Company has elected to measure all its Intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

## 2.9 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the group for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

## 2.10 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An Impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

## 2.11 Provisions and contingencies:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2021**

(Currency: Indian Rupees)

The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**2.12 Earnings per share**
**a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

**b) Diluted earnings per share**

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive assets acquired and liabilities assumed.

**2.13 Leases**

The Company lease asset classes primarily consist of leases for buildings taken on lease for operating its office. The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments

**Transition**

Effective April 1, 2020, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2020 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives as at and for the year ended March 31, 2020 have not been retrospectively adjusted.

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**2.14 Foreign exchange transactions**

The functional currency and the presentation currency of the Company is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the

transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the period in which they arise.

Assets and liabilities of foreign operations are translated at the closing rate at each reporting period. Income and expenses of foreign operations are translated at monthly average rates. The resultant exchange differences are recognized in other comprehensive income in case of foreign operation whose functional currency is different from the presentation currency and in the statement of profit and loss for other foreign operations. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**2.15 Borrowing costs**

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

The difference between the discounted amount mobilized and redemption value of securities is recognized in the statement of profit and loss over the life of the instrument using the EIR.

**2.16 Impairment of non-financial assets**

The Company assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

**2.17 Retirement and other employee benefits**
**Short-term employee benefits**

Employee benefits payable wholly within twelve months of availing employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits such as salaries and wages, bonus and ex-gratia to be paid in exchange of employee services are recognized in the period in which the employee renders the related service.

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2021**

(Currency: Indian Rupees)

**Post-employment benefits**
**Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The contribution of company is recognized as an expense in the Statement of Profit and Loss during the period in which employee renders the related service. There are no other obligations other than the contribution payable to the Provident Fund and Employee State Insurance Scheme. These contributions are recognized as an expense in the statement of profit and loss during the period during the period in which the employee renders the related service.

**Defined benefit plan:**

Gratuity liability, wherever applicable, is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Company's gratuity benefit scheme is a defined benefit plan.

**Compensated absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as long-term provision.

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**Note 3: Key accounting estimates and Judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the

application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on on-going basis. Any changes to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (a) Provision and contingent liability: On an on-going basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset: Judgments are required in assessing the recoverability of overdue loans / investment and determining whether a provision against those loans / investments is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) Recognition of deferred tax assets: Deferred tax assets are recognized for unused tax-loss carry forwards and unused tax credits to the extent that realization of the related tax benefit is probable. The assessment of the probability with regard to the realization of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (e) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.
- f) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

**Notes to the Standalone Financial Statements**

(Rupees in Lakh)

**Note 4: Cash and Cash Equivalent**

Particulars	As at 31st March 2021	As at 31st March 2020
<b>1. Cash and cash equivalents</b>		
Cash on hand	0.16	0.13
<b>2. Balance with banks</b>		
- In current accounts	136.96	83.79
- Liquid Funds	861.00	-
<b>Total (1+2)</b>	<b>998.12</b>	<b>83.92</b>

**Note 5: Receivables**

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Trade receivables</b>		
Considered good - secured*	-	-
Considered good - unsecured	-	-
Less: Allowances for impairment losses	-	-
	-	-
<b>Other receivables</b>		
Other receivables	1.50	-
<b>Total</b>	<b>1.50</b>	<b>-</b>

**Note 6 : Loans**

Particulars	As at 31st March 2021	As at 31st March 2020
Staff Loan & Advances	8.64	6.50
Deferred Cost Towards Staff Loan	0.06	0.13
<b>Total</b>	<b>8.70</b>	<b>6.63</b>

**Note 7 : Investments**

Particulars	Face Value (in Rs.)	As at 31st March 2021		As at 31st March 2020	
		Holding	Fair Value	Holding	Fair Value
		(in Nos)	(Rs. in lakh)	(in Nos)	(Rs. in lakh)
<b>In Equity Instruments -(At Fair Value Through Other Comprehensive Income)</b>					
<b>I-Quoted Equity Shares</b>					
Ashapura Intimates Fashion Limited	10	80,000	0.00	80,000	0.00
Bank of Baroda	2	-	-	1,50,005	80.33
Bombay Burmah Trading Corporation Limited	2	7,200	79.95	17,200	125.99
Cox & Kings	5	38,100	0.42	38,100	0.21
D Pharma Ltd.	10	200	-	200	0.00
Furure Consumer Limited	6	4,15,000	24.90	4,15,000	30.30
GAIL (India) Limited	10	52,500	71.14	52,500	40.19
Lanco Infratech Limited	1	5,000	0.00	5,000	0.00
MBL Infrastructures Limited	10	4,35,479	86.22	4,35,479	11.76
Mercator Limited	1	3,00,000	2.40	3,00,000	1.80
NBCC (India) Limited	1	2,50,000	117.00	2,50,000	40.75
NCC Limited	2	1,62,000	127.97	1,62,000	30.38
Neo Corp International Ltd.	10	37,12,515	0.00	37,12,515	0.00
Oil & Natural Gas Corporation Limited	5	-	-	96,250	65.74
Parsvnath Developers Limited	5	6,36,103	54.39	6,36,103	7.95
Punjab Wireless Systems Ltd.	10	500	0.00	500	0.00
Punjab National Bank	2	-	-	1,50,000	48.53
Relaxo Footwears Ltd.	1	1,62,49,000	1,42,406.24	1,62,89,000	97,562.97
Reliance Industries Limited	10	100	2.00	100	1.11
Reliance Industries Limited -PP	10	8	0.09	-	-
Spicejet Ltd.	10	-	-	90,000	33.08
Tata Steel BSL Ltd.	2	6,50,000	338.98	6,50,000	106.93
The Jammu & Kashmir Bank Limited	1	-	-	1,76,000	21.91
UTI Master Plus 91	10	200	0.00	200	0.00
VA Tech Wabag Limited	2	-	-	25,000	20.59
<b>Total</b>		<b>2,29,93,905</b>	<b>1,43,311.70</b>	<b>2,37,31,152</b>	<b>98,230.49</b>
<b>II- Unquoted Equity Shares (At amortized cost)</b>					
VLS Capital Ltd.	10	10,00,000	600.00	5,00,000	300.00
<b>Total</b>		<b>2,39,93,905</b>	<b>1,43,911.70</b>	<b>2,42,31,152</b>	<b>98,530.49</b>

**Notes to the Standalone Financial Statements**

(Rupees in Lakh)

**Note 8 : Other Financial Assets**

Particulars	As at 31st March 2021	As at 31st March 2020
Margin Deposit with F&O Clearing Member (Globe Capital Market Ltd.)	1,008.00	990.13
Interest Accrued on FDR	7.23	7.91
Others	46.55	3.97
Deposit with NSEIL	77.00	277.00
VLS Securities Ltd. Group Gratuity Scheme	0.12	0.10
<b>Total</b>	<b>1,138.90</b>	<b>1,279.11</b>

**Note 9 : Current Tax Assets (Net)**

Particulars	As at 31st March 2021	As at 31st March 2020
Advance tax and tax deducted at source	102.73	136.61
Less: Provision for Taxation	(90.44)	(134.89)
<b>Total</b>	<b>12.29</b>	<b>1.72</b>

**Note 10 : Property, Plant and Equipment**

(Rupees in Lakh)

Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
Balance as at 01st April 2019	39.35	2.88	0.71	5.79	48.73
Additions during the year	2.28	-	-	-	2.28
<b>Balance as at 31st March 2020</b>	<b>41.63</b>	<b>2.88</b>	<b>0.71</b>	<b>5.79</b>	<b>51.01</b>
Balance as at 01st April 2020	41.63	2.88	0.71	5.79	51.01
Additions during the year	0.32	-	-	-	0.32
<b>Balance as at 31st March 2021</b>	<b>41.95</b>	<b>2.88</b>	<b>0.71</b>	<b>5.79</b>	<b>51.33</b>
<b>Accumulated Depreciation</b>					
Balance as at 01st April 2019	39.28	2.88	0.71	4.72	47.59
Depreciation for the year	0.36	-	-	0.34	0.70
<b>Balance as at 31st March 2020</b>	<b>39.64</b>	<b>2.88</b>	<b>0.71</b>	<b>5.06</b>	<b>48.29</b>
Balance as at 01st April 2020	39.64	2.88	0.71	5.06	48.29
Depreciation for the year	1.24	-	-	0.23	1.47
<b>Balance as at 31st March 2021</b>	<b>40.88</b>	<b>2.88</b>	<b>0.71</b>	<b>5.29</b>	<b>49.76</b>
<b>Property, Plant and Equipment</b>					
Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
<b>Net Carrying amount</b>					
As at 31st March 2020	1.99	0.00	0.00	0.73	2.72
As at 31st March 2021	1.07	0.00	0.00	0.50	1.57

**Intangible Assets**

Description	Software	-	-	-	Total
Balance as at 01st April 2019	1.04	-	-	-	1.04
<b>Balance as at 31st March 2020</b>	<b>1.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.04</b>
Balance as at 01st April 2020	1.04	-	-	-	1.04
<b>Balance as at 31st March 2021</b>	<b>1.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.04</b>
<b>Accumulated Depreciation</b>					
Balance as at 01st April 2019	1.04	-	-	-	1.04
<b>Balance as at 31st March 2020</b>	<b>1.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.04</b>
Balance as at 01st April 2020	1.04	-	-	-	1.04
<b>Balance as at 31st March 2021</b>	<b>1.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.04</b>
<b>Intangible Assets</b>					
Description	Software	-	-	-	Total
<b>Net Carrying amount</b>					
As at 31st March 2020	0.00	-	-	-	0.00
As at 31st March 2021	0.00	-	-	-	0.00

**Notes to the Standalone Financial Statements**

(Rupees in Lakh)

**Note 11 : Other Non-Financial Assets**

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid Expenses	3.26	6.45
	<b>3.26</b>	<b>6.45</b>

**Note 12 (a) (I) (i): Trade Payables**

Particulars	As at 31st March 2021	As at 31st March 2020
(i) total outstanding dues of micro and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	47.69	9.19
<b>Total</b>	<b>47.69</b>	<b>9.19</b>

**Note 12 (a) (II) (ii) : Other Payables**

Particulars	As at 31st March 2021	As at 31st March 2020
(i) total outstanding dues of micro and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14.97	13.84
<b>Total</b>	<b>14.97</b>	<b>13.84</b>

**Note 13 : Provisions**

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits	21.58	11.15
<b>Total</b>	<b>21.58</b>	<b>11.15</b>

**Note 14 : Tax Expense & Deferred Tax Assets / Liabilities**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Deferred tax assets on account of :</b>		
Depreciation	0.41	0.33
Employee Benefits	5.43	2.81
<b>Total deferred tax assets</b>	<b>5.84</b>	<b>3.14</b>
<b>To be adjusted through statement of Profit &amp; Loss</b>	<b>2.70</b>	<b>0.00</b>

**Deferred tax assets / liabilities**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Deferred tax liability on account of :</b>		
Deferred tax on IND AS adjustments	35,598.30	21,972.01
<b>Total deferred tax liabilities (A)</b>	<b>35,598.30</b>	<b>21,972.01</b>
<b>Deferred tax assets on account of:</b>		
Employee Benefits	5.43	2.81
Depreciation	0.41	0.33
<b>Total deferred tax assets (B)</b>	<b>5.84</b>	<b>3.14</b>
<b>Net deferred tax liability / (assets) (A-B)</b>	<b>35,592.46</b>	<b>21,968.87</b>

Particulars	As at 31st March 2021	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31st March 2020	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31st March 2019
<b>Deferred tax liabilities on account of:</b>							
Deferred tax on IND AS adjustments	35,598.30	(1.12)	13,627.41	21,972.01	56.57	8,547.50	13,367.94
<b>Total deferred tax liabilities</b>	<b>35,598.30</b>	<b>(1.12)</b>	<b>13,627.41</b>	<b>21,972.01</b>	<b>56.57</b>	<b>8,547.50</b>	<b>13,367.94</b>
<b>Deferred tax assets on account of:</b>							
Depreciation	0.41	0.07	-	0.33	(0.09)	-	0.42
Employee Benefits	5.43	2.62	-	2.81	0.09	-	2.72
<b>Total deferred tax assets</b>	<b>5.84</b>	<b>2.70</b>	<b>-</b>	<b>3.14</b>	<b>0.00</b>	<b>-</b>	<b>3.14</b>
<b>Total deferred tax Assets/ liability (net)</b>	<b>(35,592.46)</b>	<b>3.82</b>	<b>(13,627.41)</b>	<b>(21,968.87)</b>	<b>(56.57)</b>	<b>(8,547.50)</b>	<b>(13,364.80)</b>

**Note 15 : Other Non-Financial Liabilities**

Particulars	As at 31st March 2021	As at 31st March 2020
Statutory dues	16.12	5.35
<b>Total</b>	<b>16.12</b>	<b>5.35</b>

**Notes to the Standalone Financial Statements**

(Rupees in Lakh)

**Note 16 : Equity Share Capital**

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
<b>Authorised</b>				
3,00,00,000 Equity Shares of Rs.10/- each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
At the end of the year	<b>3,00,00,000</b>	<b>3,000.00</b>	<b>3,00,00,000</b>	<b>3,000.00</b>
<b>Issued, subscribed and paid up</b>				
3,00,00,000 Equity shares (Previous Year 3,00,00,000 Equity shares) of Rs.10/- each, fully paid up in cash	3,00,00,000	3,000.00	3,00,00,000	3,000.00
At the end of the year	<b>3,00,00,000</b>	<b>3,000.00</b>	<b>3,00,00,000</b>	<b>3,000.00</b>

**Terms / rights attached to shares**

The Company has one class of equity shares having a par value of Rs.10 each (previous year: having a par value of Rs.10 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

**Reconciliation of number of shares outstanding**

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
At beginning of the year	3,00,00,000	3,000.00	3,00,00,000	3,000.00
At the end of the year	<b>3,00,00,000</b>	<b>3,000.00</b>	<b>3,00,00,000</b>	<b>3,000.00</b>

**Shares held by holding Company**

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Name of shareholder				
VLS Finance Ltd. (including 600 shares held through its nominees)	2,99,00,000	99.67	2,99,00,000	99.67
At the end of the year	<b>2,99,00,000</b>	<b>99.67</b>	<b>2,99,00,000</b>	<b>99.67</b>

**Share holder having more than 5% equity share holding in the Company**

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
Name of shareholder				
VLS Finance Ltd. (including 600 shares held through its nominees)	2,99,00,000	99.67	2,99,00,000	99.67
At the end of the year	<b>2,99,00,000</b>	<b>99.67</b>	<b>2,99,00,000</b>	<b>99.67</b>

**Note 17 : Other Equity**

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Securities premium</b>		
Balance at the beginning of the year	-	-
<b>Balance as at end of the year</b>	<b>-</b>	<b>-</b>
<b>General reserve</b>		
Balance at the beginning of the year	-	-
<b>Balance as at end of the year</b>	<b>-</b>	<b>-</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	521.67	368.72
Add: Profit/(loss) during the year	450.02	152.95
<b>Balance as at end of the year</b>	<b>971.69</b>	<b>521.67</b>
<b>Fair value gain on equity instruments carried through other comprehensive income</b>		
Balance at the beginning of the year	74,378.83	48,968.96
Add: Other Comprehensive Income during the year (net of tax)	32,035.21	25,409.87
<b>Balance as at end of the year</b>	<b>1,06,414.04</b>	<b>74,378.83</b>
<b>Remeasurement of Defined Benefit Plans</b>		
Balance at the beginning of the year	2.14	0.45
Add: Other comprehensive income (net of tax)	(4.65)	1.69
<b>Balance as at end of the year</b>	<b>(2.51)</b>	<b>2.14</b>
<b>TOTAL</b>	<b>1,07,383.22</b>	<b>74,902.64</b>

**Notes to the Standalone Financial Statements**

(Rupees in Lakh)

<b>Note 18 : Interest Income</b>		
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Interest on deposits with banks	58.93	69.93
Other Interest Income	1.61	0.71
<b>Total</b>	<b>60.54</b>	<b>70.64</b>
<b>Note 19 : Dividend Income</b>		
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Dividend on non current Investments	5.16	366.34
<b>Total</b>	<b>5.16</b>	<b>366.34</b>
<b>Note 20 : Fees and Commission Income</b>		
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
<b>Brokerage and fees income</b>		
Brokerage income	262.60	52.74
	<b>262.60</b>	<b>52.74</b>
<b>Other commission income</b>		
Portfolio management fees and other commission	-	-
<b>Total</b>	<b>262.60</b>	<b>52.74</b>
<b>Note 21 : Net Gain on Fair Value Changes</b>		
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Profit/(Loss) on Sale of Investments	311.18	-
	<b>311.18</b>	<b>-</b>
<b>Note 22 : Trading in Share/Securities (Net)</b>		
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Income / (loss) from arbitrage transaction / stock in trade	0.10	19.01
<b>Total</b>	<b>0.10</b>	<b>19.01</b>
<b>Note 23 : Other Income</b>		
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Unspent Liabilities Written Back	0.00	-
Miscellaneous Income	6.26	0.10
Interest on Income Tax Refund	0.15	2.87
<b>Total</b>	<b>6.41</b>	<b>2.97</b>
<b>Note 24 : Finance Cost</b>		
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Interest on Loan	-	-
Interest	2.14	-
<b>Total</b>	<b>2.14</b>	<b>-</b>
<b>Note 25 : Fees and Commission Expense</b>		
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
SEBI Fees	3.00	3.00
V-Sat Charges	-	0.54
Transaction and Other NSE Charges	39.87	7.92
<b>Total</b>	<b>42.87</b>	<b>11.46</b>
<b>Note 26 : Net Loss on Fair Value Changes</b>		
<b>Particulars</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Profit/(Loss) on Sale of Investments	-	203.47
	<b>-</b>	<b>203.47</b>



**Notes to the Standalone Financial Statements**

(Rupees in Lakh)

**Note 27 : Employee Benefits Expense**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and Wages	66.19	48.03
Staff Welfare Expenses	0.05	0.06
Contribution to Provident and other Funds	18.58	10.64
<b>Total</b>	<b>84.82</b>	<b>58.73</b>

**Note 28 : Depreciation and Amortization Expense**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation on Property, plant & equipment	1.47	0.70
<b>Total</b>	<b>1.47</b>	<b>0.70</b>

**Note 29 : Other Expenses**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Rent	0.60	0.60
Rates & Taxes	1.36	2.34
Office Maintenance	0.60	0.60
Legal and professional Charges	2.75	2.66
Repair & Maintenance	0.05	0.09
Travelling and Conveyance	2.24	2.65
Insurance	0.16	0.16
Miscellaneous Expenses	2.41	1.67
Business Promotion	1.48	1.41
News Papers, Books & Periodicals	1.20	1.12
Communication Expenses	0.32	0.40
Printing & Stationery	0.02	0.03
Interest on Income Tax	2.82	-
Directors Sitting Fee	1.30	0.95
Auditors Remuneration		
- Statutory Audit fees	0.28	0.28
- Tax audit fees	0.08	0.08
- Out of pocket expenses	0.20	0.20
- Certification Charges	0.30	0.02
<b>Total</b>	<b>18.17</b>	<b>15.26</b>

**Note 30 : Earnings Per Equity Share**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Net profit attributable to equity shareholders [A] (Rs.in lakhs)	450.02	152.95
Weighted average number of equity shares issued [B] (face value of Rs. 10 each) (In numbers)	300.00	300.00
<b>Basic earnings per share [A/B] (Rs.)</b>	<b>1.50</b>	<b>0.51</b>
<b>Diluted earnings per share (Rs.)</b>	<b>1.50</b>	<b>0.51</b>

**Note 31: Related Party Disclosures: -**

Pursuant to compliance of Indian Accounting Standard (Ind AS 24) on related party disclosure, the relevant information is provided here below:-

**A. Related party and their relationship.**
**(a) Holding Company**

VLS Finance Ltd.

**(b) Subsidiaries**

[i] VLS Asset Management Ltd.

[ii] VLS Real Estate Ltd. (w.e.f 3rd February 2021)

**(c) Associate of Holding Co.**

VLS Capital Ltd.

**(d) Key Management Personnel**

[i] Mr. S.K Agarwal

[ii] Mr. Anurag Bhatnagar

[iii] Mr. IJS Aujla ( Company Secretary: Resigned w.e.f 1st February 2021)

[iv] Ms. Komal Taparia ( Company Secretary: Appointed w.e.f 8th February 2021)

[v] Mr. Vikas Mehrotra

**Notes to the Standalone Financial Statements**

- [vi] Ms. Divya Mehrotra
- [vii] Mr. K. K. Soni
- [viii] Mr. R. K. Goswami
- [ix] Dr. Rajeev Lochan Bishnoi
- [x] Mr T.B Gupta

**(e) Other enterprises over which Key Management Personnel exercise significant influence**

South Asian Enterprises Ltd.

(Rupees in Lakh)

Sl. no.	Nature of transaction/ Name of the related party	Key Managerial Personnel (KMP) and Directors 2020-21 (2019-20)	Holding Company 2020-21 (2019-20)	Total 2020-21 (2019-20)
1	<b>Brokerage Earned</b>			
-	VLS Finance Limited	- (-)	260.56 (51.95)	260.56 (51.95)
-	Ms. Divya Mehrotra	1.39 (0.66)	- (-)	1.39 (0.66)
2	<b>Reimbursement amount claimed</b>			
-	VLS Finance Limited	- (-)	73.34 (59.85)	73.34 (59.85)
3	<b>Rent &amp; other charges paid</b>			
-	VLS Finance Limited	- (-)	1.42 (1.42)	1.42 (1.42)
4	<b>Interest Paid on Margin Money Deposits</b>			
-	VLS Finance Limited	- (-)	59.23 (36.29)	59.23 (36.29)
-	Ms. Divya Mehrotra	- (-)	0.53 (4.95)	0.53 (4.95)
5	<b>Salary</b>			
-	Mr. Anurag Bhatnagar	27.06 (21.69)	- (-)	27.06 (21.69)
6	<b>Sitting fees paid</b>			
-	Mr. Vikas Mehrotra	0.05 (0.20)	- (-)	0.05 (0.20)
-	Ms. Divya Mehrotra	0.25 (0.15)	- (-)	0.25 (0.15)
-	Mr. K K Soni	- (-)	- (-)	- (-)
-	Mr. R. K. Goswami	0.53 (0.33)	- (-)	0.53 (0.33)
-	Dr. Rajeev Lochan Bishnoi	0.47 (0.27)	- (-)	0.47 (0.27)
-	Mr. T. B. Gupta	- (-)	- (-)	- (-)

Sl. no.	Nature of transaction/ Name of the related party	Others 2020-21 (2019-20)	Holding Company 2020-21 (2019-20)	Total 2020-21 (2019-20)
1	<b>Purchase of securities</b>			
-	South Asian Enterprises Ltd.	300.00 (300.00)	- (-)	300.00 (300.00)

**Out Standing Balances at the year end**

Sl. no.	Nature of transaction/ Name of the related party	Directors 2020-21 (2019-20)	Holding Company 2020-21 (2019-20)	Total 2020-21 (2019-20)
1	<b>Payable</b>			
-	VLS Finance Limited	- (-)	42.19 (7.97)	42.19 (7.97)
2	<b>Other receivable</b>			
-	Ms. Divya Mehrotra	- (2.58)	- (-)	- (2.58)

**Note 32: Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio within a level of 80%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	31st March 2021	31st March 2020
Borrowings	-	-
Less: cash and cash equivalents	998.12	83.92
<b>Net debt</b>	-	-
Equity	3,000.00	3,000.00
Other Equity	1,07,383.22	74,902.64
<b>Total capital</b>	<b>1,10,383.22</b>	<b>77,902.64</b>
<b>Capital and net debt</b>	<b>1,10,383.22</b>	<b>77,902.64</b>
<b>Gearing ratio</b>	NA	NA

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2021 and 31st March 2020.

## Notes to the Standalone Financial Statements

### Note 33: Dues to Micro and small Suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 02 October 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small Enterprises.

There are no dues outstanding of an entity, which is registered as the Micro, Small and Medium Enterprises defined under "The Micro, Small and Medium Enterprises Development Act, 2006".

### Note 34: Commitments and contingencies

#### a. Commitments

Estimated number of contracts remaining to be executed on capital account and not provided for: At 31st March 2021, the company had commitments of Rs. Nil (31st March 2020: Rs. Nil).

#### b. Contingent liabilities – Nil

#### c. Leases

##### Operating lease - company as lessee

The company has taken a property on cancellable operating lease. The lease agreement provides for an option to the company to renew the lease period at the end of cancellable period.

Lease expense recognized for the year is Lakh 0.60 (lease agreement is for the period up to one year only) (31st March 2020 Lakh 0.60).

### Note 35: Fair Value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value		Fair value	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>Financial assets</b>				
Other financial assets	1,138.90	1,279.11	-	-
Trade receivables	-	-	-	-
Other receivables	1.50	-	-	-
Loans	8.70	6.63	-	-
FVTOCI financial investments	1,43,311.70	98,230.49	1,43,311.70	98,230.49
Foreign exchange forward contracts	-	-	-	-
<b>Total</b>	<b>1,44,460.80</b>	<b>99,516.23</b>	<b>1,43,311.70</b>	<b>98,230.49</b>
<b>Financial liabilities</b>				
Borrowings	-	-	-	-
Obligations under finance leases and hire purchase contracts	-	-	-	-
Fixed rate borrowings	-	-	-	-
Contingent consideration	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2020 was assessed to be insignificant.

### Note 36: Impact of COVID-19 on Going Concern Assumption

The current "second wave" of COVID-19 pandemic has significantly increased in India. The Government of India has ruled out a nationwide lockdown for now, but regional lockdowns are implemented in areas with a significant number of COVID-19 cases. Safety of our employees continues to be our key priority. We are encouraging the vaccination for our employees, providing flexible work options and adhering to COVID-19 guidelines. We are closely monitoring the situation and will continue to take all necessary actions to ensure the health and safety of our employees. The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets.

## Notes to the Standalone Financial Statements

In assessing the recoverability of different assets, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

### Note 37: Financial risk management

#### Risk management framework

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallization of such risks.

The Company has exposure to the following risk arising from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

The Company has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented. The Board oversees the Company's risk management, which frames and reviews risk management processes and controls.

The risk management system features a "three lines of defence" approach:

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.
2. The second line of defence comprises specialized departments such as risk management and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.
3. The third line of defence comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance, and provide the Board with comprehensive feedback.

#### a) credit risk:

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and advances given.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivable and loans.

Following provides exposure to credit risk for trade receivables and loans:

Particulars	31st March 2021	31st March 2020
Other Receivables (net of impairment)	1.50	-
Loans (net of impairment)	8.70	6.63
Total	10.20	6.63

**Trade Receivables:** The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is 90 days overdue. Out of the total trade receivables of Rs. Nil (2021), Rs. Nil (2020) are overdue for a period in excess of 90 days.

**Loans:** Loans comprise of surplus fund given as inter corporate deposit provided for which a staged approach is followed for determination of ECL.

Stage 1: All the outstanding loans are considered as stage 1 asset for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro- economic environment.

Stage 2: Exposures under stage 2 include dues upto 30 days pertaining to principal amount.

Stage 3: Exposures under stage 3 include dues past 30 days pertaining to principal amount.

However, no ECL provision is made as there is no such default in payment.

#### Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments comprise of quoted and unquoted Equity instruments, bonds and mutual funds which are market tradable. Other financial assets include deposits for assets acquired on lease.

#### b) liquidity risk

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavorable terms thus compromising its earnings and capital.

## Notes to the Standalone Financial Statements

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the trading and investment activities and in the management of trading positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

Funds required for short period is taken care by borrowings through overdraft facility against fixed deposits with the bank.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31st March 2021

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying amount
<b>Assets</b>					
Cash and bank balances	998.12	-	-	-	998.12
Securities for trade	-	-	-	-	-
Other receivables	-	-	1.50	-	1.50
Loans	2.05	1.46	5.19	-	8.70
Investments	-	-	1,43,911.70	-	1,43,911.70
Other financial assets	53.90	-	1,085.00	-	1,138.90
<b>Total</b>	<b>1,054.07</b>	<b>1.46</b>	<b>1,45,003.39</b>	-	<b>1,46,058.92</b>
<b>Liabilities</b>					
Trade payables	47.69	-	-	-	47.69
Other payables	14.97	-	-	-	14.97
Debt securities	-	-	-	-	-
Deposits	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>62.66</b>	-	-	-	<b>62.66</b>
Net Excess / (shortfall)	991.41	1.46	1,45,003.39	-	1,45,996.26

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31st March 2020

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying amount
<b>Assets</b>					
Cash and bank balances	83.92	-	-	-	83.92
Securities for trade	-	-	-	-	-
Trade receivables	-	-	-	-	-
Loans	1.00	1.63	4.00	-	6.63
Investments	-	-	98,530.49	-	98,530.49
Other financial assets	11.88	-	1,267.23	-	1,279.11
<b>Total</b>	<b>96.80</b>	<b>1.63</b>	<b>99,801.72</b>	-	<b>99,900.15</b>
<b>Liabilities</b>					
Trade payables	9.19	-	-	-	9.19
Other payables	13.84	-	-	-	13.84
Debt securities	-	-	-	-	-
Deposits	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>23.03</b>	-	-	-	<b>23.03</b>
Net Excess / (shortfall)	73.77	1.63	99,801.72	-	99,877.12

### c) Market risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

- i) Equity Risk
- ii) Interest Rate Risk
- iii) Currency Risk

#### i) Equity Risk

The Company's exposure to equity price risk arises primarily on account of its investment positions

The Company's equity price risk is managed in accordance with its Corporate Risk and Investment policy (CRIP) approved by the board. The board specifies exposure limits and risk limits for the investments in equity.

#### ii) Interest Rate Risk

The Company's exposure to interest rate risk arises primarily on account of its amount given on loan and the surplus funds kept as deposits with the banks.

The Company's interest rate risk is managed in accordance with its policy approved by its board.

The non-traded Financial Assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the Company's statement of profit and loss.

## Notes to the Standalone Financial Statements

### iii) Foreign exchange Risk/currency Risk

There is no exposure to currency risk as there is no position of the company stands in exchange traded currency derivatives.

The Company's currency risk is managed in accordance with the policy approved by the board.

### Note 38: Employees Benefits

The actuarial valuation was done in respect of defined benefit plan of gratuity.

#### i) Defined Contribution Plans:

Amount of Lakh 8.36 (Previous Year - 2020 Lakh 6.83) contributed to provident funds is recognized as an expense and included in Contribution to EPF, gratuity etc., under, Employee Cost in the Statement of Profit and Loss.

#### Defined benefit plan

Long term employee benefits in the form of gratuity and leave encashment are considered as defined benefit plan

The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the balance sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of obligation as adjusted for unrecognized past service cost as reduced by the fair value of plan assets. In accordance with the Ind AS-19, actuarial valuation was done in respect of gratuity and leave encashment defined benefits plans and details of the same are given below:

(Rupees in Lakh)

Actuarial Assumptions	Gratuity As at 31st March 2021	Gratuity As at 31st March 2020	Leave Encashment As at 31st March 2021	Leave Encashment As at 31st March 2020
Discount rate (per annum)	7.00%	7.75%	7.00%	7.00%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Mortality	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
<b>I. Expenses recognized in statement of profit and loss</b>				
Current service cost	3.09	2.50	0.33	0.24
Interest cost	4.39	4.01	0.40	0.42
Past Service cost	-	-	-	-
Expected return on plan assets	(4.01)	(3.70)	-	-
<b>Net expenses recognized</b>	<b>3.47</b>	<b>2.81</b>	<b>0.73</b>	<b>0.66</b>
<b>II. Other comprehensive (income)/ expenses (Premeasurement)</b>				
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(1.91)	(0.55)	(1.00)	(0.09)
Actuarial (gain)/loss – obligation	10.81	(1.16)	1.68	(0.91)
Actuarial (gain)/loss – plan assets	(6.27)	(0.20)	-	-
Total Actuarial (gain)/loss	4.54	(1.36)	1.68	(0.91)
<b>Cumulative total actuarial (gain)/loss. C/F</b>	<b>2.63</b>	<b>(1.91)</b>	<b>0.68</b>	<b>(1.00)</b>
<b>III. Net liability/(assets) recognized in the balance sheet at the year end</b>				
Present value of obligation at the end of period	80.96	62.67	8.16	5.75
Fair value of the plan asset at the end of period	67.54	57.26	-	-
Funded status [(surplus)/(deficit)]	13.42	5.41	8.16	5.75
<b>Net asset/(liability) as at 31<sup>st</sup> March, 2021</b>	<b>(13.42)</b>	<b>(5.41)</b>	<b>(8.16)</b>	<b>(5.75)</b>
<b>IV. Change in present value of obligation during the year</b>				
Present value of obligation at the beginning of period	62.67	57.32	5.75	6.00
Current service cost	3.09	2.50	0.33	0.24
Interest cost	4.39	4.01	0.40	0.42
Past Service cost	-	-	-	-
Benefits paid	-	-	-	-
Actuarial loss/ (gain) on obligations	10.81	(1.16)	1.68	(0.91)
<b>Present value of obligation at the year end*</b>	<b>80.96</b>	<b>62.67</b>	<b>8.16</b>	<b>5.75</b>
<b>V. Change in present value of fair value of plan assets</b>				
Fair value of plan assets as at the beginning of period	57.26	52.84	-	-
Expected return on plan assets	4.01	3.70	-	-
Contributions	-	0.52	-	-
Benefits paid	-	-	-	-
Actuarial loss/ (gain)	6.27	0.20	-	-
<b>Fair value of plan assets at the year end</b>	<b>67.54</b>	<b>57.26</b>	<b>-</b>	<b>-</b>
<b>VI. Present Benefit Obligation at the end of the year</b>				
Current Liability (Amount due within one year)	34.53	9.19	3.15	0.87
Non-Current Liability (Amount due over one year)	46.43	53.48	5.01	4.88
<b>Total Liability</b>	<b>80.96</b>	<b>62.67</b>	<b>8.16</b>	<b>5.75</b>

\*Gratuity: LIC of India

**Notes to the Standalone Financial Statements**
**Maturity profile of defined benefit obligation**

Particulars	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Weighted average duration (based on discounted cash flows) in years	4	5	5	6

**Sensitivity Analysis:** Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	GRATUITY	LEAVE ENCASHMENT
	As on: 31st March 2021	As on: 31st March 2021
Defined Benefit Obligation (Base)	80.96 @ Salary Increase Rate: 5%, and discount rate :7%	8.16
Liability with x% increase in Discount Rate	78.35; x=1.00% [Change (3)% ]	7.86; x=1.00% [Change (4)% ]
Liability with x% decrease in Discount Rate	83.76; x=1.00% [Change 3% ]	8.48; x=1.00% [Change 4% ]
Liability with x% increase in Salary Growth Rate	83.79; x=1.00% [Change 3% ]	8.48; x=1.00% [Change 4% ]
Liability with x% decrease in Salary Growth Rate	78.28; x=1.00% [Change (3)% ]	7.86; x=1.00% [Change (4)% ]
Liability with x% increase in Withdrawal Rate	81.13; x=1.00% [Change0% ]	8.18; x=1.00% [Change0% ]
Liability with x% decrease in Withdrawal Rate	80.78; x=1.00% [Change0% ]	8.14; x=1.00% [Change0% ]

**Note: 39: Maturity Analysis of Assets and Liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rupees in Lakh)

Assets	31st March 2021			31st March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						-
Cash and cash equivalents	998.12	-	998.12	83.92	-	83.92
Trade receivables	-	-	-	-	-	-
Other receivables	-	1.50	1.50	-	-	-
Loans	3.51	5.19	8.70	2.63	4.00	6.63
Investments	-	1,43,911.70	1,43,911.70	-	98,530.49	98,530.49
Other financial assets	53.90	1,085.00	1,138.90	11.88	1,267.23	1,279.11
<b>Total</b>	<b>1,055.53</b>	<b>1,45,003.39</b>	<b>1,46,058.92</b>	<b>98.43</b>	<b>99,801.72</b>	<b>99,900.15</b>
<b>Non-Financial assets</b>						
Inventories	-	-	-	-	-	-
Current Tax assets	12.29	-	12.29	1.72	-	1.72
Investment Property	-	-	-	-	-	-
Property, plant and equipment	-	1.57	1.57	-	2.72	2.72
Deferred Tax Assets	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	-	-
Other Intangible assets	-	0.00	0.00	-	0.00	0.00
Other non-financial assets	3.26	-	3.26	6.45	-	6.45
<b>Total</b>	<b>15.55</b>	<b>1.57</b>	<b>17.12</b>	<b>8.17</b>	<b>2.72</b>	<b>10.89</b>
<b>Assets held for sale</b>						
<b>Total Assets</b>	<b>1,071.08</b>	<b>1,45,004.96</b>	<b>1,46,076.04</b>	<b>106.60</b>	<b>99,804.44</b>	<b>99,911.04</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	47.69	-	47.69	9.19	-	9.19
Other payables	14.97	-	14.97	13.84	-	13.84
Debts	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
<b>Total</b>	<b>62.66</b>	<b>-</b>	<b>62.66</b>	<b>23.03</b>	<b>-</b>	<b>23.03</b>
<b>Non Financial Liabilities</b>						
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	21.58	-	21.58	11.15	-	11.15
Deferred tax liabilities	-	35,592.46	35,592.46	-	21,968.87	21,968.87
Other non financial liabilities	16.12	-	16.12	5.35	-	5.35
<b>Total</b>	<b>37.70</b>	<b>35,592.46</b>	<b>35,630.16</b>	<b>16.50</b>	<b>21,968.87</b>	<b>21,985.37</b>
<b>Liabilities held for sale</b>						
<b>Total Liabilities</b>	<b>100.36</b>	<b>35,592.46</b>	<b>35,692.82</b>	<b>39.53</b>	<b>21,968.87</b>	<b>22,008.40</b>

**Notes to the Standalone Financial Statements**
**Note 40: Tax Expense**

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to opt the amended tax regime w.e.f. the financial year 2020-21.

**a) Income Tax recognised in Statement of Profit and Loss**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Current tax Expense/(credit):</b>		
1 Current tax for the year	50.32	12.56
2 Minimum alternate tax	-	-
3 Tax adjustment in respect of earlier years	-	-
<b>Total current tax expense/(Credit) (A)</b>	<b>50.32</b>	<b>12.56</b>
<b>Deferred tax Expense/(credit):</b>	<b>(3.82)</b>	<b>56.57</b>
<b>Net deferred tax expense/(credit) (B)</b>	<b>(3.82)</b>	<b>56.57</b>
<b>Income tax Tax expense/(credit) (net): (C = A+B)</b>	<b>46.50</b>	<b>69.13</b>

**b) Reconciliation of estimated Income tax expense/(credit) reported in Statement of Profit and Loss**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Profit / (loss) before tax</b>	<b>496.53</b>	<b>222.08</b>
1 Expected income tax expense/(credit) at the applicable tax rates	124.97	34.64
Tax effect of adjustments to reconcile expected Income tax expense/ (credit) at tax rate to reported income tax expense/(credit)		
2 Effect of non-deductible expenses	-	-
3 Effect of differential tax rates and carried/brought forward losses	(77.76)	34.49
4 Effect of income exempt from tax	-	-
5 Others	(0.71)	-
<b>Income Tax expenses/(credit) reported in statement of profit and loss (1+2+3+4+5)</b>	<b>46.50</b>	<b>69.13</b>

**Note: 41 Fair Value Measurement**
**1 Accounting classification and fair values**

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Particulars	Carrying amount				Fair value			
	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>31st March 2021</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	998.12	998.12	-	-	-	-
Receivables								
(I) Trade receivables	-	-	-	-	-	-	-	-
(II) Other receivables	-	-	1.50	1.50	-	-	-	-
Loans	-	-	8.70	8.70	-	-	-	-
Investments	-	1,43,311.70	600.00	1,43,911.70	1,43,311.70	-	-	1,43,311.70
Other financial assets	-	-	1,138.90	1,138.90	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>1,43,311.70</b>	<b>2,747.22</b>	<b>1,46,058.92</b>	<b>1,43,311.70</b>	<b>-</b>	<b>-</b>	<b>1,43,311.70</b>



**Notes to the Standalone Financial Statements**

<b>Financial liabilities</b>								
Payables								
(I) Trade payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	47.69	47.69	-	-	-	-
(II) Other payables					-	-	-	
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	14.97	14.97	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Borrowings (Other than debt securities)	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>62.66</b>	<b>62.66</b>	-	-	-	-

The carrying value and fair value of financial instruments by categories as of 31st March 2020 are as follows:

<b>Particulars</b>								
<b>31st March 2020</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	83.92	83.92	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
(I) Trade receivables	-	-	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	6.63	6.63	-	-	-	-
Investments	-	98,230.49	300.00	98,530.49	98,230.49	-	-	98,230.49
Other financial assets	-	-	1,279.11	1,279.11	-	-	-	-
<b>Total financial assets</b>		<b>98,230.49</b>	<b>1,669.66</b>	<b>99,900.14</b>	<b>98,230.49</b>	-	-	<b>98,230.49</b>
<b>Financial liabilities</b>								
Payables								
(I) Trade payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	9.19	9.19	-	-	-	-
(II) Other payables	-	-	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	13.84	13.84	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Borrowings (Other than debt securities)	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>23.03</b>	<b>23.03</b>	-	-	-	-

---

**Notes to the Standalone Financial Statements**

---

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investment in private equity funds, real estate funds.

**ii. Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include :

- Quoted equity investments - Quoted closing price on stock exchange
- Mutual fund - net asset value of the scheme
- Alternative investment funds - net asset value of the scheme
- Unquoted equity investments - NAV on the last audited financials available of the companies.
- Private equity investment fund - NAV of the audited financials of the funds.
- Real estate fund - net asset value, based on the independent valuation report or financial statements of the company income approach or market approach based on the independent valuation report.

**iii. Financial instruments not measured at fair value**

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets.

These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL,

whose carrying amounts approximate fair value, because of their short-term nature.

Fair value measurements using significant unobservable inputs (level 3)

42. a) Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.  
b) Previous year figures have been shown in brackets.

As per our report of even date attached

**For Anil Pariek and Garg**

(F.R.N.01676C)

Chartered Accountants

**H. K. Pariek**

(Partner)

Membership No. 070250

**For and on behalf of the Board**

**S. K. Agarwal**

Managing Director

DIN:00106763

**K. K. Soni**

Director

DIN:00106037

**Anurag Bhatnagar**

Chief Financial Officer

PAN: AAJPB6607R

**Komal Taparia**

Company Secretary

M.No.: A55522

Place: Kanpur (U.P.)

Date: 25/06/2021

Place: New Delhi

Date: 25/06/2021

**VLS ASSET MANAGEMENT LTD.**

Regd. Off. 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi – 110065,  
 CIN: U74899DL1995PLC065812,  
 email: [vam!@vlsfinance.com](mailto:vam!@vlsfinance.com), Phone: 011-46656666, Fax: 011-46656699

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the 26<sup>th</sup> Annual Report of your Company together with the Balance Sheet as at 31<sup>st</sup> March, 2021 and the Statement of Profit & Loss for the year ended on that date.

**Financial Results**

The Company has incurred a loss of Rs. 4,900/- on account of administrative expenses incurred. No income was generated during the year under review. The accumulated losses of the Company, during the year under review, have exceeded 50% of its net worth. The Board has been advised that the Company, not being an Industrial Company, no reference to any authority is required to be made. Further, no proceeding/application under Insolvency and Bankruptcy code, 2016 has been made/pending against the Company. The Company did not undertake any activity during the year under review. However, the Board is continuing efforts to identify suitable activity for operation keeping in view the means available. Accordingly the Company is being viewed as a going concern and the accounts have been prepared on the basis of the going concern assumption.

**Board Meetings**

During the year ended 31/03/2021, 4 (four) Board Meetings were held with one meeting in every quarter on 14/07/2020, 24/08/2020, 28/10/2020, and 25/01/2021.

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

S. No.	Name of the Director	No. of meetings attended during F. Y. 2020-21
1	Shri S. K. Agarwal	14/07/2020
		24/08/2020
		28/10/2020
		25/01/2021
2	Shri K. K. Soni	14/07/2020
		24/08/2020
		28/10/2020
		25/01/2021
3	Shri Rajesh Jhalani	14/07/2020
		24/08/2020
		28/10/2020
		25/01/2021

**Internal Financial Control Systems**

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

**Risk Management**

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

**Dividend/Reserves**

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

**Directors**

During the year under there is no change in directorship of the Company. Shri Rajesh Jhalani (DIN: 00006395) shall be retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment. Your Directors recommend his reappointment in order to have his continued valuable direction, guidance and assistance in the conduct of the affairs of your Company.

**Annual Return Extract (MGT-9)**

The reporting of extract of Annual Return in Form no. MGT-9 had been done away with pursuant to amendment in section 92(3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 w.e.f. 28/08/2020. Hence, the reporting of extract of Annual Return has not been made in this report. The Annual Return is now required to be placed on the website of the Company, if any, in terms of section 92(3)

read with section 134(3)(a) of the Act and link thereof is required to be given in the Board's Report. The Company does not have a website at present, hence, relevant link is not given herein. However, Annual Return can be inspected in terms of section 94 of the Act on all working days between 11:00 A.M. to 1:00 P.M. at the registered office of the Company.

**Contracts With Related Party**

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

**Form No. AOC-2**
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

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

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

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

- Details of material contracts or arrangement or transactions at arm's length basis:

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

**Directors Responsibility Statement**

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

- that in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that they have prepared the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2021 on a 'going concern' basis;
- e. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

**Auditors**

The Members of the Company had appointed M/s. Agiwal & Associates-Chartered Accountants, (FRN: 00181N) as Statutory Auditors, in the 25<sup>th</sup> Annual General Meeting held on 25/09/2020 for the 2<sup>nd</sup> term for a period of 5 years i.e. upto conclusion of 30<sup>th</sup> Annual General Meeting of the Company to be held in 2025. The provisions relating to rotation of Statutory Auditors of Company in terms of section 139(2) of the Companies Act, 2013 are not applicable since the Company does not fall in categories prescribed in Rule 5 of Companies (Audit and Auditors) Rules 2014 as in force on date.

**Auditors Report**

The observations made by Auditors, M/s. Agiwal & Associates, Chartered Accountants in their report have been adequately dealt with in relevant Notes on Accounts and in this report under the head – Financial Results. No further comments or explanations are required from Directors as there is no qualification in the Auditor's report for the year under review. Further, the Auditors have not reported any fraud in terms of section 143(12) of the Companies Act, 2013 to the Board.

**Fixed Deposits**

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

**Statutory Disclosures**

During the year under review, the Company did not absorb any new technology nor has carried out any R&D activity including conservation of Energy. The relevant disclosures are contained in **Annexure-1** to this report.

The Company did not have any employee during the relevant financial year hence the limits specified in Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended are not applicable and there are no disclosures

which are required to be made in this report, in terms of the aforesaid regulations. Further, disclosure relating to ratio of the remuneration of each director to the median employee's remuneration is also not applicable. The disclosures relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are accordingly not applicable.

The Company has not given any loan, guarantees or made investments during the year under review reportable in terms of section 186 of the Companies Act, 2013.

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

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

No revision of financial statements or Board's Report has been made in terms of section 131(1) of the Companies Act, 2013. Further, no orders by any regulator/court/tribunal etc. had been passed during the year under review which would adversely affect the operations or going concern status of the Company.

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

Provisions for appointment of Independent directors are not applicable to your Company nor it is covered under clause no. (d), (e) and (p) of subsection (3) of sections 134 and sections 177, 178, 203 and 204 of the Companies Act, 2013.

The Company has no subsidiaries and associates as defined under the Companies Act, 2013. Further, provision relating to maintenance of cost records are not applicable to the Company.

**Acknowledgement**

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

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

<b>Sd/-</b>	<b>Sd/-</b>
<b>S. K. Agarwal</b>	<b>K. K. Soni</b>
<b>Director</b>	<b>Director</b>
<b>DIN: 00106763</b>	<b>DIN: 00106037</b>

**Place : New Delhi**  
**Date : 24/06/2021**

**Annexure-1**

**Annexure to Directors' Report**

**Information as per Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2021.**

**CONSERVATION OF ENERGY**

- a) Energy conservation measure taken : Nil
- b) Proposals under implementation for reduction in consumption of energy or utilizing alternative sources of energy : Nil
- c) Capital investment on energy conservation equipments : Nil

**TECHNOLOGY ABSORPTION**

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

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

<b>Sd/-</b>	<b>Sd/-</b>
<b>S. K. Agarwal</b>	<b>K. K. Soni</b>
<b>Director</b>	<b>Director</b>
<b>DIN: 00106763</b>	<b>DIN: 00106037</b>

**Place : New Delhi**  
**Date : 24/06/2021**

**INDEPENDENT AUDITOR'S REPORT****To  
The Members of VLS Asset Management Limited  
Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying IND AS financial statements of **VLS Asset Management Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis on Matter****a) Going Concern:**

The Company's operating results have been materially affected due to various factors during earlier years and also during the financial year ended March 31, 2021, and the Company has huge accumulated losses of Rs 16,42,171 against share capital of Rs 7,07,000 as on the aforesaid date, which has eroded the entire net worth of the Company. Accordingly, the appropriateness of the Going Concern assumption is dependent on the Company's ability to establish consistent profitable operations as well as raising, obtaining or infusing adequate/ required fund to meet its short term and long term obligations.

**Key Audit Matters**

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of financial statement of the current period.

**Other Information**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business

Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Ind AS Financial Statements**

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

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

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

**Auditor's Responsibility for the Audit of the Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Change in Equity

and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) In Our Opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the company to its directors in accordance with the provision of section 197 read with schedule V to the Act.
- h) 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 pending litigation which would impact its financial position;
  - ii. the company did not have any long term contract including derivative contracts for which there were any material foreseeable losses; and
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Agiwal & Associates**

*Chartered Accountants*

Firm's Registration Number: 000181N

**CA P. C. Agiwal**

*Partner*

Membership Number: 080475

**UDIN: 21080475AAAAFO3647**

Place: New Delhi

Date: June 24, 2021

#### **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the financial statements of VLS Asset Management Limited for the year ended March 31, 2021, we report that:

- (i) The Company did not have any Fixed Assets during the relevant financial year. Hence, comments of physical verification of assets and ownership thereof are not required.
- (ii) Since there were no operations during the year hence comments on physical verification of stock is not required.
- (iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loan to companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the Company.
- (iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security the Company have not made any loans, investments, guarantees

and security thus no comments are required on compliance of Section 185 and 186 of the Companies Act, 2013.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions under the Act. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other material statutory dues to the appropriate authorities to the extent these are applicable.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at March 31, 2021, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of Income Tax, or Sales Tax or Goods and Services Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited by the company on account of disputes.
- (viii) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company does not have any outstanding dues to financial institutions or banks during the year.
- (ix) In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) On the basis of records and information and explanations made available, no managerial remuneration has been paid or provided hence no comment is required on compliance of Section 197 Read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under section 406 of the act.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us and

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

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

For **Agiwal & Associates**

*Chartered Accountants*

Firm's Registration Number: 000181N

**CA P. C. Agiwal**

*Partner*

Membership Number: 080475

**UDIN: 21080475AAAAFO3647**

Place: New Delhi

Date: June 24, 2021

#### **Annexure - B to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **VLS Asset Management Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over

financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Company.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**CA P. C. Agiwal**  
*Partner*  
Membership Number: 080475

**UDIN: 21080475AAAAFO3647**

Place: New Delhi  
Date: June 24, 2021

#### Balance Sheet as at 31st March, 2021 (as per Indian Accounting Standard)

(Rupees in Lakh)

Particulars	Note No.	31st March, 2021	31st March, 2020
<b>ASSETS</b>			
(1) <b>FINANCIAL ASSETS</b>			
(a) Cash and cash equivalents	4	0.16	0.16
		<b>0.16</b>	<b>0.16</b>
(2) <b>NON-FINANCIAL ASSETS</b>			
(a) Property, Plant and Equipment		-	-
		-	-
<b>Total Assets</b>		<b>0.16</b>	<b>0.16</b>
<b>LIABILITIES</b>			
(1) <b>FINANCIAL LIABILITIES</b>			
(a) Other financial liabilities	5	-	-
		-	-
(2) <b>NON-FINANCIAL LIABILITIES</b>			
(a) Borrowings	6	9.51	9.46
		<b>9.51</b>	<b>9.46</b>
<b>EQUITY</b>			
(a) Equity Share capital	7	7.07	7.07
(b) Other Equity	8	(16.42)	(16.37)
		<b>(9.35)</b>	<b>(9.30)</b>
<b>Total Liabilities and Equity</b>		<b>0.16</b>	<b>0.16</b>

Significant Accounting Policies and 1 to 15  
Notes forming part of accounts

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

**For and on behalf of the Board**

**P. C. Agiwal**  
Partner  
Membership No. 080475  
Place : New Delhi  
Date : 24/06/2021

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

#### Statement of Profit and Loss for the year ended 31st March, 2021 (As per Indian Accounting Standard)

(Rupees in Lakh)

	Particulars	Note No	For the year ended 31st March 2021	For the year ended 31st March 2020
I	<b>Income</b>			
	<b>Revenue From Operations</b>	9		
	(i) Interest Income		-	-
	(ii) Dividend Income		-	-
	(iii) Net Gain on Fair Value Charges		-	-
	(iv) Sale of Shares/Securities		-	-
	(v) Income from Brokerage		-	-
	Total Income (I)		-	-
II	<b>Other Income</b>	10	-	-
	Total Income (II)		-	-
III	Total Income (I+II)		-	-
	(i) Purchase of Stock-in-Trade		-	-
	(ii) Net Loss on Fair Value Charges		-	-
	(iii) Employee benefits expense		-	-
	(iv) Operating Expenses		-	-
	(v) Depreciation and amortization expense		-	-
(vi)	Other expenses	11	0.05	0.05
	Total expenses (IV)		<b>0.05</b>	<b>0.05</b>



V	Profit/(loss) before exceptional items and tax (I- IV)		(0.05)	(0.05)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		(0.05)	(0.05)
VIII	Tax expense:		-	-
	(1) Current tax		-	-
	(2) Tax adjustment for earlier Year		-	-
	(2) Deferred tax		-	-
IX	Profit (Loss) for the period (VII-VIII)		(0.05)	(0.05)
XI	Other Comprehensive Income		-	-
	A (i) Items that will not be reclassified to profit or loss		-	-
	Gain / (Loss) arising on Defined Employee Benefits		-	-
	Gain / (Loss) arising on fair valuation of Investment		-	-

	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XII	Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(0.05)	(0.05)
XIII	Earnings per equity share			
	(1) Basic		(0.07)	(0.06)
	(2) Diluted		(0.07)	(0.06)

Significant Accounting Policies and Notes forming part of accounts

1 to 15

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

**For and on behalf of the Board**

**P.C. Agiwal**  
Partner  
Membership No. 080475

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

Place : New Delhi  
Date : 24/06/2021

**Statement of Changes in Equity for the year ended 31 March, 2021**

**A. Equity Share Capital**

(Rupees in Lakh)

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March, 2019	70,700.00	7.07
As at 31 March, 2020	70,700.00	7.07
As at 31 March, 2021	70,700.00	7.07

**B. Other Equity**

(Rupees in Lakh)

Particulars	Reserves and Surplus							Other comprehensive income		Total	
	Capital Redemption Reserve	Capital Reserve	Securities premium	Share based payment reserve	Statutory Reserves (under Sec 45ic of RBI Act, 1934)	General Reserve	Debenture Redemption Reserve	Retained Earnings	Equity instruments through other comprehensive income		Actuarial gain/(losses) on post retirement benefit plans
Balance as at 31st March, 2019	-	-	-	-	-	-	-	(16.33)	-	-	(16.33)
Profit/Loss for the year								(0.05)	-	-	(0.05)
Other comprehensive income (net of tax)								(16.37)	-	-	(16.37)
Total Comprehensive Income for the year								-	-	-	-
Balance as at 31st March, 2020								(16.37)	-	-	(16.37)
Profit/Loss for the year	-	-	-	-	-	-	-	(0.05)	-	-	(0.05)
Other comprehensive income (net of tax)								-	-	-	-
Total other comprehensive income for the year								-	-	-	-
Balance as at 31st March, 2021	-	-	-	-	-	-	-	(16.42)	-	-	(16.42)

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

**For and on behalf of the Board**

**P.C. Agiwal**  
Partner  
Membership No. 080475

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

**K. K. Soni**  
Director  
DIN:00106037

Place : New Delhi  
Date : 24/06/2021

**Cash Flow Statement for the year ended 31st March, 2021**  
 (Rupees in Lakh)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(0.05)	(0.05)
<b>Adjustment for:</b>		
Depreciation	-	-
Interest Income	-	-
Dividend Income	-	-
Actuarial gain / (loss) on Defined Employee Benefits	-	-
Provision for Employee Benefits	-	-
	-	-
<b>Operating profit</b>	<b>(0.05)</b>	<b>(0.05)</b>
<b>Adjustment for working capital changes</b>		
1) Increase / (decrease) in borrowings	-	-
2) Increase / (decrease) in other financial liabilities	-	-
3) Increase / (decrease) in trade payables	-	-
4) (Increase) / decrease in loans	0.05	0.05
5) Increase / (decrease) in debt securities	-	-
6) (Increase) / decrease in other non financial liabilities	-	-
7) (Increase) / decrease in other financial assets	-	-
8) (Increase) / decrease in other non financial assets	-	-
9) (Increase) / decrease in trade receivables	-	-
10) (Increase) / decrease in current tax assets	-	-
<b>Cash generated / (used) from operations</b>	-	-
Direct taxes paid net	-	-
<b>Net cash generated/(used) from operating activities (A)</b>	-	-
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Investments	-	-
Purchase of Investments	-	-
Purchase of Property, plant and equipment	-	-
Sale of Property, plant and equipment	-	-
Interest received on fixed deposits	-	-
Security Deposit	-	-
Dividend Income	-	-
<b>Net cash generated / (used) from investing activities (B)</b>	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issued of equity shares	-	-
Premium on issue of equity shares	-	-
Dividend paid (including Dividend distribution tax)	-	-

Proceeds of deposits received	-	-
Interest expense	-	-
<b>Net cash generated / (used) from financing activities (c)</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalents during the year (A +B + C)</b>	-	-
<b>cash and cash equivalents as at beginning of the year</b>	<b>0.16</b>	<b>0.16</b>
<b>Cash and cash equivalents as at end of the year :</b>	<b>0.16</b>	<b>0.16</b>
Cash in hand	0.16	0.16
Scheduled bank - In current account	-	-
Fixed Deposit with Banks	-	-
Scheduled Bank - Unpaid Dividend Account	-	-
Liquid Funds	-	-
<b>Total</b>	<b>0.16</b>	<b>0.16</b>
<b>Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 and 5)</b>		
Cash and cash equivalents as at end of the year as per above	0.16	0.16
Add:- Fixed deposit with banks	-	-
Add:- Unpaid dividend account	-	-
<b>Total cash and bank balances equivalents as at end of the year</b>	<b>0.16</b>	<b>0.16</b>

Significant Accounting Policies and Notes forming part of accounts

1 to 15

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

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

**P.C. Agiwal**  
 Partner  
 Membership No. 080475

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

Place : New Delhi  
 Date : 24/06/2021

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2021**

(Currency: Indian Rupees)

**Note 1: Corporate information**

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

**Note 2: Significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**
**(i) Compliance with Ind AS**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. These accounting policies have been applied consistently over all the periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain Financial instruments are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell.

**(iii) Preparation of financial statements**

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity.

**(iv) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 3.

**2.2 Revenue Recognition**

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to

a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

**(i) Brokerage fee income**

It is recognized on trade date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable.

**(ii) Interest income**

Interest income from financial assets is recognized on an accrual basis.

**(iii) Dividend income**

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

**(iv) Gain/losses on dealing in securities**

Gains / losses on dealing in securities are recognized on a trade date basis.

**2.3 Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**Current Tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred Tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred

income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

#### 2.4 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 2.5 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 in the Cash flow statement.

#### 2.6 Financial instruments

##### Initial recognition and measurement:

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

##### Fair value of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

##### Financial assets

##### (i) classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); or
- Amortised cost.

##### I. Financial assets carried at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

##### II. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognized as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'Revenue from operations' in the Statement of Profit and Loss.

The investments in equity instruments of the subsidiary company and associates are measured at amortized cost.

##### III. Investments in mutual funds

Investments in mutual funds are measured at fair value through other comprehensive income (FVTOCI).

**(i) Impairment**

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVPTL:

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are written off / fully provided for when there is no reasonable of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

**(ii) Derecognition**

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Financial liabilities**
**(i) initial recognition and measurement**

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in Statement of Profit or loss.

**(ii) Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**(iii) Derecognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.7 Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated as per WDV method by company. Under this method, the depreciation is calculated at a certain fixed percentage each year on the decreasing book value commonly known as WDV of the asset (book value less depreciation).

**Assets Useful life**

The economic useful life of the asset is ascertained by the management as per Schedule II of the Companies Act, 2013. Leasehold Improvements Over the primary lease period or useful life, whichever is less.

Furniture and Fixtures 10 years

Office Equipments 5 years

Computers 3 years

Vehicles 8 years

**Derecognition:**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

**2.8 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2021**

(Currency: Indian Rupees)

sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.

**Amortisation**

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives and is included in the depreciation and amortization in the statement of profit and loss.

Intangible asset	Useful life / amortization period
Computer Software	4 Years

**Optional exemption from retrospective application:**

Deemed cost for intangible assets.

The Company has elected to measure all its Intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**2.9 Investment Property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the group for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

**2.10 Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An Impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

**2.11 Provisions and contingencies:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**2.12 Earnings per share**
**a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

**b) Diluted earnings per share**

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive assets acquired and liabilities assumed.

**2.13 Leases**

The Company lease asset classes primarily consist of leases for buildings taken on lease for operating its office. The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments

**Transition**

Effective April 1, 2020, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2020 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives as at and for the year ended March 31, 2020 have not been retrospectively adjusted.

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**2.14 Foreign exchange transactions**

The functional currency and the presentation currency of the Company is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the period in which they arise.

Assets and liabilities of foreign operations are translated at the closing rate at each reporting period. Income and expenses of foreign operations are translated at monthly average rates. The resultant exchange differences are recognized in other comprehensive income in case of foreign operation whose functional currency is different from the presentation currency and in the statement of profit and loss for other foreign operations. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**2.15 Borrowing costs**

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

The difference between the discounted amount mobilized and redemption value of securities is recognized in the statement of profit and loss over the life of the instrument using the EIR.

**2.16 Impairment of non-financial assets**

The Company assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

**2.17 Retirement and other employee benefits**
**Short-term employee benefits**

Employee benefits payable wholly within twelve months of availing employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits such as salaries and wages, bonus and

ex-gratia to be paid in exchange of employee services are recognized in the period in which the employee renders the related service.

**Post-employment benefits**
**Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The contribution of company is recognized as an expense in the Statement of Profit and Loss during the period in which employee renders the related service. There are no other obligations other than the contribution payable to the Provident Fund and Employee State Insurance Scheme. These contributions are recognized as an expense in the statement of profit and loss during the period during the period in which the employee renders the related service.

**Defined benefit plan:**

Gratuity liability, wherever applicable, is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Company's gratuity benefit scheme is a defined benefit plan.

**Compensated absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as long-term provision.

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**Note 3: Key accounting estimates and Judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on on-going basis. Any changes to accounting estimates are recognized prospectively. Information about critical judgments

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2021**

(Currency: Indian Rupees)

in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (a) Provision and contingent liability: On an on-going basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset: Judgments are required in assessing the recoverability of overdue loans / investment and determining whether a provision against those loans / investments is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) Recognition of deferred tax assets: Deferred tax assets are recognized for unused tax-loss carry forwards and unused tax credits to the extent that realization of the related tax benefit is probable. The assessment of the probability with regard to the realization of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (e) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

- (f) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

(Rupees in Lakh)

PARTICULARS	As at 31st March 2021	As at 31st March 2020
<b>Note - 4 Cash &amp; Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	-	-
<b>Balance with Bank</b>		
In current account	0.16	0.16
Total	<u>0.16</u>	<u>0.16</u>
<b>Note - 5 Other financial Liabilities</b>		
Expenses Payable	-	-
<b>Note - 6 Other financial Liabilities</b>		
<b><u>Unsecured Long Term Borrowings</u></b>		
From Holding Company i. e. VLS Finance Ltd. (non- interest bearing)	9.51	9.46
Total	<u>9.51</u>	<u>9.46</u>

**NOTE - 7**

(Rupees in Lakh)

**Share Capital**

Authorised

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

Issued, Subscribed &amp; Paid up

70700 Equity Shares of Rs.10/- each

	As at 31st March 2021	As at 31st March 2020
	1,000.00	1,000.00
	<u>1,000.00</u>	<u>1,000.00</u>
	7.07	7.07
	<u>7.07</u>	<u>7.07</u>

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

At the beginning of the year

Issued during the year

Outstanding at the end of the year

	As at 31st March 2021		As at 31st March 2020	
	No. of shares	Rupees in Lakh	No. of Shares	Rupees in Lakh
	70,700	7.07	70,700	7.07
	-	-	-	-
	<u>70,700</u>	<u>7.07</u>	<u>70,700</u>	<u>7.07</u>

**b. Terms/rights attached to equity shares**

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



NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2021

**c. Shares held by holding company**

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

	As at 31st March 2021	As at 31st March 2020
VLS Finance Ltd.	70,100	70,100

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

	No. of shares	% of holding	No. of shares	% of holding
VLS Finance Ltd.	70,100	99.15	70,100	99.15
Outstanding at the end of the year	<b>70,100</b>	<b>99.15</b>	<b>70,100</b>	<b>99.15</b>

**Note 8 : Other Equity**

(Rupees in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Securities premium</b>		
Balance at the beginning of the year		
<b>Balance as at end of the year</b>	-	-
<b>General reserve</b>		
Balance at the beginning of the year		
<b>Balance as at end of the year</b>	-	-
<b>Retained earnings</b>		
Balance at the beginning of the year	(16.37)	(16.33)
Add: Profit/(loss) during the year	(0.05)	(0.05)
<b>Balance as at end of the year</b>	<b>(16.42)</b>	<b>(16.37)</b>
<b>Fair value gain on equity instruments carried through other comprehensive income</b>		
Balance at the beginning of the year		
Add: Other Comprehensive Income during the year (net of tax)		
<b>Balance as at end of the year</b>	-	-
<b>Remeasurement of Defined Benefit Plans</b>		
Balance at the beginning of the year		
Add: Other comprehensive income (net of tax)		
<b>Balance as at end of the year</b>	-	-
<b>TOTAL</b>	<b>(16.42)</b>	<b>(16.37)</b>

(Rupees in Lakh)

PARTICULARS	For the year ended 31st March 2021	For the year ended 31st March 2020
-------------	------------------------------------	------------------------------------

**Note - 9 Revenue From Operations**

Interest Income	-	-
Dividend Income	-	-
Net Gain on Fair Value Charges	-	-
Sale of Shares/Securities	-	-
Income from Brokerage	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note -10 Other Income**

Other Income	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note - 11 Other Expenses**

Filing Charges	0.03	0.05
Miscellaneous expense	0.00	-
Professional Charges	0.02	-
Certification Charges	-	-
<b>Total</b>	<b>0.05</b>	<b>0.05</b>

**Note 12 Deferred Tax Liability/ Deferred Tax Asset**

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

**Note 13 Related Party Disclosures:**

Pursuant to compliance of Indian Accounting Standard (Ind AS 24) on related party disclosure, the relevant information is provided here below:-

- I. Subsidiaries where control exist
  - Fellow Subsidiaries
    - 1) VLS Securities Limited
    - 2) VLS Real Estate Limited w.e.f. 03.02.2021
- II. Others - VLS Capital Ltd. (Associate of holding company)
- III. Related Parties with whom there were transactions during the year
  - a) Related party where control exist
    - Holding Company - VLS Finance Ltd.
  - i) Key Managerial Personnel – N.A.

ii) Other Directors (Group B)

- Mr. S.K. Agarwal - Director
- Mr. K. K. Soni - Director
- Mr. Rajesh Jhalani - Director

Transaction during the year with the related party:-

(Rupees in Lakh)

Related Party	Nature of Transaction	As at 31st March, 2021	As at 31st March, 2020
Holding Company	Borrowings	9.51	9.46

**Note 14 Earnings per Share (Ind AS 33)**

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2021

the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computation.

Profit attributable to equity holders of the Company:	Year Ended	
	(0.05)	(0.05)
Continuing operations	(0.05)	(0.05)
Profit attributable to equity holders for basic earnings	-	-
Dilution effect	-	-
Profit attributable to equity holders adjusted for dilution effect	(0.05)	(0.05)
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	0.71	0.71
<b>Earnings Per Share (Basic &amp; Diluted)</b>	<b>(0.07)</b>	<b>(0.06)</b>

**Note 15** Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification.

As per our report of even date

**For Agiwal & Associates**

**For and on behalf of the Board**

(F.R.N.000181N)

Chartered Accountants

**P.C. Agiwal**

Partner

Membership No. 080475

**S. K. Agarwal**

Director

DIN:00106763

**K. K. Soni**

Director

DIN:00106037

Place : New Delhi

Date : 24/06/2021

## CONSOLIDATED FINANCIAL STATEMENTS

### INDEPENDENT AUDITOR'S REPORT

To The Members of VLS Finance Limited

Report on the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **VLS Finance Limited ("the Company")** and its subsidiaries and associate (the Company and its subsidiaries and associate company together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

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

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

## CONSOLIDATED FINANCIAL STATEMENTS

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the company's financial reporting process of the group.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

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

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

## CONSOLIDATED FINANCIAL STATEMENTS

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

### Other Matters

We did not audit the financial statements/financial information of the subsidiaries companies (namely VLS Securities Limited., and VLS Asset Management Limited and VLS Real Estate Limited) whose financial statements reflect total assets of Rs.1,46,086.20 lakh and net assets of Rs.1,10,377.70 Lakh as at 31<sup>st</sup> March 2021, total revenues of Rs. 645.99 lakh, total net profit after tax of Rs. 443.81 lakh and total comprehensive income of Rs. 32,474.37 lakh and net cash flows amounting to Rs. 924.20 lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss after tax and total comprehensive income of Rs. 110.36 lakh and Rs.108.82 lakh for the year ended 31.03.2021 as considered in the consolidated financial statements, in respect of one associate viz., VLS Capital Limited, whose financial statements/financial information have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub section 3 of section 143 of the Act, including report on other information in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and on our report on the Other Legal and Regularity Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that to the extent applicable:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other Auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Change in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of written representations received from the directors of the Holding Company as on 31 March, 2021, taken on record by the Board of Directors of the Holding Company and the reports of the statutory Auditors of its subsidiary companies and its associate company namely VLS Capital Ltd. incorporated in India, none of the directors of the Holding Company, its subsidiary companies and the associate company incorporated in India is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

g) With respect to the adequacy of the Internal Financial Controls over the Financial Reporting of the company and operating effectiveness of such controls, refer to our Report in Annexure A, which is based on the auditor's report of the Holding Company, the two subsidiary companies and one associate company incorporated in India. Our report express an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of Holding company, both subsidiary companies and VLS Capital Ltd., as associate company incorporated in India.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

(i) The Group has informed & explained to us that pending litigations has no adverse effect on its financial position in its standalone financial statements as at 31<sup>st</sup> March, 2021.

(ii) The Group has made provisions as at 31<sup>st</sup> March, 2021, as required under the applicable law or accounting standards, for foreseeable losses, if any, on long term contracts including derivative contracts.

(iii) There were no amounts, which were required to be transferred, to the Investors Education and Protection Fund by the Holding Company, its subsidiary companies and associate company namely VLS Capital Ltd., incorporated in India.

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

**M.L. Puri**  
Partner  
M. No. 009198

Place: New Delhi  
Date: June 29<sup>th</sup>, 2021  
UDIN: 21009198AAAABN9610

**CONSOLIDATED FINANCIAL STATEMENTS****Annexure - A to the Independent Auditors' Report  
Report on the Internal Financial Controls under Clause (i)  
of Sub-section 3 of Section 143 of the Companies Act, 2013  
("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **VLS Finance Limited** ("the Company"), its subsidiary companies and associate, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Consolidated financial statements.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to the explanation given to us, the Company, its subsidiary companies and associate company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**M.L. Puri**  
Partner  
M. No. 009198

Place: New Delhi  
Date: June 29<sup>th</sup>, 2021  
UDIN: 21009198AAAABN9610

**CONSOLIDATED FINANCIAL STATEMENTS**
**Consolidated Balance sheet as at 31st Mar, 2021**
**(Rupees in Lakhs)**

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>1 Financial Assets</b>			
(a) Cash and cash equivalents	4	10,511.68	1,966.33
(b) Bank Balance other than (a) above	5	418.58	190.21
(c) Receivables	6		
(I) Trade Receivables		196.43	293.89
(II) Other Receivables		350.51	374.99
(d) Loans	7	813.92	816.60
(e) Investments	10	2,80,311.20	2,04,079.91
(f) Other Financial assets (to be specified)	8	9,763.50	7,379.57
<b>Total (1)</b>		<b>3,02,365.82</b>	<b>2,15,101.50</b>
<b>2 Non-financial Assets</b>			
(a) Current tax assets (Net)	9	1,782.54	1,348.97
(b) Investment Property		70.94	70.94
(c) Property, Plant and Equipment	11	865.52	910.26
(d) Capital work-in-progress		928.41	725.44
(e) Other Intangible assets	11	0.87	0.74
(f) Other non-financial assets (to be specified)	12	823.45	790.71
<b>Total (2)</b>		<b>4,471.73</b>	<b>3,847.06</b>
<b>Total Assets (1+2)</b>		<b>3,06,837.55</b>	<b>2,18,948.56</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
(a) Payables			
(I) Trade Payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5.58	206.80
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		30.85	39.70
(b) Borrowings (Other than Debt Securities)	14	-	22.89
(c) Other financial liabilities (to be specified)	15	143.95	160.91
<b>Total (1)</b>		<b>180.38</b>	<b>430.30</b>
<b>2 Non-financial Liabilities</b>			
(a) Provisions	16	106.71	80.64
(b) Deferred tax liabilities (Net)	18	63,008.39	42,982.64
(c) Other non-financial liabilities (to be specified)	17	37.95	30.13
<b>Total (2)</b>		<b>63,153.05</b>	<b>43,093.41</b>
<b>3 EQUITY</b>			
(a) Equity Share capital	19	3,878.42	3,878.42
Non Controlling Interest		10.06	10.06
(b) Other Equity	20	2,39,257.78	1,71,286.79
Non Controlling Interest		357.85	249.58
<b>Total (3)</b>		<b>2,43,504.11</b>	<b>1,75,424.85</b>
<b>Total Liabilities and Equity (1+2+3)</b>		<b>3,06,837.55</b>	<b>2,18,948.56</b>

Accompanying Notes are an integral part of the Financial statements.

As per our report of even date attached

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

 M.L. Puri  
 Partner  
 Membership No. 009198  
 UDIN: 21009198AAAABN9610

 New Delhi  
 June 29th, 2021

For and behalf of the Board

 S.K. Agarwal  
 Managing Director  
 DIN: 00106763

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

 M.P. Mehrotra  
 Executive Vice Chairman  
 DIN: 00016768

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

**CONSOLIDATED FINANCIAL STATEMENTS**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MAR 2021**

(Rupees in Lakhs)

	Particulars	Note No	Year ended 31.03.2021	Year Ended 31.03.2020
I	<b>Revenue From Operations</b>			
	(i) Interest Income	21	703.58	616.13
	(ii) Dividend Income	22	450.64	1,123.44
	(iii) Net gain/(loss) on fair value changes	23	15,478.20	1,214.68
	(iv) Trading in Shares/securities (Net)	24	5,293.92	-
	(v) Other Operating Income	25	272.38	95.41
	<b>Total Income from operations (Total I)</b>		<b>22,198.72</b>	<b>3,049.66</b>
II	Other Income	26	119.34	535.14
	<b>Total Other Income (Total II)</b>		<b>119.34</b>	<b>535.14</b>
III	<b>Total Income (I+II)</b>		<b>22,318.06</b>	<b>3,584.81</b>
IV	<b>EXPENSES</b>			
	Employee benefits expense	27	516.51	407.18
	Finance costs	28	3.77	6.56
	Trading in Shares/securities (Net)	24	-	2,808.87
	Net gain/(loss) on fair value changes	23	-	-
	Depreciation and amortization expense	11	77.64	116.30
	Other expenses	29	937.22	728.46
	<b>Total expenses (IV)</b>		<b>1,535.14</b>	<b>4,067.37</b>
V	<b>Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>20,782.92</b>	<b>(482.56)</b>
VI	Exceptional Items		-	-
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>20,782.92</b>	<b>(482.56)</b>
VIII	Tax (expense)/credit (net):		-	-
	(1) Current tax		(664.32)	(12.56)
	(2) Tax adjustment for earlier Year		(6.45)	(9.20)
	(3) Deferred tax		2,024.21	4,429.40
	<b>Total Tax (expense)/credit (VIII)</b>		<b>1,353.44</b>	<b>4,407.64</b>
IX	<b>Profit / (Loss) for the period (VII+VIII)</b>		<b>22,136.36</b>	<b>3,925.08</b>
XI	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	Gain / (Loss) arising on Defined Employee Benefits			
	- Remeasurement of Defined Employee Benefits		(25.95)	7.90
	Gain / (Loss) arising on fair valuation of Investment		79,147.78	56,952.04
	(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		(22,049.98)	(13,739.44)
	<b>Total (A)</b>		<b>57,071.84</b>	<b>43,220.50</b>
	B (i) Items that will be reclassified to profit or loss		-	-
	<b>Total (B)</b>		<b>-</b>	<b>-</b>
	<b>Total Other Comprehensive Income (A+B)</b>		<b>57,071.84</b>	<b>43,220.50</b>
XII	<b>Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>79,208.20</b>	<b>47,145.58</b>
	<b>Profit for the year attributable to:</b>			
	Shareholders of the Company		<b>22,134.85</b>	<b>3,924.57</b>
	Non-Controlling interest		<b>1.50</b>	<b>0.51</b>
	<b>Other Comprehensive Income for the year attributable to:</b>			
	Shareholders of the Company		<b>56,965.08</b>	<b>43,135.80</b>
	Non-Controlling interest		<b>106.77</b>	<b>84.70</b>
	<b>Total Comprehensive Income for the year attributable to:</b>			
	Shareholders of the Company		<b>79,099.93</b>	<b>47,060.37</b>
	Non-Controlling interest		<b>108.27</b>	<b>85.21</b>
XIII	<b>Earnings per equity share (Face value Rs.10/-per equity share)</b>	30		
	(1) Basic (in Rupees)		<b>57.26</b>	<b>10.15</b>
	(2) Diluted (in Rupees)		<b>57.26</b>	<b>10.15</b>
	Accompanying Notes are an integral part of the Financial statements.	0.00		

As per our report of even date attached

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

 M.L. Puri  
 Partner  
 Membership No. 009198  
 UDIN: 21009198AAAABN9610

 New Delhi  
 June 29th, 2021

For and behalf of the Board

 S.K. Agarwal  
 Managing Director  
 DIN: 00106763

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

 M.P. Mehrotra  
 Executive Vice Chairman  
 DIN: 00016768

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

**CONSOLIDATED FINANCIAL STATEMENTS**
**Statement of Changes in Equity for the year ended 31 March 2021**
**A.1 Equity Share Capital**

(Rupees in Lakhs)

Particulars	Equity share capital	
	Number of shares (See Note below)	Amount (See Note below)
As at 31 March 2019	3,86,62,017	3,878.42
As at 31 March 2020	3,86,62,017	3,878.42
As at 31 March 2021	3,86,62,017	3,878.42

Note: Equity share capital amount includes Rs.12,22,250 being the amount forfeited on 4,67,500 equity shares.

**A.2 Equity Share Capital - Minority**

(Rupees in Lakhs)

Particulars	Equity share capital	
	Number of shares	Amount
As at 31 March 2019	1,00,600	10.06
As at 31 March 2020	1,00,600	10.06
As at 31 March 2021	1,00,600	10.06

**(b) Other equity**

(Rupees in Lakhs)

PARTICULARS	Shareholders of the Company						Non Controlling Interest			
	Reserves and surplus				Other Comprehensive Income		Total	Reserves and surplus	Other Comprehensive Income	Total
	General Reserve	Securities Premium Account (*)	Capital Redemption Reserve account (#)	Retained Earning	FVTOCI reserve	Re-measurement of Defined Benefits		Non-Controlling Interest	Non-Controlling Interest (Subsidiaries)	
<b>At March 31, 2019</b>	<b>2,878.45</b>	<b>10,052.27</b>	<b>120.13</b>	<b>14,417.47</b>	<b>97,219.21</b>	<b>11.31</b>	<b>1,24,698.84</b>	<b>1.14</b>	<b>163.23</b>	<b>164.37</b>
Profit for the period	-	-	-	3,401.15	-	-	3,401.15	0.51	-	0.51
Consolidation adjustment for Associates	-	-	-	523.42	2,371.73	-	2,895.15	-	-	-
Transfer from FVTOCI to Retained Earnings	-	-	-	17,985.76	(17,985.76)	-	-	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	-	40,756.18	7.90	40,764.08	-	84.70	84.70
Right of use -IndAS 116 adjustments	-	-	-	(6.34)	-	-	(6.34)	-	-	-
Cash Dividend	-	-	-	(386.62)	-	-	(386.62)	-	-	-
Dividend distribution tax	-	-	-	(79.47)	-	-	(79.47)	-	-	-
<b>At March 31, 2020</b>	<b>2,878.45</b>	<b>10,052.27</b>	<b>120.13</b>	<b>35,855.37</b>	<b>1,22,361.36</b>	<b>19.21</b>	<b>1,71,286.79</b>	<b>1.65</b>	<b>247.93</b>	<b>249.58</b>
Cumulative effect under Indas in respect of associate on consolidation	694.85	(424.79)	(6.83)	(1,607.29)	(9,204.15)	(0.78)	(10,549.00)	-	-	-
<b>Balance after giving above effect</b>	<b>3,573.29</b>	<b>9,627.48</b>	<b>113.30</b>	<b>34,248.08</b>	<b>1,13,157.21</b>	<b>18.43</b>	<b>1,60,737.79</b>	<b>1.65</b>	<b>247.93</b>	<b>249.58</b>
Profit for the period	-	-	-	22,134.85	-	-	22,134.85	1.50	-	1.50
Transfer from FVTOCI to Retained Earnings	-	-	-	7,271.81	(7,271.81)	-	-	-	-	-
Transfer from/to FVTOCI from/to Remeasurement of Defined Benefit Plan	-	-	-	-	8.93	(8.93)	-	-	-	-
Transfer from/to Retained earnings from/to Remeasurement of Defined Benefit Plan	-	-	-	(0.29)	-	0.29	-	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	-	56,984.43	(19.35)	56,965.08	-	106.77	106.77
Cash Dividend	-	-	-	(579.93)	-	-	(579.93)	-	-	-
<b>At March 31, 2021</b>	<b>3,573.29</b>	<b>9,627.48</b>	<b>113.30</b>	<b>63,074.52</b>	<b>1,62,878.76</b>	<b>(9.56)</b>	<b>2,39,257.78</b>	<b>3.15</b>	<b>354.70</b>	<b>357.85</b>

(\*) Note on Securities Premium account: Of the above amount of Rs.9627.48 lakh, an amount of Rs.474.34 lakh is relating to share premium received on forfeited shares.

(#) Note on Capital Redemption Reserve account: Transfer from Surplus in the statement of Profit &amp; Loss account towards 11,32,983 fully paid up Equity Shares of Rs.10/-each bought back on 11/02/2014 for cash.

As per our report of even date attached

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

For and behalf of the Board

 M.L. Puri  
Partner  
Membership No. 009198

 S.K. Agarwal  
Managing Director  
DIN: 00106763

 M.P. Mehrotra  
Executive Vice Chairman  
DIN: 00016768

 New Delhi  
June 29th, 2021

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

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



**CONSOLIDATED FINANCIAL STATEMENTS**
**Cash Flow Statement for the year ended 31.03.2021**

(Rupees in lakhs)

Particulars	Consolidated	
	For the year ended 31-Mar-2021	For the year ended 31-Mar-2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	20,782.92	(482.56)
Adjustment for:		
Depreciation	77.64	116.30
Interest Income	(83.79)	(77.85)
Share of profit of Associates	(110.36)	(523.42)
Dividend Income	(450.64)	(1,123.44)
Actuarial gain / (loss) on Defined Employee Benefits	(26.22)	7.12
Provision for Employee Benefits	26.06	3.75
	(567.32)	(1,597.54)
<b>Operating profit</b>	<b>20,215.60</b>	<b>(2,080.10)</b>
Adjustment for working capital changes		
1) Increase / (decrease) in borrowings	(22.84)	8.58
2) Increase / (decrease) in other financial liabilities	(10.80)	76.92
3) Increase / (decrease) in trade payables	(165.86)	(740.81)
4) Increase / (decrease) in Other payables	(9.98)	11.79
5) (Increase) / decrease in loans	2.68	12.69
6) Increase / (decrease) in other non- financial liabilities	7.82	(12.96)
7) (Increase) / decrease in other financial assets	(2,383.93)	(5,776.70)
8) (Increase) / decrease in other non financial asset	(73.18)	(678.30)
9) (Increase) / decrease in trade receivables	97.46	(180.15)
10) (Increase) / decrease in other receivables	25.98	(105.44)
11) Increase / (decrease) in current tax assets	(433.58)	(885.78)
<b>Cash generated / (used) from operations</b>	<b>17,249.37</b>	<b>(10,350.26)</b>
Direct taxes paid (net)	(670.77)	(21.76)
<b>Net cash generated / (used) from operating activities (A)</b>	<b>16,578.60</b>	<b>(10,372.02)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / decrease on investments (net)	(7,531.89)	10,498.20
Purchase of Property, plant and equipment	(33.02)	(114.83)
Capital work in progress	(202.97)	(321.91)
Interest received on fixed deposits	83.79	77.85
Security Deposit	(1.50)	-
Dividend Income	450.64	1,123.44
<b>Net cash generated / (used) from investing activities (B)</b>	<b>(7,234.95)</b>	<b>11,262.76</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issued of equity shares	10.00	-
Dividend paid (including Dividend distribution tax)	(579.93)	(466.09)
<b>Net cash generated / (used) from financing activities (c)</b>	<b>(569.93)</b>	<b>(466.09)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (A +B +c)</b>	<b>8,773.72</b>	<b>424.65</b>
<b>cash and cash equivalents as at beginning of the year</b>	<b>2,156.54</b>	<b>1,731.89</b>
<b>Cash and cash equivalents as at end of the year :</b>	<b>10,930.26</b>	<b>2,156.54</b>
Cash in hand	2.57	2.76
Scheduled bank - In current account	210.55	95.03
Fixed Deposit with Banks	698.39	109.46
In Liquid Funds	9,905.14	1,868.54
Scheduled Bank - Unpaid Dividend Account	113.61	80.75
<b>Total</b>	<b>10,930.26</b>	<b>2,156.54</b>
<b>Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 and 5)</b>		
Cash and cash equivalents as at end of the year as per above	213.12	97.79
Add:- Fixed deposit with banks	698.39	109.46
Add:- In Liquid Funds	9,905.14	1,868.54
Add:- Unpaid dividend account	113.61	80.75
<b>Total cash and bank balances equivalents as at end of the year</b>	<b>10,930.26</b>	<b>2,156.54</b>

As per our report of even date attached

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

M.L. Puri  
Partner  
Membership No. 009198

New Delhi  
June 29th, 2021

For and behalf of the Board

S.K. Agarwal  
Managing Director  
DIN: 00106763

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

M.P. Mehrotra  
Executive Vice Chairman  
DIN: 00016768

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

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes forming part of Consolidated Financial Statement for the year ended March 31, 2021**
**Note 1: Corporate information**

The company is a public limited company registered under the Companies Act, 1956 and is listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Calcutta Stock Exchange. The Company has voluntarily surrendered the Certificate of Registration (CoR) with RBI which has been accepted by the RBI vide its letter dated 13/02/2014 w.e.f. 29/01/2014. The Company had applied for membership of Bombay Stock Exchange (BSE) and the same had been approved by BSE vide letter dated 14/05/2014. The SEBI Registration Certificate in connection thereto has been received vide letter dated 01/10/2014 and thereafter the Company is, inter alia, carrying on business as stock broker.

**Note 2: Significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**
**(i) Compliance with Ind AS**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

For periods up to and including the year ended March 31, 2019, the Company presented its financial statements on accrual basis under historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India ('Indian GAAP' or 'previous GAAP') which encompasses applicable accounting standards, relevant provisions of the Companies Act, 2013, other statutory provisions and regulatory framework. The financial statements for the year ended 31 March 2020 were the first financial statements of the Company under Ind AS. The transition to Ind AS has been carried out in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards" and accordingly, the impact of transition has been recorded in Other Equity as at 1 April 2018 in those financial statements.

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. These accounting policies have been applied consistently over all the periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

**ii) Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group and its subsidiaries.

**Subsidiaries**

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business

combinations by the Group. Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group. Inter-Group transactions, balances and unrealised gains on transactions between Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the group.

**Associates**

Associates are the entities over which the Group has significant influence. Investment in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

**The Subsidiaries and Associate considered in the Consolidated Financial Statements are as under:**

Name of the Entity	Proportion of Ownership Interest March 31, 2021	Proportion of Ownership Interest March 31, 2020	Country of Incorporation
<b>(a) Subsidiaries</b>			
VLS Securities Limited	99.67%	99.67%	India
VLS Asset Management Limited	99.15%	99.15%	India
VLS Real Estate Limited	100.00%	NA*	India
<b>(b) Associates</b>			
VLS Capital Limited	42.40%	40.24%	India

\* Incorporated on 03-02-2021

The consolidated financial statement includes the audited financials for the year ended on 31.03.2021 of the subsidiaries VLS Securities Limited (99.67%), VLS Asset Management Limited (99.15%) and VLS Real Estate Limited (100%) which, during the under review, got incorporated on 03.02.2021. The financials of VLS Capital Ltd for the same period have been consolidated as an associate under equity method of accounting. The financials of other companies included in consolidated financial statements in previous years namely, BMS IT Institute Private Limited (BMS) and Sunair Hotels Limited (Sunair) are not included in these consolidated financial statements as the company has already disposed off its investments in equity of BMS during the financial year 2019-20 as per the settlement reached in terms of the order passed by the Hon'ble Supreme Court of India. As regards Sunair, it does not fall under the definition of an associate as per Ind AS-28 due to absence of significant influence on account of ongoing disputes between the Company and Sunair, hence excluded from consolidation of financial statement for the year ended March 31, 2021.

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes forming part of Consolidated Financial Statement for the year ended March 31, 2021

**iii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain Financial instruments are measured at fair value.
- Assets held for sale – measured at fair value less incidental cost to sell.

**(iv) Preparation of financial statements**

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity.

**(v) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at Note 3.

**2.2 Revenue Recognition**

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;

- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

**(i) Brokerage fee income**

It is recognized on trade date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable.

**(ii) Interest income**

Interest income from financial assets is recognized on accrual basis.

**(iii) Dividend income**

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established.

**(iv) Gain/losses on dealing in securities**

Gains / losses on dealing in securities are recognized on a trade date basis.

**2.3 Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in "other comprehensive income" or directly in "other equity". In this case, the tax is also recognized in "other comprehensive income" or directly in "other equity", respectively.

**2.3.1 Current Tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

**2.3.2 Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets relating to unabsorbed depreciation/ business losses are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be

realised. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities. Transaction or event which is recognised outside profit or loss, either in "other comprehensive income" or in "other equity", is recorded along with the tax as applicable.

Current and deferred tax for the year: Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in "other comprehensive income" or directly in "other equity", in which case, the current and deferred tax are also recognised in "other comprehensive income" or directly in "other equity" respectively.

#### 2.4 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 2.5 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 in the Cash flow statement.

#### 2.6 Financial instruments

##### (i) Initial recognition and measurement:

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. In regular way, purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability which are not carried through profit and loss statement at its fair value plus or minus, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique

that uses only data from observable markets, the difference is recognized as a gain or loss.

- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

##### (ii) Fair value of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.

#### 2.6.1 Financial assets

##### (i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL):  
Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit and loss statement. The gain or loss on disposal is recognised in the profit and loss statement. Interest income is recognised in the profit and loss statement for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognised when the Company's right to receive dividend is established.
- Fair value through other comprehensive income (FVTOCI):  
Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)
  - the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
  - the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. Other changes in fair

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes forming part of Consolidated Financial Statement for the year ended March 31, 2021**

value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in FVTOCI is transferred from FVTOCI to Retained Earnings.

- Amortised cost:

Financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

**(ii) Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The Company has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognized in OCI for its fair value changes. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. When the investment is disposed of, the cumulative gain or loss previously accumulated in FVTOCI is transferred from FVTOCI to Retained Earnings. Dividend income on the investments in equity instruments are recognised as 'Revenue from operations' in the Statement of Profit and Loss.

The investments in equity instruments of the subsidiary company and associates are measured at amortized cost.

**(iii) Investments in mutual funds**

Investments in mutual funds are measured at fair value through other comprehensive income (FVTOCI).

**(iv) Impairment**

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVTPL:

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit impaired (the present value of all cash shortfalls that are possible within 12 months after the reporting date).
- Financial assets with significant increase in credit risk (the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets).
- Financial assets that are credit impaired (the difference between the gross carrying amount and the present value of estimated cash flows).  
Financial assets are written off / fully provided for when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

**(v) Derecognition**

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more party/parties.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**2.7 Financial liabilities**
**(i). Initial recognition and measurement**

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in Statement of Profit or loss.

**(ii) Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes forming part of Consolidated Financial Statement for the year ended March 31, 2021**

measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**(iii) Derecognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and even in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.8 Property, plant and equipment**

(i) Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**(ii) Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**(iii) Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated as per WDV method by company. Under this method, the depreciation is calculated at a certain fixed percentage each year on the decreasing book value commonly known as WDV of the asset (book value less depreciation).

The Company follows a procedure of writing off all capital expenses which do not exceed Rs.1000/- in each case.

**(iv) Assets Useful life**

The economic useful life of the asset is ascertained by the management as per Schedule II (Part-c) of the Companies Act, 2013.

Furniture and Fixtures: 10 years

Office Equipment: 5 years

Computers: 3 years/Servers: 6 years

Vehicles: 8 to 10 years

Buildings:60 years

Leasehold Improvements- Over the primary lease period or useful life, whichever is less.

**(v) Derecognition:**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

**2.9 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.

**Amortisation**

Amortisation is calculated using the WDV method to write down the cost of intangible assets to their residual values over their estimated useful lives and is included in the depreciation and amortization in the statement of profit and loss.

<u>Intangible asset</u>	<u>Useful life / amortization period</u>
Computer Software	5 Years

**Optional exemption from retrospective application:**

Deemed cost for intangible assets.

The Company has elected to measure all its Intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**2.10 Investment Property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the group for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

**2.11 Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/ external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value

**Notes forming part of Consolidated Financial Statement for the year ended March 31, 2021**

in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An Impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

**2.12 Provisions and contingencies:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**2.13 Earnings per share**
**a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

**b) Diluted earnings per share**

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential

equity shares except where the results are anti-dilutive assets acquired and liabilities assumed.

**2.14 Leases**

The Company lease asset classes primarily consist of leases for buildings taken on lease for operating its office. The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments

**Transition**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**2.15 Foreign exchange transactions**

The functional currency and the presentation currency of the Company is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the period in which they arise.

**2.16 Borrowing costs**

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

The difference between the discounted amount mobilized and redemption value of securities is recognized in the statement of profit and loss over the life of the instrument using the EIR.

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes forming part of Consolidated Financial Statement for the year ended March 31, 2021

**2.17 Retirement and other employee benefits**
**(i) Short- term employee benefits**

Employee benefits payable wholly within twelve months of availing employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits such as salaries and wages, bonus and ex-gratia to be paid in exchange of employee services are recognized in the period in which the employee renders the related service.

**(ii) Post-employment benefits**
**(ii)(a) Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The contribution of company is recognized as an expense in the Statement of Profit and Loss during the period in which employee renders the related service. There are no other obligations other than the contribution payable to the Provident Fund and Employee State Insurance Scheme. These contributions are recognized as an expense in the statement of profit and loss during the period during the period in which the employee renders the related service.

**(ii)(b) Defined benefit plan:**

Gratuity liability, wherever applicable, is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Company's gratuity benefit scheme is a defined benefit plan.

**(ii)(c) Compensated absences**

The Company provides for the encashment /availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

**Note 3. Key accounting estimates and Judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognized in the financial

statements are included in the following notes:

- (a)** Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b)** Allowance for impairment of financial asset: Judgments are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c)** Recognition of deferred tax assets: Deferred tax assets are recognized for unused tax-loss carry forwards and unused tax credits to the extent that realization of the related tax benefit is probable. The assessment of the probability with regard to the realization of the tax benefit involves assumptions based on the history of the entity and applicable laws.
- (d)** Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (e)** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.
- (f)** Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.



**CONSOLIDATED FINANCIAL STATEMENTS**

Notes to the Consolidated Financial Statements for the year ended 31.03.2021

(Rupees in Lakhs)

NOTE NO.	PARTICULARS	As at 31.03.2021	As at 31.03.2020
<b>4</b>	<b>Cash and cash equivalents</b>		
	a) Cash on hand	2.57	2.76
	b) Balances with Banks		
	-In Current Accounts	210.55	95.03
	-In Deposits Accounts (Original Maturity of Less than 3 months)	387.00	-
	c) Interest accrued on Fixed Deposits	6.42	-
	d) Liquid Funds	9,905.14	1,868.54
	<b>Total</b>	<b>10,511.68</b>	<b>1,966.33</b>
<b>5</b>	<b>Bank Balance other than cash and cash equivalents</b>		
	a) Fixed deposits with bank (Refer note below) (Original Maturity of more than 3 months and less than or equal to 12 months)	300.20	109.14
	b) Interest accrued on Fixed Deposits	4.77	0.32
	c) Bank balances in Unpaid dividend accounts	113.61	80.75
	<b>Total</b>	<b>418.58</b>	<b>190.21</b>
	<i>Note : Pledged with banks as security for overdraft facility</i>		
<b>6</b>	<b>Receivables</b>		
	<b>I) Trade Receivables</b>		
	<b>Unsecured, considered good</b>		
	a) Receivable from share brokers	192.15	292.96
	b) Others	4.28	0.93
	<b>Total</b>	<b>196.43</b>	<b>293.89</b>
	<i>No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.</i>		
	<b>II) Other Receivables</b>		
	<b>Secured, considered good</b>		
	Interest accrued	373.70	374.58
	<b>Unsecured, considered good</b>		
	a) Interest accrued	0.31	0.41
	b) Others	1.50	-
	Allowance for Expected credit losses on Interest accrued	(25.00)	-
	<b>Total</b>	<b>350.51</b>	<b>374.99</b>
<b>7</b>	<b>Loans</b>		
	<b>(Unsecured and considered good)</b>		
	a) Loan to employees (including deferred cost)	13.92	16.60
	b) Others	800.00	800.00
	<b>Total</b>	<b>813.92</b>	<b>816.60</b>
<b>8</b>	<b>Other Financial Assets</b>		
	<b>(Unsecured, considered good)</b>		
	a) Margin Money Deposits		
	-Share brokers	9,508.00	1,271.86
	-Others	35.00	5.00
	b) Security deposits	166.39	340.65
	c) Others	46.88	5,754.15
	d) Interest accrued	7.23	7.91
	<b>Total</b>	<b>9,763.50</b>	<b>7,379.57</b>
<b>9</b>	<b>Current Tax Assets (Net)</b>		
	Advance Tax and Tax Deducted at source	2,679.48	2,109.14
	Less: Tax Provisions	(896.94)	(760.17)
	<b>Total</b>	<b>1,782.54</b>	<b>1,348.97</b>

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes to the Consolidated Financial Statements for the year ended 31.03.2021

**Schedule 10: Investments**

Particulars	Face Value	As at 31.03.2021		As at 31.03.2020	
		Holding	Fair Value	Holding	Fair Value
		(in Nos)	(Rs in Lakhs)	(in Nos)	(Rs in Lakhs)
<b>1. Investment at Fair Value Through Other Comprehensive Income</b>					
<b>i) Quoted Equity Shares</b>					
3I INFOTECH LTD	10	22,00,000	163.90	-	-
AARTI DRUGS LIMITED	10	45,700	317.29	-	-
ACCELYA KALE SOLUTIONS LTD	10	-	-	2,61,218	2,228.19
ALCHEMIST LTD	10	9,690	-	-	-
ALLCARGO LOGISTICS LTD	2	-	-	4,69,082	274.18
AMBIKA COTTON MILLS LTD	10	39,000	347.30	88,500	467.23
ASAHI INDIA GLASS LIMITED	1	6,000	18.59	-	-
ASHAPURA INTIMATES FASHION LIMITED	10	80,000	0.00	80,000	0.00
AXIS BANK LTD.	2	-	-	2,000	7.58
BAJAJ AUTO LTD.	10	-	-	3,000	60.67
BALLARPUR INDUSTRIES LIMITED	2	77,40,613	81.27	-	-
BALMER LAWRIE & COMPANY	10	-	-	10,000	7.94
BALRAMPUR CHINI MILLS LTD.	1	-	-	48,500	50.46
BANK OF BARODA	2	1,00,000	74.10	1,50,005	80.33
BANK OF INDIA	10	1,00,000	67.85	-	-
BANK OF MAHARASHTRA	10	9,05,000	188.24	-	-
BHANDARI HOSIERY EXPORTS LIMITED	1	5,44,171	12.24	-	-
BHARAT ELECTRONICS LTD.	1	-	-	3,04,000	226.33
BHARAT HEAVY ELECTRICALS LTD.	2	75,000	36.56	83,200	17.30
BHARAT PETROLEUM CORP LTD	10	9,000	38.52	45,350	143.71
BIOCON LTD.	5	-	-	50,000	135.28
BOMBAY BURMAH TRADING CORPORATION LIMITED	2	7,200	79.95	17,200	125.99
BOROSIL RENEWABLES LIMITED	1	57,404	141.33	-	-
BRITANNIA INDUSTRIES LTD.	1	-	-	5,300	142.51
CANTABIL RETAIL INDIA LTD	10	1,75,000	661.68	1,75,000	352.27
CENTRAL BANK OF INDIA	10	10,00,000	163.00	-	-
CG POWER AND INDUSTRIAL SOLUTIONS LIMITED	2	26,50,000	1,772.85	-	-
COAL INDIA LTD.	10	-	-	20,000	28.01
COCHIN SHIPYARD LTD.	10	-	-	250	0.66
COX & KINGS FINANCIAL SERVICE LTD.	10	33,185	-	33,185	0.10
COX & KINGS LTD.	5	2,00,000	2.20	2,00,000	1.10
CPSE ETF	10	-	-	1,00,000	16.06
D PHARMA LTD.	10	200	-	200	0.00
DEWAN HOSING FINANCE CORPORATION LTD.	10	-	-	2,00,000	17.30
DHAMPUR SUGAR (KASHIPUR) LTD	10	89,767	-	89,767	-
DHAMPUR SUGAR MILLS LTD.	10	3,50,000	639.45	89,000	73.29
DLF LTD	2	-	-	72,000	98.96
DWARIKESH SUGAR INDUSTRIES LTD.	1	39,80,428	1,225.97	10,20,000	168.81
EICHER MOTORS LIMITED	1	75,000	1,952.96	-	-
EMBASSY OFFICE PARKS REIT	300	-	-	20,000	70.15
ENGINEERS INDIA LIMITED	5	4,67,872	360.26	-	-
EXCEL INDUSTRIES LTD.	5	-	-	16,396	73.26
FINOLEX INDUSTRIES LIMITED	2	10,000	63.60	-	-
FURURE CONSUMER LIMITED	6	85,37,857	512.26	5,00,000	36.50
FUTURE ENTERPRISES LTD	2	1,75,000	13.91	-	-
GAIL (INDIA) LIMITED	10	7,31,439	991.10	1,50,000	114.83
GE POWER INDIA LTD	10	12,387	35.55	-	-

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes to the Consolidated Financial Statements for the year ended 31.03.2021

Particulars	Face Value (in Rs)	As at 31.03.2021		As at 31.03.2020	
		Holding (in Nos)	Fair Value (Rs in Lakhs)	Holding (in Nos)	Fair Value (Rs in Lakhs)
		GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD.	10	-	-
GLOBAL VECTRA HELICORP LTD.	10	-	-	7,000	2.51
GMR INFRASTRUCTURE LTD	1	20,00,000	486.00	8,00,000	130.80
GRANULES INDIA LTD.	1	-	-	40,000	57.46
GUJRAT NARMADA VALLEY FERTILISERS & CHEMICALS LTD.	10	-	-	13,000	14.91
GVK POWER & INFRASTRUCTURE LTD	1	-	-	3,00,000	6.75
HCL TECHNOLOGIES LTD	2	90,575	890.04	1,20,000	523.68
HEMISPHERE PROPERTIES INDIA LTD	10	21,000	28.86	-	-
HERO MOTOCORP LTD.	2	-	-	500	7.98
HINDUSTAN CONSTRUCTION CO LTD	1	-	-	2,00,000	7.90
HINDUSTAN PETROLEUM CORP LTD	10	-	-	20,000	38.02
HINDUSTAN ZINC LTD.	2	50,000	136.45	-	-
HOUSING & URBAN DEVELOPMENT CORPORATION LTD	10	50,000	21.93	-	-
HOUSING DEVELOPMENT FINANCE CORP LTD	2	-	-	7,000	114.32
ICDS LTD	10	21,929	-	21,929	-
ICICI BANK LTD.	2	-	-	2,000	6.48
IDBI BANK LTD.	10	13,00,000	501.15	-	-
IDFC FIRST BANK LTD	10	8,50,000	473.45	10,00,000	211.00
IDFC LIMITED	10	9,00,000	426.15	-	-
IFCI LIMITED	10	-	-	2,00,000	8.10
IL&FS INVESTMENT MANAGERS LTD.	2	-	-	80,000	1.52
INDIA CEMENTS LTD.	10	-	-	20,000	21.17
INDIAN BANK	10	1,40,000	162.54	-	-
INDIAN HOTELS CO. LTD.	1	1,00,000	110.85	26,000	19.50
INDIAN METALS & FERRO ALLOYS LTD.	10	1,504	6.80	-	-
INDIAN OIL CORPORATION LTD.	10	-	-	50,000	40.82
INDIAN OVERSEAS BANK	10	10,00,000	160.00	-	-
INDIAN RAILWAY FINANCE CORPORATION LTD	10	4,00,000	91.60	-	-
INDRAPRASTHA MEDICAL CORPORATION LTD.	10	-	-	1,16,000	39.32
INFIBEAM AVENUES LTD	1	2,50,000	118.63	-	-
INFOSYS LTD	5	1,62,600	2,224.45	2,50,000	1,603.75
INOX LEISURE LTD.	10	-	-	70,000	183.89
IRCON INTERNATIONAL LTD.	2	12,40,562	1,095.42	25,200	96.02
ITC LTD.	1	25,000	54.63	1,50,000	257.55
JAIPRAKASH ASSOCIATES LTD.	2	-	-	4,00,000	4.20
JAIPRAKASH POWER VENTURES LTD	10	-	-	2,00,000	1.20
JAMMU AND KASHMIR BANK LTD	1	4,25,127	109.05	5,75,000	71.59
JAYPEE INFRATECH LTD	10	40,00,000	64.00	50,000	0.33
JCT LTD.	2.5	50,00,000	53.50	-	-
JK TYRE & INDUSTRIES LTD	2	-	-	5,00,000	203.00
K.M.SUGAR MILLS LTD.	2	-	-	1,99,490	12.57
KALYANI STEEL LTD	5	1,25,000	398.31	4,00,000	509.60
KNR CONSTRUCTIONS LTD.	2	1,25,000	266.75	-	-
L&T FINANCE HOLDING LTD	10	-	-	22,000	11.29
LANCO INFRATECH LIMITED	1	5,000	0.00	5,000	0.00
LARSEN & TOUBRO LTD.	2	-	-	27,500	222.34
MAJESCO LTD	5	10,00,000	659.50	-	-
MANGALAM ORGANICS LIMITED	10	10,000	51.79	-	-
MBL INFRASTRUCTURES LIMITED	10	16,63,435	329.36	5,03,735	13.60
MEGHMANI ORGANICS LTD	1	49,04,229	5,718.33	61,50,000	2,278.58
MERCATOR LIMITED	1	11,00,000	8.80	11,00,000	6.60

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes to the Consolidated Financial Statements for the year ended 31.03.2021

Particulars	Face Value (in Rs)	As at 31.03.2021		As at 31.03.2020	
		Holding (in Nos)	Fair Value (Rs in Lakhs)	Holding (in Nos)	Fair Value (Rs in Lakhs)
		MISHRA DHATU NIGAM LTD.	10	-	-
MTAR TECHNOLOGIES LTD	10	100	1.02	-	-
NAHAR SPINNING MILLS LTD.	5	1,09,000	113.41	-	-
NATIONAL ALUMINIUM CO. LTD.	5	5,00,000	270.25	1,00,000	29.10
NATIONAL FERTILIZERS LTD.	10	-	-	70,116	12.87
NBCC (INDIA) LIMITED	1	54,60,000	2,555.28	8,00,000	130.40
NCC LIMITED	2	9,99,979	789.98	3,15,000	59.06
NEO CORP INTERNATIONAL LTD.	10	37,12,515	0.00	37,12,515	0.00
NMDC LTD	1	3,50,000	473.73	1,50,000	120.00
NTPC LTD.	10	-	-	1,30,000	109.46
OIL AND NATURAL GAS CORPORATION LTD	5	50,000	51.08	2,50,000	170.75
ORIENTAL CARBON & CHEMICALS LTD.	10	1,548	14.19	-	-
ORRISA SPONGE IRON & STEEL LTD	10	2,936	-	2,936	-
PARSVNATH DEVELOPERS LIMITED	5	33,74,609	288.53	7,66,767	9.58
PHILLIPS CARBON BLACK LTD.	2	-	-	500	0.31
PILANI INVESTMENT AND INDUSTRIES CORPORATION LTD	10	3,446	54.43	-	-
POWER GRID CORPORATION OF INDIA LTD	10	-	-	1,00,000	159.10
PRAKASH INDUSTRIES LTD.	10	-	-	52,000	10.14
PUNJAB NATIONAL BANK	2	65,09,846	2,385.86	33,30,300	1,077.35
PUNJAB WIRELESS SYSTEMS LTD.	10	500	0.00	500	0.00
RAIL VIKAS NIGAM LTD	10	49,900	14.52	-	-
RASHTRIYA CHEMICALS & FERTILIZERS LTD	10	-	-	1,30,000	36.86
RBL BANK LTD.	10	-	-	65,000	88.08
REC LTD.	10	33,000	43.28	8,000	7.10
RELAXO FOOTWEAR LTD	1	2,52,55,496	2,21,339.17	2,66,30,063	1,59,500.76
RELIANCE HOME FINANCE LTD	10	12,35,217	29.64	-	-
RELIANCE INDUSTRIES LIMITED	10	108	2.09	600	6.68
RELIANCE POWER LTD.	10	11,00,000	47.85	2,00,000	2.50
SBI CARDS & PAYMENT SERVICES LTD.	10	-	-	3,060	18.93
SHANKARA BUILDING PRODUCTS LTD	10	17,010	69.95	-	-
SHARDA CROPCHEM LTD.	10	-	-	11,182	12.00
SPICEJET LTD.	10	-	-	90,000	33.08
STATE BANK OF INDIA	1	2,10,000	765.03	2,00,000	393.70
STEEL AUTHORITY OF INDIA LTD	10	3,00,000	236.40	1,50,000	34.57
STEL HOLDINGS LTD	10	1,25,000	102.56	2,33,183	89.78
STOVEC INDUSTRIES LTD.	10	-	-	100	1.59
SUMITOMO CHEMICAL INDIA LTD.	10	1,00,414	291.90	25,000	46.18
SUMMIT SECURITIES LTD	10	1,06,674	575.93	1,54,419	424.42
SURANA INDUSTRIES LTD	10	4,50,000	-	4,50,000	-
SURYA ROSHNI LTD	10	2,50,000	862.25	5,77,800	363.44
SUTLEJ TEXTILES & INDUSTRIES LTD.	1	1,25,296	49.18	-	-
TATA CHEMICALS LTD.	10	-	-	2,500	5.59
TATA CONSUMER PRODUCTS LTD.	1	-	-	2,850	8.40
TATA POWER COMPANY LTD.	1	-	-	50,000	16.43
TATA STEEL BSL LTD	2	15,00,000	782.25	12,00,000	197.40
TATA STEEL LTD.	10	500	4.06	-	-
TCI INDUSTRIES LTD	10	9,544	75.16	9,544	55.45
TECHNOCRAFT INDUSTRIES (INDIA) LTD	10	1,03,580	407.59	2,17,669	396.27
TRIDENT LTD.	1	53,00,000	744.65	20,00,000	85.00
TRIVENI ENGINEERING & INDUSTRIES LTD.	1	7,28,556	615.63	10,53,650	383.53
TRIVENI TURBINE LTD.	1	22,000	22.40	-	-

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes to the Consolidated Financial Statements for the year ended 31.03.2021

Particulars	Face Value (in Rs)	As at 31.03.2021		As at 31.03.2020	
		Holding (in Nos)	Fair Value (Rs in Lakhs)	Holding (in Nos)	Fair Value (Rs in Lakhs)
		UNITECH LTD.	2	50,00,000	82.50
UTI MASTER PLUS 91	10	200	0.00	200	0.00
VA TECH WABAG LIMITED	2	-	-	75,000	61.76
VARDHMAN ACRYLICS LIMITED	10	2,11,922	77.67	-	-
VEDANTA LIMITED	1	1,25,000	285.94	-	-
VINATI ORGANICS LTD.	1	-	-	5,000	38.73
VODAFONE IDEA LTD	10	1,29,00,000	1,193.25	6,00,000	18.60
YES BANK LTD.	2	50,35,000	785.46	1,81,250	40.69
NETWORK 18 MEDIA & INVESTMENTS LTD.	5	-	-	10,000	1.84
<b>Total 1.(i)</b>			<b>2,61,114.34</b>		<b>1,76,947.22</b>
<b>ii) Unquoted Equity Shares</b>					
INDHRADHAN AGRO LTD.	10	1,50,000	0.00	1,50,000	0.00
INVEST INDIA ECONOMIC FOUNDATION PRIVATE LTD.	10	2,000	0.00	2,000	0.00
SUNAIR HOTELS LTD.	10	95,94,824	3,592.31	95,94,824	3,337.11
NSE LIMITED	1	50,000	515.00	-	-
DEWDROP CAREER SOLUTIONS PRIVATE LTD	10	10,000	0.00	10,000	0.00
MPL ENTERPRISES LTD	10	5,482	1.31	5,482	1.31
RUNEECHA TEXTILES LTD	10	3,57,600	0.00	3,57,600	0.00
<b>Total 1.(ii)</b>			<b>4,108.62</b>		<b>3,338.42</b>
<b>iii) Bonds/Debentures</b>					
<b>Quoted &amp; Fully Paid-up : Tax free Bonds*</b>					
- IRFC (NO)	1,000	16,507	200.26	16,507	193.96
- NHAI (NA)	1,000	2,81,528	3,398.04	2,81,528	3,223.52
- NHAI (NE)	1,000	86,668	1,051.41	86,668	1,022.68
- NHB BOND (N2)	5,000	7,000	466.05	7,000	430.50
- IRFC (N2)	1,000	1,00,000	1,172.76	1,00,000	1,165.00
- REC (NI)	1,000	1,00,000	1,196.99	1,00,000	1,165.05
<b>Total 1.(iii)</b>			<b>7,485.51</b>		<b>7,200.71</b>
<b>iv) Quoted Partly paid-up shares</b>					
TATA STEEL LIMITED	10	-	-	500	0.15
RELIANCE INDUSTRIES PP	3	37	0.40	-	-
<b>Total 1.(iv)</b>			<b>0.40</b>		<b>0.15</b>
<b>v) Mutual Funds/PMS</b>					
UNITS IN ICICI PRUDENTIAL REAL ESTATE AIF -II		63,028	51.78	1,30,524	70.63
UNITS IN IIFL REAL ESTATE FUND(DOMESTIC SERIES 3		19,26,894	104.26	19,26,894	137.75
BARODA HYBRID EQUITY FUND-PLAN B (DIV) (Formerly BARODA PIONEER BALANCE FUND-PLAN B (DIV))		4,00,123	78.71	9,66,701	54.62
BARODA DYNAMIC EQUITY FUND-PLAN B (DIV)		5,00,000	69.05	5,00,000	50.55
BARODA EQUITY SAVING PLAN-DIRECT DIVIDEND		10,00,000	118.90	10,00,000	100.30
BARODA BANKING & PSU BOND FUND - DIRECT P		10,03,975	100.57	-	-
BARODA LARGE & MID CAP FUND-DIRECT GROWTH		99,995	12.96	-	-
EDELWEISS CROSSOVER OPPORTUNITIES FUND-CLASS A1		10,57,841	178.38	14,35,917	164.53
UTI STRUCTURED DEBT OPPORTUNITIES FUND I -CLASS A4		68,44,877	758.57	2,68,98,757	992.34
UTI STRUCTURED DEBT OPPORTUNITIES FUND II		9,99,950	10.10	-	-
ACCURACAP CONSULTANCT SERVICES P LTD		PMS	66.91	PMS	28.63

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes to the Consolidated Financial Statements for the year ended 31.03.2021

Particulars	Face Value (in Rs)	As at 31.03.2021		As at 31.03.2020	
		Holding (in Nos)	Fair Value (Rs in Lakhs)	Holding (in Nos)	Fair Value (Rs in Lakhs)
		MOTILAL OSWAL ASSET MANAGEMENT CO LTD		PMS	-
GLOBE CAPITAL MARKETS LTD		PMS	2,564.71	PMS	961.86
<b>Total 1.(v)</b>			<b>4,114.90</b>		<b>2,665.80</b>
<b>Total 1.(i+ii+iii+iv+v)</b>			<b>2,76,823.77</b>		<b>1,90,152.30</b>
<b>2. Investment at amortized cost</b>					
<b>(a) Unquoted &amp; Fully Paid-up : Debentures</b>					
SRGP CORPORATION LIMITED (18% Secured and Non convertible debentures)	100	3,50,000	350.00	3,50,000	350.00
<b>Total 2.(a)</b>			<b>350.00</b>		<b>350.00</b>
<b>(b) Unquoted and Fully paid-up Equity shares</b>					
<b>Associate Company</b>					
VLS Capital Ltd.	10	98,20,833	3,437.43	93,20,833	13,577.61
<b>Total 2.(b)</b>			<b>3,437.43</b>		<b>13,577.61</b>
<b>Total 2. (a+b)</b>			<b>3,787.43</b>		<b>13,927.61</b>
<b>Grand Total (1+2) (Gross)</b>			<b>2,80,611.20</b>		<b>2,04,079.91</b>
Less: Aggregate amount of provision for impairment in the value of investments ( Expected credit losses on Investment)			(300.00)		-
<b>Grand Total (Net)</b>			<b>2,80,311.20</b>		<b>2,04,079.91</b>

\* Excludes interest accrued on tax-free bonds, if any

(Rupees in Lakhs)

**Note No: 11. Property, Plant and Equipment**

Description	Building	Temporary Structure	Vehicles	Office Equipments	Furniture & fixtures	Air Conditioners	Computers	Electrical Installations	Generator	Assets on Lease	Right to use Assets (Ind As 116)	Total
<b>Gross Carrying Amount</b>												
<b>Balance as at 01.04.2019</b>	1,110.96	6.89	93.25	26.43	13.51	15.16	62.57	2.45	4.31	12,066.67	0.00	13,402.20
Additions during the year	0.00	0.00	33.03	2.92	0.00	0.00	4.63	0.00	0.00	0.00	73.95	114.53
Sales/Adjustments during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31.03.2020</b>	<b>1,110.96</b>	<b>6.89</b>	<b>126.28</b>	<b>29.35</b>	<b>13.51</b>	<b>15.16</b>	<b>67.20</b>	<b>2.45</b>	<b>4.31</b>	<b>12,066.67</b>	<b>73.95</b>	<b>13,516.73</b>
<b>Balance as at 31.03.2020</b>	1,110.96	6.89	126.28	29.35	13.51	15.16	67.20	2.45	4.31	12,066.67	73.95	13,516.73
Additions during the year	0.00	0.00	19.69	7.03	0.00	0.00	5.91	0.00	0.00	0.00	0.00	32.64
Sales/Adjustments during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31.03.2021</b>	<b>1,110.96</b>	<b>6.89</b>	<b>145.97</b>	<b>36.38</b>	<b>13.51</b>	<b>15.16</b>	<b>73.11</b>	<b>2.45</b>	<b>4.31</b>	<b>12,066.67</b>	<b>73.95</b>	<b>13,549.37</b>
<b>Accumulated Depreciation</b>												
<b>Balance as at 01.04.2019</b>	230.76	6.89	72.09	22.72	12.01	13.13	60.85	2.33	4.09	12,065.67	0.00	12,490.54
Depreciation for the year	42.84	0.00	11.25	2.00	0.32	0.39	1.48	0.00	0.00	0.00	57.65	115.93
Sales/Adjustments during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31.03.2020</b>	<b>273.60</b>	<b>6.89</b>	<b>83.34</b>	<b>24.72</b>	<b>12.33</b>	<b>13.52</b>	<b>62.33</b>	<b>2.33</b>	<b>4.09</b>	<b>12,065.67</b>	<b>57.65</b>	<b>12,606.47</b>
<b>Balance as at 31.03.2020</b>	273.60	6.89	83.34	24.72	12.33	13.52	62.33	2.33	4.09	12,065.67	57.65	12,606.47

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2021**

(Rupees in Lakhs)

Depreciation for the year	39.57	0.00	13.32	3.04	0.22	0.28	4.65	0.00	0.00	0.00	16.30	77.38
Sales/Adjustments during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance as at 31.03.2021</b>	<b>313.17</b>	<b>6.89</b>	<b>96.66</b>	<b>27.76</b>	<b>12.55</b>	<b>13.80</b>	<b>66.98</b>	<b>2.33</b>	<b>4.09</b>	<b>12,065.67</b>	<b>73.95</b>	<b>12,683.85</b>

**Net Carrying Amount**

<b>As at 31.03.2020</b>	<b>837.36</b>	<b>0.00</b>	<b>42.94</b>	<b>4.64</b>	<b>1.18</b>	<b>1.63</b>	<b>4.87</b>	<b>0.12</b>	<b>0.22</b>	<b>1.00</b>	<b>16.30</b>	<b>910.26</b>
<b>As at 31.03.2021</b>	<b>797.79</b>	<b>0.00</b>	<b>49.31</b>	<b>8.62</b>	<b>0.96</b>	<b>1.36</b>	<b>6.14</b>	<b>0.12</b>	<b>0.22</b>	<b>1.00</b>	<b>0.00</b>	<b>865.52</b>

**Note No: 11. Other Intangible assets**

(Rupees in Lakhs)

Description	Computer Software	Total
-------------	-------------------	-------

**Gross Carrying Amount**

<b>Balance as at 01.04.2019</b>	10.92	10.92
Additions during the year	0.30	0.30
Sales/Adjustments during the year	0.00	0.00
<b>Balance as at 31.03.2020</b>	<b>11.22</b>	<b>11.22</b>

<b>Balance as at 31.03.2020</b>	11.22	11.22
Additions during the year	0.38	0.38
Sales/Adjustments during the year	0.00	0.00
<b>Balance as at 31.03.2021</b>	<b>11.60</b>	<b>11.60</b>

**Accumulated Depreciation**

<b>Balance as at 01.04.2019</b>	10.11	10.11
Depreciation for the year	0.37	0.37
Sales/Adjustments during the year	0.00	0.00
<b>Balance as at 31.03.2020</b>	<b>10.48</b>	<b>10.48</b>

<b>Balance as at 31.03.2020</b>	10.48	10.48
Depreciation for the year	0.26	0.26
Sales/Adjustments during the year	0.00	0.00
<b>Balance as at 31.03.2021</b>	<b>10.74</b>	<b>10.74</b>

**Net Carrying Amount**

<b>As at 31.03.2020</b>	<b>0.74</b>	<b>0.74</b>
<b>As at 31.03.2021</b>	<b>0.87</b>	<b>0.87</b>

(Rupees in Lakhs)

Note No.	PARTICULARS	As At 31.03.2021	As At 31.03.2020
<b>12</b>	<b>Other non-financial assets</b>		
	<b>Unsecured and considered good</b>		
	Capital Advances	805.72	747.71
	Prepaid Expenses	6.55	10.66
	Advances recoverable in cash or kind	36.18	32.34
	<b>Secured and considered good</b>		
	Taxes due from Government	-	0.00
	Allowance for Expected credit losses	(25.00)	-
	<b>Total</b>	<b>823.45</b>	<b>790.71</b>
<b>13</b>	<b>Payables</b>		
	<b>Trade Payables</b>		
	a) Total outstanding dues of micro enterprises and small enterprises	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
	- Payable to share brokers	-	203.56
	- other payables	5.58	3.24
	<b>Total</b>	<b>5.58</b>	<b>206.80</b>
	<b>Other Payables</b>		
	a) Total outstanding dues of micro enterprises and small enterprises	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	30.85	39.70
	<b>Total</b>	<b>30.85</b>	<b>39.70</b>

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes to the Consolidated Financial Statements for the year ended 31.03.2021

(Rupees in Lakhs)

<b>14 Borrowings (Other than debt securities)</b>		
<b>Secured Loans from Banks</b>	-	22.89
<i>(Secured against Pledge of Fixed Deposit)</i>		
<b>Total</b>	<b>-</b>	<b>22.89</b>
<b>15 Other financial liabilities</b>		
a) Unpaid dividends accounts	113.61	80.75
b) Creditors for capital goods	30.34	61.84
c) Others	-	18.32
<b>Total</b>	<b>143.95</b>	<b>160.91</b>
<b>16 Provisions</b>		
Provisions for employee benefits	106.71	80.64
<b>Total</b>	<b>106.71</b>	<b>80.64</b>
<b>17 Other non-financial liabilities</b>		
Statutory dues payable	37.95	30.13
<b>Total</b>	<b>37.95</b>	<b>30.13</b>

**Note 18 : Tax expense & Deferred tax assets / liabilities**

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b>Deferred tax liability on account of :</b>		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	47.07	39.78
IndAS Adjustments	70,951.36	48,902.50
<b>Total deferred tax liabilities (A)</b>	<b>70,998.43</b>	<b>48,942.28</b>
<b>Deferred tax assets on account of:</b>		
On Provision for impairment (Expected Credit Loss)	88.09	-
IndAS Adjustments	7,662.71	5,833.05
Provision for leave encashment/Gratuity (Employee benefits)	22.16	20.63
Losses carried forward	217.09	105.98
<b>Total deferred tax assets (B)</b>	<b>7,990.04</b>	<b>5,959.66</b>
<b>Net deferred tax assets / (liability) (B-A)</b>	<b>(63,008.39)</b>	<b>(42,982.64)</b>

**Statement of Deferred Tax Assets and Deferred Tax Liabilities**

Particulars	As at 31 March 2021	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2020	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2019
<b>Deferred tax liabilities on account of:</b>							
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	47.07	7.29	-	39.78	(6.20)	-	45.98
Deferred tax on IND AS adjustments	70,951.36	(1.12)	22,049.98	48,902.50	-	13,739.44	35,163.06
<b>Total deferred tax liabilities</b>	<b>70,998.43</b>	<b>6.17</b>	<b>22,049.98</b>	<b>48,942.28</b>	<b>(6.20)</b>	<b>13,739.44</b>	<b>35,209.04</b>
<b>Deferred tax assets on account of:</b>							
On Provision for impairment (Expected Credit Loss)	88.09	88.09	-	-	-	-	-
Deferred Tax on Ind AS Adjustments	7,662.71	1,829.66	-	5,833.05	4,470.09	-	1,362.95
Provision for leave encashment/Gratuity (Employee benefits)	22.16	1.53	-	20.63	(5.72)	-	26.35
Losses carried forward	217.09	111.11	-	105.98	(41.16)	-	147.14
<b>Total deferred tax assets</b>	<b>7,990.04</b>	<b>2,030.39</b>	<b>-</b>	<b>5,959.66</b>	<b>4,423.20</b>	<b>-</b>	<b>1,536.44</b>
<b>Total deferred tax Assets/(liability) (net)</b>	<b>(63,008.39)</b>	<b>2,024.21</b>	<b>(22,049.98)</b>	<b>(42,982.64)</b>	<b>4,429.40</b>	<b>(13,739.44)</b>	<b>(33,672.58)</b>



**CONSOLIDATED FINANCIAL STATEMENTS**

Notes to the Consolidated Financial Statements for the year ended 31.03.2021

(Rupees in Lakhs)

**Note 19 : Equity share capital**

Particulars	As at 31-Mar-21		As at 31-Mar-20	
	Number	Amount in Lakh	Number	Amount in Lakh
<b>Authorised</b>				
15,00,00,000 Equity Shares of Rs.10/- each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
	<b>15,00,00,000</b>	<b>15,000.00</b>	<b>15,00,00,000</b>	<b>15,000.00</b>
<b>Issued, subscribed and paid up</b>				
3,91,29,517 Equity Shares of Rs.10/- each	3,91,29,517	3,912.95	3,91,29,517	3,912.95
	<b>3,91,29,517</b>	<b>3,912.95</b>	<b>3,91,29,517</b>	<b>3,912.95</b>

**Terms / rights attached to shares**

The Company has one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

**SUBSCRIBED & PAID-UP CAPITAL**

Particulars	As at 31-Mar-21		As at 31-Mar-20	
	Number	Amount in Lakh	Number	Amount in Lakh
3,86,62,017 Equity Shares of Rs.10/- each fully paid up for cash	3,86,62,017	3,866.20	3,86,62,017	3,866.20
Add: Amount forfeited on 4,67,500 equity shares		12.22		12.22
	<b>3,86,62,017</b>	<b>3,878.42</b>	<b>3,86,62,017</b>	<b>3,878.42</b>

(Of the above 3,31,62,500 fully paid-up equity shares have been issued as bonus shares by way of capitalisation of Security Premium)

**Reconciliation of number of shares**

Particulars	As at 31-Mar-21		As at 31-Mar-20	
	Number	Amount in Lakh	Number	Amount in Lakh
At beginning of the year	3,86,62,017	3,866.20	3,86,62,017	3,866.20
Stock options exercised under the ESOS	-	-	-	-
At the end of the year	<b>3,86,62,017</b>	<b>3,866.20</b>	<b>3,86,62,017</b>	<b>3,866.20</b>

**List of shareholders holding more than 5% of the total number of equity shares issued by the Company**

Name of shareholder	As at 31-Mar-21		As at 31-Mar-20	
	No. of shares	% of holding	No. of shares	% of holding
VLS Capital Limited	1,33,36,538	34.50	1,33,36,538	34.50

**Note No: 20 Other Equity**

(Rupees in Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
<b>a) General reserve</b>		
Balance at the beginning of the year	2,878.45	2,878.45
Cumulative effect under Indas in respect of associate on consolidation	694.85	-
Add: during the year	-	-
<b>Balance as at end of the year</b>	<b>3,573.29</b>	<b>2,878.45</b>
<b>b) Securities premium</b>		
Balance at the beginning of the year	10,052.27	10,052.27
Cumulative effect under Indas in respect of associate on consolidation	(424.79)	-
Add: during the year	-	-
<b>Balance as at end of the year</b>	<b>9,627.48</b>	<b>10,052.27</b>

(Rupees in Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
<b>c) Capital Redemption Reserve</b>		
Balance at the beginning of the year	120.13	120.13
Cumulative effect under Indas in respect of associate on consolidation	(6.83)	-
Add: during the year	-	-
<b>Balance as at end of the year</b>	<b>113.30</b>	<b>120.13</b>
<b>d) Retained earnings</b>		
Balance at the beginning of the year	35,855.37	14,417.47
Cumulative effect under Indas in respect of associate on consolidation	(1,607.29)	523.42
Profit/(loss) for the the year	22,134.85	3,401.15

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2021**

(Rupees in Lakhs)			(Rupees in Lakhs)			
Particulars	As at	As at	NOTE NO.	PARTICULARS	For the Year ended	
	31-Mar-21	31-Mar-20			31-03-2021	31-03-2020
Transfer from/to FVTOCI to Retained Earnings	7,271.81	17,985.76	22	<b>Dividend Income</b> Dividend on Investments	450.64	1,123.44
Transfer from/to Retained earnings from/to Remeasurement of Defined Benefit Plan	(0.29)	-			<b>Total</b>	<b>450.64</b>
Dividend Paid and Dividend Distribution tax thereon Paid	(579.93)	(466.09)	23	<b>Net gain on fair value changes</b> Net gain/ (loss) on financial instruments at fair value through Profit and loss account	15,478.20	1,214.68
Right to use assets (IndAS 116)	-	(6.34)			<b>Total</b>	<b>15,478.20</b>
<b>Balance as at end of the year</b>	<b>63,074.52</b>	<b>35,855.37</b>	24	<b>Trading in Shares/securities (Net)</b> Sale of Shares/Securities/ Mutual Funds etc	5,64,315.64	3,33,968.68
<b>e) Fair value gain on equity and other instruments carried through other comprehensive income</b>					Purchase of Shares/Securities/ Mutual Funds etc	(5,66,196.25)
Balance at the beginning of the year	1,22,361.36	97,219.21		Change in Stock of Shares -Increase / (Decrease)	7,174.53	1,194.51
Cumulative effect under Indas in respect of associate on consolidation	(9,204.15)	2,371.73	<b>Total</b>	<b>5,293.92</b>	<b>(2,808.87)</b>	
Other Comprehensive Income during the year (net of tax)	56,984.43	40,756.18	25	<b>Other Operating Income</b> Income from Securities Lending	9.78	42.67
Transfer from/to FVTOCI from/to Remeasurement of Defined Benefit Plan	8.93	-			Brokerage Income	262.60
Transfer from/to FVTOCI to Retained Earnings	(7,271.81)	(17,985.77)	<b>Total</b>	<b>272.38</b>	<b>95.41</b>	
<b>Balance as at end of the year</b>	<b>1,62,878.76</b>	<b>1,22,361.36</b>	26	<b>Other Income</b> Misc Balances/Unspent liabilities written back (net)	0.00	5.91
<b>f) Remeasurement of Defined Benefit Plans</b>					Interest on staff loans and advances	1.79
Balance at the beginning of the year	19.22	11.31		Interest on income tax refund	0.15	2.87
Cumulative effect under Indas in respect of associate on consolidation	(0.78)	-		On Financial Assets measured at Amortised Cost	0.78	1.34
Transfer from/to Retained earnings from/to Remeasurement of Defined Benefit Plan	0.29	-		Others	6.26	0.13
Transfer from/to FVTOCI from/to Remeasurement of Defined Benefit Plan	(8.93)	-		Share of Profit/(Loss) of Associates	110.36	523.42
Other Comprehensive Income during the year (net of tax)	(19.35)	7.90	<b>Total</b>	<b>119.34</b>	<b>535.14</b>	
<b>Balance as at end of the year</b>	<b>(9.56)</b>	<b>19.21</b>	27	<b>Employee benefits expense</b> Salaries	456.70	354.63
<b>Total (a to f)</b>	<b>2,39,257.78</b>	<b>1,71,286.79</b>			Staff Amenities/welfare expenses	3.83
<b>Non-Controlling Interest</b>				Employer's Contribution to PF, ESI, Gratuity Fund etc.	55.98	43.56
<b>Balance at the beginning of the year</b>	249.58	164.37	<b>Total</b>	<b>516.51</b>	<b>407.18</b>	
Profit/(loss) for the the year	1.50	0.51	28	<b>Finance Costs</b> Bank / Finance Charges	0.74	0.86
Other Comprehensive Income during the year (net of tax)	106.77	84.70			Interest Payment on Loans/ overdraft facilities	2.30
<b>Total</b>	<b>357.85</b>	<b>249.58</b>		Interest on Right of Use assets -AS116	0.73	5.51
			<b>Total</b>	<b>3.77</b>	<b>6.56</b>	

(Rupees in Lakhs)			
NOTE NO.	PARTICULARS	For the Year ended	
		31-03-2021	31-03-2020
21	<b>Interest Income</b>		
	Interest income from Investments:-		
	-From Tax Free Bonds	475.19	351.75
	-From PMS/MF investments	82.98	94.99
	-From Others	-	52.64
	On Margin Deposits with Share Brokers/stock exchange	61.62	38.90
	On deposits with Banks	83.79	77.85
	<b>Total</b>	<b>703.58</b>	<b>616.13</b>

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2021**

		(Rupees in Lakhs)				(Rupees in Lakhs)	
NOTE NO.	PARTICULARS	For the Year ended		NOTE NO.	PARTICULARS	For the Year ended	
		31-03-2021	31-03-2020			31-03-2021	31-03-2020
29	<b>Other expenses</b>			30	<b>Earnings per equity share</b>		
	Advertisement & Business Promotion	40.22	26.03		Net profit/(Loss) attributable to equity shareholders	22,136.35	3,925.08
	Consultancy, Legal & Service Charges	196.75	219.28		<b>Total (A) (Rupees in Lakhs)</b>	<b>22,136.35</b>	<b>3,925.08</b>
	Communication Expenses	5.95	10.56		Weighted average number of equity shares issued (face value of R 10 each)	386.62	386.62
	Electricity & Water Charges	10.23	10.80		<b>Total (B) (Numbers in Lakhs)</b>	386.62	386.62
	Insurance	1.26	1.06		<b>Basic earnings per share [A/B] (In Rupees)</b>	<b>57.26</b>	<b>10.15</b>
	Office Expenses	32.16	49.60		<b>Net Profit attributable to equity shareholders [C] (Rupees in Lakhs)</b>	22,136.35	3,925.08
	Shares Transaction Charges	83.69	24.66		Less : Impact on net profit due to exercise of diluted potential equity shares [D]	-	-
	Securities Transaction Tax on Investment	120.00	37.40		<b>Net profit attributable to equity shareholders for calculation of diluted EPS [C-D] (Rupees in Lakhs)</b>	<b>22,136.35</b>	<b>3,925.08</b>
	Securities Transaction Tax on others	55.15	6.24		Weighted average of equity shares issued (face value of R 10 each) (Numbers in Lakhs) [E]	386.62	386.62
	Interest on Income Tax	2.82	-		Weighted number of additional equity shares outstanding for diluted EPS (Numbers in Lakhs) [F]	-	-
	Travelling Expenses & Conveyance	13.88	60.93		Weighted number of equity shares outstanding for diluted EPS (Numbers in lakhs) [E+F]	<b>386.62</b>	<b>386.62</b>
	Rates & Taxes	145.31	80.54		<b>Diluted earnings per share [C-D/E+F] (In Rupees)</b>	<b>57.26</b>	<b>10.15</b>
	Short-term leases	41.03	-				
	Repairs & Maintenance						
	--Building	-	-				
	--Others	14.87	14.92				
	Miscellaneous Expenses	46.77	36.85				
	Shared personnel expense	66.72	51.69				
	CSR Expenditure	37.02	77.00				
	Auditors' Remuneration						
	a) Audit Fees	1.98	1.98				
	b) For Other Services						
	--For Tax audit	0.98	0.98				
	-- For certification	1.58	1.62				
	--Out of pocket expenses	0.55	0.55				
	Internal Auditors' Remuneration						
	-- Fees	0.80	0.80				
	--For certification	0.10	0.05				
	Directors' Sitting Fees	17.40	14.95				
	<b>Total</b>	<b>937.22</b>	<b>728.46</b>				

**Note 31 Related party transactions:**

List of Related Parties and Relationships:

**a) Key Managerial Personnel:**

- Shri. M.P.Mehrotra (Executive Vice Chairman in VLS Finance Limited)
- Shri. S. K. Agarwal (Managing Director in VLS Finance Limited and VLS Securities Limited)
- Shri. K. K. Soni (Director Finance & CFO in VLS Finance Limited and Director in VLS Securities Limited)
- Shri. H Consul (Company Secretary in VLS Finance Limited)
- Shri. Anurag Bhatnagar (CFO in VLS Securities Limited)
- Shri. IJS Aujla (Company Secretary in VLS Securities Limited) Resigned w.e.f. 1st Feb 2021
- Ms. Komal Taparia (Company Secretary in VLS Securities Limited) appointed w.e.f. 8th Feb 2021

**b) Associate:**

- VLS Capital Limited

**c) Others:**

- South Asian Enterprises Limited
- Shri. Vikas Mehrotra (Director in VLS Finance Limited and VLS Securities Limited)
- Ms. Divya Mehrotra (Director in VLS Securities Limited)
- M/s Vinayak Pharma – Related to Mr. S.K. Agarwal, Managing Director
- Dr. (Mrs.) Neeraj Arora (Non-Executive Director in VLS Finance Limited and South Asian Enterprises Limited)
- Shri. D. K. Mehrotra (Independent Director in VLS Finance Limited)

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2021**

(Rupees in Lakhs)

7. Shri. Ajit Kumar (Chairman, Independent Director in VLS Finance Limited)
8. Shri. R. K. Goswami (Independent Director in VLS Securities Limited and South Asian Enterprises Limited)
9. Dr. Rajeev Lochan Bishnoi - (Independent Director in VLS Securities Limited, VLS Finance Limited, VLS Capital Limited, South Asian Enterprises Limited)
10. Shri. T. B. Gupta (Director in VLS Securities Limited and Managing Director in South Asian Enterprises Limited and VLS Capital Limited)
11. Shri. Rajesh Jhalani (Director in VLS Asset Management Limited)
12. Shri. R. Bandyopadhyay till 29/04/2020 (Independent Director in VLS Finance Limited)
13. Shri. Deepak Kumar Chatterjee w.e.f. 12/02/2021 (Independent Director in VLS Finance Limited)

**Transactions with Related Parties in the group:**

S NO	Nature of Transaction	Related Party Type	Year Ended March 31, 2021	Year Ended March 31, 2020
1	Remuneration to Executive Vice Chairman (VLS Finance Limited)	Key Managerial Personnel	69.00	60.00
2	Remuneration to Managing Director (VLS Finance Limited)	Key Managerial Personnel	41.26	35.03
3	Remuneration to Director- Finance & CFO (VLS Finance Limited)	Key Managerial Personnel	39.60	33.63
4	Remuneration to Company Secretary (VLS Finance Limited)	Key Managerial Personnel	26.09	21.99
5	Remuneration to CFO (VLS Securities Limited)	Key Managerial Personnel	27.06	21.69
6	Brokerage earned	Others	1.39	0.66
7	Interest paid on margin money deposits	Others	0.53	4.95
8	Security Deposit Paid/(Received back)	Others	(120.00)	505.00
9	Purchase of Shares	Others	300.00	300.00
10	Sanitizer and other Medical consumables / equipment purchased (COVID-19 preventive measures)	Others	1.11	0.03
11	Sitting Fees paid to Non-executive Directors	Others	17.41	14.87
12	Outstanding Balance at the year end			
	a). Security Deposits Paid	Others	385.00	505.00
	b). Other receivables	Others	-	2.58

**Note 32 Capital management**

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio as less as possible. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	31-03-2021	31-03-2020
Borrowings	-	22.89
Trade payables	5.58	206.80
Other payables	30.85	39.70
Less: cash and cash equivalents	(10,511.68)	(1,966.33)
Net debt	-	-
Total capital	2,43,504.11	1,75,424.85
Gearing ratio	NA	NA

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and

borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

**Note 33. Other Financial Information**

a. Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 02 October 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the Group, the following disclosures are made for the amounts due to the Micro and Small Enterprises.

There are no dues outstanding of an entity, which is registered as the Micro, Small and Medium Enterprises defined under "The Micro, Small and Medium Enterprises Development Act, 2006".

Particulars	31 March 2021	31 March 2020
Principal amount remaining unpaid to any supplier as at the period end.	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid	Nil	Nil

<b>b. Earnings in Foreign Currency</b>	Nil	Nil
--	-----	-----

<b>c. Expenditure in Foreign Currency</b>	Nil	Nil
---	-----	-----

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2021**

(Rupees in Lakhs)

**Note 34. Commitments and contingencies**
**a. Commitments:**

Estimated amount of contracts remaining to be executed on Capital Account:

31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
125.65	212.51

**b. Contingent liabilities**

31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Nil	Nil

**Note 35 Fair Value**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	31-03-2021	31 March 2020	31-03-2021	31 March 2020
<b>Financial assets</b>				
Trade Receivables	196.43	293.89		
Other Receivables	350.51	374.99		
Other financial assets	9,763.50	7,379.57	-	-
Loans	813.92	816.60	-	-
FVTOCI financial investments	2,76,823.77	1,90,152.30	2,76,823.77	1,90,152.30
<b>Total</b>	<b>2,87,948.13</b>	<b>1,99,017.36</b>	<b>2,76,823.77</b>	<b>1,90,152.30</b>
<b>Financial liabilities</b>				
Borrowings	-	22.89	-	-
Other Financial Liabilities	143.95	160.91	-	-
<b>Total</b>	<b>143.95</b>	<b>183.80</b>	<b>-</b>	<b>-</b>

and remaining maturities. The Group follows "FIFO" method for calculating the profit/loss on sale of investments.

**Not.e 36: Impact of COVID-19 on Going Concern Assumption**

The current "second wave" of COVID-19 pandemic has significantly increased in India. The Government of India has ruled out a nationwide lockdown for now, but regional lockdowns are implemented in areas with a significant number of COVID-19 cases. Safety of our employees continues to be our key priority. We are encouraging the vaccination for our employees, providing flexible work options and adhering to COVID-19 guidelines. We are closely monitoring the situation and will continue to take all necessary actions to ensure the health and safety of our employees. The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets.

In assessing the recoverability of different assets, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**Note 37: Financial risk management**
**Risk management framework**

The Group has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values

The fair values of the quoted securities and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments is based on NAV as per latest financials of the respective company. Other financial liabilities as well as other non-current financial liabilities is based on carrying value and obligations under finance lease is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk

framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallization of such risks.

The Group has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Group has established required policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented. The Board oversees the Group's risk management, which frames and reviews risk management processes and controls.

**a) Credit risk:**

It is risk of financial loss that the Group will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Group's financial assets comprise of Cash and bank balance, Stock-in-trade, Trade receivables, Loans, Investments and Other financial assets.

The maximum exposure to credit risk at the reporting date is primarily from Group's trade receivables.

Following provides exposure to credit risk for trade receivables:

Particulars	March 31, 2021	March 31, 2020
Trade and Other Receivables (net of impairment)	546.94	668.88
<b>Total</b>	<b>546.94</b>	<b>668.88</b>

**Trade Receivables:** The Group has followed simplified method of ECL in case of Trade receivables and the Group recognises

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2021**

(Rupees in Lakhs)

lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Group assesses the impairment requirements.

**Other financial assets considered to have a low credit risk:**

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks of high standing. Investments comprise of quoted and unquoted Equity instruments, bonds and mutual funds which are market tradable. Other financial assets include deposits for assets acquired on lease.

**b) Liquidity risk**

Liquidity represents the ability of the Group to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavorable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Group may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the trading and investment activities and in the management of trading positions. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

Funds required for short period is taken care by borrowings through overdraft facility against fixed deposits with the bank.

The table below summaries the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31 2021

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
<b>Assets</b>					
Cash and bank balances	10,819.80	110.46	-	-	10,930.26
Trade receivables	196.43	-	-	-	196.43
Other receivables	349.01	-	1.5	-	350.51
Loans	3.02	4.64	806.26	-	813.92
Investments		-	1,84,838.59	95,472.61	2,80,311.20
Other financial assets	8,553.90	50.51	1,085.00	74.09	9,763.50
<b>Total</b>	<b>19,922.16</b>	<b>165.61</b>	<b>1,86,731.35</b>	<b>95,546.70</b>	<b>3,02,365.82</b>
<b>Liabilities</b>					
Trade payables	5.58	-	-	-	5.58
Other payables	30.85	-	-	-	30.85
Borrowings	-	-	-	-	-
Other financial liabilities	143.95	-	-	-	143.95
<b>Total</b>	<b>180.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180.38</b>
Net Excess / (shortfall)	<b>19,741.78</b>	<b>165.61</b>	<b>1,86,731.35</b>	<b>95,546.70</b>	<b>3,02,185.44</b>

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31, 2020

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
<b>Assets</b>					
Cash and bank balances	1,966.33	109.46	-	80.75	2,156.54
Trade receivables	293.89	-	-	-	293.89
Other Receivables	374.99	-	-	-	374.99
Loans	7.55	3.77	5.28	800.00	816.60
Investments	-	-	56,100.11	1,47,979.80	2,04,079.91
Other financial assets	293.61	5,765.30	1,267.23	53.43	7,379.57
<b>Total</b>	<b>2,936.37</b>	<b>5,878.53</b>	<b>57,372.62</b>	<b>1,48,913.98</b>	<b>2,15,101.50</b>
<b>Liabilities</b>					
Trade payables	206.80	-	-	-	206.80
Other payables	39.70	-	-	-	39.70
Borrowings	22.89	-	-	-	22.89
Other financial liabilities	57.81	22.35	-	80.75	160.91
<b>Total</b>	<b>327.20</b>	<b>22.35</b>	<b>0.00</b>	<b>80.75</b>	<b>430.30</b>
Net Excess / (shortfall)	<b>2,609.17</b>	<b>5,856.18</b>	<b>57,372.62</b>	<b>1,48,833.23</b>	<b>2,14,671.20</b>

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2021**

(Rupees in Lakhs)

**c) Market risk**

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Group's income or the market value of its portfolios. The Group, in its course of business, is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Group classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

- i) Equity price Risk
- ii) Interest Rate Risk
- iii) Currency Risk

**i) Equity price Risk**

The Group's exposure to equity price risk arises primarily on account of its investment positions

The Group's equity price risk is managed in accordance with its Corporate Risk and Investment policy (CRIP) approved by the board. The board specifies exposure limits and risk limits for the investments in equity.

**ii) Interest Rate Risk**

The Group's exposure to interest rate risk arises primarily on account of its amount given on loan and the surplus funds kept as deposits with the banks.

The Group's interest rate risk is managed in accordance with its policy approved by its board.

The non-traded Financial Assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the Group's statement of profit and loss.

**iii) Currency Risk/foreign exchange Risk**

There is no exposure to currency risk as there is no position of the group stands in exchange traded currency derivatives.

**Note 38: Employees Benefits**
**i) Defined Contribution Plans:**

Amount of Rs. 28.11 lakhs (Rs. 22.70 lakhs for the financial year 2019-20) contributed to provident funds is recognized as an expense under "Employee Cost" in the Statement of Profit and Loss.

**ii) Defined Benefit Plans**

Funded:

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

The following table summarizes the components of net expenses for gratuity benefits recognized in the statement of profit and loss, other comprehensive income and the amounts recognized in the balance sheet:

<b>1. Assumptions</b>	<b>For the year ended 31, March 2021</b>	<b>For the year ended 31, March 2020</b>
Discount rate	7.00%	7.00%
Salary Escalation	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
<b>2. Changes in present value of obligation during the year</b>		
Present value of obligation as at beginning of the year	199.68	181.93
Interest Cost	13.98	12.73
Current Service Cost	11.16	9.65
Past Service Cost	0	0
Benefits Paid	(9.81)	0
Actuarial (gain) / loss on obligations	28.79	(4.63)
Present value of obligations as at end of the year	243.80	199.68
<b>3. Changes in fair value of plan assets</b>		
Fair value of plan assets at beginning of year	139.68	124.90
Expected return on plan assets	9.57	8.73
Contributions	9.50	5.32
Benefits paid	(0.43)	0.00
Actuarial gain / (loss) on plan assets	6.89	0.72
Fair value of plan assets at the year end	-	139.67

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2021**

(Rupees in Lakhs)

<b>4. OCI / Expenses (Re measurements)</b>		
Cumulative Un recognized Actuarial (gain)/loss opening b/f	(7.15)	(1.81)
Actuarial (gain) / loss on obligations	(7.17)	(4.63)
Actuarial (gain) / loss for the year – on plan assets	(6.89)	(0.72)
Total Actuarial (gain) / loss for the year	21.90	(5.35)
Cumulative total actuarial (gain)/loss c/f	14.75	(7.16)
<b>5. Amounts to be recognized in the Balance Sheet</b>		
Present value of obligations as at the end of the year	243.80	199.68
Fair value of plan assets as at the end of the year	165.21	139.67
Net (asset) / liability as at the end of the year	78.59	60.01
Funded Status Surplus/ (Deficit)	(78.59)	(60.01)
<b>6. Amounts recognized in the Statement of Profit and Loss</b>		
Current service cost	11.16	9.65
Interest Cost	13.98	12.73
Past Service Cost	0	0.00
Expected return on plan assets	(9.57)	(8.74)
Net Expenses recognized in Statement of Profit and Loss	15.57	13.64

The following table summarizes the components of net expenses for leave encashment recognized in the statement of profit and loss, other comprehensive income and the amounts recognized in the balance sheet:

<b>1. Assumptions</b>	<b>For the year ended 31, March 2021</b>	<b>For the year ended 31, March 2020</b>
Discount rate	7.00%	7.00%
Salary Escalation	5.00%	5.00%
<b>2. Changes in present value of obligation during the year</b>		
Present value of obligation as at beginning of the year	20.65	19.87
Interest Cost	1.44	1.39
Current Service Cost	1.71	1.16
Benefits Paid	0.00	0.00
Actuarial (gain) / loss on obligations	4.32	(1.77)
Present value of obligations as at end of the year	28.12	20.65
<b>3. OCI / Expenses (Re measurements)</b>		
Cumulative Un recognized Actuarial (gain)/loss opening bf	(4.70)	(2.92)
Actuarial (gain) / loss on obligations	4.32	(1.78)
Actuarial (gain) / loss for the year – on plan assets	0.00	0.00
Total Actuarial (gain) / loss for the year	4.32	(1.78)
Cumulative total actuarial (gain)/loss c/f	(0.38)	(4.70)
<b>4. Amounts to be recognized in the Balance Sheet</b>		
Present value of obligations as at the end of the year	28.12	20.65
Fair value of plan assets as at the end of the year	0.00	0.00
Net (asset) / liability recognized in balance sheet	28.12	20.65
Funded Status Surplus/ (Deficit)	(28.12)	(20.65)
<b>5. Amounts recognized in the Statement of Profit and Loss</b>		
Current service cost	1.71	1.16
Interest Cost	1.44	1.39
Expected return on plan assets	0.00	0.00
Expenses recognized in Statement of Profit and Loss	3.15	2.55



**CONSOLIDATED FINANCIAL STATEMENTS**

Notes forming part of Consolidated Financial Statements for the year ended 31.03.2021

**Note 39: Salient features of Financial Statements of Subsidiary and Associate Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014):**
**Part A: Subsidiaries:**

(Rupees in Lakhs)

Sl. No.	Name of the Subsidiary	VLS Securities Limited	VLS Asset Management Limited	VLS Real Estate Limited*	VLS Securities Limited	VLS Asset Management Limited	VLS Real Estate Limited*
		INR	INR	INR	INR	INR	INR
1	Reporting Currency						
2	Share Capital	3,000.00	7.07	10.00	3,000.00	7.07	-
3	Other Equity	1,07,383.22	(16.42)	(6.16)	74,902.64	(16.37)	-
4	<b>Total Assets</b>	<b>1,46,076.04</b>	<b>0.16</b>	<b>10.00</b>	<b>99,911.04</b>	<b>0.16</b>	-
5	<b>Total Liabilities</b>	<b>35,692.82</b>	<b>9.51</b>	<b>6.16</b>	<b>22,008.40</b>	<b>9.46</b>	-
6	Investments	1,43,911.70	-	-	98,530.49	-	-
7	Turnover/Total Income	645.99	-	-	511.70	-	-
8	Profit/(Loss) Before Taxation	496.53	(0.05)	(6.16)	222.08	(0.05)	-
9	Provision for Tax (expense)/credit (net):	(46.51)	-	-	(69.13)	-	-
10	Profit/(Loss) After Taxation	450.02	(0.05)	(6.16)	152.95	(0.05)	-
11	Other Comprehensive Income	32,030.56	-	-	25,411.56	-	-
12	Total Comprehensive Income	32,480.58	(0.05)	(6.16)	25,564.51	(0.05)	-
13	Proposed Dividend	-	-	-	-	-	-
14	<b>% of Shareholding</b>	<b>99.67%</b>	<b>99.15%</b>	<b>100.00%</b>	<b>99.67%</b>	<b>99.15%</b>	-

\*VLS Real Estate Limited has been incorporated as wholly owned subsidiary of the company on 03/02/2021. The first financial year of the said company will be ending on 31/03/2022. The relevant financial parameters as on 31/03/2021 have been incorporated herein.

**Part B: Associates:**

Statement pursuant to Section 129(3) of Companies Act, 2013 related to Associate Companies:

Sr. No.	Name of Associate	Latest audited Balance Sheet date	Shares of Associate held by the company/group at the year ended on 31.03.2021			Net worth attributable to shareholding as per latest audited Balance Sheet	Profit / Loss for the year		Description of how there is significant influence
			No.	Amount of investment in Associate	Extent of holding %		Considered in Consolidation	Not Considered in Consolidation	
1	VLS Capital Limited.	31.03.2021	98,20,833	2,538.54	42.40%	3,437.43	110.36	0	Note – A

**Note:**

A. There is significant influence due to percentage (%) of Share Capital.

The above statement also indicates performance and financial position of the associate.

Sr. No.	Name of Associate	Latest audited Balance Sheet date	Shares of Associate held by the company/group at the year ended on 31.03.2020			Net worth attributable to shareholding as per latest audited Bal. Sheet	Profit / Loss for the year		Description of how there is significant influence
			No.	Amount of investment in Associate	Extent of holding %		Considered in Consolidation	Not Considered in Consolidation	
1	VLS Capital Limited.	31.03.2020	93,20,833	2,238.54	40.24%	3,158.81	523.42	0	Note – A

**Note:**

A. There is significant influence due to percentage (%) of Share Capital.

The above statement also indicates performance and financial position of the associate.

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes forming part of Consolidated Financial Statements for the year ended 31.03.2021

(Rupees in Lakhs)

**Note 40: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associate as on 31.03.2021**

Name of the entity in the Group	Net Assets/ (Total Assets minus Total Liabilities)		Share in Profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
VLS Finance Limited	55.54	1,35,234.53	97.50	21,582.18	43.88	25,042.83	58.86	46,625.01
<b>Subsidiaries (Indian):</b>								
VLS Securities Limited	43.95	1,07,025.30	2.03	448.52	55.94	31,923.79	40.87	32,372.31
VLS Asset Management Limited	(0.01)	(16.36)	(0.00)	(0.05)	-	-	(0.00)	(0.05)
VLS Real Estate Limited	(0.00)	(6.16)	(0.03)	(6.16)	-	-	(0.01)	(6.16)
<b>Non-controlling interest</b>								
Subsidiaries (Indian)	0.15	367.91	0.01	1.50	0.19	106.77	0.14	108.27
<b>Associate:</b>								
VLS Capital Limited	0.37	898.89	0.50	110.36	(0.00)	(1.54)	0.14	108.82
<b>Total</b>	<b>100.00</b>	<b>2,43,504.11</b>	<b>100.00</b>	<b>22,136.35</b>	<b>100.00</b>	<b>57,071.85</b>	<b>100.00</b>	<b>79,208.20</b>

(Rupees in Lakhs)

**Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associate as on 31.03.2020**

Name of the entity in the Group	Net Assets/ (Total Assets minus Total Liabilities)		Share in Profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
VLS Finance Limited	50.84	89,189.45	82.77	3,248.76	35.72	15,437.22	39.64	18,685.98
<b>Subsidiaries (Indian):</b>								
VLS Securities Limited	42.56	74,652.99	3.88	152.44	58.60	25,326.85	54.04	25,479.29
VLS Asset Management Limited	(0.01)	(16.31)	-	(0.05)	-	-	-	(0.05)
<b>Non-controlling interest</b>								
Subsidiaries (Indian)	0.15	259.65	0.01	0.51	0.20	84.71	0.18	85.22
<b>Associate:</b>								
VLS Capital Limited	6.46	11,339.07	13.34	523.42	5.48	2,371.73	6.14	2,895.15
<b>Total</b>	<b>100.00</b>	<b>1,75,424.85</b>	<b>100.00</b>	<b>3,925.08</b>	<b>100.00</b>	<b>43,220.51</b>	<b>100.00</b>	<b>47,145.59</b>

**Note: 41: Maturity Analysis of Assets and Liabilities**

(Rupees in Lakhs)

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	31-Mar-21			31-Mar-20		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	10,511.68		<b>10,511.68</b>	1,966.33		<b>1,966.33</b>
Bank Balance other than above	418.58		<b>418.58</b>	109.46	80.75	<b>190.21</b>
Trade receivables	196.43	-	<b>196.43</b>	293.89		<b>293.89</b>
Other receivables	349.01	1.50	<b>350.51</b>	374.99		<b>374.99</b>
Loans	7.66	806.26	<b>813.92</b>	11.32	805.28	<b>816.60</b>
Investments	-	2,80,311.20	<b>2,80,311.20</b>		2,04,079.91	<b>2,04,079.91</b>
Other financial assets	8,604.41	1,159.09	<b>9,763.50</b>	6,058.91	1,320.66	<b>7,379.57</b>
<b>Total-Financial assets</b>	<b>20,087.76</b>	<b>2,82,278.05</b>	<b>3,02,365.82</b>	<b>8,814.90</b>	<b>2,06,286.60</b>	<b>2,15,101.50</b>

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2021**

(Rupees in Lakhs)

<b>Non-Financial assets</b>						
Current Tax assets	12.29	1,770.25	<b>1,782.54</b>	1.72	1,347.25	<b>1,348.97</b>
Investment Property		70.94	<b>70.94</b>		70.94	<b>70.94</b>
Property, plant and equipment		865.52	<b>865.52</b>	16.30	893.96	<b>910.26</b>
Capital work-in-progress	928.41		<b>928.41</b>	725.44		<b>725.44</b>
Other Intangible assets		0.87	<b>0.87</b>		0.74	<b>0.74</b>
Other non-financial assets	754.58	68.87	<b>823.45</b>	754.71	36.00	<b>790.71</b>
<b>Total-Non financial assets</b>	<b>1,695.28</b>	<b>2,776.46</b>	<b>4,471.73</b>	<b>1,498.17</b>	<b>2,348.89</b>	<b>3,847.06</b>
<b>Total Assets</b>	<b>21,783.04</b>	<b>2,85,054.51</b>	<b>3,06,837.55</b>	<b>10,313.07</b>	<b>2,08,635.49</b>	<b>2,18,948.56</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	5.58	-	<b>5.58</b>	206.80		<b>206.80</b>
Other payables	30.85	-	<b>30.85</b>	39.70		<b>39.70</b>
Borrowings	-	-	-	22.89		<b>22.89</b>
Other financial liabilities	143.95	-	<b>143.95</b>	80.16	80.75	<b>160.91</b>
<b>Total- Financial Liabilities</b>	<b>180.38</b>	-	<b>180.38</b>	<b>349.55</b>	<b>80.75</b>	<b>430.30</b>
<b>Non Financial Liabilities</b>						
Provisions	101.26	5.45	<b>106.71</b>		80.64	<b>80.64</b>
Defered tax liabilities		63,008.39	<b>63,008.39</b>		42,982.64	<b>42,982.64</b>
Other non financial liabilities	37.95		<b>37.95</b>	30.13		<b>30.13</b>
<b>Total-Non Financial Liabilities</b>	<b>139.21</b>	<b>63,013.84</b>	<b>63,153.05</b>	<b>30.13</b>	<b>43,063.28</b>	<b>43,093.41</b>
<b>Total Liabilities</b>	<b>319.59</b>	<b>63,013.84</b>	<b>63,333.43</b>	<b>379.68</b>	<b>43,144.03</b>	<b>43,523.71</b>

**Note: 42 Corporate Social Responsibility**

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2020-21. CSR initiatives majorly includes supporting under privileged in medical treatments and various other charitable and noble aids.

a) Accumulated amount required to be spent by the company during the year Rs. 37.02 Lakhs (Previous year Rs. 107.52 Lakhs )

b) Amount spent during the year ended 31 March 2021 on : (Rupees in Lakhs)

Particulars	Total amount to be spent	Amount spent	Yet to spend
i) Construction/acquisition of any asset	-	-	-
ii) on purposes other than (i) above	37.02	37.02	-
<b>Total</b>	<b>37.02</b>	<b>37.02</b>	-

c) Amount spent during the year ended 31 March 2020 on :

Particulars	Total amount to be spent	Amount spent	Yet to spend *
i) Construction/acquisition of any asset	-	-	-
ii) on purposes other than (a) above	107.52	77.00	30.52
<b>Total</b>	<b>107.52</b>	<b>77.00</b>	<b>30.52</b>

\* The amount has been spent during the current year.

**Note: 43 Fair Value Measurement**
**(i) Accounting classification and fair values**

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

The carrying value and fair value of financial instruments by categories as of 31 March 2021 are as follows: (Rupees in Lakhs)

Particulars 31-Mar-21	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	10,511.68	10,511.68				-
Bank balance other than cash and cash equivalents above	-	-	418.58	418.58				-
Receivables								-
(I) Trade receivables	-	-	196.43	196.43				-
(II) Other receivables	-	-	350.51	350.51				-
Loans	-	-	813.92	813.92				-
Investments	-	2,76,823.77	3,487.43	2,80,311.20	2,71,726.42	988.74	4,108.62	2,76,823.77
Other financial assets	-	-	9,763.50	9,763.50				-
<b>Total financial assets</b>	-	<b>2,76,823.77</b>	<b>25,542.04</b>	<b>3,02,365.82</b>	<b>2,71,726.42</b>	<b>988.74</b>	<b>4,108.62</b>	<b>2,76,823.77</b>

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2021**

(Rupees in Lakhs)

<b>Financial liabilities</b>								
Payables								
(I) Trade payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	5.58	5.58	-	-	-	-
(II) Other payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	30.85	30.85	-	-	-	-
Borrowings (Other than debt securities)	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	143.95	143.95	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>180.38</b>	<b>180.38</b>	-	-	-	-

**The carrying value and fair value of financial instruments by categories as of 31 March 2020 are as follows:**

(Rupees in Lakhs)

<b>Particulars</b>	<b>Carrying amount</b>				<b>Fair value</b>			
	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Amortised cost</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31-Mar-20</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	1,966.33	1,966.33				-
Bank balance other than cash and cash equivalents above	-	-	190.21	190.21				-
Receivables								
(I) Trade receivables	-	-	293.89	293.89				-
(II) Other receivables	-	-	374.99	374.99				-
Loans	-	-	816.60	816.60				-
Investments	-	1,90,152.30	13,927.61	2,04,079.91	1,85,586.38	1,227.50	3,338.42	1,90,152.30
Other financial assets	-	-	7,379.57	7,379.57				-
<b>Total financial assets</b>	-	<b>1,90,152.30</b>	<b>24,949.20</b>	<b>2,15,101.50</b>	<b>1,85,586.38</b>	<b>1,227.50</b>	<b>3,338.42</b>	<b>1,90,152.30</b>

<b>Financial liabilities</b>								
Payables								
(I) Trade payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	206.80	206.80	-	-	-	-
(II) Other payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	39.70	39.70	-	-	-	-
Borrowings (Other than debt securities)	-	-	22.89	22.89	-	-	-	-
Other financial liabilities	-	-	160.91	160.91	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>430.30</b>	<b>430.30</b>	-	-	-	-

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2021**

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investment in private equity funds, real estate funds.

**ii Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include :

- Quoted equity investments - Quoted closing price on stock exchange
- Mutual fund - net asset value of the scheme
- Alternative investment funds - net asset value of the scheme
- Unquoted equity investments - NAV on the last audited financials available of the companies.
- Private equity investment fund - NAV of the audited financials of the funds.
- Real estate fund - net asset value, based on the independent valuation report or financial statements of the company income approach or market approach based on the independent valuation report.

**iii. Financial instruments not measured at fair value**

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets.

These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL,

whose carrying amounts approximate fair value, because of their short-term nature.

Fair value measurements using significant unobservable inputs (level 3)

**Notes forming part of Financial Statements for the year ended 31.03.2021 (Consolidated)**
**Note 44: Tax Expense**

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and hence recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Parent Company has elected to opt the amended tax regime from the financial year 2019-20, the same option is elected by subsidiaries and associate company from the financial year 2020-21.

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes to the Consolidated Financial Statements for the year ended 31.03.2021

(Rupees in Lakhs)

**a) Income Tax recognised in Statement of Profit and Loss**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Current tax (expense)/credit:</b>		
1 Current tax for the year	(664.32)	(12.56)
2 Minimum alternate tax	-	-
3 Tax adjustment in respect of earlier years	(6.45)	(9.20)
<b>Total current tax (expense)/credit (A)</b>	<b>(670.77)</b>	<b>(21.76)</b>
<b>Deferred tax (expense)/credit:</b>	2,024.21	4,429.40
<b>Net deferred tax (expense)/credit (B)</b>	<b>2,024.21</b>	<b>4,429.40</b>
<b>Income tax (expense)/credit (net): (C = A+B)</b>	<b>1,353.44</b>	<b>4,407.64</b>

**b) Reconciliation of estimated Income tax (expense)/credit reported in Statement of Profit and Loss**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Profit / (loss) before tax</b>	20,782.92	(482.56)
1 Expected income tax (expense)/credit at the applicable individual entity tax rates	(5,204.44)	274.42
<b>Tax effect of adjustments to reconcile expected Income tax (expense)/credit at tax rate to reported income tax (expense)/credit</b>		
2 Effect of non-deductible expenses	(44.10)	(60.22)
3 Effect of differential tax rates and carried/brought forward losses	6,402.06	3,915.61
4 Effect of income exempt from tax	228.99	279.07
5 Others	(29.07)	(1.24)
<b>Income Tax (expenses)/credit reported in statement of profit and loss (1+2+3+4+5)</b>	<b>1,353.44</b>	<b>4,407.64</b>

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

As per our report of even date

For and on behalf of the board

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

**M.L. Puri**  
Partner  
M. No. 009198

**S.K. Agarwal**  
Managing Director  
(DIN:00106763)

**M. P. Mehrotra**  
Executive Vice Chairman  
(DIN:00016768)

Place: New Delhi  
Date: June 29, 2021  
UDIN: 21009198AAAABN9610

**K.K. Soni**  
Director-Finance & CFO  
(DIN: 00106037)

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

\*\*\*\*\*

## VLS FINANCE LIMITED

Regd. Office: - 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065  
CIN: L65910DL1986PLC023129, email: [vls@vlsfinance.com](mailto:vls@vlsfinance.com), Website: [www.vlsfinance.com](http://www.vlsfinance.com)  
Ph: 011-4665 6666, Fax: 011-4665 6699

### Form for furnishing the Contact, PAN and Bank Details. By the Members holding shares in physical form

To,  
RCMC Share Registry Pvt. Ltd.  
B-25/1, First Floor,  
Okhla Industrial Area Phase – II,  
New Delhi – 110 020

Inward Sr No. : .....

Dear Sir/Madam,

We hereby request you to incorporate following information furnished by us herein below in your records. The relevant documents required to be tendered for this purpose are enclosed.

Name of the Company	VLS Finance Limited
Folio Number	

	Name	PAN #
First /Sole Holder		
Joint Holder 1		
Joint Holder 2		

# Please attach self-attested copy of PAN Card of each holder.

E-mail ID for communication	
Contact number for communication	

Bank Details of Sole / First Holder

Bank Name *	
Branch Address	
Bank Account No.	
Account type	Saving/Current/Cash Credit
MICR Code (9 digits)	
IFSC Code (11 digits)	

\*It is mandatory to enclose self-attested copy of a cancelled cheque bearing name of Sole / first holder. In case cancelled cheque does not have name of such holder printed on it, it is mandatory to enclose a copy of the relevant passbook/bank statement duly attested by bank.

I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information or the said facility is not available at my location, I / We would not hold VLS Finance Ltd. and /or its agents or associates responsible for any loss/damage etc. resulting therefrom.

\_\_\_\_\_  
Signature of First/Sole Holder

\_\_\_\_\_  
Signature of Joint Holder 1  
(As appearing in Company's Record)

\_\_\_\_\_  
Signature of Joint Holder 2

Place :

Date :

This form needs to be submitted by Member(s) holding shares in physical form. Members holding shares in electronic form (in demat account) are advised to update their PAN, bank details and email id with their respective depository participant ('DP'). Post updation with DP, no further action is required from member's side as Company will get these details automatically through depositories.

#### For Office Use Only

Entered on :	Checked By :
Entered by :	Remarks :
Signature :	Signature :

20. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com>

**Book Post**

**If not delivered, please return to :**

**VLS** **VLS FINANCE LTD.**

**Regd. Office : 2<sup>nd</sup> Floor, 13, Sant Nagar, East of Kailash,**

**New Delhi-110 065**

**Phone : 011-46656666 Fax : 011-46656699**