



VLS FINANCE LTD.

Regd. Office : First Floor, 90, Okhla
Industrial Estate, Phase III, New Delhi-110020
Tel. : 91-11-46656666
Fax : 91-11-46656699
Email : vls@vlsfinance.com
Web : www.vlsfinance.com
CIN : L65910DL1986PLC023129

September 15, 2022

LISTING DEPARTMENT
BSE LIMITED
PHIROZE JEEJEEBHOY TOWERS
DALAL STREET
MUMBAI - 400 001

Scrip Code: 511333

Sub: Re-submission of Annual Report along-with the Notice of the
35th Annual General Meeting.

Dear Sir,

It is hereby informed that we have already filed the Notice of 35th Annual General Meeting ('AGM') along-with Annual Report of the Company for the Financial Year 2021-22 on 07/09/2022 in compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, we were unsuccessful in uploading the relevant file after affixing Digital Signature Certificate ('DSC') due to space limitation for such file on the portal. As an alternative, we uploaded the scanned copy of the DSC affixed searchable file of Annual Report within the prescribed timeline, while we continued our efforts to reduce the size of our Annual Report which could not be filed.

We are re-submitting the aforesaid DSC affixed Annual Report for the year 2021-22 in compliance with BSE & NSE Circular dated 01/08/2022 and reiterate that this re-submission is pursuant to the 'Guidance note on use of DSC' dated 07/09/2022. Further, the same was also advised by the NSE helpdesk official. Accordingly, it should not be construed as late submission.

Kindly acknowledge the receipt.

Thanking you,
For VLS Finance Ltd.

H. Consul
Company Secretary
M.No. A11183

- Copy to:
- 1) The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051
Scrip Code:
VLSFINANCE
 - 2) The Calcutta Stock Exchange Association. Ltd., 7, Lyons Range, Kolkata- 700 001
032019

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Ph: 011-4665 6666, Fax: 011-4665 6699

NOTICE OF 35th Annual General Meeting ("AGM")

NOTICE is hereby given that the 35th Annual General Meeting of the Members of VLS FINANCE LTD. will be held on Friday, 30th September, 2022 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 31st March, 2022, 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 Mahesh Prasad Mehrotra (DIN: 00016768) who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.
5. To appoint the auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, M/s. Agwal & Associates, Chartered Accountants, (Firm's Registration No. 000181N) be and are hereby appointed as Statutory Auditors of the Company for a period of 5 (five) years to hold office from the conclusion of this Annual General Meeting until the conclusion of the 40th Annual General Meeting subject to such other confirmation as may be required under applicable regulations from time to time and at such remuneration as may be determined by the Board of Directors of the Company / Committee of the Board from time to time and that the said remuneration may be paid on a progressive billing basis or as mutually agreed between the Auditors and the Board/Committee of Board or such other officer of Company as may be authorized by the Committee/ Board."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass the following resolution as **Special Resolution** for re-appointment of Shri Suresh Kumar Agarwal (DIN: 00106763) as Managing Director:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 read with Article No. 108 of the Articles of Association of the Company and such other Laws, Rules and Regulations as may be applicable and subject to such other approvals as may be required, consent of the members of the Company be and are hereby accorded for reappointment of Shri Suresh Kumar Agarwal (DIN: 00106763) who is also Managing Director of VLS Securities Ltd., as Managing Director, subject to retirement by rotation, for a period of 3 (three) years w.e.f. 21st August, 2022 (i.e. from 21/08/2022 to 20/08/2025) on such remuneration as set out in explanatory statement annexed to this notice and on such other terms and conditions as are expressed and contained in the agreement dated 28/05/2022 entered into for this purpose between the Company and Shri Suresh Kumar Agarwal which agreement be and is hereby also approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and / or revise the remuneration of the said Managing Director within the permissible limits under the provisions of the Companies Act, 2013 or any statutory modification thereof, from time to time, to settle any question or difficulty in connection therewith or incidental thereto and to do all such things, deeds and acts including delegation of powers herein to any person/committee as may be necessary or expedient for giving effect to said appointment."

7. To consider and if thought fit, to pass the following resolution as **Special Resolution** for re-appointment of Shri Kishan Kumar Soni (DIN:00106037) as Director- Finance & CFO:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with applicable Rules, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and such other laws rules and regulations as may be applicable and subject to such other approvals as may be required, consent of the members of the Company be and are hereby accorded for re-appointment of Shri Kishan Kumar Soni (DIN: 00106037), as the Director-Finance & CFO of the Company subject to retirement by rotation, for a period of

three years w.e.f. 01/08/2022 upto 31/07/2025, on such remuneration as set out in explanatory statement annexed to this notice and other terms and conditions which are expressed and contained in the agreement dated 28/05/2022 entered into for this purpose between the Company and Shri Kishan Kumar Soni, which agreement be and is hereby also approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and / or revise the remuneration of the said Director-Finance & CFO within the permissible limits under the provisions of the Companies Act, 2013 or any statutory modification thereof, from time to time, to settle any question or difficulty in connection therewith or incidental thereto and to do all such things, deeds and acts including delegation of powers herein to any person/committee as may be necessary or expedient for giving effect to said appointment."

8. To approve modification of remuneration of Shri Vikas Mehrotra (DIN: 06476150) - Managing Director- International Operations 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 members of the Company be and is hereby accorded to the revision in remuneration of Shri Vikas Mehrotra (DIN: 00016768) - Managing Director- International Operations of the Company and the revised remuneration package of Shri Vikas Mehrotra - Managing Director- International Operations shall be as under:

a. **Salary**

Basic salary of Rs. Rs. 4,46,429/- (Rupees Four Lac Forty-Six Thousand Four Hundred Twenty Nine Only) per month.

b. **Perquisites**

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

- i. Provident Fund as per rules of the Company.
- ii. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.
- iii. 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 Managing Director- International Operations.

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.

- c. **Sitting Fees:** The Managing Director- International Operations shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the effective date of his appointment except that any such fee paid for any reason shall be adjusted from remuneration payable for said period.

RESOLVED FURTHER THAT all other terms and conditions of service as contained in the agreement dated 13/11/2021 entered into between the Company and the Managing Director- International Operations will remain unchanged.

RESOLVED FURTHER THAT the aforesaid revision in remuneration shall be effective from 1st June, 2022, for residual period of appointment of Managing Director- International Operations 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 Managing Director- International Operations 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 then 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 : 13/08/2022

(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 Nos. 6 to 8 as Special Business in the forthcoming AGM, as they are unavoidable in nature. The details pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this notice.
 2. In view of the continuing restrictions on the movement of people due to global outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 02/2022 dated 05/05/2022 read with Circular No. 21/2021 dated 14/12/2021; Circular No. 19/2021 dated 08/12/2021; Circular No. 02/2021 dated 13/01/2021, Circular no. 20/2020 dated 5th May, 2020 and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021 and May 13, 2022 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) without physical presence of members at common venue during the calendar year 2022. 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 35th AGM of the Company shall be conducted through VC / OAVM. The 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. Hence, the members can participate in AGM through VC/OAVM only. 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.
 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 proceedings of AGM shall be deemed to be conducted from registered office of the Company being the deemed venue for AGM. 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 23/09/2022 to Friday 30/09/2022 (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. 02/2022 dated 05/05/2022 read with General Circular No. 20/2020 dated 05/05/2022 issued by MCA and Circular No. SEBI/HO/CFD/ CMD2/ CIR/P/2021/11 dated 15/01/2021 read with SEBI/HO/CFD/ CMD2/ CIR/P/2022/62 dated 13/05/2022 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 2021-22, 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 followed by physical copy of the signed request in Form ISR-1 besides updating other information as per SEBI's directive dated 03/11/2021, 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 or hconsul@vlsfinance.com.

7. This Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at 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.

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. 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 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 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 or 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 or 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 or 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. The Members, whose names appear in the Register of Members / list of Beneficial Owners at the closing hours on Thursday, 22nd September, 2022, i.e. the date preceding to the commencement of book closure, being the cut-off date, are entitled to attend the AGM and vote on the Resolutions set forth in this Notice. The voting right of shareholders shall be in proportion to their share in the paid-up share capital of the Company as on cut off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
 16. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members holding shares as on

cut off date 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. Questions / queries received by the Company between Thursday, 22nd September, 2022 till 5.00 p.m. on Friday 25th September, 2022 shall only be considered and responded during the AGM.

17. Members holding shares as on cut off date 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 mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number between 9.00 a.m. on Friday, 23rd September, 2022 and 5.00 p.m. on Sunday, 25th September, 2022. 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.
18. 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:

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 Tuesday 27/09/2022 and end at 5.00 p.m. on Thursday 29/09/2022. 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. **How do I vote electronically using NSDL e-Voting system?**

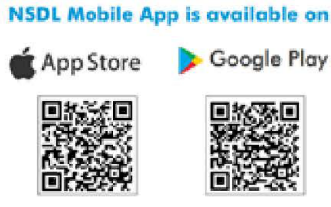
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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"> Existing IDEAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' 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 "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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 & voting during the meeting. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 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. 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 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 & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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 & 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com 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.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on 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 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 with a copy marked to 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 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.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password 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 vlsvlsfinance.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 vlsvlsfinance.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 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. Members holding multiple folios/securities (demat) account shall choose the voting process separately for each folio/ securities account. Voting for each item of notice has to be done separately unless option for enbloc 'assent' or 'dissent' is exercised.
 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 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 30/09/2022, 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 Managing Director 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.
 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.vlsvlsfinance.com and at the registered office of the company.
- 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 vlsvlsfinance.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 Thursday, 22nd September, 2022, i.e. the cutoff date will be paid the Dividend for the financial year ended 31st March, 2022, as recommended by the Board on or before 30/10/2022, 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 as on cutoff date, 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 before cutoff date.
 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 vlsvlsfinance.com or its Registrar and transfer agent at investor.services@rcmcdelhi.com followed by physical copy thereof in prescribed format. It is advisable to update all information sought as per SEBI directive dated 03/11/2021 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 vlsvlsfinance.com. Please refer clause 42 herein for details. 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 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 2022-23 provided Permanent Account Number ("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. Members are therefore, requested to update their PAN in their folio/demat account by approaching Company or RTA/Depository Participant respectively.

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 2022-23 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 2022-23. Further tax will be deducted at higher rate of 20% in case PAN is not linked with Aadhar besides freezing of such folio/securities account after 31/03/2023 unless extended, if aforesaid linking is not done.

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.

Section 206AB introduced by the Finance Act, 2021 effective 1st July, 2021 (amended by Finance Act, 2022 effective 1st April, 2022), provides for deduction of higher rate of tax in case a person:

- a) Had not filed Income Tax return (ITR) for the preceding previous year where the time limit to file the return of income prescribed u/s 139 (1) of the Income-tax Act, 1961 has expired; and
- b) Had aggregate TDS/TCS credit of C50,000 or more in that preceding year.

Accordingly, in case both the above conditions are not fulfilled, tax would be deducted at a higher rate.

- 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 for the financial year 2022-23.
 - 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 2022-23;
 - 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 2022-23.
 - vi. Non-Resident Shareholder is satisfying the Principle Purpose Test as per the respective tax treaty effective 1st April, 2020 (if applicable).
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> with copy to vis@vlsfinance.com on or before Friday, 16th September, 2022 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 Friday, 16th September, 2022. 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. *The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.*
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, 2019-20 and 2020-21 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 30/09/2021 (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 IEPF on	Amount of unclaimed Dividend as on 31/03/2022 (Rs.)
31/03/2017	25/09/2017	10%	31/10/2017	31/10/2024	25,72,269.00
31/03/2018	20/09/2018	10%	26/10/2018	26/10/2025	26,71,709.00
31/03/2019	12/09/2019	10%	18/10/2019	18/10/2026	26,44,351.00
31/03/2020	10/12/2020	15%	16/01/2021	16/01/2028	36,21,133.25
31/03/2021	30/09/2021	15%	06/11/2021	06/11/2028	36,05,392.76

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 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. The shares of the Company are traded in demat segment only w.e.f. 28th 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).
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 35th 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
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@rcmdlhi.com, website: www.rcmdlhi.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:

First Floor, 90, Okhla Industrial Estate, Phase - III, New Delhi - 110020
 Phone No. 011-4665 6666, Fax: 4665 6699.
 Dedicated Investor Services e-mail: hconsul@vlsfinance.com
 Website: www.vlsfinance.com

The Registered Office of the Company has been shifted from 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 to First Floor, 90, Okhla Industrial Estate, Phase-III, New Delhi-110020 w.e.f. 01/06/2022 pursuant to Board's decision to this effect on 28/05/2022.

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/HO/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. Further, Members holding shares in physical form are again requested to provide PAN and Bank details besides other information in Form ISR-1. Please use correct form for specific requests viz. ISR-1, ISR-2, ISR-3, ISR-4 and SH-13 for prompt action. The formats thereof are available on the website of the Company and its RTA.

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. 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. As per SEBI directive dated 03/11/2021, it is mandatory for individuals to provide 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 may send their nomination in prescribed Form no. SH-13/ SH-14/ISR-3 as the case may be, duly filled in, to the RTA of Company. As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25/01/2022 the issuance of securities in dematerialized form only has been mandated for service request relating to transmission, transposition, endorsement, duplicate share certificate/ renewal/ exchange of securities amongst others for securities held in physical form. So, after approval of investor's service requests relating to above, letter of confirmation will be issued by the RTA for enabling generation of demat request for credit of relevant securities in claimants' demat account. No physical certificate will be issued after transmission/folio consolidation and other requests aforesaid are approved and physical certificate, if any tendered, will be destroyed as in case of request for dematerialization after demat request on the basis of letter of confirmation has been approved by Company. The process will not only facilitate updation of information with the Company from single point i.e. depository in future sent also save time and resources of investor from spending on separate updation of information with each company by investor where securities are held in physical form. For securities held in electronic (demat) form, all service requests i.e. transfer/transmission/nomination or updation of PAN, address, email etc. will be dealt by concerned depository participant which securities account is maintained.
44. Information regarding Directors retiring by rotation or otherwise seeking appointment/reappointment as required under Secretarial Standard-2 and Regulation 36(3) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director & DIN	Shri Mahesh Prasad Mehrotra (DIN: 00016768)	Shri Kishan Kumar Soni (DIN: 00106037)
Date of Birth/ Age	26/09/1940 / 82 years	14/09/1953 / 69 years
Date of first Appointment on the Board	07/11/2015	14/11/2013
Whether qualified u/s 164(2) of the Companies Act, 2013	Yes	Yes
Qualifications and Expertise in specific functional areas	B.Com., FCA, LL. B. He is a Chartered Accountant by profession and a law graduate with over 58 years of rich experience in areas of taxation, administration and financial services besides being the promoter of the Company. Shri M. P. Mehrotra had been on Board earlier from 1992 to 2001 and then from 2007 to 2014. He was again appointed on the Board w.e.f. 12/09/2015. He was appointed as Wholtime Director w.e.f. 01/07/2017 designated as Executive Vice- chairman and his current term is upto 31/07/2023.	B. Com, FCA, FCS He is a qualified Chartered Accountant and Company Secretary with around 45 years of experience in the field of Accounts, Finance, Taxation and other Corporate Affairs. In his first stint with the Company, He served as President (Corporate Affairs) from 1995 to 1998 before resigning. Subsequently, he 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 and had been reappointed for said position since then.
No. of Board meetings attended during the year	6/6	6/6
Relationship between Directors inter-se	Shri M.P. Mehrotra is related to Dr. (Mrs.) Neeraj Arora, Ms. Divya Mehrotra Directors of the Company and Mr. Vikas Mehrotra-Managing Director- International Operations.	None
List of Companies in which Directorship held as on 31/03/2022.	1. Dhampur Sugar Mills Ltd. 2. VLS Commodities (P) Ltd. 3. VLS Capital Ltd. 4. South Asian Enterprises Ltd. 5. Maxim Infracon (P) Ltd. 6. Moonrock Hospitality (P) Ltd. 7. Vinu Promoters (P) Ltd. (Nominee of Moonrock Hospitality Pvt. Ltd.) 8. VLS Real Estate Ltd. 9. Big Wong Hospitality (P) Ltd. 10. Deltan Cables Ltd.* 11. Mehrotra & Mehrotra, Chartered Accountants - (Sr. Partner)	1. South Asian Enterprises Limited 2. VLS Securities Ltd. 3. VLS Asset Management Ltd. 4. VLS Real Estate Limited

Name of the Director & DIN	Shri Mahesh Prasad Mehrotra (DIN: 00016768)		Shri Kishan Kumar Soni (DIN: 00106037)	
Chairman ("C") / Member ("M") of the Committees of other Companies as on 31/03/2022.	Audit	1. Dhampur Sugar Mills Ltd. (C) 2. VLS Capital Ltd. (M) 3. Delton Cables Ltd.* (C)	Audit	1. South Asian Enterprises Ltd. (M) 2. VLS Securities Ltd. (M)
	Nomination and Remuneration	1. Dhampur Sugar Mills Ltd. (C) 2. VLS Capital Ltd. (M) 3. Delton Cables Ltd.* (M)	Nomination and Remuneration	1. VLS Securities Ltd. (C)
	Stakeholders Relationship	1. Delton Cables Ltd.* (C)	Stakeholders Relationship	1. South Asian Enterprises Ltd. (C)
	CSR	1. Dhampur Sugar Mills Ltd. (M) 2. VLS Capital Ltd. (M)	-	-
	Finance sub-Committee	1. Dhampur Sugar Mills Ltd. (M)	-	-
Listed entities from which director has resigned in past 3 years as on 31/03/2022.	None *Resigned w.e.f. 14/06/2022 from Delton Cables Ltd.		None	
Shareholding in the Company including shareholding as beneficial owner and percentage	1 (Nil)		1 (Nil)	

Name of the Director & DIN	Shri Suresh Kumar Agarwal (DIN:00106763)		Shri Vikas Mehrotra (DIN:06476150)	
Date of Birth/ Age	22/01/1951 /71 years		25/04/1968 /54 years	
Date of first Appointment on the Board	27/07/2003		28/05/2016	
Whether qualified u/s 164(2) of the Companies Act, 2013	Yes		Yes	
Qualifications and Expertise in specific functional areas	B. Com(H), C.A.I.I.B He is Commerce Graduate & Associate of Indian Institute of Bankers. He is former banker having vast experience in the Banking and Financial Services. He had been associated with VLS Group since 1995 and was positioned as Senior President in the Company w.e.f. 01/01/1998. He was appointed as Managing Director of the Company for the first Tenure w.e.f. 21/08/2004 and had been reappointed for said position since then.		He is a Commerce Graduate from the University of Delhi with 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 Investment adviser and Consultant.	
No. of Board meetings attended during the year	6/6		5/6	
Relationship between Directors inter-se	None		Shri Vikas Mehrotra is related to Shri M. P. Mehrotra - Executive Vice-Chairman and Promoter, Dr. (Mrs.). Neeraj Arora and Ms. Divya Mehrotra - Directors of the Company.	
List of Companies in which Directorship held as on 31/03/2022.	1. VLS Asset Management Ltd 2. VLS Real Estate Ltd. 3. Risk Software Solution (P) Ltd. 4. VLS Securities Ltd.		1. Venus India Asset Finance (P) Ltd. 2. VLS Securities Ltd. 3. VLS Capital Ltd. 4. VCM Portfolio Management Services (P) Ltd. 5. Vinu Promoters (P) Ltd. 6. Moonrock Hospitality (P) Ltd. 7. Venus India Structured Finance Master Ltd. (BVI Fund/Company) 8. Venus India Structured Finance (Offshore) Fund Ltd. (BVI Fund/Company) 9. Venus Global Macro Fund Ltd. 10. Venus Relative Value Master Ltd. (BVI Fund/Company) 11. Venus Relative Value (Offshore) Fund QP Ltd. (BVI Fund/Company) 12. Venus Capital Management Company (Mauritius) 13. Visff No.1 Ltd. (Mauritius) 14. Vacuf Ltd. (Mauritius) 15. Venus Capital Management Inc. (USA).	
Chairman/ Member of the Committees of other Companies as on 31/03/2022.	Audit	-	Audit	Venus India Asset Finance (P) Ltd.
	Nomination and Remuneration	-	Nomination and Remuneration	Venus India Asset Finance (P) Ltd.
	CSR	-	CSR	Venus India Asset Finance (P) Ltd.
	Stakeholders Relationship	-	Asset Liability & Risk Management	Venus India Asset Finance (P) Ltd.
Listed entities from which director has resigned in past 3 years as on 31/03/2022.	None		None	
Shareholding in the Company including shareholding as beneficial owner and percentage	1 (Nil)		485783 (1.26%)	

EXPLANATORY STATEMENT IN TERMS OF REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 5 To appoint the auditors and to fix their remuneration.

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Companies Act, 2013 and rules framed thereunder.

The Members at the 30th Annual General Meeting ("AGM") of the Company held on September 25, 2017, had approved appointment of M/s. M. L. Puri & Co. - Chartered Accountants, (Firm's Registration No. 002312N), as the Statutory Auditors of the Company to hold office for first term of five years from the conclusion of the 30th AGM till the conclusion of the 35th AGM of the Company to be held in the year 2022. The present term of M/s. M. L. Puri & Co. - Chartered Accountants ('Retiring Auditors') shall terminate on the conclusion of 35th AGM to be held on September 30, 2022.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, for compulsory rotation of Statutory Auditors after completion of their term, has proposed the appointment of M/s. Agiwal & Associates, Chartered Accountants having ICAI Firm Registration No. 000181N as the Statutory Auditor of the Company, in place of Retiring Auditors, for a term of 5 years from the conclusion of the 35th AGM of the Company till the conclusion of the 40th AGM tentatively to be held in the year 2027. The remuneration of Statutory Auditors as per past practice is fixed by the Board after their appointment / reappointment, as the case may be, based on authorization made by members to the Board in the General Meeting. Accordingly, the remuneration for the year 2022-23 for the Statutory Auditors will be fixed after their appointment in forthcoming AGM by the board as per authorisation sought from the members. It is perceived that there would not be any material change in remuneration fixed for Statutory Auditors appointed vis-a-vis Retiring Auditors requiring explanation for rationale thereof by the Board. The remuneration fixed for Statutory Auditors will be exclusive of applicable taxes and out of pocket expenses unless agreed otherwise. The remuneration proposed to be paid to the Statutory Auditors during their first term would be in line with the remuneration approved for existing auditors and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

Besides the audit the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by banks, statutory authorities and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms.

M/s. Agiwal & Associates, Chartered Accountants (FRN: 000181N) have given their consent for their appointment as Statutory Auditors of the Company besides a certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. Further, they have confirmed their eligibility for appointment as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 besides holding valid certificate for peer review by Peer Review Board of ICAI.

The Brief profile of the proposed Statutory Auditor is as under:

M/s. Agiwal & Associates was founded in 1968 by C.A.D.C. Maheshwari. The firm is managed by twelve partners including CA Prakash Chand Agiwal, CA Prakash Gurbuxani, C.A.G. D. Chaudhary and CA R. K. Agarwal as senior partners each having experience of over 4 decades. The firm has a team of Chartered Accountants,

semi-qualified Chartered Accountants and article assistants commensurate with its area of activities. The partners have extensive experience in the field of Audit, Tax Advisory, Accounting Services including Ind AS and allied areas and has handled audit of various listed and non-listed companies in private sector as well as public sector.

None of the Directors/ Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the Ordinary Resolution set out at item No. 5 for the approval of members.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 6 Appointment of Shri Suresh Kumar Agarwal as Managing Director.

On the recommendation of Nomination and Remuneration Committee, Shri Suresh Kumar Agarwal was reappointed as Managing Director of the Company w.e.f. 21st August, 2022 for a period of 3 (Three) years by the Board of Directors in its meeting held on 28/05/2022 on the terms and conditions as contained in agreement entered into between the Company and Shri Suresh Kumar Agarwal for this purpose on that date, subject to such approvals as may be required. Shri Suresh Kumar Agarwal aged about 71 years, is a Commerce Graduate & Associate of Indian Institute of Bankers. He is former banker having vast experience in the Banking and Financial Services. Shri Suresh Kumar Agarwal had been associated with VLS Group since 1995 and was positioned as Senior President in the Company w.e.f. 01/01/1998. He was appointed as Managing Director of the Company for the first tenure of three years w.e.f. 21/08/2004 and had been re-appointed for said position since then. Shri Suresh Kumar Agarwal is member of CSR Committee, Stakeholders Relationship Committee and Operations Management Committee of the Company. Please refer to Clause 44 of accompanying notice for further information on Shri Suresh Kumar Agarwal. Keeping in view the track-record besides extensive experience of Shri Suresh Kumar Agarwal who has attained age of 70 years and is physically fit, it is perceived that his continued association would be in the interest of the Company.

Shri Suresh Kumar Agarwal, at the time of his reappointment as Managing Director of the Company, was also the Managing Director of VLS Securities Ltd., a subsidiary of the Company. He continues to hold said position by virtue of his reappointment by the Board of Directors of VLS Securities Ltd. in its meeting held on 14/05/2022 for a further period of 3 years w.e.f. 01/07/2022. He is not drawing any remuneration from said subsidiary.

Shri Suresh Kumar Agarwal's appointment as Managing Director is being made in accordance with the conditions specified in Part I of Schedule V and the remuneration payable to him is within the ceiling laid down in Part II thereof and the requirements of Part III thereof are being complied with. The Nomination and Remuneration Committee had recommended following remuneration package for Shri Suresh Kumar Agarwal upon reappointment as Managing Director which was approved by the Board on 28/05/2022:

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 is 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."

Notwithstanding anything contrary contained in Articles of Association of the Company, Shri Suresh Kumar Agarwal shall be liable to retire by rotation during his tenure as Managing Director of the Company.

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 managerial personnel is subject to the approval of members.

The copy of the resolution passed by the Board of Directors in its meeting held on 28/05/2022 appointing Shri Suresh Kumar Agarwal as Managing Director and the agreement entered into between the Company and Shri Suresh Kumar Agarwal dated 28/05/2022 are 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. Further, pursuant to section 196(3) of the Companies Act, 2013 consent of the members by way of Special Resolution is required for appointment of an Executive Director aged over 70 years or who would attain age of 70 years during the tenure of such appointment.

Accordingly, approval by members is sought for the aforesaid appointment of Shri Suresh Kumar Agarwal as Managing Director on the terms and conditions as set out in the agreement entered into between Shri Suresh Kumar Agarwal and the Company. The Board recommends the appointment of Shri Suresh Kumar Agarwal as Managing Director of the Company as set out in item no. 6 of the Notice by way of Special Resolution in terms of Section 196 of the Companies Act, 2013 and other applicable regulations.

None of the Directors, Key Managerial Personnel of the Company and their relatives in any way is concerned or interested, financially or otherwise, in the said resolution except Shri Suresh Kumar Agarwal- Managing Director and his relatives.

ITEM NO. 7 Appointment of Shri Kishan Kumar Soni as Director- Finance & CFO.

On the recommendation of Nomination and Remuneration Committee Shri Kishan Kumar Soni was reappointed as Director – Finance & CFO of the Company for a period of 3 (Three) years w.e.f. 01/08/2022 by the Board of Directors in its meeting held on 28/05/2022 on the terms and conditions as contained in agreement entered into between the Company and Shri Kishan Kumar Soni for this purpose on that date, subject to such approvals as may be required. Shri Kishan Kumar Soni aged about 69 years, is a Commerce Graduate besides qualified Chartered Accountant and Company Secretary. He has over 45 years of experience in the area of finance, taxation, corporate planning and other corporate affairs. Shri Kishan Kumar Soni had been associated with the Company since 1995 except for the period between January 1998 till mid-May 2005. He has served the Company in different capacities during this period. Shri Kishan Kumar Soni is member of Stakeholders Relationship Committee and Operations Management Committee of the Company. Keeping in view the track-record besides extensive experience of Shri Kishan Kumar Soni who would attained age of 70 years during the tenure of proposed re-appointment and is physically fit, it is perceived that his continued association would be in the interest of the Company.

Shri Kishan Kumar Soni's appointment as Director- Finance & CFO is being made in accordance with the conditions specified in Part I of Schedule V and the remuneration payable to him is within the ceiling laid down in Part II thereof and the requirements of Part III thereof are being complied with. The Nomination and Remuneration Committee had recommended following remuneration package for Shri Kishan Kumar Soni upon reappointment as Director- Finance & CFO which was approved by the Board on 28/05/2022:

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 is 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.
- 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 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."

Notwithstanding anything contrary contained in Articles of Association of the Company, Shri Kishan Kumar Soni shall be liable to retire by rotation during his tenure as Director-Finance & CFO of the Company. Shri Kishan Kumar Soni shall be retiring by rotation at the forthcoming Annual General Meeting as per existing terms of appointment and has sought re-appointment as set out in item no. 4 of accompanying notice. For profile and other relevant information please refer to clause 44 of accompanying notice.

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 managerial personnel is subject to the approval of members.

The copy of the resolution passed by the Board of Directors in its meeting held on 28/05/2022 appointing Shri Kishan Kumar Soni as Director- Finance & CFO and the agreement entered into between the Company and Shri Kishan Kumar Soni dated 28/05/2022 are 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. Further, pursuant to section 196(3) of the Companies Act, 2013 consent of the members by way of Special Resolution is required for appointment of a Executive Director aged over 70 years or who would attain age of 70 years during the tenure of such appointment.

Accordingly, approval by members is sought for the aforesaid appointment of Shri Kishan Kumar Soni as Director-Finance & CFO on the terms and conditions as set out in the agreement entered into between Shri Kishan Kumar Soni and the Company. The Board recommends the re-appointment of Shri Kishan Kumar Soni both as Director and Director-Finance & CFO of the Company as set out in item Nos. 4 and 7 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives in any way is concerned or interested, financially or otherwise, in the said resolutions except Shri Kishan Kumar Soni - Director- Finance & CFO and his relatives.

ITEM NO. 8 Modification in Remuneration of Shri Vikas Mehrotra (DIN:06476150) as Managing Director- International Operations.

The Board in its meeting held on 13/11/2021, concurring to the recommendation of the Nomination and Remuneration Committee, had appointed Shri Vikas Mehrotra (DIN:06476150), as Managing Director-International Operations of the Company for a period of 3 years with a view to explore Company's operations in global arena, which was approved by the members on 30/12/2021 and by the Central Government on 31/05/2022 read with corrigendum dated 29/06/2022.

Since the appointment was proposed to be effective from the date of approval by Central Government or the date specified in the approval by Central Government, the effective date of appointment is 12/01/2022 as per approval received from Central Government. However, in order to avoid any ambiguity in the matter, because Shri Vikas Mehrotra cannot be deemed to have performed the function of Managing Director- International Operations for the period from 12/01/2022 till 31/05/2022, it is proposed that the remuneration to Shri Vikas Mehrotra -Managing Director- International Operations shall be payable from 01/06/2022. Shri Vikas Mehrotra has no objection in case remuneration is paid to him w.e.f. 01/06/2022 except that no recovery of sitting fee etc. paid to him between 12/01/2022 and 30/05/2022 be made and shall be deemed to be adjusted from remuneration forgone by him for this period. It is also proposed to modify the remuneration package of Managing Director- International Operations by inserting the statutorily

mandated clause relating to contribution of provident fund of person in employment, if such person is not citizen of India notwithstanding the amount of remuneration paid to such employee. Accordingly, it is proposed to modify the remuneration package of Shri Vikas Mehrotra as Managing Director- International Operations as stated in item no. 8 of accompanying notice. For profile and other relevant information, please refer to clause 44 of accompanying notice. Other terms and conditions of employment of Shri Vikas Mehrotra as Managing Director-International Operations will remain unchanged.

The remuneration package of Shri Vikas Mehrotra prior to proposed revision is as under:

a. Salary

Basic salary of Rs. 5,00,000/- (Rupees Five Lacs Only) per month provided that the remuneration shall be payable after all required approvals have been received and according to the directives therein and further if the amount approved by Central Government is at variation with the recommended amount then he shall be paid the amount so approved by the Central Government.

b. Perquisites

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

- i. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.
- ii. 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 Managing Director-International Operations.

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.

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

The aggregate remuneration of Managing Director- International Operations including Company's contribution to provident fund, after aforesaid modification, would remain same at Rs. 5,00,000/- (Rupees Five Lacs Only) per month as approved originally by the members since the present rate of Company's contribution to provident fund is @12% of basic salary.

A copy of agreement containing terms and conditions of Managing Director- International Operations and other documents is available for inspection by the members of the Company both electronically on the date of said Annual General Meeting ("AGM") 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 AGM except on Saturdays, Sundays and Holidays.

The Board recommends the modification in remuneration of Shri Vikas Mehrotra as set out in item no. 8 of the accompanying notice.

None of the Directors or Key Managerial Personnel or their relatives except Shri M. P. Mehrotra (DIN:00016768)- Executive Vice- Chairman, Dr. (Mrs.) Neeraj Arora (DIN:07191167) - Non-Executive Director and Ms. Divya Mehrotra (DIN:00006494) Non- Executive Director of the Company are directly or indirectly interested in the resolution.

By order of the Board
for VLS Finance Ltd.

Place: New Delhi
Date : 13/08/2022

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

Request for registration/updation of Address, Nomination and other information of Members

VLS FINANCE LIMITED
CIN: L65910DL1986PLC023129,
Regd. Off. : First Floor, 90, Okhla Industrial Estate, Phase III, New Delhi - 110020.
Ph.011 4665 6666 Fax 011-4665 6699
email: vls@vlsfinance.com, Website: www.vlsfinance.com

To the members of VLS Finance Limited ('the Company') Holding shares in physical form

Dear Member(s),

Sub:- Mandatory updation of KYC/ Nomination details

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR2021/P/2021/655 dated Nov 03, 2021 and Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated Dec 14, 2021, SEBI has prescribed Common and Simplified Norms for processing investor's service request by RTAs and norms for mandatory furnishing of PAN, postal address, mobile number, email address, specimen signature, bank account details, Nomination ('KYC details') of all the shareholders, holding shares in physical form to the Company or through its RTA. Thus, the company has initiated steps for registering the KYC details of all its shareholders accordingly.

As per our record, your above-mentioned KYC details are not available/ updated in the Folio. It is therefore, requested, to submit the following details in attached formats along with the supporting documents forthwith, in your own interest:

1. Self-attested copy of Aadhar seeded PAN, Address proof (preferably Aadhar), phone number, email address of the shareholder(s) as per enclosed **Form ISR-1**.
2. Bank account details of 1st holder along with self-attested copy of a Cancelled cheque leaf with printed name (If name is not printed, please provide legible copy of Bank passbook/Bank statement with Bank's stamp) as per enclosed **Form ISR-1**.
3. Confirmation of Specimen Signature of holder(s) from your Banker as per enclosed **Form ISR-2**.
4. **NOMINATION** as per enclosed **Form SH-13** or **Form ISR-3** duly filled, in case shareholder(s) does not intend to nominate. All holders should sign in case of joint holders.

All forms mentioned above and other relevant information are also available on the website of the Company i.e. www.vlsfinance.com

Further, it is advisable to keep the aforesaid information updated with the Company as and when change occurs to avoid inconvenience in future.

In case of non-receipt of aforesaid information / incomplete information, all transactions in the folio could be frozen with effect from April 01, 2023.

Further, the existing provision relating of transfer of securities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that a request for transfer of securities shall not be processed unless the securities are held by the shareholders in dematerialized form. Accordingly, shares in dematerialized form will improve ease & convenience in the transfer of securities. Moreover, w.e.f. 25/01/2022 service request for processing of transmission, transposition, issue of duplicate share certificate and similar matters which are allowed for shareholders holding shares in physical form, the shareholders will not get the physical shares after processing their request and instead they will receive a 'Letter of Confirmation' for direct credit of relevant securities in their Securities Account ('demat account') as per prescribed procedure.

"YOU ARE, THEREFORE, REQUESTED TO GET YOUR SHARES DEMATERIALIZED ON PRIORITY TO AVOID INCONVENIENCE IN FUTURE."

Thanking you,
For VLS Finance Limited
H. Consul
Company Secretary
M.No. : A11183

RTA Correspondence Address:
RCMC Share Registry Pvt. Ltd.,
UNIT: VLS Finance Ltd.,
B-25/1 Okhla Industrial Area,
New Delhi-110020
Email: investor.services@rcmcdelhi.com
Website: www.rcmcdelhi.com

Form ISR – 1

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor’s service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF

[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

Date: ___/___/___

A. I / We request you to Register / Change / Update the following (Tick ✓ relevant box)

<input type="checkbox"/> PAN	<input type="checkbox"/> Postal Address
<input type="checkbox"/> Bank details	<input type="checkbox"/> E-mail address
<input type="checkbox"/> Signature	<input type="checkbox"/> Mobile number
<input type="checkbox"/> Demat Account details	

B. Security Details:

Name of the Issuer Company		Folio No.:
Name(s) of the Security holder(s) as per the Certificate(s)	1. 2. 3.	
Number & Face value of securities		
Distinctive number of securities	From	To

C. I / We are submitting documents as per Table below (tick ✓ as relevant, refer to the instructions):

	✓	Document / Information / Details	Instruction / Remark
1		PAN of (all) the (joint) holder(s)	
		PAN Whether it is Valid (linked to Aadhaar): <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> PAN shall be valid only if it is linked to Aadhaar by March 31, 2022* For Exemptions / Clarifications on PAN, please refer to Objection Memo in page 4

2	Demat Account Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <p>Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.</p>
3	Proof of Address of the first holder	<p>Provide any one of the documents, only if there is change in the address;</p> <ul style="list-style-type: none"> • Client Master List (CML) of your Demat Account, provided by the Depository Participant • Valid Passport/ Ration Card/ Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill. • Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old. • Identity card / document with address, issued by any of the following: Central/State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions. • For FII / sub account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken. • The proof of address in the name of the spouse
4	Bank details	<p>Provide the copy of the bank statement with details of bank name, branch, account number and IFS Code or copy of cheque leaf. Alternatively, Bank details available in the CML will be updated in the folio.</p>
5	E-mail address	<p>_____</p> <p>Alternatively the e-mail address available in the CML will be updated in the folio</p>
6	Mobile	<p>_____</p> <p>Alternatively the mobile number available in the CML will be updated in the folio</p>
7	Specimen Signature	<ul style="list-style-type: none"> • Provide banker's attestation of the signature of the holder(s) as per Form ISR - 2 in SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 dated November 03, 2021) and • Original cancelled cheque
8	Nomination**	<ul style="list-style-type: none"> • Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR-3, in SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 dated November 03, 2021 • Change in Existing Nomination: Please use Form SH-14 in SEBI circular SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 • Cancellation of Existing Nomination: Please use Form SH-14 and Form ISR - 3

* or any date as may be specified by the CBDT

** Nomination (**Form SH-13 or SH-14**) / 'Declaration to Opt-Out of nomination' (**Form ISR - 3**), has to furnished by the holder(s) separately for each listed company.

Mode of submission of documents to the RTA

Please use any one of the following mode;

1. In Person Verification (**IPV**): by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s)
2. In hard copy: by furnishing self-attested photocopy(ies) of the relevant document, with date
3. Through e-mail address already registered with the RTA, with e-sign of scanned copies of documents
4. Service portal of the RTA with e-sign with scanned copies of documents, if the RTA is providing such facility

Note

- It is mandatory for holders of physical securities in listed company to furnish PAN, full KYC details (address proof, bank details, e-mail address, mobile number) and Nomination (for all the eligible folios).
- Upon receipt or up-dation of bank details, the RTA automatically, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful.
- RTA shall update the folio with PAN, KYC details and Nominee, within seven working days of its receipt. However, cancellation of nomination, shall take effect from the date on which this intimation is received by the company / RTA.
- RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination.

Authorization: I / We authorise you (RTA) to update the above PAN and KYC details in my / our folio (s) _____, _____, in which I / We are the holder(s) (strike off what is not applicable).

Declaration: All the above facts stated are true and correct.

	Holder 1	Holder 2	Holder 3
Signature	✓	✓	✓
Name	✓	✓	✓
Full postal address	✓		
PIN	✓ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		

(Page 4 is for information to investors; print out of the same is not needed.)

Form ISR – 2

(see circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

Confirmation of Signature of securities holder by the Banker

1. Bank Name and Branch	
2. Bank contact details Postal Address Phone number E-mail address	
3. Bank Account number	
4. Account opening date	
5. Account holder(s) name(s)	1) 2) 3)
6. Latest photograph of the account holder(s) <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="border: 1px solid black; width: 150px; height: 80px; text-align: center; line-height: 80px;">1st Holder</div> <div style="border: 1px solid black; width: 150px; height: 80px; text-align: center; line-height: 80px;">2nd Holder</div> <div style="border: 1px solid black; width: 150px; height: 80px; text-align: center; line-height: 80px;">3rd Holder</div> </div>	
7. Account holder(s) details as per Bank Records	
a) Address	
b) Phone number	
c) Email address	
d) Signature(s)	
1) <div style="border: 1px solid black; width: 200px; height: 40px; display: inline-block;"></div>	2) <div style="border: 1px solid black; width: 200px; height: 40px; display: inline-block;"></div>
	3) <div style="border: 1px solid black; width: 200px; height: 40px; display: inline-block;"></div>
Signature verified as recorded with the Bank	
Seal of the Bank	
	(Signature)
Place:	Name of the Bank Manager
	Employee Code
Date:	E-mail address

Form ISR - 3

Declaration Form for Opting-out of Nomination by holders of physical securities in Listed Companies

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

[Under Section 72 r/w Section 24 (1) (a) of Companies Act, 2013 r/w Section 11(1) and 11B of SEBI Act, 1992 and Clause C in Schedule VII and Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]]

Name of the Company :
Registered Address of the Company:

I / we the holder(s) of the securities particulars of which are given hereunder, **do not wish to nominate** any person(s) in whom shall vest, all the rights in respect of such securities in the event of my /our death.

PARTICULARS OF THE SECURITIES (in respect of which nomination is being opted out)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

I/ we understand the issues involved in non-appointment of nominee(s) and further are aware that in case of my / our death, my / our legal heir(s) / representative(s) are required to furnish the requisite documents / details, including, Will or documents issued by the Court like Decree or Succession Certificate or Letter of Administration / Probate of Will or any other document as may be prescribed by the competent authority, for claiming my / our aforesaid securities.

Name(s) and Address of Security holders(s)
Sole / First Holder Name

Signature(s)

Second Holder Name

Third Holder Name

Name and Address of Witness	Signature

D. Document / details required for specific service request:

- I. Duplicate securities certificate
- II. Claim from Unclaimed Suspense Account

Securities claimed	<div style="text-align: right;">(in numbers)</div> <div style="text-align: right;">(in words)</div>
--------------------	---

- III. Replacement / Renewal / Exchange of securities certificate
(that is defaced, mutilated, torn, decrepit, worn out or where the page on the reverse is fully utilized)
- IV. Endorsement
- V. Sub-division / Splitting of securities certificate
- VI. Consolidation of securities certificate/Folios
- VII. Transmission
- VIII. Transposition

Provide / attach original securities certificate(s) for request for item numbers III to VIII above.

Declaration: All the above facts stated are true and correct to best of my / our knowledge and belief.

	Security Holder 1 / Claimant	Security Holder 2	Security Holder 3
Signature	✓	✓	✓
Name	✓	✓	✓
Full address	✓		
PIN	✓		

After processing the service request, the RTA shall issue a 'Letter of Confirmation' to the securities holder/claimant, which is valid only for 120 days. Using this 'Letter of Confirmation', the securities holder/claimant shall request the DP to dematerialize the securities, failing which the securities shall be credited to the Suspense Escrow Demat Account of the Company.

**Form No. SH-13
Nomination Form**

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,

Name of Company :

Address of Company :

I/We the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

(2) PARTICULARS OF NOMINEE/S —

Name		Date of Birth	DD/MM/YYYY
Father's/Mother's/ Spouse's name		Occupation	
Address		Nationality	
PIN Code			
Relationship with the security holder		Phone No.	
E-mail id		Mobile No.	
Signature of Nominee		IT PAN /Others	

(3) IN CASE NOMINEE IS A MINOR—

Name		Date of Birth	DD/MM/YYYY
Name of guardian:		Date of attaining majority	DD/MM/YYYY
Address of guardian		Relationship with minor	

Name of Security Holder(s)	Signature
1.	
2.	
3.	

Witness	Signature
Name:	
Address:	

Place:

Date:

Form No. SH-14

Cancellation or Variation of Nomination

[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

Name of the company:

I/We hereby cancel the nomination(s) made by me/us in favor of.....(name and address of the nominee) in respect of the below mentioned securities.

or

I/We hereby nominate the following person in place of as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled / varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) (a) PARTICULARS OF THE NEW NOMINEE:

- i. Name:
- ii. Date of Birth:
- iii. Father's/Mother's/Spouse's name:
- iv. Nationality:
- v. Address:
- vi. E-mail id:

vii. Relationship with the Security holder:

(b) IN CASE NEW NOMINEE IS A MINOR--

- i. Date of Birth:
- ii. Date of attaining majority
- iii. Name of guardian:
- iv. Address of guardian:

Signature

Name of the Security

Holder (s)

Witness with name and address

Book Post

 **If not delivered, please return to :**
VLS FINANCE LTD.
Regd. Office : First Floor, 90, Okhla Industrial Estate,
Phase-III, New Delhi-110 020
Phone : 011-46656666 Fax : 011-46656699



XXXV
ANNUAL REPORT
2021-22

VLS FINANCE LTD.

Regd. Office : First Floor, 90, Okhla Industrial Estate, Phase-III, New Delhi-110 020
CIN : L65910DL1986PLC023129, email : vls@vlsfinance.com, Website : www.vlsfinance.com
Phone : 011-46656666 Fax : 011-46656699

VLS FINANCE LIMITED

NOTICE

35th 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 Friday, 30th September, 2022

SHARE TRANSFER & INVESTOR SERVICES

M/s. RCMC Share Registry Pvt. Ltd.
Unit: VLS Finance Ltd.
B-25/1, 1st 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
Other than above: vls@vlsfinance.com
visit us at 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.

EQUITY SHARES LISTED AT :

THE NATIONAL STOCK EXCHANGE OF INDIA LTD.
Exchange Plaza, 5th 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.

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 Vikas Mehrotra	Managing Director-International Operations* (DIN: 06476150)
Shri K. K. Soni	Director-Finance & CFO (DIN: 00106037)
Shri. D. K. Mehrotra	Independent Director (DIN: 00142711)
Dr. R. L. Bishnoi	Independent Director (DIN: 00130335)
Shri D. K. Chatterjee	Independent Director (DIN: 03379600)
Dr. (Mrs.) Neeraj Arora	Non-Executive Director (DIN: 07191167)
Ms. Divya Mehrotra	Non-Executive Director (DIN: 00006494)

* Appointed w.e.f. 12/01/2022 pursuant to Central Government order dated 31/05/2022 read with corrigendum dated 29/06/2022.

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

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DIRECTORS' REPORT

Your directors are pleased to present the 35th Annual Report of the Company together with the Audited Annual Accounts for the year ended 31st March, 2022.

1. Financial Results

(Rs. in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Total Income	28,628.73	21,463.62
Less: Total Expenditure	1,814.68	1,203.58
Less: Finance Cost	2.22	1.63
Gross Profit/(loss)	26,811.83	20,258.41
Less: Depreciation	146.69	76.17
Profit/ (loss) before tax	26,665.14	20,182.24
Less: Current Tax	(2,937.00)	(614.00)
Less/Add: Tax adjustment for earlier year	---	(6.45)
Add: Deferred Tax	1,710.80	2,020.39
Net Profit/ (loss) after tax	25,438.94	21,582.18
Paid up Equity Share Capital (excluding calls in arrears)	3,878.42	3,878.42
Reserves excluding revaluation reserve	1,67,097.53	1,31,356.11
Earnings per share (Rs.)	65.80	55.82

* (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 COVID-19 pandemic except towards end of 4th quarter. Despite the COVID-19 outbreak which engulfed India resulting in nationwide lockdown for some period in financial year 2020-21 and thereafter intermittently during the year 2021-22, your company has successfully managed to have operations carried out with limited staff coming to office and with part of its employees working from home in view of restrictions imposed by local authorities. It is expected that due to reduction in covid cases throughout India and world, the economy will come on track. However, the continuing war between Ukraine and Russia with visible unrest in many parts of the world has emerged as another concern in overall growth and development of global economy.

Health Safety and Pandemic Risk

In addition to serious implications for people's health and the healthcare services, COVID-19 had 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 best health safety measures for employees and uninterrupted service to the stakeholders. 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.

Outlook, Risks and Concerns

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.

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. 28,628.73 lakhs as against Rs. 21,463.62 lakhs in the previous year. The other income included in aforesaid total income was Rs. 73.35 lakhs for the year under review as against Rs. 2.17 lakhs in the previous year. The Company has earned a net profit before tax of Rs. 26,665.14 lakhs for the year under review compared to the profit of Rs. 20,182.24 lakhs in previous year. The other comprehensive income for the period stood at Rs.10,882.43 lakhs as compared to the corresponding other comprehensive income figure of Rs. 25,042.83 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

Please refer Note no. 49 of Standalone Financial Results for Key ratios and related information thereon.

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 2021-22

subject to approval of members. The dividend, if approved, will be paid to the registered members as on the cutoff date for the purpose of Annual General Meeting scheduled to be held on 30/09/2022 ('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:

Ms. Divya Mehrotra (DIN: 00006494) aged about 49 years, was appointed as Additional Director in the category of Non-Executive, Non-Independent Director by the Board in its meeting held on 13/11/2021 and subsequently approved by members as Director in the category of Non-Executive, Non-Independent Director, liable to retire by rotation in the 1st Extraordinary General Meeting of 2021 held on 30/12/2021.

In accordance with the provisions of Article 89 of the Articles of Association of the Company, Shri M. P. Mehrotra – (DIN: 00016768) and Shri K. K. Soni - (DIN: 00106037) 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 S. K. Agarwal- Managing Director (DIN: 00106763) whose tenure would end on 20th August, 2022 was reappointed by the Board in its meeting dated 28/05/2022 for further period of 3 years w.e.f. 21/08/2022 to 20/08/2025. The re-appointment of Shri S. K. Agarwal as Managing Director of the Company would be subject to approval of Members of the Company in the ensuing Annual General Meeting.

Shri K. K. Soni -Director Finance & CFO (DIN: 00106037) whose tenure would end on 31/07/2022, was reappointed by the Board in its meeting dated 28/05/2022 for further period of 3 years w.e.f. 01/08/2022 to 31/07/2025. The re-appointment of Shri K. K. Soni as Director-Finance & CFO would be subject to approval of Members of the Company in the ensuing Annual General Meeting.

Shri Vikas Mehrotra was appointed as Managing Director – International Operations by the Board in its meeting held on 13/11/2021 subject to approval of members and the Central Government. The approval of members was accorded on 30/12/2021 in the 1st Extraordinary General Meeting of 2021. The approval of Central Government is awaited.

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.

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, 2022:

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 31/03/2022, 1 (one) meeting of Independent Directors was held on 21/03/2022 as detailed hereunder:

S. No.	Name of the Director	Whether Chairman / Member	No. of Meeting(s) attended during F.Y. 2021-2022 and date(s)	
1	Shri Ajit Kumar	Chairman	1	21/03/2022
2	Shri D.K. Mehrotra	Member	1	21/03/2022
3	Dr. R. L. Bishnoi	Member	1	21/03/2022
4	Shri D. K. Chatterjee	Member	1	21/03/2022

In the meeting of Independent Directors, held on 21/03/2022 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 and Peer Review Certificate No. 1097 / 2021) 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:

- a. that in the preparation of the annual accounts for the financial year ended 31st March, 2022, the applicable

accounting standards have been followed, along with proper explanation relating to material departures;

- b. 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;
- 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 31st March, 2022 on a 'going concern' basis;
- e. 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
- f. 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 28/05/2022. 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 28/05/2022 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 had allocated total amount of Rs. 1,29,33,194/- for spending in the F. Y. 2021-2022. The utilization statement is appended below:

Financial Year	Allocated Amount (in Rs.)	Amount Spent (in Rs.)	Recipient entity and project	Amount Unspent (cumulative) (in Rs.)
Opening Balance				Nil
2021-22	1,29,33,194/-	2,96,524/-	IIMPACT, Gurgaon (5 th year) (continuing assistance for five learning centers located in the rural areas of Kanpur Dehat Dist. (U.P.)	
		31,50,000/-	Sri Sathya Sai Health & Education Trust for cardiac treatment including Congenital Heart Disease of 21 children at Sai Sanjeevani Hospital at Palwal, Haryana.	
		44,00,000/-	Sri Sathya Sai Health & Education Trust for setting up of Neo-Natal Centre (NICU) at Sri Sathya Sai Mother & Child Hospital at Raipur, Chhatisgarh.	
		51,00,000/-	Sri Sathya Sai Sanjeevani Hospital- for treatment of cardiac disease including congenital heart disease of 40 children through Sri Sathya Sai Health & Education Trust.	
Total		1,29,46,524/-	Excess spent in the year 2021-22	(-) 13,330/

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 not

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 2021-22, the entire amount available on CSR initiative by the Company has been spent. There is no unspent amount left in CSR corpus for the year 2021-22. Besides the Company had spent Rs. 13,330/- (Rupees Thirteen Thousand Three Hundred Thirty only) during the said financial year 2021-22 over and above the allocated amount which would be adjusted in forthcoming year. Accordingly, 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 2020-21 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 under the head 'Investor Relations'.

B. Related Party Transaction

The detailed policy may be accessed at 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 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 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 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 31/03/2022.

F. Nomination and Remuneration Policy

The detailed policy may be accessed at 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 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 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company subject to applicable regulations. The Board, concurring to recommendation of Audit Committee, for rotation of Auditors, has recommended for approval of members of the Company, the appointment for the 1st term of 5 years of M/s. Agiwal & Associates, Chartered Accountants (FRN: 000181N) ('Proposed Auditors') as Statutory Auditors of the Company. The proposed auditors, being not disqualified to act, within the provisions of Section 141(3) of the Companies Act, 2013 to hold office of Statutory Auditors, have consented for the appointment, if made, from the conclusion of ensuing Annual General Meeting of the Company until the conclusion of the 40th Annual General Meeting. The Board may also be authorized to fix their remuneration as set out in the notice convening the 35th Annual General Meeting of the Company.

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 2021-22 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 Company has paid the annual listing fees for the year 2022-23 to BSE Ltd. and The National Stock Exchange of India Ltd. and the custodian fees to National Securities Depository Ltd. and Central Securities Depository Ltd.
- 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 2019-20 onwards, 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.
- 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).
- 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.
- 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.
- 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. Shri D. K. Mehrotra (DIN: 00142711) Independent Director was appointed by special resolution during the year under review for second term of 5 years w.e.f. 29/06/2021.
- 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.
- In the annual financial statements for the year under review, the disclosures of those items, where amount for the year under review and corresponding previous year was Nil, had been dispensed with, though required to be disclosed under applicable regulations.

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 31 (Thirty-One) 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.

22. Subsidiary/Associate Companies

Statement pursuant to Section 129(3) of the Companies Act, 2013 for the financial year ended 31/03/2022 in respect of the subsidiary/associate companies, is enclosed with Annual Accounts of the Company. Please refer to Note no. 50 of Notes forming part of consolidated financial statement in the Annual Report for the year under review.

The consolidated financial results include the audited financial results for the year ended on 31/03/2022 of the subsidiaries VLS Securities Limited (100%), VLS Real Estate Limited (100%) and VLS Asset Management Limited (99.15%). The financial results of VLS Capital Ltd. for the same period have been consolidated under equity method of accounting as an associate of VLS Securities Ltd. a subsidiary of the Company, since it was not consolidated by said subsidiary in view of exemption available under Section 129 read with Rule 6 of the Companies (Accounts) Rules, 2014. The financial results of Sunair Hotels Ltd. ('Sunair') included in consolidated results in earlier years are not included in these consolidated financial statements as 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.

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, Bankers, the Securities & Exchange Board of India and Stock Exchanges, employees, 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 : 28/05/2022	(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 10 Directors and except the Executive –Vice Chairman, Managing Director and Director -Finance & CFO, all are non-executive, consisting of 4 (four) independent directors and 3 (three) 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 31/03/2022 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. 2021-2022	Whether attended AGM held on 30/09/2021	No. of Directorships in other Public Limited Companies as on 31/03/2022	No. of Committee positions held in other Public Limited Companies	
						Chairman	Member
1)	Shri Ajit Kumar (Chairman)	Independent, Non-Executive	6	No	0	0	0
2)	Shri M. P. Mehrotra (Vice-Chairman)	Promoter, Executive	6	No	5	3	2
3)	Shri S. K. Agarwal (Managing Director)	Executive	6	Yes	3	0	0
4)	Shri K. K. Soni (Director Finance & CFO)	Executive	6	Yes	4	1	2
5)	Dr. (Mrs.) Neeraj Arora	Non-Executive	6	No	1	0	0
6)	Shri D. K. Mehrotra (Ceased w.e.f. 27/05/2021 and re-appointed w.e.f. 29/06/2021)	Independent, Non-Executive	5	Yes	5	0	4
7)	Shri Vikas Mehrotra	Promoter Group, Non-Executive	5	No	2	0	0
8)	Dr. R. L. Bishnoi	Independent, Non-Executive	6	Yes	4	1	4
9)	Shri D. K. Chatterjee	Independent, Non-Executive	6	No	1	1	1
10)	Ms. Divya Mehrotra (Appointed w.e.f. 13/11/2021)	Promoter Group, Non-Executive	3	NA	6	2	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 31/03/2022, 6 (Six) board meetings were held on 10/06/2021, 29/06/2021, 26/07/2021, 13/11/2021, 10/02/2022 and 21/03/2022 with atleast one meeting in every quarter 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 Meeting 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	10/06/2021	8	7	Shri Vikas Mehrotra
2	29/06/2021	9*	9	None
3	26/07/2021	9	9	None
4	13/11/2021	10	10	None
5	10/02/2022	10	10	None
6	21/03/2022	10	10	None

* Post reappointment of Shri D. K. Mehrotra w.e.f. 29/06/2021

- 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 31/03/2022:

(Amount in Lacs)

S. No.	Name of the Director	Salary	Perquisites	Sitting fee	Commission	Total
1	Shri Ajit Kumar	N.A.	N.A.	5.00	N.A.	5.00
2	Shri M. P. Mehrotra	77.27	0.00	N.A.	N.A.	77.27
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.	2.50	N.A.	2.50
6	Dr. (Mrs.) Neeraj Arora	N.A.	N.A.	3.40	N.A.	3.40
7	Ms. Divya Mehrotra*	N.A.	N.A.	1.50	N.A.	1.50
8	Shri D. K. Mehrotra	N.A.	N.A.	3.55	N.A.	3.55
9	Dr. R. L. Bishnoi	N.A.	N.A.	4.60	N.A.	4.60
10	Shri D. K. Chatterjee	N.A.	N.A.	3.10	N.A.	3.10

* Appointed as Additional Director on 13/11/2021 and approved by members on 30/12/2021 as Director liable to retire by rotation.

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.
- Shri Vikas Mehrotra hold 485783 equity shares and Ms. Divya Mehrotra hold 541393 equity shares. Further, Shri M.P. Mehrotra, Shri S. K. Agarwal, Shri K. K. Soni hold 1 equity share of the Company as on 31/03/2022. No other director held any shares of the Company on that date. None of the directors except Shri M.P. Mehrotra, Shri Vikas Mehrotra, Ms. Divya Mehrotra and Dr. (Mrs.) Neeraj Arora are related to each other.

Shri S. K. Agarwal- Managing Director was reappointed by the Board in its meeting dated 28/05/2022 for another period of 3 years w.e.f. 21/08/2022 to 20/08/2025. The service contract in case of Managing Director is 3 years with notice period of 3 months. Shri K. K. Soni- Director Finance & CFO was reappointed by the Board in its meeting dated 28/05/2022 for another period of 3 years w.e.f. 01/08/2022 to 31/07/2025. The service contract in case of Director- Finance & CFO is 3 years with notice period of 3 months. Shri M. P. Mehrotra had been appointed as Executive Director designated as Executive Vice - Chairman by the Board in its meeting dated 16/07/2020 for a period of 3 years w.e.f. 01/08/2020 to 31/07/2023. The service contract in case of Executive Vice - Chairman is 3 years with notice period of 3 months. Presently, all the directors other than independent directors are liable to retire by rotation as per provisions of the Companies Act, 2013. Shri Vikas Mehrotra was appointed as Managing Director – International Operation by the Board in its meeting held on 13/11/2021 subject to approval of members and the Central Government. The members' approval was accorded on 30/12/2021 in the 1st Extraordinary General Meeting of 2021. The Approval of Central Government has not been received till the date of this report. Ms. Divya Mehrotra was appointed as Additional Director by the Board in its meeting held on 13/11/2021 and appointed as a Director in the category of Non-Executive, Non-Independent Director, liable to retire by rotation in its 1st Extraordinary General Meeting of Financial Year 2021-22 held on 30/12/2021.

- In case of Executive Directors the fixed component of salary is 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' in 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.

Declaration for compliance with the Code of Conduct	
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 31/03/2022.	
Date: 28/05/2022 Place: New Delhi	S. K. Agarwal Managing Director DIN: 00106763

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.

- Details of familiarization program imparted to independent directors can be accessed at www.vlsfinance.com.
- 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.	Executive Vice – Chairman
	Delton Cables Ltd.	Independent Director
	Dhampur Sugar Mills Ltd.	Independent Director
	South Asian Enterprises Ltd.	Non-Executive Director
Shri S.K. Agarwal	VLS Finance Ltd.	Managing Director
Shri K. K. Soni	VLS Finance Ltd.	Director- Finance & CFO
	South Asian Enterprises Ltd.	Non-Executive Director
Shri Vikas Mehrotra	VLS Finance Ltd.	Non-Executive Director
Dr. (Mrs.) Neeraj Arora	VLS Finance Ltd.	Non-Executive Director
	South Asian Enterprises Ltd.	Non-Executive Director

Name of Directors	Name of Listed Company	Category
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 Chairman- Independent Director Independent Director Independent Director
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	UTI Asset Management Company Ltd. VLS Finance Ltd.	Independent Director Independent Director
Ms. Divya Mehrotra	VLS Finance Ltd.* Superior Industrial Enterprises Ltd.	Non-Executive Director Independent Director

[#] Shri D. K. Mehrotra ceased w.e.f. 27/05/2021 and reappointed on 29/06/2021 for 2nd term of 5 years as an Independent Director.

[@] Dr. R. L. Bishnoi resigned as Director w.e.f. 07/05/2022.

^{*} Appointed w.e.f. 13/11/2021 and approved by members on 30/12/2021 as Director liable to retire by rotation.

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 D. K. Mehrotra	√	√	√
Dr. R. L. Bishnoi	√	√	√
Shri D. K. Chatterjee	√	√	√
Ms. Divya Mehrotra	-	-	√

2. Audit Committee

a) **Composition**

As on 01/04/2021, the Audit Committee consisted 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 31/03/2022, 4 (Four) meetings of Audit Committee were held on 29/06/2021, 26/07/2021, 13/11/2021 and 10/02/2022. The summary of attendance of members is as under:

Name	Dr. R. L. Bishnoi	Shri Ajit Kumar	Shri D. K. Mehrotra*	Shri M. P. Mehrotra
Attendance in meetings	4	4	3	3

^{*}(ceased to be a member w.e.f. 27/05/2021 and re-nominated w.e.f. 29/06/2021)

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	29/06/2021	3	2	Shri M. P. Mehrotra
2	26/07/2021	4	4	Nil
3	13/11/2021	4	4	Nil
4	10/02/2022	4	4	Nil

3. **Nomination and Remuneration Committee**

a) **Composition**

The Nomination and Remuneration Committee ('NRC') as on 01/04/2021 comprised of Shri D. K. Mehrotra -Chairman of the Committee with Shri Ajit Kumar, Dr. R. L. Bishnoi and Dr. (Mrs.) Neeraj Arora-Director 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. Shri D. K. Mehrotra was designated as Chairman of the Committee in the NRC meeting held on 26/07/2021. 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 29/06/2021 and 26/07/2021. 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 minutes of NRC Committee meetings are regularly placed before the Board. The Board had accepted all the recommendations made by NRC Committee during the year under review.

c) **Meetings and attendance**

The summary of attendance of members is as under:

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

**(ceased to be a member w.e.f. 27/05/2021 and re-nominated w.e.f. 29/06/2021)*

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	29/06/2021	3	3	None
2	26/07/2021	4	4	None

4. **Stakeholders Relationship Committee**

a) **Composition and terms of reference**

The Committee as on 01/04/2021 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.

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, 8 (Eight) meetings of Stakeholders Relationship Committee ('SRC') were held on 21/06/2021, 30/07/2021, 14/09/2021, 23/09/2021, 16/11/2021, 15/12/2021, 02/02/2022 and 16/03/2022.

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	8	8	7

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	21/06/2021	3	3	None
2	30/07/2021	3	3	None
3	14/09/2021	3	3	None
4	23/09/2021	3	2	Shri K. K. Soni
5	16/11/2021	3	3	None
6	15/12/2021	3	3	None
7	02/02/2022	3	3	None
8	16/03/2022	3	3	None

c) **Shareholders Complaints**

The Company had not received any complaints during the financial year ended 31st March, 2022. All the complaints whether received through SEBI, stock exchanges or individual members during the year were redressed appropriately 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.]	3	3
Total	0	0

** 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 01/04/2021, the Committee consisted of Shri Ajit Kumar - Independent Director as Chairman, Dr. R. L. Bishnoi- Independent Director, Shri M. P. Mehrotra - Executive Vice-Chairman and Shri S. K. Agarwal - Managing Director as members. The terms of reference of CSR Committee are in compliance with the applicable regulations. During the year, 1 (one) meeting of the Committee was held on 21/03/2022. The Committee continues to comply with the constitution norms stipulated under applicable laws. The Company Secretary acts as Secretary of Committee.

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

Name	Shri Ajit Kumar	Dr. R. L. Bishnoi	Shri M. P. Mehrotra	Shri S. K. Agarwal
Attendance in meetings	1	1	1	1

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	21/03/2022	4	4	None

6. Other Committees of Board of Directors:

a) Operations Management Committee

Composition and terms of reference

As on 01/04/2021, 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 was 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
1st EGM of 2021	December, 30, 2021	3.30 p.m.	From Corporate office through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM')
March 31, 2021 (AGM)	September 30, 2021	3.30 p.m.	From registered office through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM')
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.

b) Special resolution passed in the previous 3 AGMs

- 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 2nd 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.
- In the AGM held on 30/09/2021, re-appointment of Shri Dinesh Kumar Mehrotra (DIN: 00142711) as a Non-Executive Independent Director of the Company for the 2nd term of 5 years and revision of remuneration of Shri Mahesh Prasad Mehrotra (DIN: 00016768) - Executive Vice-Chairman and Shri Suresh Kumar Agarwal (DIN: 00106763) - Managing Director and continuation of employment of Managing Director were approved by respective special resolutions.

c) 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 and other specified portal provided by NSE, <https://listing.bseindia.com> a platform provided by BSE Ltd. as well as emailed to 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, 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. 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 which is displayed on the Company's website www.vlsfinance.com under heading 'contact us'. The queries may also be addressed at the registered office or corporate office of the Company.

10. Shareholders Information

a) Annual General Meeting

- **Date and time** : Friday, 30th September, 2022 at 3.30 p.m.
- **Venue** : Video Conferencing ("VC") / Other Audio Visual Modes ("OAVM") from registered office of the Company situated at 1st Floor, 90, Okhla Industrial Estate, Phase-III, New Delhi-110020
- **Financial Year** : April 2021 to March 2022.
- **Book Closure** : From 23/09/2022 to 30/09/2022 (both days inclusive)
- **Buy back of shares** : No buy back of shares made /proposed during the period under review.
- **Dividend payment date** : On or before 30/10/2022.

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) (Pending delisting) (Scrip Code: 032019)

The annual listing fee has been paid to BSE and NSE up to the year 2022-2023. 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, 2021-22 and 2022-23, as of now.

c) Stock Market data

Monthly highs, lows and trading volume for the financial year 2021-2022:

Months	NSE			BSE		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	Nos.	Rs.	Rs.	Nos.
Apr-21	92.00	77.70	1128683.00	91.90	78.00	176808
May-21	145.30	84.85	6900839.00	145.10	85.20	721893
Jun-21	195.20	114.15	6990484.00	195.05	118.50	858149
Jul-21	264.90	186.80	9186890.00	264.85	189.65	1272928
Aug-21	238.40	181.55	2238010.00	238.75	180.30	507548
Sep-21	215.00	188.50	1215545.00	214.90	188.70	273722
Oct-21	209.30	181.00	984040.00	209.10	176.40	216588
Nov-21	225.75	177.30	1566228.00	225.10	176.85	292662
Dec-21	218.50	180.30	970741.00	218.25	180.25	143978
Jan-22	233.95	186.00	2223315.00	241.00	185.40	318166
Feb-22	214.00	153.05	1124119.00	217.75	153.00	164799
Mar-22	178.65	152.05	805062.00	178.50	152.95	133896
Total			35333956			5081137

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.



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. 01/04/2022 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

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

f) Distribution of shareholding as on March 31, 2022
Amount in Rupees

Slab of share holdings	No. of share holders	%age	No. of shares	Nominal value of shares held (Rs.)	% age
1-500	21914	72.83	3012925	30129250.00	7.79
501-1000	5982	19.88	3953292	39532920.00	10.23
1001-2000	1204	4.00	1726930	17269300.00	4.47
2001-3000	326	1.08	831896	8318960.00	2.15
3001-4000	164	0.55	583484	5834840.00	1.51
4001-5000	118	0.39	550440	5504400.00	1.42
5001-10000	194	0.64	1394665	13946650.00	3.61
10001 and above	187	0.62	26608385	266083850.00	68.82
Total	30089	100.00	38662017	386620170.00	100.00

According to categories of shareholders as on March 31, 2022

Sl. No.	Categories	No. of Shares	Amount in Lacs	Percentage of Shareholding
1	Promoters, Directors and Relatives	17691936	1769.19	45.76
2	Financial Institution and Banks	10800	1.08	0.03
3	Mutual Fund	100	0.01	0.00
4	Alternate Investment Fund	19101	1.91	0.05
5	FIs	300	0.03	0.00
6	Corporate Bodies	1377732	137.77	3.56
7	Clearing Members	74719	7.47	0.19
8	Indian Public	17272463	1727.25	44.68
9	NRI/OCBs/FN	422250	42.23	1.09
10	NBFC	0	0.00	0.00
11	LLP	3238	0.32	0.01
12	FPI	1215042	121.50	3.14
13	HUF	572536	57.26	1.48
14	Trust	1800	0.18	0.00
	Grand Total	38662017	3866.20	100.00

g) Dematerialisation of Shares and liquidity

93.09% of the total share capital of Company was held in dematerialized form as on 31/03/2022 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. 28th August 2000.

h) There were no ADRs/ GDRs/ Warrants or other convertible instruments outstanding as on 31/03/2022.
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) Tentative Financial Calendar for the financial year ending 31st March 2023:

Particulars	Tentative Period
Quarter ending June 30, 2022	Second week of August, 2022
Quarter ending September 30, 2022	Second week of November, 2022
Quarter ending December 31, 2022	Second week of February, 2023
Quarter and Year ending March 31, 2023 #	End of May, 2023
Annual General Meeting for the year ended March 31, 2022	30 th September, 2022

For the quarter ending 31/03/2023 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 Limited

I have examined the compliance of applicable conditions of Corporate Governance by VLS Finance Limited ("the Company"), for the year ended on March 31, 2022, 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 and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from April 01, 2021 to March 31, 2022.

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 Regulations 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, 2022.

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 A009972D000262664
Place: New Delhi
Date: May 03, 2022

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 Registers, Records, Forms, Returns and disclosures received from the Directors of VLS Finance Limited (CIN:L65910DL1986PLC023129) and having registered office 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi 110065 (hereinafter referred to as 'the Company'), produced before me by the Company 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

Sr.No.	Name of Director	DIN	Date of appointment in Company
1	Divya Mehrotra	00006494	13.11.2021
2	Mahesh Prasad Mehrotra	00016768	12.09.2015
3	Kishan Kumar Soni	00106037	14.11.2013
4	Ajit Kumar	00106597	29.10.2003
5	Suresh Kumar Agarwal	00106763	27.07.2003
6	Rajeev Lochan Bishnoi	00130335	25.11.2019
7	Dinesh Kumar Mehrotra	00142711	29.06.2021
8	Deepak Kumar Chatterjee	03379600	12.02.2021
9	Vikas Mehrotra	06476150	28.05.2016
10	Neeraj Arora	07191167	30.05.2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-

Ashutosh Aggarwal
A Aggarwal and Associates
Company Secretaries
ACS 9972 CP No. 7467
P.R. Certificate No. 1097 / 2021
UDIN A009972D000262466
Place: New Delhi
Date: May 03, 2022

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:

Sl. 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	1	1
2	Dr. R. L Bishnoi	Independent Director	1	1
3	Shri M. P. Mehrotra	Executive Vice- Chairman	1	1
4	Shri S. K. Agarwal	Managing Director	1	1

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/
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

Sl. 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			
	TOTAL		

6. Average net profit of the Company as per section 135(5). Rs.64,66,59,688/-
- (a) Two percent of average net profit of the Company as per section 135(5). Rs.1,29,33,194/-
- (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.1,29,33,194/-

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.

- (b) Details of CSR amount spent against **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) 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	2.97	2.97	NIL	No	IIMPACT	CSR00002935
2.	Sri Sathya Sai Health & Education Trust	Promoting Health	No	Haryana	Palwal	Regular	31.50	31.50	NIL	No	Sri Sathya Sai Health & Education Trust	CSR00007609
3	Sri Sathya Sai Health & Education Trust	Promoting Health	No	Chhattisgarh	Raipur	Regular	44.00	44.00	NIL	No	Sri Sathya Sai Health & Education Trust	CSR00007609
4	Sri Sathya Sai Health & Education Trust	Promoting Health	No	Maharashtra and Haryana	Pune	Regular	50.87	51.00	(0.13)	No	Sri Sathya Sai Health & Education Trust	CSR00007609
	TOTAL	--	--	--	--	--	129.34	129.47	(0.13)	--	--	--

(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 on - 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.1,29,46,524/-
(g) Excess amount for set off, if any : Rs.13,330/-

Sl. No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	1,29,33,194/-
(ii)	Total amount spent for the Financial Year	1,29,46,524/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	13,330/-
(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)]	13,330/-

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
4.	IIMPACT	Girl child Education	2020-21	---	2,96,524/-	2,96,524/-	19,46,524/-	Ongoing
	TOTAL	---	---	---	19,46,524/-	19,46,524/-	---	---

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). : Rs.12.23 Lakhs

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.

S. K. Agarwal
Managing Director

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 2021-22 for disclosures under 'Related Party'.

SECRETARIAL AUDIT REPORT
For the financial year ended 31st March, 2022
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,
2nd 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, 2022** 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, 2022 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 Three forms for exceeding stipulated period of filing. Further one instance of delay in submission was noted in respect of Regulation 39(3) of Listing Regulations relating to duplicate share certificate. 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)
Practicing Company Secretary
ACS No.:20092
C P No.:11351
Place: New Delhi
Date: 03/05/2022
UDIN: A020092D000261751

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,
2nd 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)
Practicing Company Secretary
ACS No.:20092
C P No.:11351
Place: New Delhi
Date: 03/05/2022
UDIN: A020092D000261751

Annexure-V

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 31st March, 2022.

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	:	Rs.1.97 Lakhs

For and on behalf of the Board of Directors

Place: New Delhi
Date : 28/05/2022

S.K. Agarwal (Managing Director) DIN: 00106763	K. K. Soni Director Finance & CFO DIN: 00106037
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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 2021-2022:

Sl.No	Name of the Directors	Designation	% increase of remuneration in 2022 as compared to 2021	Ratio to the median remuneration
1	Shri Ajit Kumar	Non-Executive Independent Director (Chairman)	21.95	0.96:1
2	Dr. (Mrs.) Neeraj Arora	Non-Executive Non Independent Director	36.00	0.65:1
3	Dr. R.L. Bishnoi	Non-Executive Independent Director	29.58	0.88:1
4	Shri D. K. Mehrotra	Non-Executive Independent Director	-2.74	0.68:1
5	Shri D. K. Chatterjee	Non-Executive Independent Director	Not Comparable	0.60:1
6	Shri Vikas Mehrotra	Non-Executive Non Independent Director	47.06	0.48:1
7	Ms. Divya Mehrotra#	Non-Executive Non Independent Director	Not Comparable	0.0
8	Shri M. P. Mehrotra	Executive Vice- Chairman	11.98	14.84:1
9	Shri S. K. Agarwal	Managing Director	0.00	7.92 : 1
10	Shri K. K. Soni	Director- Finance & CFO	0.00	7.61 : 1

#Appointed w.e.f. 13/11/2021

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. There was no revision in sitting fee during the F. Y. 2021-22 which was revised w.e.f. 12/02/2021. The detail of sitting fees of Non Executive Directors is provided in the Corporate Governance Report which is part of this Director's Report. 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 2021-22:

Sl.No	Name of the Company Secretary	Designation	% increase of remuneration in 2022 as compared to 2021
1	Shri H. Consul	Company Secretary	0.84%*

* Notional figure since a component of remuneration was effective from 01/01/2021 though no increase in remuneration in the year 2021-22.

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 2021-2022.

There was percentage decrease in the median remuneration of employees in the financial year of around 5.88%

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

31 (Thirty One)

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 2021-22 was 0% .

The average increase in remuneration of Key Managerial Personnel in 2021-22 was 0%.

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 2021-22:

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	77.27	Contractual	B.Com., FCA, LL.B. 59 years	01/08/2017	82	Self employed	---	Shri Vikas Mehrotra Dr. (Mrs) Neeraj Arora Ms. Divya Mehrotra
2	S. K. Agarwal Managing Director	41.26	Contractual	B.Com. (Hons.), CAIIB 50 years	01/01/1998	71	VLS View Asset Management Ltd.	---	---
3	K.K. Soni Director-Finance & CFO	39.60	Contractual	B.Com., FCA, FCS 46 years	28/7/2006	69	VLS Capital Limited	---	---
4	H. Consul Company Secretary	28.58	Permanent	B.Com. (Hons.), ACS, LL.B. 36 Years	02/02/1998	58	Prakash Ispat Ltd.	---	---
5	Mohit Goel Vice- President (Accounts)	21.18	Permanent	B.Com. ACA, MBA 25 years	01/01/2021	49	Self employed	---	---
6	Kushant Arora Equity Analyst	15.74	Permanent	B.Com. (Hons.), FCA 9 years	18/03/2021	34	Baroda Asset Management India Ltd.	---	---
7	Dinesh Negi Group Head - (Accounts)	12.18	Permanent	B. Com. 34 years	25/09/1995	57	Universal Subscription Agency Pvt. Ltd.	---	---
8	Ramesh Chandra Pandey Group Head- (Secretarial)	11.40	Permanent	B. Sc. , LL.B. 34 years	01/04/1994	58	Self employed	---	---
9	Nand Gopal Garg Group Member - (Accounts)	10.30	Permanent	B.Sc.(Bio.), C. A. (Inter) 1st Group 32 years	01/04/2016	58	VLS Capital Limited	---	---
10	Manoj Jain Group Head-Broking Division	9.65	Permanent	B.Com. 31 years	05/02/2008	53	VLS Securities Ltd.	---	---

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: 28/05/2022

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, 2022, 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, 2022, 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in 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, the 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

of 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as of 31st March 2022 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 and explained to us the pending litigations have no adverse effect on its financial position in its standalone financial statements as of 31st March 2022.
 - ii. The Company has made provision as of 31st March 2022, 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 2022.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been, received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The final dividend paid by the Company during the year declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 19 to the financial statements, the Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to the declaration of dividend.

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

M. L. Puri
Partner
M. No. 009198
Place: New Delhi
Date: May 28, 2022
UDIN: 22009198AMCBSE6688

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to an Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31 March 2022, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets.
- (b) The Property, plant and equipment, and intangible 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 a 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.
- (d) The Company has not revalued its Property, plant and equipment, (including Right of Use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. The company generally deals in shares, securities, and Units of Mutual funds. Primarily these are held in electronic form so the 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. 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 during the year.
- 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 31.03.2022 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 31.03.2022.
- viii. In our opinion and as per the documents presented by the management there are no transactions recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. 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 loans and/or borrowings outstanding from financial institutions and banks. No debentures are outstanding as on 31.03.2022, thus clause 3(ix) of CARO is not applicable.
- x. (a) 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.
- (b) 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 31st March, 2022, hence clause (x)(b) is not applicable.
- xi. (a) 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.

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) No whistle blower complaints have been received by us during the year.
- xii. In our opinion and according to information and 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. (a) As per the information and records made available by the management of the Company, the company has an internal audit system commensurate with the size and nature of its business;
- (b) The reports of the Internal Auditors for the period under audit were considered by us and there were no material discrepancies noticed on verification of the reports shared by the management of the Company.
- 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 person connected with him.
- xvi. (a) The Company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Group does not have any CIC as part of the Group.
- xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. In our opinion and as per the information, documents and records presented by the management of the Company, no material uncertainty exists as on the date of the report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. (a) In respect of other than ongoing projects, the company is not required to transfer any unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
- (b) As per the information and records presented by the management of the Company, no amount is remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act
- xxi. The reporting under clause 3(xxii) of the order is not applicable in respect of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

M. L. Puri
Partner
M. No. 009198
Place: New Delhi
Date: May 28, 2022
UDIN: 22009198AMCBSE6688

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 2022 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 2022, 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: May 28, 2022
UDIN: 22009198AMCBSE6688

Standalone Balance sheet as at 31st March, 2022

(Rupees in Lakhs)

	Particulars	Note No.	As at 31st Mar 2022	As At 31st Mar 2021
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	4	6,908.17	9,503.40
(b)	Bank Balance other than (a) above	5	444.81	418.58
(c)	Receivables	6		
	(I) Trade Receivables		119.94	196.43
	(II) Other Receivables		348.93	349.01
(d)	Loans	7	802.61	805.21
(e)	Investments	10	1,76,797.54	1,38,507.62
(f)	Other Financial assets	8	11,176.26	8,624.60
	Total (1)		1,96,598.26	1,58,404.85
2	Non-financial Assets			
(a)	Current tax assets (Net)	9	775.36	1,770.25
(b)	Investment Property		70.94	70.94
(c)	Property, Plant and Equipment	11	2,722.84	863.95
(d)	Capital work-in-progress		6.98	928.41
(e)	Other Intangible assets	11	0.68	0.86
(f)	Other non-financial assets	12	666.48	878.07
	Total (2)		4,243.28	4,512.48
	Total Assets (1+2)		2,00,841.54	1,62,917.33
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(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		0.14	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		43.75	15.88
(b)	Borrowings (Other than Debt Securities)	14	91.33	-
(c)	Other financial liabilities	15	255.83	143.95
	Total (1)		391.05	159.91
2	Non-financial Liabilities			
(a)	Provisions	16	76.91	85.13
(b)	Deferred tax liabilities (Net)	17	29,365.18	27,415.93
(c)	Other non-financial liabilities	18	32.45	21.83
	Total (2)		29,474.54	27,522.89
3	EQUITY			
(a)	Equity Share capital	19	3,878.42	3,878.42
(b)	Other Equity	20	1,67,097.53	1,31,356.11
	Total (3)		1,70,975.95	1,35,234.53
	Total Liabilities and Equity (1+2+3)		2,00,841.54	1,62,917.33

Accompanying Notes are an integral part of the Financial Statements.

1-50

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
May 28th, 2022
UDIN : 22009198AMCBSE6688

For and on 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 31.03.2022
(Rupees in Lakhs)

	Particulars	Note No	Year Ended 31.03.2022	Year Ended 31.03.2021
I	Revenue From Operations			
	(i) Interest Income	21	925.57	644.65
	(ii) Dividend Income	22	793.84	445.48
	(iii) Net gain on fair value changes	23	26,812.76	20,361.55
	(iv) Other Operating Income	24	23.21	9.78
	Total Income from operations (Total I)		28,555.38	21,461.45
II	Other Income	25	73.35	2.17
	Total Other Income (Total II)		73.35	2.17
III	Total Income (I+II)		28,628.73	21,463.62
IV	EXPENSES			
	(i) Employee benefits expense	26	440.90	431.71
	(ii) Finance costs	27	2.22	1.63
	(iii) Depreciation and amortization expense	11	146.69	76.17
	(iv) Other expenses	28	1,373.78	771.87
	Total expenses (IV)		1,963.59	1,281.38
V	Profit/(loss) before exceptional items and tax (III-IV)		26,665.14	20,182.24
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		26,665.14	20,182.24
VIII	Tax (expense)/credit (net):			
	(1) Current tax		(2,937.00)	(614.00)
	(2) Tax adjustment for earlier Year		-	(6.45)
	(3) Deferred tax		1,710.80	2,020.39
	Total Tax expenses (VIII)		(1,226.20)	1,399.94
IX	Profit / (Loss) for the period (VII+VIII)		25,438.94	21,582.18
XI	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Gain / (Loss) arising on Defined Employee Benefits			-
	- Remeasurement of Defined Employee Benefits		12.05	(20.00)
	Gain / (Loss) arising on fair valuation of Investment		14,530.43	33,485.40
	(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		(3,660.05)	(8,422.57)
	Total (A)		10,882.43	25,042.83
	B (i) Items that will be reclassified to profit or loss		-	-
	Total (B)		-	-
	Total Other Comprehensive Income (A+B)		10,882.43	25,042.83
XII	Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		36,321.37	46,625.01
XIII	Earnings per equity share (Face value per share Rs.10/-)	29		
	(1) Basic (in Rupees)		65.80	55.82
	(2) Diluted (in Rupees)		65.80	55.82

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
May 28th, 2022
UDIN : 22009198AMCBSE6688

For and on 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 Changes in Equity for the year ended 31 March 2022
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 2020	3,86,62,017	3,878.42
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period	3,86,62,017	3,878.42
Changes in equity share capital during the year	-	-
As at 31 March 2021	3,86,62,017	3,878.42
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period	3,86,62,017	3,878.42
Changes in equity share capital during the year	-	-
As at 31 March 2022	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 ²

(Rupees in Lakhs)

PARTICULARS	Reserves and surplus				Other Comprehensive Income		
	General Reserve	Securities Premium Account ¹	Capital Redemption Reserve account ²	Retained Earning	FVTOCI reserve	Re-measurement of Defined Benefits	Total
As at 31 March 2020	2,968.84	9,627.48	113.30	33,552.33	39,034.11	14.97	85,311.03
Profit for the period	-	-	-	21,582.18	-	-	21,582.18
Other Comprehensive Income	-	-	-	-	25,057.80	(14.97)	25,042.83
Total Comprehensive Income for the period	-	-	-	21,582.18	25,057.80	(14.97)	46,625.01
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	-
Cash Dividend	-	-	-	(579.93)	-	-	(579.93)
As at 31 March 2021	2,968.84	9,627.48	113.30	61,826.10	56,829.03	(8.64)	1,31,356.11
Profit for the period	-	-	-	25,438.94	-	-	25,438.94
Other Comprehensive Income	-	-	-	-	10,873.41	9.02	10,882.43
Total Comprehensive Income for the period	-	-	-	25,438.94	10,873.41	9.02	36,321.37
Transfer from FVTOCI to Retained Earnings	-	-	-	5,653.69	(5,653.69)	-	-
Cash Dividend	-	-	-	(579.93)	-	-	(579.93)
As at 31st Mar 2022	2,968.84	9,627.48	113.30	92,338.80	62,048.73	0.38	1,67,097.53

- 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 other equity : There is no changes in accounting policy & there is no prior period errors.
- 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
 May 28th, 2022

For and on 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 Cash Flow Statement for the year ended 31.03.2022

(Rupees in lakhs)

Particulars	Standalone	
	For the year ended 31st March 2022	For the year ended 31st March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	26,665.13	20,182.24
Adjustment for:		
Depreciation	146.69	76.17
Interest Income	(16.94)	(24.86)
Loss/(Profit) on sale of Property, plant and equipment	0.36	-
Dividend Income	(793.84)	(445.48)
Actuarial gain / (loss) on Defined Employee Benefits	12.05	(20.00)
Provision for Employee Benefits	(8.22)	15.64
	(659.90)	(398.54)
Operating profit	26,005.23	19,783.70
Adjustment for working capital changes		
1) Increase / (decrease) in borrowings	91.33	(22.89)
2) Increase / (decrease) in other financial liabilities	111.89	(16.97)
3) Increase / (decrease) in trade payables	0.06	(205.50)
4) Increase / (decrease) in Other payables	27.86	(9.98)
5) (Increase) / decrease in loans	2.60	4.75
6) Increase / (decrease) in other non- financial liabilities	10.61	(2.95)
7) (Increase) / decrease in other financial assets	(2,551.66)	(2,524.14)
8) (Increase) / decrease in other non financial asset	211.57	(76.37)
9) (Increase) / decrease in trade receivables	76.49	97.46
10) (Increase) / decrease in other receivables	0.08	25.98
11) Increase / (decrease) in current tax assets/liabilities	994.91	(423.01)
Cash generated / (used) from operations	24,980.97	16,630.09
Direct taxes paid (net)	(2,937.00)	(620.45)
Net cash generated / (used) from operating activities (A)	22,043.97	16,009.64
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / decrease on investments (net)	(23,759.48)	(7,814.86)
Sale/(Purchase) of Property, plant and equipment (net)	(2,005.76)	(32.70)
Capital work in progress	921.43	(202.97)
Interest received on fixed deposits	16.94	24.86
Security Deposit	-	-
Dividend Income	793.84	445.48
Net cash generated / (used) from investing activities (B)	(24,033.03)	(7,580.19)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of minority interest	-	-
Dividend paid	(579.93)	(579.93)
Net cash generated / (used) from financing activities (C)	(579.93)	(579.93)
Net increase / (decrease) in cash and cash equivalents during the year (A + B + C)	(2,568.99)	7,849.52
Cash and Cash equivalents as at beginning of the year	9,921.98	2,072.46
Cash and cash equivalents as at end of the year :	7,352.99	9,921.98
Cash in hand	4.43	2.25
Scheduled bank - In current account	6.46	63.59
Fixed Deposit with Banks	314.79	698.39
In Liquid Funds	6,876.16	9,044.14
Scheduled Bank - Unpaid Dividend Account	151.15	113.61
Total	7,352.99	9,921.98
Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 and 5)		
Cash and cash equivalents as at end of the year as per above	10.89	65.84
Add:- Fixed deposit with banks	314.79	698.39
Add:- In Liquid Funds	6,876.16	9,044.14
Add:- Unpaid dividend account	151.15	113.61
Total cash and bank balances equivalents as at end of the year	7,352.99	9,921.98

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
 May 28th, 2022

For and on 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, 2022
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 31st 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 1st 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.

(ii) Interest income

Interest income from financial assets is recognized on accrual basis.

Notes forming part of Standalone Financial Statement for the year ended March 31, 2022
(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.

Notes forming part of Standalone Financial Statement for the year ended March 31, 2022

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 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 rights to receive the cash flows of the financial asset, but

Notes forming part of Standalone Financial Statement for the year ended March 31, 2022

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, 2022
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, 2022
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 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 31st Mar 2022	As at 31st Mar 2021
4	Cash and cash equivalents		
a)	Cash on hand	4.43	2.25
b)	Balances with Banks		
	-In Current Accounts	6.46	63.59
	-In Deposits Accounts	20.20	387.00
	(Original Maturity of Less than or equal to 3 months)		
c)	Interest accrued on Fixed Deposits	0.92	6.42
d)	Liquid Funds	6,876.16	9,044.14
	Total	6,908.17	9,503.40

5 Bank Balance other than cash and cash equivalents

a)	Fixed deposits with bank (Refer note below)	288.99	300.20
	(Original Maturity of more than 3 months and less than or equal to 12 months)		
b)	Interest accrued on Fixed Deposits	4.67	4.77
c)	Bank balances in Unpaid dividend accounts	151.15	113.61
	Total	444.81	418.58

Note : Pledged with banks as security for overdraft facility

6 Receivables
I) Trade Receivables
Unsecured, considered good

a)	Receivable from share brokers	104.09	192.15
b)	Others	15.85	4.28
	Total	119.94	196.43

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 31st Mar 2022	As at 31st Mar 2021
	II) Other Receivables		
	Secured, considered good		
	Interest accrued	373.66	373.70
	Allowance for Expected credit losses on Interest accrued	(25.00)	(25.00)
	Unsecured, considered good		
a)	Interest accrued	0.27	0.31
	Total	348.93	349.01

7 Loans
(Unsecured and considered good)

a)	Loan to employees (including deferred cost)	2.61	5.21
b)	Others	800.00	800.00
	Total	802.61	805.21

8 Other Financial Assets
(Unsecured, considered good)

a)	Margin Money Deposits		
	-Share brokers	10,600.00	8,500.00
	-Others	5.00	35.00
b)	Security deposits	71.15	89.39
c)	Others	500.11	0.21
	Total	11,176.26	8,624.60

9 Current Tax Assets (Net)

	Advance Tax and Tax Deducted at source	4,518.86	2,576.75
	Less: Tax Provisions	(3,743.50)	(806.50)
	Total	775.36	1,770.25

(Rupees in Lakhs)

Note No. 10: Investments

S No.	Particulars	As at 31st Mar 2022			As at 31st Mar 2021		
		Amortised cost	At Fair Value Through Other Comprehensive Income	Total	Amortised cost	At Fair Value Through Other Comprehensive Income	Total
1	Mutual funds/PMS		4,924.93	4,924.93		4,114.90	4,114.90
2	Debt securities*	350.58	7,436.07	7,786.65	350.00	7,485.51	7,835.51
3	Equity instruments		1,60,935.79	1,60,935.79		1,21,911.66	1,21,911.66
4	Equity instrument in Subsidiaries	3,500.17		3,500.17	3,007.01		3,007.01
5	Equity instrument in Associates (Refer Note 10.1)	-		-	1,938.54		1,938.54
7	Total - Gross (A)	3,850.75	1,73,296.79	1,77,147.54	5,295.55	1,33,512.07	1,38,807.62
8	(i) Investments in India	3,850.75	1,73,296.79	1,77,147.54	5,295.55	1,33,512.07	1,38,807.62
9	(ii) Investments outside India	-	-	-	-	-	-
10	Total (B)	3,850.75	1,73,296.79	1,77,147.54	5,295.55	1,33,512.07	1,38,807.62
11	Less: Aggregate amount of provision for impairment in the value of investments (Expected credit losses on Investment) (C)	(350.00)		(350.00)	(300.00)		(300.00)
12	Total - Net D= (A)-(C)	3,500.75	1,73,296.79	1,76,797.54	4,995.55	1,33,512.07	1,38,507.62

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

Notes to the Standalone Financial Statements
Note No. 10.1: Investments in Equity instruments of Subsidiaries & Associate
(Rupees in Lakhs)

S. No.	Particulars	As at 31st Mar 2022				As At 31st Mar 2021			
		Proportion of ownership Interest / Voting Right	Face Value	Holding	Value	Proportion of ownership Interest / Voting Right	Face Value	Holding	Value
		%	(in Rs.)	No. of shares	(Rs. in Lakhs)	%	(in Rs.)	No. of shares	(Rs. in Lakhs)
	1	2	3	4	5	6	7	8	9
	Investments in Equity shares of Subsidiaries: (Unquoted & Fully paid up) (Measured at amortized cost)								
1	VLS Securities Ltd.	100%	10	3,00,00,000	3,483.16	99.67%	10	2,99,00,000	2,990.00
2	VLS Real Estate Ltd.	100%	10	1,00,000	10.00	100.00%	10	1,00,000	10.00
3	VLS Asset Management Ltd.	99.15%	10	70,100	7.01	99.15%	10	70,100	7.01
	Total - (A)				3,500.17				3,007.01
	Investments in Equity shares of Associate: (Unquoted & Fully paid up) (Measured at amortized cost)								
1	VLS Capital Ltd.				-	38.09%	10	88,20,833	1,938.54
	Total (B)				-				1,938.54

Principal place of business of all Subsidiaries & Associate are in India.

Note No 11 : Property, Plant and Equipment
(Rupees in Lakhs)

Description	Building	Land	Temporary Structure	Vehicles	Office Equipments	Furniture & fixtures	A.C.	Computers	Electrical Installations	Generator	Assets on Lease	Leasehold Improvement	Right to use Assets (IndAs 116)	Total
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Gross Carrying Amount

Balance as at 01.04.2020	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2021	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

Balance as at 31.03.2021	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
Additions during the year	867.33	931.65	-	14.89	65.05	225.27	69.72	71.39	191.42	14.12	-	243.74	61.53	2,756.10
Sales/ Adjustments during the year	(931.65)	-	-	(3.76)	(8.26)	-	-	-	-	-	-	-	(73.95)	(1,017.62)
Balance as at 31.03.2022	1,046.64	931.65	6.89	151.31	90.30	238.07	84.88	102.55	193.87	18.43	12,066.67	243.74	61.53	15,236.53

Accumulated Depreciation

Balance as at 01.04.2020	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2021	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

Balance as at 31.03.2021	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
Depreciation for the year	20.48	-	-	16.15	15.68	17.20	8.20	17.76	21.09	1.75	-	24.88	3.31	146.51
Sales/ Adjustments during the year	(181.90)	-	-	(3.22)	(7.85)	-	-	-	-	-	-	-	(73.95)	(266.91)
Balance as at 31.03.2022	151.75	-	6.89	104.30	32.72	29.04	22.02	43.85	23.41	5.85	12,065.67	24.88	3.31	12,513.69

Notes to the Standalone Financial Statements
Net Carrying Amount
(Rupees in Lakhs)

As at 31.03.2020	837.36	-	0.00	42.21	4.64	1.18	1.64	2.88	0.12	0.22	1.00	-	16.30	907.55
As at 31.03.2021	797.79	-	0.00	48.81	8.63	0.96	1.35	5.07	0.12	0.22	1.00	-	0.00	863.95
Balance as at 31.03.2022	894.88	931.65	0.00	47.02	57.59	209.03	62.86	58.70	170.45	12.58	1.00	218.85	58.22	2,722.84

Note No: 11 Other Intangible assets
(Rupees in Lakhs)

Description	Computer Software													Total
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Gross Carrying Amount

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

Balance as at 31.03.2021	10.56	-	-	-	-	-	-	-	-	-	-	-	-	10.56
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales/ Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2022	10.56	-	-	-	-	-	-	-	-	-	-	-	-	10.56

Accumulated Depreciation

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

Balance as at 31.03.2021	9.70	-	-	-	-	-	-	-	-	-	-	-	-	9.70
Depreciation for the year	0.18	-	-	-	-	-	-	-	-	-	-	-	-	0.18
Sales/ Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2022	9.88	-	-	-	-	-	-	-	-	-	-	-	-	9.88

Net Carrying Amount

As at 31.03.2020	0.74	-	-	-	-	-	-	-	-	-	-	-	-	0.74
As at 31.03.2021	0.86	-	-	-	-	-	-	-	-	-	-	-	-	0.86
Balance as at 31.03.2022	0.68	-	-	-	-	-	-	-	-	-	-	-	-	0.68

(Rupees in Lakhs)

Note No.	Particulars	As at 31st Mar 2022	As at 31st Mar 2021
12	Other non-financial assets		
	Unsecured and considered good		
	Capital Advances	111.05	420.72
	Prepaid Expenses	8.09	3.30
	Receivable from subsidiaries	158.12	57.87
	Advances recoverable in cash or kind	412.92	421.18

(Rupees in Lakhs)

Note No.	Particulars	As at 31st Mar 2022	As at 31st Mar 2021
	Allowance for Expected credit losses	(25.00)	(25.00)
	Secured and considered good		
	Taxes due from Government	1.30	-
	Total	666.48	878.07

Notes to the Standalone Financial Statements (Rupees in Lakhs)

Note No.	Particulars	As at 31st Mar 2022	As at 31st Mar 2021
13	Payables		
	Trade Payables		
a)	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total	-	-
b)	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	- Payable to share brokers	-	-
	- other payables	0.14	0.08
	Total	0.14	0.08
	Other Payables		
a)	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total	-	-

(Rupees in Lakhs)

Note No.	Particulars	As at 31st Mar 2022	As at 31st Mar 2021
b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	43.75	15.88
	Total	43.75	15.88
14	Borrowings (Other than debt securities)		
	Secured Loans from Banks	91.33	-
	<i>(Secured against Pledge of Fixed Deposit)</i>		
	Total	91.33	-
15	Other financial liabilities		
a)	Unpaid dividends accounts	151.15	113.61
b)	Creditors for capital goods	46.08	30.34
c)	Others	58.60	0.00
	Total	255.83	143.95
16	Provisions		
	Provisions for employee benefits	76.91	85.13
	Total	76.91	85.13

Note 17 : Tax expense & Deferred tax assets / liabilities
(Rupees in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred tax liability on account of :		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	36.34	47.15
IndAS Adjustments	39,493.55	35,833.50
Total deferred tax liabilities (A)	39,529.89	35,880.64
Deferred tax assets on account of:		
On Employee Benefits (loans)	0.05	-
Provision for leave encashment/Gratuity (Employee benefits)	19.36	16.39
Losses carried forward	-	217.09
On Provision for impairment (Expected Credit Loss)	100.67	88.09
IndAS Adjustments	10,044.63	8,143.14
Total deferred tax assets (B)	10,164.71	8,464.71
Net deferred tax assets / (liability) (B-A)	(29,365.18)	(27,415.93)

Particulars	As at 31.03.2022	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31.03.2021	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31.03.2020
Deferred tax liabilities on account of:							
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	36.34	(10.80)	-	47.15	7.37	-	39.78
Deferred tax on IND AS adjustments	39,493.55	-	3,660.05	35,833.50	-	8,422.57	27,410.93
Total deferred tax liabilities	39,529.89	(10.80)	3,660.05	35,880.64	7.37	8,422.57	27,450.71
Deferred tax assets on account of:							
On Employee Benefits (loans)	0.05	0.05	-	-	-	-	-
On Provision for impairment (Expected Credit Loss)	100.67	12.58	-	88.09	88.09	-	-
Deferred Tax on Ind AS Adjustments	10,044.63	1,901.49	-	8,143.14	1,829.66	-	6,313.48
Provision for leave encashment/Gratuity (Employee benefits)	19.36	2.96	-	16.39	(1.10)	-	17.49
Losses carried forward	-	(217.09)	-	217.09	111.11	-	105.98
Total deferred tax assets	10,164.71	1,700.00	-	8,464.71	2,027.76	-	6,436.95
Total deferred tax Assets/(liability) (net)	(29,365.18)	1,710.80	(3,660.05)	(27,415.93)	2,020.39	(8,422.57)	(21,013.76)

Note No.	Particulars	As at 31st Mar 2022	As at 31st Mar 2021
18	Other non-financial liabilities		
	Statutory dues payable	32.45	21.83
	Total	32.45	21.83

Note 19 : Equity share capital

	As at 31st Mar 2022		As at 31st Mar 2021	
	Number	Amount	Number	Amount
Authorised				
15,00,00,000 Equity Shares of Rs.10/- each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
	15,00,00,000	15,000.00	15,00,00,000	15,000.00
Issued, subscribed and paid up				
3,91,29,517 Equity Shares of Rs.10/- each	3,91,29,517	3,912.95	3,91,29,517	3,912.95
	3,91,29,517	3,912.95	3,91,29,517	3,912.95

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 31st Mar 2022		As at 31st Mar 2021	
	Number	Amount	Number	Amount
SUBSCRIBED & PAID-UP CAPITAL				
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
	3,86,62,017	3,878.42	3,86,62,017	3,878.42

(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 31st Mar 2022		As at 31st Mar 2021	
	Number	Amount	Number	Amount
At beginning of the year	3,86,62,017	3,866.20	3,86,62,017	3,866.20
Changes in equity share capital during the year	-	-	-	-
At the end of the year	3,86,62,017	3,866.20	3,86,62,017	3,866.20

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

Name of shareholder	As at 31st Mar 2022		As at 31st Mar 2021	
	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

(Rupees in Lakhs)

	As at 31st Mar 2022	As at 31st Mar 2021
a) General reserve		
Balance at the beginning of the year	2,968.84	2,968.84
Add: during the year	-	-
Balance as at end of the year	2,968.84	2,968.84
b) Securities premium		
Balance at the beginning of the year	9,627.48	9,627.48
Add: during the year	-	-
Balance as at end of the year	9,627.48	9,627.48
c) Capital Redemption Reserve		
Balance at the beginning of the year	113.30	113.30
Add: during the year	-	-
Balance as at end of the year	113.30	113.30
d) Retained earnings		
Balance at the beginning of the year	61,826.10	33,552.33
Add: Profit/(loss) during the year	25,438.94	21,582.18
Transfer from/to FVTOCI to Retained Earnings	5,653.69	7,271.81
Less: Dividend Paid	(579.93)	(579.93)
Transfer from/to Retained earnings from/to Remeasurement of Defined Benefit Plan	-	(0.29)
Balance as at end of the year	92,338.80	61,826.10

(Rupees in Lakhs)

	As at 31st Mar 2022	As at 31st Mar 2021
e) Fair value gain on equity and other instruments carried through other comprehensive income		
Balance at the beginning of the year	56,829.03	39,034.11
Other Comprehensive Income during the year (net of tax)	10,873.41	25,057.80
Transfer from/to FVTOCI from/to Retained Earnings	(5,653.69)	(7,271.81)
Transfer from/to FVTOCI from/to Remeasurement of Defined Benefit Plan	-	8.93
Balance as at end of the year	62,048.73	56,829.03
f) Remeasurement of Defined Benefit Plans		
Balance at the beginning of the year	(8.64)	14.97
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)	9.02	(14.97)
Balance as at end of the year	0.38	(8.64)
TOTAL (a to f)	1,67,097.53	1,31,356.11

1) Note on other equity : There are no changes in accounting policy & there are no prior period errors.

Notes to the Standalone Financial Statements (Rupees in Lakhs)

NOTE NO.	PARTICULARS	For the Year ended	
		31.03.2022	31.03.2021
21	Interest Income		
	Interest income from Investments:-		
	- From Tax Free Bonds	475.51	475.19
	- From PMS/MF investments	66.09	82.98
	On Margin Deposits with Share Brokers/stock exchange	339.13	61.62
	On deposits with Banks	16.94	24.86
	Other interest income	27.90	-
	Total	925.57	644.65
22	Dividend Income		
	Dividend on Investments	793.84	445.48
	Total	793.84	445.48
23	Net gain on fair value changes		
	Net gain/ (loss) on financial instruments at fair value through Profit and loss account		
	(a) - Investment		
	- On Investment	28,257.51	15,102.96
	(b) - Trading		
	- On Securities	14.23	19.18
	- On Future & Option	(1,617.20)	5,153.78
	- On Liquid Mutual Funds	158.22	85.63
	Total	26,812.76	20,361.55
	Fair Value changes:		
	- Realised	26,812.76	20,361.55
	- Unrealised	-	-
	Total	26,812.76	20,361.55
24	Other Operating Income		
	Income from Securities Lending	23.21	9.78
	Total	23.21	9.78
25	Other Income		
	Rent Receipts	7.20	0.60
	Reimbursement of expenses recovered	-	0.60
	Interest on staff loans and advances	0.07	0.19
	On Financial Assets measured at Amortised Cost	0.58	0.78
	Interest on Income Tax Refund	65.49	-
	Others	0.01	0.00
	Total	73.35	2.17
26	Employee benefits expense		
	Salaries	385.68	390.52
	Staff Amenities/welfare expenses	15.05	3.79
	Employer's Contribution to PF, ESI, Gratuity Fund etc.	40.17	37.40
	Total	440.90	431.71
27	Finance Costs		
	Bank / Finance Charges	0.81	0.74
	Interest Payment on Loans/overdraft facilities	0.35	0.16
	Interest on Right of Use assets -AS116	1.06	0.73
	Total	2.22	1.63

(Rupees in Lakhs)

NOTE NO.	PARTICULARS	For the Year ended	
		31.03.2022	31.03.2021
28	Other expenses		
	Advertisement & Business Promotion	29.59	38.74
	Consultancy, Legal & Service Charges	312.71	193.98
	Communication Expenses	6.86	5.63
	Electricity & Water Charges	38.10	10.23
	Insurance	1.30	1.10
	Office Expenses	32.78	27.94
	Shares Transaction Charges	13.40	16.91
	Securities Transaction Tax on Investment	299.37	120.00
	Securities Transaction Tax on others	162.89	55.16
	Travelling Expenses & Conveyance	32.07	11.64
	Rates & Taxes	149.76	65.37
	Rent	55.99	41.03
	Repairs & Maintenance		
	- Building	-	-
	- Others	31.01	14.82
	Miscellaneous Expenses	48.26	111.07
	CSR Expenditure	129.33	37.02
	Auditors' Remuneration		
	a) Audit Fees	2.00	1.70
	b) For Other Services		
	- For Tax audit	0.90	0.90
	- For certification	2.00	1.28
	- Out of pocket expenses	0.35	0.35
	Internal Auditors' Remuneration		
	- Fees	1.00	0.80
	- For certification	0.10	0.10
	Directors' Sitting Fees	23.65	16.10
	Loss on sale/transfer of assets	0.36	-
	Total	1,373.78	771.87
29	Earnings per equity share		
	Net profit/(Loss) attributable to equity shareholders	25,438.94	21,582.18
	Total (A) (Rupees in Lakhs)	25,438.94	21,582.18
	Weighted average number of equity shares issued (face value of Rs 10/- each) (In Number)	386.62	386.62
	Total (B) (In Number)	386.62	386.62
	Basic earnings per share [A/B] (In Rupees)	65.80	55.82
	Net Profit/(Loss) attributable to equity shareholders [C] (Rupees in Lakhs)	25,438.94	21,582.18
	Less : Impact on net profit due to exercise of diluted potential equity shares [D]	-	-
	Net profit/(Loss) attributable to equity shareholders for calculation of diluted EPS [C-D] (Rupees in Lakhs)	25,438.94	21,582.18
	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]	-	-
	Weighted number of equity shares outstanding for diluted EPS (Numbers in lakhs) [E+F]	386.62	386.62
	Diluted earnings per share [C-D/ E+F] (In Rupees)	65.80	55.82

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31.03.2022
Note: 30 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/Group has undertaken the following CSR initiatives during the financial year 2021-22 & 2020-21.

a) Accumulated amount required to be spent by the company during the year Rs. 129.33 Lakhs (Previous year Rs. 37.02 Lakhs)

b) Amount spent during the year ended 31 March 2022 & 31st March 2021:

Particulars	As at	
	31st March 2022	31st March 2021
(i) Amount required to be spent by the company during the year	129.33	37.02
(ii) Amount of expenditure incurred	129.46	37.02
a) Construction / Acquisition of any asset	12.23	-
b) on purposes other than a) above	117.23	37.02
(iii) Shortfall / (Excess) at the end of the year *	(0.13)	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	N.A.	N.A.
(vi) Nature of CSR activities	CSR initiatives majorly includes supporting under privileged in medical treatments and promoting education.	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	N.A.	N.A.
* Excess amount spent during the year to be set off in next year		

Note 31. Related party transactions:
List of Related Parties and Relationships with whom transactions done during the year:
a) Subsidiary Companies:

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

b) Key Managerial Personnel (KMP):

- Shri M. P. Mehrotra (Executive Vice Chairman) ('Exec. VC')
- Shri S. K. Agarwal (Managing Director)
- Shri K. K. Soni (Director-Finance & CFO)
- Shri H. Consul (Company Secretary)
- Ms. Unnati Jani (CS in VLS Securities Ltd) appointed w.e.f. 22nd Mar 2022 - ('CS VLS Sec.')
- Ms. Komal Taparja (CS in VLS Securities Ltd) resigned w.e.f. 21st Mar 2022 - ('CS VLS Sec.')

c) Others:

- VLS Capital Limited (Associate of VLS Securities Ltd.)
- Shri Vikas Mehrotra (Non-Executive Director)
- M/s Vinayak Pharma - related to Mr. S. K. 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 Deepak Kumar Chatterjee (Independent Director)
- Ms. Divya Mehrotra w.e.f. 13/11/21 (Non-Executive Director)

Transactions with Related Parties:

S No.	Nature of Transaction	Related Party Type	Year Ended March 31, 2022	Year Ended March 31, 2021
1	Purchase of Securities (as share broker)	Subsidiary	159,51,70.78	57,47,54.42
2	Sale of Securities (as share broker)	Subsidiary	158,83,72.06	58,10,49.89
3	Sale of Securities (Unquoted Shares)	Subsidiary	110,62.21	-
4	Rent and other Charges received	Subsidiary	7.20	1.42
5	Other charges paid	Subsidiary	6,18.83	298.90
6	Interest received on Margin Money Deposits	Subsidiary	3,36.50	59.23
7	Shares of Subsidiary Purchased	Associate	493.16	-

S No.	Nature of Transaction	Related Party Type	Year Ended March 31, 2022	Year Ended March 31, 2021
8	Remuneration to Exec. VC (Incl. Perquisites)	KMP	77.27	69.00
9	Remuneration to Managing Director	KMP	41.26	41.26
10	Remuneration to Director- Finance & CFO	KMP	39.60	39.60
11	Remuneration to Company Secretary	KMP	28.58	26.09
12	Loan to Company Secretary	KMP	0.30	-
13	Remuneration to CS VLS Sec.	KMP	5.56	6.35
14	Rent Paid to Ms. Divya Mehrotra	Others	4.00	-
15	Security Deposit Paid/ (Received back)	Others	-	(120.00)
16	Sanitizer & Medical consumables / equipment purchased (COVID-19 preventive measures)	Others	0.45	1.11
Other Transactions:				
17	Sitting Fees paid to Non-executive Directors	(Others)	23.65	16.10
18	Outstanding Balance at the year end (including margin money deposits)	1.Subsidiaries	107,15.27	8,557.87
		2.Security Deposits Paid (others)	385.00	385.00

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.

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Particulars	31-03-2022	31-03-2021
Borrowings	91.33	-
Trade payables	0.14	0.08
Other payables	43.75	15.88
Less: cash and cash equivalents	6,908.17	9,503.40
Net debt	-	-
Total capital	1,70,975.95	1,35,234.53
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 2022	31 March 2021
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. Earnings in Foreign Currency	Nil	Nil
c. Expenditure in Foreign Currency	1.97	Nil

Note 34. Commitments and contingencies
a. Commitments:

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

31 st March 2022	31 st March 2021
170.04	125.65

b. Contingent liabilities

31st March 2022	31st March 2021
Nil	Nil

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 2022	31 March 2021	31 March 2022	31 March 2021
Financial assets				
Trade Receivables	119.94	196.43		
Other Receivables	348.93	349.01		
Other financial assets	11,176.26	8,624.60	-	-
Loans	802.61	805.21	-	-
FVTOCI financial investments	1,73,296.79	1,33,512.07	1,73,296.79	1,33,512.07
Total	1,85,744.53	1,43,487.32	1,73,296.79	1,33,512.07
Financial liabilities				
Borrowings	91.33	-	-	-
Other Financial Liabilities	255.83	143.95	-	-
Total	347.16	143.95	-	-

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 Company has taken into account the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial statements. The Company will continue to monitor for any material changes in future economic conditions. In the opinion of the Company, there will be no impact of COVID 19 on Going Concern Assumption in the present ongoing scenario.

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 31,2022	March 31,2021
Trade and Other Receivables (net of impairment)	468.87	545.44
Total	468.87	545.44

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

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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 summarizes the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31 2022:

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
Assets					
Cash and bank balances	7,262.73	90.25	-	-	7,352.98
Trade receivables	119.94	-	-	-	119.94
Other receivables	348.93	-	-	-	348.93
Loans	0.29	1.71	800.61	-	802.61
Investments	-	-	60,155.85	1,16,641.69	1,76,797.54
Other financial assets	10,600.00	517.11	-	59.15	11,176.26
Total	18,331.89	609.07	60,956.46	1,16,700.84	1,96,598.26
Liabilities					
Trade payables	0.14	-	-	-	0.14
Other payables	43.75	-	-	-	43.75
Borrowings	91.33	-	-	-	91.33
Other financial liabilities	255.83	-	-	-	255.83
Total	391.05	-	-	-	391.05
Net Excess / (shortfall)	17,940.84	609.07	60,956.46	1,16,700.84	1,96,207.21

The table below summarizes 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
Assets					
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
Total	18,857.93	164.15	43,486.07	95,896.70	1,58,404.85
Liabilities					
Trade payables	0.08	-	-	-	0.08
Other payables	15.88	-	-	-	15.88
Borrowings	-	-	-	-	-
Other financial liabilities	143.95	-	-	-	143.95
Total	159.91	-	-	-	159.91
Net Excess / (shortfall)	18,698.02	164.15	43,486.07	95,896.70	1,58,244.94

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. 21.18 lakhs (Rs. 19.75 lakhs for the financial year 2020-2021) 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:

	Year Ended March 31, 2022	Year Ended March 31, 2021
1. Assumptions		
Discount rate	7.00%	7.00%
Salary Escalation	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
2. Changes in present value of obligation at the year end		
Present value of obligation as at beginning of the year	162.83	137.01
Interest Cost	11.40	9.59
Current Service Cost	8.34	8.07
Past Service Cost	-	-
Benefits Paid	(14.00)	(9.81)
Actuarial (gain) / loss on obligations	(7.42)	17.98
Present value of obligations as at end of the year	161.15	162.84
3. Changes in fair value of plan assets at the year end		
Fair value of plan assets at beginning of year	97.67	82.42
Expected return on plan assets	6.84	5.56
Contributions	2.72	9.50
Benefits paid	(5.28)	(0.43)
Actuarial gain / (loss) on plan assets	0.32	0.62
Fair value of plan assets at the end of the year	102.27	97.67
4. OCI / Expenses (Re measurements)		
Cumulative Un recognized Actuarial (gain)/loss opening b/f	12.12	(5.24)
Actuarial (gain) / loss on obligations	(7.42)	17.98
Actuarial (gain) / loss for the year – on plan assets	(0.33)	(0.62)
Total (gain) / loss for the year	(7.75)	17.36
Cumulative total actuarial (gain)/ loss c/f	4.37	12.12
5. Amounts to be recognized in the Balance Sheet		

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	Year Ended March 31, 2022	Year Ended March 31, 2021
Present value of obligations as at the end of the year	161.15	162.84
Fair value of plan assets as at the end of the year	102.27	97.67
Net (asset) / liability recognized in balance sheet	58.89	65.17
Funded Status Surplus/ (Deficit)	(58.89)	(65.17)
6. Amounts recognized in the Statement of Profit and Loss		
Current service cost	8.34	8.07
Interest Cost	11.40	9.59
Past Service Cost	-	-
Expected return on plan assets	(6.84)	(5.56)
Expenses recognized in Statement of Profit and Loss	12.90	12.10

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

	Year Ended March 31, 2022	Year Ended March 31, 2021
1. Assumptions		
Discount rate	7.00%	7.00%
Salary Escalation	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
2. Changes in present value of obligation at the year end		
Present value of obligation as at beginning of the year	19.96	14.90
Interest Cost	1.40	1.04
Current Service Cost	1.50	1.38

	Year Ended March 31, 2022	Year Ended March 31, 2021
Benefits Paid	(0.54)	-
Actuarial (gain) / loss on obligations	(4.30)	2.64
Present value of obligations as at end of the year	18.02	19.96
3. OCI / Expenses (Re measurements)		
Cumulative Un recognized Actuarial (gain)/loss opening bf	(1.06)	(3.70)
Actuarial (gain) / loss on obligations	(4.30)	2.64
Actuarial (gain) / loss for the year – on plan assets	-	-
Total (gain) / loss for the year	(4.30)	2.64
Cumulative total actuarial (gain)/loss c/f	(5.36)	(1.06)
4. Amounts to be recognized in the Balance Sheet		
Present value of obligations as at the end of the year	18.02	19.96
Fair value of plan assets as at the end of the year	-	-
Net (asset) / liability recognized in balance sheet	18.02	19.96
Funded Status Surplus/ (Deficit)	(18.02)	(19.96)
5. Amounts recognized in the Statement of Profit and Loss		
Current service cost	1.51	1.38
Interest Cost	1.40	1.04
Expected return on plan assets	-	-
Expenses recognized in Statement of Profit and Loss	2.90	2.42

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	As on 31.03.2022			As on 31.03.21		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	6,908.17		6,908.17	9,503.40		9,503.40
Bank Balance other than above	444.81		444.81	418.58		418.58
Trade receivables	119.94		119.94	196.43		196.43
Other receivables	348.93		348.93	349.01		349.01
Loans	2.00	800.61	802.61	4.15	801.06	805.21
Investments	-	1,76,797.54	1,76,797.54	-	1,38,507.62	1,38,507.62
Other financial assets	11,117.11	59.15	11,176.26	8,550.51	74.09	8,624.60
Total-Financial assets	18,940.96	1,77,657.30	1,96,598.26	19,022.08	1,39,382.77	1,58,404.85
Non-Financial assets						
Current Tax assets		775.36	775.36		1,770.25	1,770.25
Investment Property		70.94	70.94		70.94	70.94
Property, plant and equipment		2,722.84	2,722.84		863.95	863.95
Capital work-in-progress	6.98		6.98	928.41		928.41
Other Intangible assets		0.68	0.68		0.86	0.86
Other non-financial assets	508.36	158.12	666.48	809.20	68.87	878.07
Total-Non financial assets	515.34	3,727.94	4,243.28	1,737.61	2,774.87	4,512.48
Total Assets	19,456.30	1,81,385.24	2,00,841.54	20,759.69	1,42,157.64	1,62,917.33
Liabilities						
Financial Liabilities						
Trade payables	0.14	-	0.14	0.08	-	0.08
Other payables	43.75	-	43.75	15.88	-	15.88
Borrowings	91.33	-	91.33	-	-	-
Other financial liabilities	255.83	-	255.83	143.95	-	143.95
Total- Financial Liabilities	391.05	-	391.05	159.91	-	159.91
Non Financial Liabilities						
Provisions	71.66	5.25	76.91	79.68	5.45	85.13
Deferred tax liabilities		29,365.18	29,365.18		27,415.93	27,415.93
Other non financial liabilities	32.45		32.45	21.83		21.83
Total-Non Financial Liabilities	104.11	29,370.43	29,474.54	101.51	27,421.38	27,522.89
Total Liabilities	495.16	29,370.43	29,865.59	261.42	27,421.38	27,682.80

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(Rupees in Lakhs)

Note: 40 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 2022 are as follows:

(Rupees in Lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	6,908.17	6,908.17	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	444.81	444.81	-	-	-	-
Receivables				-	-	-	-	-
(I) Trade receivables	-	-	119.94	119.94	-	-	-	-
(II) Other receivables	-	-	348.93	348.93	-	-	-	-
Loans	-	-	802.61	802.61	-	-	-	-
Investments	-	1,73,296.79	3,500.75	1,76,797.54	1,67,592.92	1,549.19	4,154.67	1,73,296.79
Other financial assets	-	-	11,176.26	11,176.26	-	-	-	-
Total financial assets	-	1,73,296.79	23,301.47	1,96,598.26	1,67,592.92	1,549.19	4,154.67	1,73,296.79
Financial liabilities								
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	-	-	0.14	0.14	-	-	-	-
(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	-	-	43.75	43.75	-	-	-	-
Borrowings (Other than debt securities)	-	-	91.33	91.33	-	-	-	-
Other financial liabilities	-	-	255.83	255.83	-	-	-	-
Total financial liabilities	-	-	391.05	391.05	-	-	-	-

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
Financial assets								
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	1,33,512.07
Other financial assets	-	-	8,624.60	8,624.60	-	-	-	-
Total financial assets	-	1,33,512.07	24,892.78	1,58,404.85	1,28,414.72	988.74	4,108.62	1,33,512.07
Financial liabilities								
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)	-	-	-	-	-	-	-	-

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Other financial liabilities	-	-	143.95	143.95	-	-	-	-
Total financial liabilities	-	-	159.91	159.91	-	-	-	-

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 41: 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 2019-20.

a) Income Tax recognised in Statement of Profit and Loss
(Rupees in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Current tax (expense)/credit:		
1 Current tax for the year	(2,937.00)	(614.00)
2 Tax adjustment in respect of earlier years	-	(6.45)
Total current tax (expense)/credit (A)	(2,937.00)	(620.45)
Deferred tax (expense)/credit:	1,710.80	2,020.39
Net deferred tax (expense)/credit (B)	1,710.80	2,020.39
Income tax (expense)/credit (net): (C = A+B)	(1,226.20)	1,399.94

b) Reconciliation of estimated Income tax (expense)/credit reported in Statement of Profit and Loss
(Rupees in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Profit / (loss) before tax	26,665.14	20,182.24
1 Expected income tax (expense)/credit at the applicable tax rates	(6,711.08)	(5,079.47)
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	(116.83)	(44.10)
3 Effect of differential tax rates and carried/brought forward losses	3,046.23	6,324.31
4 Effect of income exempt from tax	2,561.88	228.99
5 Others	(6.40)	(29.79)
Income Tax (expenses)/credit reported in statement of profit and loss (1+2+3+4+5)	(1,226.20)	1,399.94

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31ST MARCH, 2022

(Rupees in Lakhs)

Note 42: Shareholding of Promoters and Promoter Group

Shares held by Promoters & Promoter Group as at 31st Mar 2022						As at 31st Mar 2021	
S. No	Promoter Name	Category*	No. of shares	% of Total shares	% change during the year	No. of shares	% of total shares
1	VLS Capital Ltd.	PG	1,33,36,538	34.50	-	1,33,36,538	34.50
2	VLS Commodities Private Limited	PG	4,57,768	1.18	-	4,57,768	1.18
3	South Asian Enterprises Ltd	PG	1,500	-	-	1,500	-
4	Divya Mehrotra	PG	5,41,393	1.40	0.11	4,99,682	1.29
5	Mahesh Prasad Mehrotra (HUF)	PG	19,84,262	5.13	-	19,84,262	5.13
6	Sadhana Mehrotra	PG	8,84,691	2.29	-	8,84,691	2.29
7	Vikas Mehrotra	PG	4,85,783	1.26	-	4,85,783	1.26
8	Mahesh Prasad Mehrotra	P	1	-	-	1	-
Total Promoter & Promoter Group			1,76,91,936	45.76		1,76,50,225	45.65
* P = Promoter, PG = Promoter Group							

Note: 43: Ageing of Trade and Other Payables

Ageing of Trade & Other Payables as on 31-03-2022

Particulars	Outstanding for following periods from due date of payment				
	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-				
(ii) Others	43.89	38.05	0.01	-	5.83
(iii) Disputed dues – MSME	-				
(iv) Disputed dues – Others	-				

Ageing of Trade & Other Payables as on 31-03-2021

Particulars	Outstanding for following periods from due date of payment				
	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME					
(ii) Others	15.96	9.23	0.90	-	5.83
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

Note: 44: Ageing of Trade and Other Receivables

Ageing of Trade & Other Receivables as on 31-03-2022

Particulars	Outstanding for following periods from due date of payment					
	Total	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	468.87	343.02	124.18	0.53	0.92	0.22
(ii) Undisputed Trade Receivables - significant increase in credit risk						
(iii) Undisputed Trade Receivables - Credit impaired						
(iv) Disputed Trade receivables – considered good						
(v) Disputed Trade Receivables - significant increase in credit risk						
(vi) Disputed Trade Receivables - Credit impaired						

Ageing of Trade & Other Receivables as on 31-03-2021

Particulars	Outstanding for following periods from due date of payment					
	Total	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	545.44	420.92	123.38	0.92	-	0.22
(ii) Undisputed Trade Receivables - significant increase in credit risk						
(iii) Undisputed Trade Receivables - Credit impaired						
(iv) Disputed Trade receivables – considered good						
(v) Disputed Trade Receivables - significant increase in credit risk						
(vi) Disputed Trade Receivables - Credit impaired						

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED
31ST MARCH, 2022

(Rupees in Lakhs)

Note: 45: Loans to Related Parties

Loans Given to Related Parties as on 31.3.22

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of loans
Promoters		
Directors		
KMPs	0.30	0.04%
Related Parties		

Loans Given to Related Parties as on 31.3.21

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of loans
Promoters		
Directors		
KMPs	NIL	NIL
Related Parties		

Note: 46: Ageing of Capital Work in Progress

Ageing of Capital Work in Progress as on 31-03-2022

CWIP	Total	Amount in CWIP for a period of			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	6.98	6.98			
Projects temporarily suspended					

Ageing of Capital Work in Progress as on 31-03-2021

CWIP	Total	Amount in CWIP for a period of			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	928.41	202.97	321.90	188.62	214.92
Projects temporarily suspended					

Note: 47A: CWIP Completion Schedule

CWIP Completion Schedule as on 31-03-2022

CWIP	Total	Amount in CWIP for a period of			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	6.98	6.98			
Projects temporarily suspended					

CWIP Completion Schedule as on 31-03-2021

CWIP	Total	Amount in CWIP for a period of			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	928.41	928.41			
Projects temporarily suspended					

Note: 47B: Intangible Assets under Development Ageing Schedule

There are no intangible assets under development as on 31st March 2022 as well as 31st March 2021.

Note 48: Relationship with Strike off Companies

(Rupees in Lakhs)

Sl. No.	Name of the Company	Nature of Transaction										Relationship (If Any)
		Investment In Securities Of Such Company (Nos.)		Receivables (Amount)		Payables (Amount)		Shares Held By Such Company (Nos.)		Other Outstanding: Unpaid Dividend (Amount)		
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	
1	COLOCAR LEASING & FINANCE P LTD	0	0	0	0	0	0	600	600	0.03	0.03	NIL
2	GURU RAKHA INVESTMENT PVT LTD	0	0	0	0	0	0	100	100	0.01	0.00	NIL
3	LAKSHMI FINTRADE PVT LTD (SHRI LAKSHMI FINTRADE PRIVATE LIMITED)	0	0	0	0	0	0	600	600	0.03	0.03	NIL
4	MANEELA FINANCE INVESTMENT PVT LTD (MANEELA FINANCE AND INVESTMENTS PRIVATE LTD)	0	0	0	0	0	0	600	600	0.03	0.03	NIL

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, FOR THE YEAR ENDED 31ST MARCH, 2022
(Rupees in Lakhs)

Sl. No.	Name of the Company	Nature of Transaction										Relationship (If Any)
		Investment In Securities Of Such Company (Nos.)		Receivables (Amount)		Payables (Amount)		Shares Held By Such Company (Nos.)		Other Outstanding: Unpaid Dividend (Amount)		
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	
5	MONEY TREE PLANTATION PVT LTD	0	0	0	0	0	0	1200	1200	0.06	0.05	NIL
6	NAV TRADING AND INVESTMENTS PRIVATE LIMITED	0	0	0	0	0	0	3600	3600	0.19	0.15	NIL
7	OPTIONS FINANCIAL SERVICES LTD	0	0	0	0	0	0	600	600	0.03	0.03	NIL
8	PAAVAN SECURITIES PVT LTD	0	0	0	0	0	0	400	400	0.02	0.02	NIL
9	PARADISE FINSTOCK SERVICE PVT LTD	0	0	0	0	0	0	600	600	0.03	0.03	NIL
10	RAHAT HOLDINGS & ESTATES P LTD	0	0	0	0	0	0	600	600	0.03	0.03	NIL
11	SIDDHI COMMDEAL PRIVATE LIMITED	0	0	0	0	0	0	400	400	0.02	0.02	NIL
12	SIS SHARE & STOCK BR. PVT LTD (GUARDIAN SHARE AND STOCK BROKERS PRIVATE LTD)	0	0	0	0	0	0	200	200	0.01	0.01	NIL
13	SUNSHINE HOLDINGS P LTD	0	0	0	0	0	0	9300	9300	0.41	0.30	NIL
14	YASHIKA FINLEASE AND HOLDINGS P LTD	0	0	0	0	0	0	2400	2400	0.13	0.10	NIL
15	KAMLESH LEASING AND FINANCE PRIVATE LIMITED	0	0	0	0	0	0	0	100	-	-	NIL
	BALANCE OUTSTANDING	0	0	0	0	0	0	21200	21300	1.05	0.80	-

Note 49: Key Ratios
Part A

S No	Particulars	As At 31.3.2022	As At 31.3.2021
1	Capital to risk- weighted assets ratio	NA *	NA *
2	Tier I CRAR	NA *	NA *
3	Tier II CRAR	NA *	NA *
4	Liquidity Coverage Ratio	NA *	NA *

* Note: As the company is not registered with RBI as NBFC by virtue of exemption given by RBI, the above ratios are not applicable to the company.

Part B

S No	Particulars	As At 31.3.2022	As At 31.3.2021	Change	Reason for Change (if Change > 25 %)
1	Return on equity (PAT / Equity) (%)	14.88%	15.96%	6.8%	Within Limit
2	Return on Assets (PAT / Total Assets) (%)	12.67%	13.25%	4.4%	Within Limit
3	Current Ratio (Cash, Bank, Receivables & Other Fin. Assets) / (Financial Liabilities) (times)	48.58	119.39	59.3%	While the numerator (assets) is almost at same level as in previous year, the denominator (liabilities) has increased on account of OD limit utilized, increase in Creditors for Capital goods and increase in Unpaid Dividend.

Note 50. 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: May 28th, 2022

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

H. Consul
Company Secretary
M. No A-11183

VLS Securities Ltd.

Regd. Off: 1st Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi–110020,
CIN: U74899DL1994PLC062123,

Ph: 011-4665 6666, Fax: 011-4665 6699

email: vlssec@vlssecurities.com, website: www.vlssecurities.com

Directors' Report

To the Members of VLS Securities Limited,
Your Directors are pleased to present the 28th Annual Report of your Company together with audited annual accounts for the year ended on 31st March, 2022.

Financial Summary ₹ in lakhs

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021*
Revenue from Operations	3,501.99	638.61
Other Income	--	6.41
Less: Finance Cost	1.03	2.14
Less: Depreciation	0.89	1.47
Less: Other Expenses	274.26	144.89
Profit/ (loss) before tax	3,225.81	496.52
Total Tax expenses / (credit)	(1,246.70)	46.50
Net Profit / (loss)	4,472.51	450.02
Total Comprehensive Income	26,668.85	32,480.58
Paid-up Equity Share Capital	3,000	3,000
Earnings per equity share (Rs.)	14.91	1.50

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

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.

Capital Structure

There was no change in the Authorized and Paid-up Share Capital of the Company during the year under review.

The Authorized and Paid-up Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crore only) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs.10/- (Rupees Ten) each.

Operations/State of Company's Affairs

Your Company earned brokerage of Rs. 695.92 lakhs during the year under review, as compared to Rs. 262.60 lakhs earned during the previous year.

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 the Securities & Exchange Board of India.

Future Outlook

The stock markets have been generally upbeat during the year under review inspite of the 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 the constitution of the Board during the year under review.

Shri Suresh Kumar Agarwal (DIN: 00106763) and Shri Vikas Mehrotra (DIN: 06476150) shall be retiring by rotation at the ensuing 28th Annual General Meeting (AGM) of your Company and being eligible, offer themselves for re-appointment. Concurring to recommendation of Nomination and Remuneration Committee of the Company, your Directors recommend their re-appointment.

The term of Shri Suresh Kumar Agarwal as Managing Director of the Company will be upto 30th June, 2022. The Board of Directors on the recommendation of Nomination and Remuneration Committee, has in its meeting held on 14/05/2022 reappointed Shri Suresh Kumar Agarwal as Managing Director of the Company w.e.f. 01/07/2022 for 3 years i.e. upto 30/06/2025, subject to approval of the members. Your Directors recommend the appointment of Shri Suresh Kumar Agarwal as Managing Director as set out in the Notice for the 28th AGM of the Company for your approval.

Key Managerial Personnel ('KMP')

Ms. Komal Tapararia (M. No. A55522) resigned as Company Secretary of the Company w.e.f.21/03/2022 and Ms. Unnati Jani (M. No. A62834) was appointed

as Company Secretary w.e.f.22/03/2022. There was no other change in KMP.

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 31st March 2022, 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 31st March, 2022 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 25/06/2021, 23/07/2021, 09/11/2021 and 04/02/2022 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. 2021-22 & Dates
1	Dr. Rajeev Lochan Bishnoi	Chairman	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
2	Shri Rajendra Kumar Goswami	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
3	Shri Kishan Kumar Soni	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
3	Shri Tej Bhan Gupta	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
5	Shri Suresh Kumar Agarwal	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
6	Shri Vikas Mehrotra	Member	3 25/06/2021 23/07/2021 09/11/2021
7	Ms. Divya Mehrotra	Member	2 25/06/2021 23/07/2021

Audit Committee

During the year, 4 meetings of the Audit Committee were held on 25/06/2021, 23/07/2021, 09/11/2021 and 04/02/2022 respectively. The Audit Committee comprised of Independent Directors namely Dr. Rajeev Lochan Bishnoi and Shri Rajendra Kumar Goswami and Director - Shri Kishan Kumar Soni. Further, 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. 2021-22 & Dates
1	Shri Rajendra Kumar Goswami	Chairman	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
2	Shri Kishan Kumar Soni	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
3	Dr. Rajeev Lochan Bishnoi	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022

Nomination and Remuneration Committee ('NRC')

During the year, 2 meeting of the Nomination and Remuneration Committee were held on 25/06/2021 and 23/07/2021. 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. 2021-22 & Dates
1	Shri Kishan Kumar Soni	Chairman	2 25/06/2021 23/07/2021
2	Shri Rajendra Kumar Goswami	Member	2 25/06/2021 23/07/2021
3	Dr. Rajeev Lochan Bishnoi	Member	2 25/06/2021 23/07/2021

Corporate Social Responsibility ('CSR')

As per computation of profit under Section 198 of the Companies Act, 2013, ('Act') for the year 2021-22 the provisions of Section 135 of the Act has become applicable on the Company and Rs. 21,11,126/- (Rupees Twenty-One Lakhs Eleven Thousand One Hundred Twenty- Six Only) would be required to be spent by the Company in the year 2022-23 under CSR obligations. The Board has been advised that constitution of CSR Committee is not mandatory at present in terms of Section 135(9) of the Act and the Board has initiated requisite process in this regard in accordance with provisions applicable for fulfilling obligations under CSR.

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 14/05/2022.

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 28th March, 2022 as per Schedule IV of the Companies Act, 2013. The evaluation of the Chairman of the Company was carried out in the meeting of Board of Directors held on 14/05/2022 which was referred to it by the Independent Directors in its meeting held on 28/03/2022.

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 the Companies (Management and Administration) Rules, 2014 w.e.f. 28/08/2020. The electronic copy of the latest 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. 2020-21 is available on web link viz: <https://www.vlssecurities.com/Annual%20Return%202020%20-%202021.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:

- 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	

- 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.
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. 29 of notes forming part of financial statements for details.

Please also refer note no. 29 of Annual Report for the year 2021-22 for disclosures under 'Related Party'.

Anti-sexual harassment mechanism

The detailed mechanism may be accessed at 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 31/03/2022.

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.

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.

Auditors

In terms of Section 139 of the Companies Act, 2013 ('the act') read with the Companies (Audit and Auditors) Rules, 2014 M/s. Anil Pariek & Garg- Chartered Accountants, (FRN: 001676C) had been appointed as Statutory Auditors for a period of 5 years i.e. till the conclusion of 28th Annual General Meeting of the Company to be held in the year 2022. The 1st term of Statutory Auditors, M/s. Anil Pariek & Garg- Chartered Accountants (FRN: 001676C) will end at the forthcoming Annual General Meeting. M/s. Anil Pariek & Garg- Chartered Accountants (FRN: 001676C) have given 'in principle consent to act as statutory auditors of the Company for the 2nd term of 5 consecutive years

and have furnished a certificate that they are qualified under the Companies Act, 2013 ('Act') to act as Statutory Auditors of the Company, if appointed. Upon appointment, the tenure of Statutory Auditors will be from conclusion of ensuing Annual General Meeting to the conclusion of 33rd Annual General Meeting of the Company to be held in the year 2027. Concurring to the recommendation of the Audit Committee, the Board of Directors have recommended their appointment. The Board may also be authorised to fix their remuneration for the entire tenure of appointment as may be mutually agreed between the Board and the Statutory Auditors from time to time.

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.

Holding/Subsidiary/Associate Companies

The Company became a wholly-owned subsidiary of VLS Finance Ltd. w.e.f. 1st September 2021, on acquisition of 1,00,000 equity shares by VLS Finance Ltd. from VLS Capital Ltd.

Further, on 25th October 2021, the Company purchased 88,20,833 equity shares of VLS Capital Ltd. from VLS Finance Ltd, thereby increasing its aggregate shareholding to 42.40% of paid-up share capital of VLS Capital Ltd., and consequently in terms of provision of Section 2(6) of the Companies Act, 2013, VLS Capital Ltd. may be construed as an Associate Company of VLS Securities Ltd. However, the financial statement of VLS Capital Ltd. shall continue to be consolidated with that of VLS Finance Ltd., being the ultimate holding Company, in terms of exemption availed under Rule 6 of the Companies (Accounts) Rules, 2014.

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 197(12) of the Companies Act, 2013 read with Rule 5 of 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) 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.
- No loan, guarantee or security in connection with a loan has been provided in terms of Section 186 of the Companies Act, 2013 during the period under review.
- Further, in regard to disclosure on investments made, since the Company's principal business is stock broking and investing in securities, the Company is exempt under the provisions of Section 186(1)(b)(i) of the Companies Act, 2013.
- 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.
- 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 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.
- In the annual financial statements for the year under review, the disclosures of those items where amount for the year under review and corresponding previous year was Nil had been dispensed with, though required to be disclosed under applicable regulations.
- The Registered Office of the Company has been shifted from 2nd floor, 13, Sant Nagar, East of Kailash, New Delhi – 110065 to First Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 w.e.f. 14/05/2022 pursuant to Board's decision to this effect on 14/05/2022.

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 31/03/2022.

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	(S.K. Agarwal)	(K.K. Soni)
Date : 14/05/2022	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 31st March, 2022.

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	(S.K. Agarwal)	(K.K. Soni)
Date : 14/05/2022	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 March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and 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, 2022 and its **profit**, 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 ("SA's") specified under section 143(10) of the Act. 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 ethical 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the 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 including Annexures to Board's Report, 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 Responsibilities 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, 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 is also 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 scepticism 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 control 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 the 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 Changes in Equity and the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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) 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:

As the Company has not paid any Managerial Remuneration to its directors,

- the provisions of section 197 relating to managerial remuneration are not applicable; and
- 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, as amended, 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.
- i) 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;
- j) 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.
- iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not paid any dividends during the year.

For ANIL PARIK & GARG
CHARTERED ACCOUNTANTS
FRN: 01676C

PLACE: KANPUR
DATE: 14/05/2022

H. K. PARIK
(PARTNER)
M. NO.: 070250

UDIN: 22070250AIZUVU5813

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)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company does not have any Intangible assets.
 - b) All the Property, Plant & Equipment have been physically verified by the management at reasonable intervals of time.
 - c) According to the information and explanations given to us, the company does not have any immovable properties. Hence, our reporting under clause 3(i)(c) of the Order is not applicable.
 - d) The Company has not revalued any of its Property, Plant and Equipment during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. a) The Company does not have any inventory and hence, reporting under clause 3(ii)(a) of the Order is not applicable.
- b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence, reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has granted unsecured loans to other parties, during the year, in respect of which:
 - a) The company has provided loans to its employees during the year.
 - (A) The company has not provided any loan to its subsidiaries, joint ventures and associates;
 - (B) Aggregate amount of Rs. 9,43,895 has been paid to employees out of which Rs. 4,68,345 is outstanding as at Balance Sheet date.
 - b) In our opinion the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
 - c) Loan granted by the Company was repayable on demand and was squared up during the year.
 - d) In respect of loans granted by the Company, there are no overdues as the loan was repayable on demand.
 - e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
 - f) The company has granted loans repayable on demand without specifying any terms or period of repayment during the year to companies aggregating to Rs. 9,43,895 (100% of total loans granted). Further, the company has not granted loans to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 which are either repayable on demand or without specifying any terms or period of repayment during the year.

The Company has not made investments in, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- b) According to the information and explanations given to us, there are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess or any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence, reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The Company has not raised any short-term funds during the year. Hence, reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The Company has no subsidiaries, associates or joint ventures, hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence, reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. In our opinion, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion and according to the explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, and such registration has been obtained.
- (b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) In our opinion, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Group does not have a Core Investment Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, our reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company during the year and hence, reporting under clause 3(xx)(a) and (b) of the Order is not applicable.

For ANIL PARIK & GARG
 CHARTERED ACCOUNTANTS
 FRN: 01676C

PLACE: KANPUR
 DATE: 14/05/2022
 UDIN: 22070250AIZUWU5813

H.K.PARIK
 (PARTNER)
 M. NO.: 070250

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S 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 March 31, 2022, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management 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 (the "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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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.

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 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 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 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 March 31, 2022, based on the criteria for internal financial control over financial reporting 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 ICAI.

For ANIL PARIK & GARG
 CHARTERED ACCOUNTANTS
 FRN: 01676C

PLACE: KANPUR
 DATE: 14/05/2022
 UDIN: 22070250AIZUWU5813

H.K. PARIK
 (PARTNER)
 M. NO.: 070250

Balance Sheet as at 31st March, 2022

(₹ in Lakh)

Particulars	Note No.	As at 31st March 2022 (Audited)	As at 31st March 2021 (Audited)
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	4	451.61	998.12
(b) Bank Balance other than (a) above		-	-
(c) Receivables	5		
(I) Trade Receivables		-	-
(II) Other Receivables		-	-
(d) Loans	6	4.68	8.70
(e) Investments	7	1,78,086.65	1,43,911.70
(f) Other Financial assets	8	702.45	1,140.40
Sub - total financial assets (A)		1,79,245.39	1,46,058.92
(2) Non-financial Assets			
(a) Current tax assets	9	38.22	12.29
(b) Deferred tax assets (Net)		-	-
(c) Investment Property		-	-
(d) Property, Plant and Equipment	10	1.26	1.57
(e) Intangible assets under development		-	-
(f) Other Intangible assets		0.00	0.00
(g) Other non-financial assets	11	17.30	3.26
Sub - total non - financial assets (B)		56.78	17.12
Total Assets(A+B)		1,79,302.17	1,46,076.04
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) 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		637.37	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		15.99	14.97
(b) Debt Securities		-	-
(c) Borrowings (Other than Debt Securities)		-	-
(d) Deposits		-	-
(e) Other financial liabilities		-	-
Sub - total financial liabilities (A)		653.36	62.66
(2) Non-Financial Liabilities			
(a) Current tax liabilities (net)		-	-
(b) Provisions	13	23.16	21.58
(c) Deferred tax liabilities (Net)	14	41,561.42	35,592.46
(d) Other non-financial liabilities	15	12.16	16.12
Sub - total non - financial liabilities (B)		41,596.74	35,630.16
(3) EQUITY			
(a) Equity Share capital	16	3,000.00	3,000.00
(b) Other Equity	17	1,34,052.07	1,07,383.22
Sub - total equity (C)		1,37,052.07	1,10,383.22
Total Liabilities and Equity(A+B+C)		1,79,302.17	1,46,076.04

The notes referred to above are an integral part of these financial statements

1 to 41

As per our report of even date attached

For Anil Pariek and Garg

(F. R. N. 001676C)

Chartered Accountants

H. K. Pariek

(Partner)

Membership No. 070250

Place: Kanpur

Date: 14/05/2022

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: 14/05/2022

Unnati Jani

Company Secretary

M.No.: A62834

Statement of Profit and Loss for the year ended 31st March, 2022

(₹ in lakhs)

Particulars	Note No.	For the year ended 31st March 2022 (Audited)	For the year ended 31st March 2021 (Audited)
1 Revenue from operations			
(i) Interest Income	18	19.57	60.54
(ii) Dividend Income	19	406.23	5.16
(iii) Fees and commission Income			
Brokerage and fees income	20	695.92	262.60
(iv) Net gain on fair value changes	21	2,380.27	310.31
(1) Total Revenue from operations		3,501.99	638.61
(2) Other Income	22	-	6.41
(3) Total Income (1+2)		3,501.99	645.02
Expenses			
(i) Finance Costs	23	1.03	2.14
(ii) Fees and commission expense	24	91.55	42.87
(iii) Employee benefits expense	25	140.31	84.82
(iv) Depreciation, amortization and impairment	26	0.89	1.47
(v) Others expenses	27	42.40	17.20
(4) Total Expenses (4)		276.18	148.50
(5) Profit / (loss) before exceptional items and tax (3-4)		3,225.81	496.52
(6) Exceptional items		-	-
(7) Profit / (loss) before tax (5-6)		3,225.81	496.52
(8) Tax expense / (credit):	39		
(i) Current tax		245.18	50.32
(ii) Deferred tax expense / (credit)		(1,491.88)	(3.82)
Total tax expenses		(1,246.70)	46.50
(9) Profit / (loss) for the period from continuing operations(7-8)		4,472.51	450.02
(10) Profit/(loss) from discontinuing operations before tax			
(11) Tax on discontinuing operations			
(12) Profit/(loss) from discontinued operations		-	-
(13) Profit/(loss) for the period (9+12)		4,472.51	450.02
(14) Other comprehensive income / (loss)			
A (i) Items that will not be reclassified subsequently to the profit or loss			
(a) Remeasurement of defined employee benefit plans		3.29	(6.22)
(b) Net changes in fair values of investments in equity shares carried at fair value through OCI		29,653.89	45,664.19
(ii) Income tax on items that will not be reclassified subsequently to the profit or loss		(7,460.84)	(13,627.41)
B (i) Items that will be reclassified subsequently to the profit or loss		-	-
(ii) Income tax on items that will be reclassified subsequently to the profit or loss		-	-
(15) Other comprehensive income / (loss) (A+B)		22,196.34	32,030.56
(16) Total comprehensive income for the period (13 +14)		26,668.85	32,480.58
Earnings per equity share (for continuing operations)	28		
Basic (Rs.)		14.91	1.50
Diluted (Rs.)		14.91	1.50

1 to 41

As per our report of even date attached

For Anil Pariek and Garg

(F.R.N. 001676C)

Chartered Accountants

H. K. Pariek

(Partner)

Membership No. 070250

Place: Kanpur

Date: 14/05/2022

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: 14/05/2022

Unnati Jani

Company Secretary

M.No.: A62834

Cash Flow Statement for the year ended 31st March, 2022

(₹ in lakhs)

Particulars	For the year ended 31st March 2022 (Audited)	For the year ended 31st March 2021 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,225.81	496.52
Adjustment for:		
Depreciation	0.89	1.47
Interest Income	(19.01)	(58.93)
Dividend Income	(406.23)	(5.16)
Actuarial gain / (loss) on Defined Employee Benefits	3.29	(6.22)
Provision for Employee Benefits	1.58	10.43
	(419.48)	(58.41)
Operating profit	2,806.33	438.11
Adjustment for working capital changes		
1) Increase / (decrease) in borrowings	-	-
2) Increase / (decrease) in other financial liabilities	-	-
3) Increase / (decrease) in trade payables	590.70	39.63
4) (Increase) / decrease in loans	4.02	(2.07)
5) Increase / (decrease) in debt securities	-	-
6) (Increase) / decrease in other non financial liabilities	(3.96)	10.77
7) (Increase) / decrease in other financial assets	437.96	140.21
8) (Increase) / decrease in other non financial assets	(14.04)	3.19
9) (Increase) / decrease in trade receivables	-	-
10) (Increase) / decrease in current tax assets	(4.91)	(2.99)
Cash generated / (used) from operations	3,816.10	626.85
Direct taxes paid net	266.19	57.89
Net cash generated / (used) from operating activities (A)	3,549.91	568.96
B. CASH FLOW FROM INVESTING ACTIVITIES		
Increase / (decrease) on Investments (Net)	(4,521.08)	282.97
Purchase of Property, plant and equipment	(0.58)	(0.32)
Sale of Property, plant and equipment	-	-
Interest received on fixed deposits	19.01	58.93
Security Deposit	-	(1.50)
Dividend Income	406.23	5.16
Net cash generated / (used) from investing activities (B)	(4,096.42)	345.24
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issued of equity shares	-	-
Premium on issue of equity shares	-	-
Dividend paid (including Dividend distribution tax)	-	-
Proceeds of deposits received	-	-
Interest expense	-	-
Net cash generated / (used) from financing activities (C)	-	-
Net increase / (decrease) in cash and cash equivalents during the year (A + B + C)	(546.51)	914.20
cash and cash equivalents as at beginning of the year	998.12	83.92
Cash and cash equivalents as at end of the year :	451.61	998.12
Cash in hand	0.20	0.16
Scheduled bank - In current account	71.41	136.96
Fixed Deposit with Banks	-	-
Scheduled Bank - Unpaid Dividend Account	-	-
Liquid Funds	380.00	861.00
Total	451.61	998.12
Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4)		
Cash and cash equivalents as at end of the year as per above	451.61	998.12
Add:- Fixed deposit with banks	-	-
Add:- Unpaid dividend account	-	-
Total cash and bank balances equivalents as at end of the year	451.61	998.12

The notes referred to above are an integral part of these financial statements

1 to 41

 As per our report of even date attached
For Anil Pariek and Garg
 (F.R.N. 001676C)
 Chartered Accountants

H. K. Pariek
 (Partner)
 Membership No. 070250

 Place: Kanpur
 Date: 14/05/2022

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: 14/05/2022

Unnati Jani
 Company Secretary
 M.No.: A62834

Statement of Changes in Equity for the year ended 31st March 2022

A. Equity Share Capital

(1) Current reporting period

(₹ in lakhs)

Balance as at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2021	Changes in equity share capital during the current year	Balance as at 31st March, 2022
3,000.00	-	3,000.00	-	3,000.00

(2) Previous reporting period

(₹ in lakhs)

Balance at 1st April, 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2020	Changes in equity share capital during the previous year	Balance as at 31st March, 2021
3,000.00	-	3,000.00	-	3,000.00

B. Other Equity

(1) Current reporting period

(₹ in lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Fair Value Gain on Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange Differences on translating the financial statements of a foreign operation	Remeasurement of Defined Benefit Plans	Money Received against share warrants	Total
			Capital Reserve	Security Premium	Other Reserves (Specify nature)	Retained Earnings								
Balance as at 1st April, 2021	-	-	-	-	-	971.69	1,06,414.04	-	-	-	(2.51)	-	1,07,383.22	
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restated balance as at 1st April, 2021	-	-	-	-	-	971.69	1,06,414.04	-	-	-	(2.51)	-	1,07,383.22	
Profit for the year	-	-	-	-	-	4,472.51	-	-	-	-	-	-	4,472.51	
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	22,193.87	-	-	-	2.47	-	22,196.33	
Total comprehensive income for the current year	-	-	-	-	-	4,472.51	22,193.87	-	-	-	2.47	-	26,668.85	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to/ from retained earnings	-	-	-	-	-	5,014.87	(5,014.87)	-	-	-	-	-	-	
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 31st March, 2022	-	-	-	-	-	10,459.07	1,23,593.04	-	-	-	(0.04)	-	1,34,052.06	

(2) Previous reporting period

(₹ in lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Fair Value Gain on Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange Differences on translating the financial statements of a foreign operation	Remeasurement of Defined Benefit Plans	Money Received against share warrants	Total
			Capital Reserve	Security Premium	Other Reserves (Specify nature)	Retained Earnings								
Balance as at 1st April, 2020	-	-	-	-	-	521.67	74,378.83	-	-	-	2.14	-	74,902.64	
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restated balance as at 1st April, 2020	-	-	-	-	-	521.67	74,378.83	-	-	-	2.14	-	74,902.64	
Profit for the year	-	-	-	-	-	450.02	-	-	-	-	-	-	450.02	
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	32,035.21	-	-	-	(4.65)	-	32,030.56	
Total comprehensive income for the previous year	-	-	-	-	-	450.02	32,035.21	-	-	-	(4.65)	-	32,480.58	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to/ from retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	
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. 001676C)

Chartered Accountants

H. K. Pariek

(Partner)

Membership No. 070250

Place: Kanpur

Date: 14/05/2022

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: 14/05/2022

K. K. Soni

Director

DIN: 00106037

Unnati Jani

Company Secretary

M.No.: A62834

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2022

(Currency: Indian Rupees)

Note 1: Corporate information

VLS Securities Ltd., is a wholly-owned 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.

The financial statements for the year ended March 31, 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. The Balance Sheet, the statement of Profit & Loss and the statement of changes in equity are prepared in the format as prescribed under Division III of Schedule III of the Companies Act, 2013, as amended from time to time, for Non-Banking Financial Company (NBFC) that are required to comply with Ind AS. The statement of Cash Flows has been presented as per the requirements of 'Ind AS 7 – Statement of Cash Flows'.

(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.

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

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2022

(Currency: Indian Rupees)

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.

2.3.2 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

(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. 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.

(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 33.

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);
- Fair value through other comprehensive income (FVTOCI); or
- Amortised cost.

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).

(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 – 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.

(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 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.

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 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).

(iv) 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

(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 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.

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2022

(Currency: Indian Rupees)

Intangible asset	Useful life / amortization period
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 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.

2.11 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 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.

2.14 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, 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.

2.15 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.

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.

2.16 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.

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2022

(Currency: Indian Rupees)

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 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.

2.18 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

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
Note 4: Cash and cash equivalent

(₹ in lakhs)

Particulars	As at	As at
	31st March 2022	31st March 2021
1. Cash and cash equivalents		
Cash on hand	0.20	0.16
2. Balance with banks		
- In current accounts	71.41	136.96
- Liquid Funds	380.00	861.00
- Fixed deposit with banks		
Total (1+2)	451.61	998.12

Note 5: Receivables

(₹ in lakhs)

Particulars	As at	As at
	31st March 2022	31st March 2021
Trade receivables		
Considered good - secured*	-	-
Considered good - unsecured	-	-
Less: Allowances for impairment losses	-	-
Other receivables		
Other receivables	-	-
Total	-	-

Note 6 : Loans

(₹ in lakhs)

Particulars	As at	As at
	31st March 2022	31st March 2021
Staff Loan & Advances	4.68	8.70
Total	4.68	8.70

Note No. 7: Investments

(₹ in lakhs)

S. No.	Investments	As at 31st March 2022			As at 31st March 2021		
		Amortised cost	At Fair Value	Total	Amortised cost	At Fair Value	Total
			Through Other Comprehensive Income			Through Other Comprehensive Income	
(1)	(2)	(3)=(1)+ (2)	(4)	(5)	(6) =(4) +(5)		
1	Mutual funds/PMS	-	-	-	-	-	-
2	Debt securities*	-	-	-	-	-	-
3	Equity instruments	-	1,66,424.44	1,66,424.44	-	1,43,311.70	1,43,311.70
4	Equity instruments in Subsidiaries	-	-	-	-	-	-
5	Equity instruments in Associates (Refer Note No.7.1)	11,662.21	-	11,662.21	600.00	-	600.00
6	Total - Gross (A)	11,662.21	1,66,424.44	1,78,086.65	600.00	1,43,311.70	1,43,911.70
7	(i) Investments in India	11,662.21	1,66,424.44	1,78,086.65	600.00	1,43,311.70	1,43,911.70
8	(ii) Investments outside India	-	-	-	-	-	-
9	Total (B)	11,662.21	1,66,424.44	1,78,086.65	600.00	1,43,311.70	1,43,911.70
10	Less: Aggregate amount of provision for impairment in the value of investments (Expected credit losses on Investment) (C)	-	-	-	-	-	-
11	Total - Net D= (A)-(C)	11,662.21	1,66,424.44	1,78,086.65	600.00	1,43,311.70	1,43,911.70

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

Note No. 7.1: Investments in Equity instruments of Associate

(₹ in lakhs)

S. No.	Particulars	As at 31st Mar 2022				As At 31st Mar 2021			
		Proportion of ownership Interest / Voting Right	Face Value	Holding	Value	Proportion of ownership Interest / Voting Right	Face Value	Holding	Value
			%	(in Rs.)	No. of shares		(Rs. in Lakhs)	%	(in Rs.)
1	2	3	4	5	6	7	8	9	
	Investments in Equity shares of Associate: (Unquoted & Fully paid up) (Measured at amortized cost)								
1	VLS Capital Ltd.	42.40%	10	98,20,833	11,662.21	4.32%	10	10,00,000	600.00
	Total				11,662.21				600.00

Principal place of business of Associate is in India.

Notes to the Standalone Financial Statements
Note 8 : Other Financial Assets

(₹ in lakhs)

Particulars	As at	
	31st March 2022	31st March 2021
Margin Deposit with F&O Clearing Member (Globe Capital Market Ltd.)	8.00	1,008.00
Interest Accrued on FDR	-	7.23
Others	17.33	48.05
Deposit with NSEIL	677.00	77.00
VLS Securities Ltd. Group Gratuity Scheme	0.12	0.12
Total	702.45	1,140.40

Note 9 : Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at	
	31st March 2022	31st March 2021
Advance tax and tax deducted at source	342.68	102.73
Less: Provision for Taxation	(304.46)	(90.44)
Total	38.22	12.29

Note 10
Fixed assets : Property, Plant and Equipment

(₹ in lakhs)

Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
Gross Carrying value as at April 1, 2020	41.63	2.88	0.71	5.79	51.01
Additions during the year	0.32	-	-	-	0.32
Addition through business transfer					
Gross Carrying value as at March 31, 2021	41.95	2.88	0.71	5.79	51.33
Gross Carrying Value as at April 1, 2021	41.95	2.88	0.71	5.79	51.33
Additions during the year	0.36	0.22	-	-	0.58
Addition through business transfer					
Gross Carrying value as at March 31, 2022	42.31	3.10	0.71	5.79	51.91
Accumulated Depreciation					
Accumulated depreciation as at April 1, 2020	39.64	2.88	0.71	5.06	48.29
Depreciation for the year	1.24	-	-	0.23	1.47
Accumulated depreciation as at March 31, 2021	40.88	2.88	0.71	5.29	49.76
Accumulated depreciation as at April 1, 2021	40.88	2.88	0.71	5.29	49.76
Depreciation for the year	0.66	0.07	-	0.16	0.89
Accumulated depreciation as at March 31, 2022	41.54	2.95	0.71	5.45	50.65
Property, Plant and Equipment					
Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
Net Carrying Value					
As at 31st March 2021	1.07	0.00	0.00	0.50	1.57
As at 31st March 2022	0.77	0.15	0.00	0.34	1.26

Intangible Assets

Description	Software	-	-	-	Total
Gross Carrying value as at April 1, 2020	1.04	-	-	-	1.04
Addition through business transfer					
Gross Carrying value as at March 31, 2021	1.04	-	-	-	1.04
Gross Carrying Value as at April 1, 2021	1.04	-	-	-	1.04
Addition through business transfer					
Gross Carrying value as at March 31, 2022	1.04	-	-	-	1.04
Accumulated Depreciation					
Accumulated depreciation as at April 1, 2020	1.04	-	-	-	1.04
Accumulated depreciation as at March 31, 2021	1.04	-	-	-	1.04
Accumulated depreciation as at April 1, 2021	1.04	-	-	-	1.04
Accumulated depreciation as at March 31, 2022	1.04	-	-	-	1.04
Intangible Assets					
Description	Software	-	-	-	Total
Net Carrying Value					
As at 31st March 2021	0.00	-	-	-	0.00
As at 31st March 2022	0.00	-	-	-	0.00

Notes to the Standalone Financial Statements

Note 11 : Other Non-Financial Asset

Particulars	As at 31st March, 2022 (₹ in lakhs)	As at 31st March, 2021 (₹ in lakhs)
Prepaid Expenses	17.30	3.26
Total	17.30	3.26

Note 12 (a) (I) Trade Payables

Trade Payables	As at 31st March, 2022 (₹ in lakhs)	As at 31st March, 2021 (₹ in lakhs)
a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	637.37	47.69
Total	637.37	47.69

Trade Payables ageing schedule

Particulars	As at 31st March, 2022 (₹ in lakhs)					As at 31st March, 2021 (₹ in lakhs)				
	Outstanding for following periods from due date of payment					Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-	-	-	-
(ii) Others	637.37	-	-	-	637.37	47.69	-	-	-	47.69
(iii) Disputed dues-MSME	-	-	-	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-	-	-	-

Note 12 (a) (II) Other Payables

Other Payables	As at 31st March, 2022 (₹ in lakhs)	As at 31st March, 2021 (₹ in lakhs)
a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	15.99	14.97
Total	15.99	14.97

Other Payables ageing schedule

Particulars	As at 31st March, 2022 (₹ in lakhs)					As at 31st March, 2021 (₹ in lakhs)				
	Outstanding for following periods from due date of payment					Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-	-	-	-
(ii) Others	15.99	-	-	-	15.99	14.97	-	-	-	14.97
(iii) Disputed dues-MSME	-	-	-	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-	-	-	-

Note 13 : Provisions

Particulars	(₹ in lakhs)	
	As at 31st March 2022	As at 31st March 2021
Provision for employee benefits	23.16	21.58
Total	23.16	21.58

Note 14 : Tax Expense & Deferred Tax Assets / Liabilities

Particulars	(₹ in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Deferred tax assets on account of :		
Depreciation	0.39	0.41
Employee Benefits	5.83	5.43
Total deferred tax assets	6.22	5.84
To be adjusted through statement of Profit & Loss	0.38	2.70

Deferred tax assets / liabilities

Particulars	(₹ in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Deferred tax liability on account of :		
Deferred tax on IND AS adjustments	41,567.64	35,598.30
Total deferred tax liabilities (A)	41,567.64	35,598.30

Notes to the Standalone Financial Statements

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Deferred tax assets on account of:		
Employee Benefits	5.83	5.43
Depreciation	0.39	0.41
Total deferred tax assets (B)	6.22	5.84
Net deferred tax liability / (assets) (A-B)	41,561.42	35,592.46

Particulars	As at 31st March 2022	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31st March 2021	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31st March 2020
Deferred tax liabilities on account of:							
Deferred tax on IND AS adjustments	41,567.64	(1,490.67)	7,460.01	35,598.30	(1.12)	13,627.41	21,972.01
Total deferred tax liabilities	41,567.64	(1,490.67)	7,460.01	35,598.30	(1.12)	13,627.41	21,972.01
Deferred tax assets on account of:							
Depreciation	0.39	(0.02)	-	0.41	0.07	-	0.33
Employee Benefits	5.83	1.23	(0.83)	5.43	2.62	-	2.81
Total deferred tax assets	6.22	1.21	(0.83)	5.84	2.70	-	3.14
Total deferred tax Assets/ liability (net)	(41,561.42)	1,491.88	(7,460.84)	(35,592.46)	3.82	(13,627.41)	(21,968.87)

Note 15 : Other non-financial liabilities

(₹ in lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory dues	12.16	16.12
Total	12.16	16.12

Note 16 : Equity share capital

(₹ in lakhs)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number	Amount	Number	Amount
Authorised				
3,00,00,000 Equity Shares of Rs.10/- each	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
At the end of the year	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
Issued, subscribed and paid up				
3,00,00,000 Equity shares	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
(Previous Year 3,00,00,000 Equity shares) of Rs.10/- each, fully paid up in cash				
At the end of the year	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00

Terms / rights attached to shares

The Company has one class of equity shares having a par value of Rs.10 each (previous year: having at 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 2022		As at 31st March 2021	
	Number	Amount	Number	Amount
At beginning of the year	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
At the end of the year	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00

Shares held by holding Company

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
VLS Finance Ltd. (including 600 shares held through its 6 nominees)	3,00,00,000.00	100.00	2,99,00,000.00	99.67
At the end of the year	3,00,00,000.00	100.00	2,99,00,000.00	99.67

Share holder having more than 5% equity share holding in the Company

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
VLS Finance Ltd. (including 600 shares held through its 6 nominees)	3,00,00,000.00	100.00	2,99,00,000.00	99.67
At the end of the year	3,00,00,000.00	100.00	2,99,00,000.00	99.67

Notes to the Standalone Financial Statements

(₹ in lakhs)

Disclosure of shareholding of promoters
Shareholding of promoters as at 31st March, 2022

Particulars	As at 31st March 2022		As at 31st March 2021		% Change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
VLS Finance Ltd. (including 600 shares held through its 6 nominees)	3,00,00,000.00	100.00	2,99,00,000.00	99.67	0.33
Total	3,00,00,000.00	100.00	2,99,00,000.00	99.67	0.33

Shareholding of promoters as at 31st March, 2021

Particulars	As at 31st March 2021		As at 31st March 2020		% Change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
VLS Finance Ltd. (including 600 shares held through its 6 nominees)	2,99,00,000.00	99.67	2,99,00,000.00	99.67	-
Total	2,99,00,000.00	99.67	2,99,00,000.00	99.67	-

Note 17 : Other Equity

(₹ in lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Securities premium		
Balance at the beginning of the year	-	-
Balance as at end of the year	-	-
General reserve		
Balance at the beginning of the year	-	-
Balance as at end of the year	-	-
Retained earnings		
Balance at the beginning of the year	971.69	521.67
Add: Profit/(loss) during the year	4,472.51	450.02
Transfer from/to FVTOCI to Retained Earnings	5,014.87	-
Balance as at end of the year	10,459.07	971.69
Fair value gain on equity instruments carried through other comprehensive income		
Balance at the beginning of the year	1,06,414.04	74,378.83
Add: Other Comprehensive Income during the year (net of tax)	22,193.87	32,035.21
Transfer from/to FVTOCI from/to Retained Earnings	(5,014.87)	-
Balance as at end of the year	1,23,593.04	1,06,414.04
Remeasurement of Defined Benefit Plans		
Balance at the beginning of the year	(2.51)	2.14
Add: Other comprehensive income (net of tax)	2.47	(4.65)
Balance as at end of the year	(0.04)	(2.51)
TOTAL	1,34,052.07	1,07,383.22

Note 18 : Interest Income

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on deposits with banks	19.01	58.93
Other Interest Income	0.56	1.61
Total	19.57	60.54

Note 19 : Dividend Income

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Dividend on non current investments	406.23	5.16
Total	406.23	5.16

Note 20 : Fees and Commission Income

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Brokerage and fees income		
Brokerage income	695.92	262.60
Other commission income		
Portfolio management fees and other commission	-	-
Total	695.92	262.60

Notes to the Standalone Financial Statements
Note 21 : Net gain on fair value changes

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit/(Loss) on Sale of Investments	2,329.77	311.18
Income / (loss) from arbitrage transaction / stock in trade	59.35	0.10
Less: STT on Sale/Purchase of Investments	8.85	0.91
Less: Stamp Duty on Sale/Purchase of Investments	0.00	0.06
Total	2,380.27	310.31

Note 22 : Other Income

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Miscellaneous Income	-	6.26
Interest on Income Tax Refund	-	0.15
Total	-	6.41

Note 23 : Finance Cost

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest	1.03	2.14
Total	1.03	2.14

Note 24 : Fees and Commission expense

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
SEBI Fees	3.00	3.00
Transaction and Other NSE Charges	88.55	39.87
Total	91.55	42.87

Note 25 : Employee benefits expense

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries and Wages	127.34	66.19
Staff Welfare Expenses	0.07	0.05
Contribution to Provident and other Funds	12.90	18.58
Total	140.31	84.82

Note 26 : Depreciation and Amortization expense

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on Property, plant & equipment	0.89	1.47
Total	0.89	1.47

Note 27 : Other expenses

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Rent	7.20	0.60
Rates & Taxes	0.06	0.45
Office Maintenance	-	0.60
Legal and professional Charges	10.91	2.75
Repair & Maintenance	0.05	0.05
Travelling and Conveyance	6.36	2.24
Insurance	0.17	0.16
Miscellaneous Expenses	6.85	2.35
Business Promotion	5.23	1.48
News Papers, Books & Periodicals	2.19	1.20
Communication Expenses	0.31	0.32
Printing & Stationery	0.02	0.02
Interest on Income Tax	-	2.82
Directors Sitting Fee	2.00	1.30
Auditors Remuneration		
- Statutory Audit fees	0.40	0.28
- Tax audit fees	0.15	0.08
- Out of pocket expenses	0.20	0.20
- Certification Charges	0.30	0.30
Total	42.40	17.20

Notes to the Standalone Financial Statements
Note 28 : Earnings per equity share

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Net profit attributable to equity shareholders [A] (₹ in lakhs)	4,472.51	450.02
Weighted average number of equity shares issued [B] (face value of Rs. 10 each) (Numbers in Lakh)	300.00	300.00
Basic earnings per share [A/B] (Rs.)	14.91	1.50
Diluted earnings per share (Rs.)	14.91	1.50

Note 29: 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. List of Related party and their relationship with whom transactions have been done during the year.
(a) Holding Company

VLS Finance Ltd.

(b) Directors & Key Management Personnel

- [i] Mr. Vikas Mehrotra (Non-Executive Director)
- [ii] Ms. Divya Mehrotra (Non-Executive Director)
- [iii] Mr. R. K. Goswami (Independent Director)
- [iv] Dr. Rajeev Lochan Bishnoi (Independent Director)
- [v] Mr. Anurag Bhatnagar (Chief Financial Officer)

(c) Other:

South Asian Enterprises Ltd.: Subsidiary of VLS Capital Ltd. (Associate Company) and constituent of Promoter Group of VLS Finance Ltd. (Holding Company).

(₹ in lakhs)

Sl. no.	Nature of transaction/ Name of the related party	Key Managerial Personnel (KMP) and Directors 2021-2022 (2020-2021)	Holding Company 2021-2022 (2020-2021)	Total 2021-2022 (2020-2021)
1	Brokerage Earned			
-	VLS Finance Limited	- (-)	692.80 (260.56)	692.80 (260.56)
-	Ms. Divya Mehrotra	3.06 (1.39)	- (-)	3.06 (1.39)
2	Reimbursement amount claimed			
-	VLS Finance Limited	- (-)	-(73.34)	-(73.34)
3	Rent & other charges paid			
-	VLS Finance Limited	- (-)	8.50 (1.42)	8.50 (1.42)
4	Interest Paid on Margin Money Deposits			
-	VLS Finance Limited	- (-)	336.50 (59.23)	336.50 (59.23)
-	Ms. Divya Mehrotra	0.95 (0.53)	- (-)	0.95 (0.53)
5	Salary			
-	Mr. Anurag Bhatnagar	26.36 (27.06)	- (-)	26.36 (27.06)
6	Sitting fees paid			
-	Mr. Vikas Mehrotra	0.30 (0.05)	- (-)	0.30 (0.05)
-	Ms. Divya Mehrotra	0.20 (0.25)	- (-)	0.20 (0.25)
-	Mr. R. K. Goswami	0.75 (0.53)	- (-)	0.75 (0.53)
-	Dr. Rajeev Lochan Bishnoi	0.75 (0.47)	- (-)	0.75 (0.47)

Sl. no.	Nature of transaction/ Name of the related party	Others 2021-22 (2020-21)	Holding Company 2021-22 (2020-21)	Total 2021-2022 (2020-2021)
1	Purchase of securities			
-	VLS Finance Limited	- (-)	11,062.21 (-)	11,062.21 (-)

Sl. no.	Nature of transaction/ Name of the related party	Others 2021-22 (2020-21)	Holding Company 2021-22 (2020-21)	Total 2021-2022 (2020-2021)
1	Purchase of securities			
-	South Asian Enterprises Ltd.	-(300.00)	- (-)	-(300.00)

Outstanding Balances at the year end

Sl. no.	Nature of transaction/ Name of the related party	Directors 2021-22 (2020-21)	Holding Company 2021-22 (2020-21)	Total 2021-2022 (2020-2021)
1	Payable			
-	VLS Finance Limited	- (-)	148.58 (42.19)	148.58 (42.19)
-	Ms. Divya Mehrotra	2.39 (-)	- (-)	2.39 (-)
2	Other receivable			
-	Ms. Divya Mehrotra	- (-)	- (-)	- (-)

Note 30: 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

Notes to the Standalone Financial Statements

(₹ in lakhs)

within a level of 25%. 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 2022	31st March 2021
Borrowings	-	-
Less: cash and cash equivalents	451.61	998.12
Net debt	-	-
Equity	3,000.00	3,000.00
Other Equity	1,29,037.20	1,07,383.22
Total capital	1,32,037.20	1,10,383.22
Capital and net debt	1,32,037.20	1,10,383.22
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.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021.

Note 31: 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 32: Commitments and contingencies
a. Commitments

Estimated number of contracts remaining to be executed on capital account and not provided for: At 31st March 2022, the company had commitments of Rs. Nil (31st March 2021: 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 Rs.7.20 Lakh (lease agreement is for the period up to one year only) (31st March 2021 Rs.0.60 Lakh).

Note 33: 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 2022	31st March 2021	31st March 2022	31st March 2021
Financial assets				
Other financial assets	702.45	1,140.40	-	-
Trade receivables	-	-	-	-
Other receivables	-	-	-	-
Loans	4.68	8.70	-	-
FVTOCI financial investments	1,66,424.44	1,43,311.70	1,66,424.44	1,43,311.70
Foreign exchange forward contracts	-	-	-	-
Total	1,67,131.57	1,44,460.80	1,66,424.44	1,43,311.70
Financial liabilities				
Borrowings	-	-	-	-
Obligations under finance leases and hire purchase contracts	-	-	-	-
Fixed rate borrowings	-	-	-	-
Contingent consideration	-	-	-	-
Total	-	-	-	-

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

Notes to the Standalone Financial Statements

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 2021 was assessed to be insignificant.

Note 34: Impact of COVID-19 on Going Concern Assumption

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 35:

The Company ("VLSS") has not prepared the Consolidated Financial Statements in view of exemption granted under Rule 6 of Companies (Accounts) Rule 2014 in view of it satisfying following conditions:

- VLSS is wholly owned subsidiary of VLS Finance Ltd.
- VLSS is a Company whose securities are neither listed nor in the process of listing on any stock exchange: and
- VLSS ultimate holding company VLS Finance Ltd. Files Consolidated Financial Statements with the Registrar which are in compliance with the applicable Accounting Standards.

Form AOC- 1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures

Part A - Subsidiaries

Not Applicable as the Company does not have any Subsidiary since inception.

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations : None
- Names of subsidiaries which have been liquidated or sold during the year. : None

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate Company	VLS Capital Limited
1. Latest Audited Balance Sheet Date	11/05/2022
2. Date on which the Associate or Joint Venture was associated or acquired	25.10.2021
3. Shares of Associate or Joint Ventures held by the company on the year end	
Number of Shares	98,20,833
Amount of Investment in Associates or Joint Venture (Rs. in Lakhs)	11,662.21
Extent of Holding (In percentage)	42.40%
4. Description of how there is Significant-Influence	Holding more than 20% of total voting power.
5. Reason why the Associate/ Joint Venture is not consolidated.	❖
6. Net worth attributable to shareholding as per latest audited Balance Sheet (Rs. in Lakhs)	
7. Profit or Loss for the year (Rs. in Lakhs)	❖
i. Considered in Consolidation	❖
ii. Not Considered in Consolidation	❖

❖ Not Applicable Due to the exemption provided by Notification issued by Ministry of Corporate Affairs on 27th July 2016.

- Names of associates or joint ventures which are yet to commence operations. : None
- Names of associates or joint ventures which have been liquidated or sold during the year. : None

As per our report of even date attached

For Anil Pariek and Garg

(F.R.N.001676C)
Chartered Accountants

H. K. Pariek

(Partner)
Membership No. 070250

Place: Kanpur (U.P.)
Date: 14/05/2022

For and on behalf of the Board

S. K. Agarwal
Managing Director
DIN: 00106763

Anurag Bhatnagar
Chief Financial Officer
PAN: AAJPB6607R
Place: New Delhi
Date: 14/05/2022

K. K. Soni
Director
DIN: 00106037

Unnatī Jani
Company Secretary
M.No.: A62834

Notes to the Standalone Financial Statements

Note 36: 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 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:

- 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.
- 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.
- 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 2022	31st March 2021
Other Receivables (net of impairment)	-	-
Loans (net of impairment)	4.68	8.70
Total	4.68	8.70

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 (2022), Rs. Nil (2021) 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.

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 2022

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying amount
Assets					
Cash and bank balances	451.61	-	-	-	451.61
Securities for trade	-	-	-	-	-
Other receivables	-	-	-	-	-
Loans	1.69	-	2.99	-	4.68
Investments	-	-	1,78,086.65	-	1,78,086.65
Other financial assets	615.78	-	86.67	-	702.45

Notes to the Standalone Financial Statements

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying amount
Total	1069.08	-	1,78,176.31	-	1,79,245.39
Liabilities	-	-	-	-	-
Trade payables	637.37	-	-	-	637.37
Other payables	15.99	-	-	-	15.99
Debt securities	-	-	-	-	-
Deposits	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Total	653.36	-	-	-	653.36
Net Excess / (shortfall)	415.72	-	1,78,176.31	-	1,78,592.03

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
Assets					
Cash and bank balances	998.12	-	-	-	998.12
Securities for trade	-	-	-	-	-
Trade receivables	-	-	-	-	-
Loans	2.05	1.46	5.19	-	8.70
Investments	-	-	1,43,911.70	-	1,43,911.70
Other financial assets	53.90	-	1,086.50	-	1,140.40
Total	1,054.07	1.46	1,45,003.39	-	1,46,058.92
Liabilities	-	-	-	-	-
Trade payables	47.69	-	-	-	47.69
Other payables	14.97	-	-	-	14.97
Debt securities	-	-	-	-	-
Deposits	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Total	62.66	-	-	-	62.66
Net Excess / (shortfall)	991.41	1.46	1,45,003.39	-	1,45,996.26

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.

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 37: Employees Benefits

The actuarial valuation was done in respect of defined benefit plan of gratuity.

i) Defined Contribution Plans:

Amount of Lakh 8.48 (Previous Year - 2021 Lakh 8.36) 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:

Notes to the Standalone Financial Statements

(₹ in lakhs)

Actuarial Assumptions	Gratuity As at 31st March 2022	Gratuity As at 31st March 2021	Leave Encashment As at 31st March 2022	Leave Encashment As at 31st March 2021
Discount rate (per annum)	6.50%	7.00%	6.50%	7.00%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
I. Expenses recognized in statement of profit and loss				
Current service cost	3.20	3.09	0.34	0.33
Interest cost	5.26	4.39	0.53	0.40
Past Service cost	-	-	-	-
Expected return on plan assets	(4.39)	(4.01)	-	-
Net expenses recognized	4.07	3.47	0.87	0.73
II. Other comprehensive (income)/ expenses (Premeasurement)				
Cumulative unrecognized actuarial (gain)/loss opening. B/F	2.63	(1.91)	0.68	(1.00)
Actuarial (gain)/loss – obligation	(2.64)	10.81	(0.50)	1.68
Actuarial (gain)/loss – plan assets	(0.15)	(6.27)	-	-
Total Actuarial (gain)/loss	(2.79)	4.54	(0.50)	1.68
Cumulative total actuarial (gain)/loss. C/F	(0.16)	2.63	0.18	0.68
III. Net liability/(assets) recognized in the balance sheet at the year end				
Present value of obligation at the end of period	86.79	80.96	8.52	8.16
Fair value of the plan asset at the end of period	72.15	67.54	-	-
Funded status [(surplus)/(deficit)]	14.64	13.42	8.52	8.16
Net asset/(liability) as at 31st March, 2022	(14.64)	(13.42)	(8.52)	(8.16)
IV. Change in present value of obligation during the year				
Present value of obligation at the beginning of period	80.96	62.67	8.16	5.75
Current service cost	3.20	3.09	0.34	0.33
Interest cost	5.26	4.39	0.53	0.40
Past Service cost	-	-	-	-
Benefits paid	-	-	-	-
Actuarial loss/ (gain) on obligations	(2.64)	10.81	(0.50)	1.68
Present value of obligation at the year end*	86.79	80.96	8.52	8.16
V. Change in present value of fair value of plan assets				
Fair value of plan assets as at the beginning of period	67.54	57.26	-	-
Expected return on plan assets	4.39	4.01	-	-
Contributions	0.07	-	-	-
Benefits paid	-	-	-	-
Actuarial loss/ (gain)	0.15	6.27	-	-
Fair value of plan assets at the year end	72.15	67.54	-	-
VI. Present Benefit Obligation at the end of the year				
Current Liability (Amount due within one year)	35.76	34.53	3.16	3.15
Non-Current Liability (Amount due over one year)	51.03	46.43	5.36	5.01
Total Liability	86.79	80.96	8.52	8.16

*Gratuity: LIC of India

Maturity profile of defined benefit obligation

Particulars	31st March 2022	31st March 2021
Weighted average duration (based on discounted cash flows) in years	3	4

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 2022	As on 31st March 2022
Defined Benefit Obligation (Base)	86.79 @ Salary Increase Rate: 5%, and discount rate :6.50%	8.52
Liability with x% increase in Discount Rate	84.49; x=1.00% [Change (3)%]	8.26; x=1.00% [Change (4)%]
Liability with x% decrease in Discount Rate	89.26; x=1.00% [Change 3%]	8.81; x=1.00% [Change 4%]
Liability with x% increase in Salary Growth Rate	89.27; x=1.00% [Change 3%]	8.81; x=1.00% [Change 4%]
Liability with x% decrease in Salary Growth Rate	84.44; x=1.00% [Change (3)%]	8.25; x=1.00% [Change (4)%]
Liability with x% increase in Withdrawal Rate	86.90; x=1.00% [Change0%]	8.54; x=1.00% [Change0%]
Liability with x% decrease in Withdrawal Rate	86.67; x=1.00% [Change0%]	8.51; x=1.00% [Change0%]

Note: 38: 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.

(₹ in lakhs)

Assets	31st March 2022			31st March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	451.61	-	451.61	998.12	-	998.12
Trade receivables	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Loans	1.69	2.99	4.68	3.51	5.19	8.70
Investments	-	1,78,086.65	1,78,086.65	-	1,43,911.70	1,43,911.70
Other financial assets	615.78	86.67	702.45	53.90	1,086.50	1,140.40

Notes to the Standalone Financial Statements

	1,069.08	1,78,176.31	1,79,245.39	1,055.53	1,45,003.39	1,46,058.92
Total						
Non-Financial assets						
Inventories	-	-	-	-	-	-
Current Tax assets	38.22	-	38.22	12.29	-	12.29
Investment Property	-	-	-	-	-	-
Property, plant and equipment	-	1.26	1.26	-	1.57	1.57
Deferred Tax Assets	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	-	-
Other Intangible assets	-	0.00	0.00	-	0.00	0.00
Other non-financial assets	11.50	5.80	17.30	3.26	-	3.26
Total	49.72	7.06	56.78	15.55	1.57	17.12
Assets held for sale						
Total Assets	1,118.80	1,78,183.37	1,79,302.17	1,071.08	1,45,004.96	1,46,076.04
Liabilities						
Financial Liabilities						
Trade payables	637.37	-	637.37	47.69	-	47.69
Other payables	15.99	-	15.99	14.97	-	14.97
Debts	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Total	653.36	-	653.36	62.66	-	62.66
Non Financial Liabilities						
Current tax liabilities	-	-	-	-	-	-
Provisions	23.16	-	23.16	21.58	-	21.58
Deferred tax liabilities	-	41,561.42	41,561.42	-	35,592.46	35,592.46
Other non financial liabilities	12.16	-	12.16	16.12	-	16.12
Total	35.32	41,561.42	41,596.74	37.70	35,592.46	35,630.16
Liabilities held for sale						
Total Liabilities	688.68	41,561.42	42,250.11	100.36	35,592.46	35,692.82

Note 39: 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

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Current tax Expense/(credit):		
1 Current tax for the year	245.18	50.32
2 Minimum alternate tax	-	-
3 Tax adjustment in respect of earlier years	-	-
Total current tax expense/(Credit) (A)	245.18	50.32
Deferred tax Expense/(credit):	(1,491.88)	(3.82)
Net deferred tax expense/(credit) (B)	(1,491.88)	(3.82)
Income tax Tax expense/(credit) (net): (C = A+B)	(1,246.70)	46.50

b) Reconciliation of estimated Income tax expense/(credit) reported in Statement of Profit and Loss

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit / (loss) before tax	3,225.81	496.52
1 Expected income tax expense/(credit) at the applicable tax rates	811.87	124.96
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	(2,058.57)	(77.75)
4 Effect of income exempt from tax	-	-
5 Others	-	(0.71)
Income Tax expenses/(credit) reported in statement of profit and loss (1+2+3+4+5)	(1,246.70)	46.50

Notes to the Standalone Financial Statements

(₹ in lakhs)

Note: 40 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:

(₹ in lakhs)

Particulars	Carrying amount				Fair value			
	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
31st March 2022								
Financial assets								
Cash and cash equivalents	-	-	451.61	451.61	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
(I) Trade receivables	-	-	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	4.68	4.68	-	-	-	-
Investments	-	1,66,424.44	11,662.21	1,78,086.65	1,66,424.44	-	-	1,66,424.45
Other financial assets	-	-	702.45	702.45	-	-	-	-
Total financial assets	-	1,66,424.44	12,820.95	1,79,245.39	1,66,424.44	-	-	1,66,424.45
Financial liabilities								
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	-	-	637.37	637.37	-	-	-	-
(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	-	-	15.99	15.99	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Borrowings (Other than debt securities)	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
Total financial liabilities	-	-	653.36	653.36	-	-	-	-

The carrying value and fair value of financial instruments by categories as of 31st March 2021 are as follows:

Particulars	Carrying amount				Fair value			
	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
31st March 2021								
Financial assets								
Cash and cash equivalents	-	-	998.12	998.12	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
(I) Trade receivables	-	-	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-	-	-
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	-	-	1,140.40	1,140.40	-	-	-	-
Total financial assets	-	1,43,311.70	2,747.22	1,46,058.92	1,43,311.70	-	-	1,43,311.70
Financial liabilities								
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	-	-	-	-	-	-	-	-
Total financial liabilities	-	-	62.66	62.66	-	-	-	-

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)

41.a) Key Ratio

Part A

S No	Particulars	As At 31st Mar 2022	As At 31st Mar 2021
1	Capital to risk- weighted assets ratio	Not Applicable *	Not Applicable *
2	Tier I CRAR	Not Applicable *	Not Applicable *
3	Tier II CRAR	Not Applicable *	Not Applicable *
4	Liquidity Coverage Ratio	Not Applicable *	Not Applicable *

* Note: As the company is not registered with RBI as NBFC by virtue of exemption given by RBI, the above ratios are not applicable to the company.

Part B

S No	Particulars	As At 31st Mar 2022	As At 31st Mar 2021
1	Return on equity (PAT / Equity) (%)	3.26%	0.41%
2	Return on Assets (PAT / Total Assets) (%)	2.49%	0.31%
3	Current Ratio (Cash, Bank, Receivables & Other Fin. Assets) / (Financial Liabilities) (times)	1.77	34.13

- b) The provisions of Section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility (CSR) are not applicable on the Company, during the year under review.
- c) Since, the Company does not have any trade receivables as on 31st March 2022, the disclosure relating to trade receivables ageing schedule has been dispensed with.
- d) No loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either severally or jointly with any other person.
- e) The Company did not have any transactions with the Companies struck-off under Section 248 of the Companies Act, 2013 with respect to number of layers of subsidiary or Section 560 of the Companies Act, 1956, hence, the relevant disclosure has been dispensed with.
- f) The Company does not have any subsidiaries, hence provisions of section 2(87) of the Companies Act, 2013 are not applicable on the Company.
- g) Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.
- h) Previous year figures have been shown in brackets.

As per our report of even date attached

For Anil Pariek and Garg

(F.R.N.001676C)

Chartered Accountants

H. K. Pariek

(Partner)

Membership No. 070250

Place: Kanpur (U.P.)

Date: 14/05/2022

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

Unnati Jani

Company

Secretary

M.No.: A62834

PAN: AAJPB6607R

Place: New Delhi

Date: 14/05/2022

VLS ASSET MANAGEMENT LTD.

Registered Office: First Floor, 90, Okhla Industrial Estate, Phase-III, New Delhi-110020.

CIN: U74899DL1995PLC065812,

email: yam@vlsfinance.com, Phone: 011-46656666, Fax: 011-46656699

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 27th Annual Report of your Company together with the Balance Sheet as at 31st March, 2022 and the Statement of Profit & Loss for the year ended on that date.

Financial Results

The Company has incurred a loss of Rs. 4,000/- (Rupees Four Thousand Only) 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. 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. There were no material changes or commitments affecting the financial position of the Company from the end of financial year under review and date of this report.

Board Meetings

During the year ended 31/03/2022, 4 (Four) Board Meetings were held with one meeting in every quarter on 24/06/2021, 21/07/2021, 10/11/2021 and 02/02/2022.

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. 2021-22	
1	Shri S. K. Agarwal	4	24/06/2021
			21/07/2021
			10/11/2021
			02/02/2022
2	Shri K. K. Soni	4	24/06/2021
			21/07/2021
			10/11/2021
			02/02/2022
3	Shri Rajesh Jhalani	4	24/06/2021
			21/07/2021
			10/11/2021
			02/02/2022

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 review, there is no change in directorship of the Company. Shri K. K. Soni (DIN: 00106037) 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, 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 have been made under Clause 13 of note forming part of financial statements. The details of the related party transactions have been provided in form AOC-2 as under:

Form No. AOC-2

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

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	VLS Finance Ltd.- Holding Company
b)	Nature of contracts/arrangements/ transactions	Unsecured Long-term 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.

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

S I . 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:

- a. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2022, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- b. 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 31st March, 2022 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 25th

Annual General Meeting held on 25/09/2020 for the 2nd term for a period of 5 years i.e. upto conclusion of 30th 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. The Auditors have confirmed their eligibility for continuing as Statutory Auditors for the year 2022-23 to the Company.

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, even otherwise, no complaint was received in this regard during the year under review.
- 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

Section 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 as per Section 135 of the Companies Act, 2013.
- 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 Section 134 and Sections 177, 178, 203 and 204 of the Companies Act, 2013.
- The Company had no subsidiaries and associates as defined under the Companies Act, 2013 during the year under review. Further, provision relating to maintenance of cost records in terms of Section 148(1) of the Companies Act, 2013 are not applicable to the Company.
- During the year under review, neither any application has been made nor any proceeding was pending against the Company under Insolvency and Bankruptcy Code, 2016. Further no loan from Bank or financial institution was obtained in the said period and therefore, the provision relating to disclosure of variation in valuation in terms of Rule 8 (5) (XII) of Companies (Accounts) Rules, 2014 is not applicable for the year under review.
- The Registered Office of the Company has been shifted from 2nd floor, 13, Sant Nagar, East of Kailash, New Delhi – 110065 to First Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 w.e.f. 07/05/2022 pursuant to Board’s decision to this effect on 07/05/2022.
- In the Annual financial statements for the year under review, the disclosures on those items where value for the year under review and corresponding previous year was Nil had been dispensed with, though required to be disclosed under applicable regulations..

Acknowledgement

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

For and on behalf of the Board of Directors

Place : New Delhi Date : 07/05/2022	S. K. Agarwal Director DIN: 00106763	K. K. Soni Director DIN: 00106037
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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 31st March, 2022.

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 : 07/05/2022	S. K. Agarwal Director DIN: 00106763	K. K. Soni Director DIN: 00106037
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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 financial statements of **VLS Asset Management Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and 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, 2022 and its profit, 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 ("SA"s) specified under section 143(10) of the Act. 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 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report under this paragraph.

Information Other than the 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 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, 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 Responsibilities for the 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 control 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 with reference to financial statements 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.

Materiality is the magnitude of misstatements in the 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, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section of 197(16) of the Act, as amended;

In our opinion and best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors for the year ended March 31, 2022 is in accordance with the provisions 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, as amended, 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.

For Agiwal & Associates
 Chartered Accountants
 ICAI Firm Registration Number: 000181N

CA P.C. Agiwal
 Partner
 Membership Number: 080475
 UDIN: 22080475AKIEHS4633

Place: Delhi
 Date: May 7, 2022

Annexure '1' to the Independent Auditor's Report

(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report to the Member of VLS Asset Management Limited of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- (a) (A) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(a)(A) of the Order is not Applicable.
(B) The Company does not have any Intangible Assets, hence reporting under clause 3(i)(a)(B) of the Order is not Applicable.
- (b) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(b) of the Order is not Applicable.
- (c) The Company does not have any immovable property hence reporting under clause 3(i)(c) of the Order is not Applicable.
- (d) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(d) of the Order is not Applicable.
- (e) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(e) of the Order is not Applicable.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not Applicable.

- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The Company has not made any investment in or provided any loan or advances to, companies, firms, Limited Liability Partnerships and granted unsecured loans to other parties, during the year, hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable to the Company.

iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a

period of more than six months from the date they became payable.

- b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. a) No frauds by the Company and no fraud on the Company has been noticed or reported during the year.

b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected

with its directors and hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company with in the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses of Rs. 3,300/- during the financial year covered under our audit and cash losses of Rs. 4,900/- during the immediately preceding the financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. As per our information and explanation given, the company does not fall under the criteria of Section 135 of Companies Act, 2013 for CSR activities. Hence, this clause of report is not applicable to the company.

For **Agiwal & Associates**
Chartered Accountants
ICAI Firm Registration Number: 000181N

CA P.C. Agiwal
Partner
Membership Number: 080475
UDIN: 22080475AKIEHS4633

Place: Delhi
Date: May 7, 2022

Annexure '2' to the Independent Auditor's Report

(Referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report to the Members of VLS Asset Management Limited of even date)

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, 2022 in conjunction with our audit of the Ind As 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 judgement, 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 with reference to these financial statements.

Meaning of Internal Financial Controls over these Financial Reporting

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 to us, the Company has, in all material respects, adequate

internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 ICAI.

For Agiwal & Associates
Chartered Accountants
ICAI Firm Registration Number: 000181N

CA P.C. Agiwal
Partner
Membership Number: 080475
UDIN: 22080475AKIEHS4633

Place: Delhi
Date: May 7, 2022

Balance Sheet as at 31st March, 2022

(₹ in lakhs)

	Particulars	Note No.	31st March, 2022	31st March, 2021
	ASSETS			
(1)	FINANCIAL ASSETS			
	(a) Cash and cash equivalents	4	0.16	0.16
			0.16	0.16
(2)	NON-FINANCIAL ASSETS			
	(a) Property, Plant and Equipment		-	-
			-	-
	Total Assets		0.16	0.16
	LIABILITIES AND EQUITY			
(1)	FINANCIAL LIABILITIES			
	(a) Other financial liabilities	5	-	-
			-	-
(2)	NON-FINANCIAL LIABILITIES			
	(a) Other non-financial liabilities	6	9.55	9.51
			9.55	9.51
	EQUITY			
	(a) Equity Share capital	7	7.07	7.07
	(b) Other Equity	8	(16.46)	(16.42)
			(9.39)	(9.35)
	Total Liabilities and Equity		0.16	0.16

Significant Accounting Policies and Notes forming part of accounts 1 to 17

As our report of even date

For Agiwal & Associates

(F.R.N.000181N)

Chartered Accountants

P.C. Agiwal

Partner

Membership No. 080475

For and on behalf of the Board

S. K. Agarwal

Director

DIN:00106763

K. K. Soni

Director

DIN:00106037

Place : New Delhi

Date : 07/05/2022

**Statement of Profit and Loss for the year ended
31st March, 2022**

(₹ in lakhs)

	Particulars	Note No	For the year ended 31st March 2022	For the year ended 31st March 2021
I	Revenue From Operations	9		
	(i) Interest Income		-	-
	(ii) Dividend Income		-	-
	(iii) Net Gain on Fair Value Changes		-	-
	(iv) Sale of Shares/Securities		-	-
	(v) Income from Brokerage		-	-
	Total Revenue From Operations (I)		-	-
II	Other Income	10	-	-
	Total Other Income (II)		-	-
III	Total Income (I+II)		-	-
IV	Expenses			
	(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	0.04	0.05
	Total expenses (IV)		0.04	0.05
V	Profit/(loss) before exceptional items and tax (III- IV)		(0.04)	(0.05)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		(0.04)	(0.05)
VIII	Tax expense:		-	-
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit (Loss) for the period (VII-VIII)		(0.04)	(0.05)
X	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		-	-
XI	Other comprehensive income / (loss) (i+ii)		-	-
XII	Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(0.04)	(0.05)
XIII	Earnings per equity share			
	(1) Basic Rs.		(0.06)	(0.07)
	(2) Diluted Rs.		(0.06)	(0.07)

Significant Accounting Policies and Notes forming part of accounts 1 to 17

As our report of even date

For Agiwal & Associates

(F.R.N.000181N)

Chartered Accountants

P. C. Agiwal

Partner

Membership No. 080475

For and on behalf of the Board

S. K. Agarwal

Director

DIN:00106763

K. K. Soni

Director

DIN:00106037

Place : New Delhi

Date : 07/05/2022

Cash Flow Statement for the year ended 31st March, 2022

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(0.04)	(0.05)
Adjustment for:		
Depreciation	-	-
Interest Income	-	-
Dividend Income	-	-
Actuarial gain / (loss) on Defined Employee Benefits	-	-
Provision for Employee Benefits	-	-
	-	-
Operating profit	(0.04)	(0.05)
Adjustment for working capital changes		
1) Increase / (decrease) in borrowings	-	-
2) Increase / (decrease) in other financial liabilities	-	-
3) Increase / (decrease) in trade payables	-	-
4) (Increase) / decrease in loans	0.04	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	-	-
Cash generated / (used) from operations	-	-
Direct taxes paid net	-	-
Net cash generated / (used) from operating activities (A)	-	-
B. CASH FLOW FROM INVESTING ACTIVITIES		
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	-	-
Net cash generated / (used) from investing activities (B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issued of equity shares	-	-
Premium on issue of equity shares	-	-
Dividend paid (including Dividend distribution tax)	-	-
Proceeds of deposits received	-	-
Interest expense	-	-
Net cash generated / (used) from financing activities (c)	-	-
Net increase / (decrease) in cash and cash equivalents during the year (A + B + C)	-	-
cash and cash equivalents as at beginning of the year	0.16	0.16
Cash and cash equivalents as at end of the year :	0.16	0.16
Cash in hand	0.16	0.16
Scheduled bank - In current account	-	-
Fixed Deposit with Banks	-	-
Scheduled Bank - Unpaid Dividend Account	-	-
Liquid Funds	-	-
Total	0.16	0.16
Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 and 5)		
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	-	-
Total cash and bank balances equivalents as at end of the year	0.16	0.16

Significant Accounting Policies and Notes forming part of accounts

1 to 17

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 : 07/05/2022

Statement of Changes in Equity for the year ended 31st March 2022

A. Equity Share Capital

(1) Current reporting period

(₹ in lakhs)

Balance as at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2021	Changes in equity share capital during the current year	Balance as at 31st March, 2022
7.07	-	7.07	-	7.07

(2) Previous reporting period

(₹ in lakhs)

Balance at 1st April, 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2020	Changes in equity share capital during the previous year	Balance as at 31st March, 2021
7.07	-	7.07	-	7.07

B. Other Equity

(1) Current reporting period

(₹ in lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Fair Value Gain on Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange Differences on translating the financial statements of a foreign operation	Remeasurement of Defined Benefit Plans	Money Received against share warrants	Total
			Capital Reserve	Security Premium	Other Reserves (Specify nature)	Retained Earnings								
Balance as at 1st April, 2021	-	-	-	-	-	(16.42)	-	-	-	-	-	-	-	(16.42)
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April, 2021	-	-	-	-	-	(16.42)	-	-	-	-	-	-	-	(16.42)
Profit for the year	-	-	-	-	-	(0.04)	-	-	-	-	-	-	-	(0.04)
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current year	-	-	-	-	-	(0.04)	-	-	-	-	-	-	-	(0.04)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to/ from retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2022	-	-	-	-	-	(16.46)	-	-	-	-	-	-	-	(16.46)

(2) Previous reporting period

(₹ in lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Fair Value Gain on Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange Differences on translating the financial statements of a foreign operation	Remeasurement of Defined Benefit Plans	Money Received against share warrants	Total
			Capital Reserve	Security Premium	Other Reserves (Specify nature)	Retained Earnings								
Balance as at 1st April, 2020	-	-	-	-	-	(16.37)	-	-	-	-	-	-	-	(16.37)
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April, 2020	-	-	-	-	-	(16.37)	-	-	-	-	-	-	-	(16.37)
Profit for the year	-	-	-	-	-	(0.05)	-	-	-	-	-	-	-	(0.05)
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the previous year	-	-	-	-	-	(0.05)	-	-	-	-	-	-	-	(0.05)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Fair Value Gain on Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange Differences on translating the financial statements of a foreign operation	Remeasurement of Defined Benefit Plans	Money Received against share warrants	Total
			Capital Reserve	Security Premium	Other Reserves (Specify nature)	Retained Earnings								
Transfer to/ from retained earnings														
Any other change (to be specified)														
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 : 07/05/2022

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2022

(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 2018, 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.

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. 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.

2.3.2 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

(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. 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.

(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.

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);
- Fair value through other comprehensive income (FVTOCI); or
- Amortised cost.

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).

(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 – 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.

(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 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.

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 in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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.

2.10 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 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.

2.11 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

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).

(iv) 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

(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

(Currency: Indian Rupees)

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 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.

2.14 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, 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.

2.15 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.

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.

2.16 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 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.

2.18 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

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2022

(Currency: Indian Rupees)

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

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.

(₹ in lakhs)

PARTICULARS	As at 31st March, 2022	As at 31st March, 2021
-------------	------------------------------	------------------------------

Note - 4 Cash & Bank Balances

Cash and Cash Equivalents

Cash on hand	-	-
Balance with Bank		
In current account	0.16	0.16
Total	0.16	0.16

Note - 5 Other financial Liabilities

Expenses Payable	-	-
	-	-

Note - 6 Other non-financial liabilities

Dues to Holding Company i.e. VLS Finance Limited	9.55	9.51
Total	9.55	9.51

NOTE - 7

(Shares in Nos. and ₹ in lakhs)

Share Capital

Authorised
1,00,00,000 Equity Shares of Rs.10/- each

	As at 31st March, 2022	As at 31st March, 2021
	1,000.00	1,000.00
	1,000.00	1,000.00

Issued, Subscribed & Paid up
70700 Equity Shares of Rs.10/- each

	7.07	7.07
	7.07	7.07

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, 2022		As at 31st March, 2021	
No. of shares	Rupees	No. of Shares	Rupees
70,700	7.07	70,700	7.07
-	-	-	-
70,700	7.07	70,700	7.07

b. Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 each (previous year: having at 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.

c. Shares held by holding company

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

VLS Finance Ltd.

	As at 31st March, 2022	As at 31st March, 2021
	0.70	0.70

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

VLS Finance Ltd.
Outstanding at the end of the year

	No. of shares	% of holding	No. of shares	% of holding
	70,100	99.15	70,100	99.15
	70,100	99.15	70,100	99.15

Shareholding of promoters as at 31st March, 2022

Particulars	As at 31st March, 2022		As at 31st March, 2021		% Change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Promoter Name					
VLS Finance Ltd.	70,100.00	99.15	70,100.00	99.15	-
Total	70,100.00	99.15	70,100.00	99.15	-

Shareholding of promoters as at 31st March, 2021

Particulars	As at 31st March 2021		As at 31st March 2020		% Change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Promoter Name					
VLS Finance Ltd.	70,100.00	99.15	70,100.00	99.15	-
Total	70,100.00	99.15	70,100.00	99.15	-

Note 8 : Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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Securities premium

Balance at the beginning of the year _____
Balance as at end of the year -

General reserve

Balance at the beginning of the year _____

Balance as at end of the year

 -

Retained earnings

Balance at the beginning of the year (16.42) (16.37)
Add: Profit/(loss) during the year (0.04) (0.05)
Balance as at end of the year (16.46) (16.42)

Fair value gain on equity instruments carried through other comprehensive income

Balance at the beginning of the year _____

VLS REAL ESTATE LIMITED

**Registered office: First Floor, 90, Okhla Industrial Estate, Phase-III,
New Delhi 110020.
CIN: U70109DL2021PLC376479,
email: vrel@vlsfinance.com, Phone: 011-46656666, Fax: 011-46656699**

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 1st Annual Report of your Company together with the Balance Sheet as at 31st March, 2022 and the Statement of Profit & Loss for the year ended on that date.

Your Company was incorporated on 3rd day of March 2021 inter-alia for doing the business in various streams of Real Estate Sector. However, due to continuing pandemic during the period under review, the overall scenario in real estate sector was not perceived to be encouraging. The board is nevertheless optimistic about future scenario.

Financial Results

The first financial year comprises the period from 03/02/2021 to 31/03/2022 and the subsequent financial years would be for a period of 12 months from first April every year ending on 31st day of March of the next year.

The Company has incurred a Loss of Rs. 6,05,559/- (Rupees Six Lakh Five Thousand Five hundred and Fifty-Nine Only) on account of administrative expenses and include entire preliminary expenses incurred for incorporating the Company during the period under review. 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. There were no material changes or commitments affecting the financial position of the Company from the end of financial year under review and date of this report.

Dividend/Reserves

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

Directors

There was no change in the directorship of the Company during the period under review.

Ms. Divya Mehrotra (DIN: 00006494), Shri Mahesh Prasad Mehrotra (DIN: 00016768), Shri Kishan Kumar Soni (DIN: 00106037), Shri Suresh Kumar Agarwal (DIN: 00106763) were named as the First Directors of your Company in Articles of Association of the Company.

Shri Mahesh Prasad Mehrotra (DIN: 00016768) 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.

Board Meetings

During the period under review, 5 (Five) Board Meetings were held since its incorporation with one meeting in every quarter on 09/06/2021, 15/07/2021, 01/11/2021 and 04/02/2022, along with its first Board Meeting on 03/03/2021.

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 the First Financial Year 03/02/2021 – 31/03/2022	
1	Shri S. K. Agarwal	5	03/03/2021
			09/06/2021
			15/07/2021
			01/11/2021
			04/02/2022
2	Shri K. K. Soni	5	03/03/2021
			09/06/2021
			15/07/2021
			01/11/2021
			04/02/2022
3	Shri Mahesh Prasad Mehrotra	5	03/03/2021
			09/06/2021
			15/07/2021
			01/11/2021
			04/02/2022
4	Ms. Divya Mehrotra	4	03/03/2021
			09/06/2021
			15/07/2021
			01/11/2021
			04/02/2022

Internal Financial Control Systems

The Company has in place a proper and adequate system of internal financial 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 since its incorporation during the period under review, the risk management mechanism of the Company was in place as approved by the Board.

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 the 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, 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. The copy of Annual Return upon filing would be available for inspection of members at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days.

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 period ended on 31st March 2022, the applicable accounting standards have been followed.
- 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 period under review and of the loss 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 period ended 31st March 2022 on a 'going concern' basis.
- 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.

Fixed Deposits

During the period 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.

Contracts With Related Party

The Company for its financial requirements may approach VLS Finance Ltd., the holding Company inter-alia for securing funds for intended activities to be undertaken by it from time to time. No transaction on this account has taken place during the period under review. The reimbursement of amount of preliminary expenses of Rs. 6.01 lakhs to the holding company was made during the period under review. However, the same has not been considered as Related Party transaction because in view of management, the reimbursement of preliminary expenses does not entail any contract or arrangement between the entities and is obligated by operation of law.

Accordingly, the details of the related party transaction provided in form AOC-2 annexed hereto has been stated to be Nil.

Form No. AOC-2

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

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	-
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	-
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	-

Auditors

The Board of Directors of the Company had appointed M/s. Agiwal & Associates-Chartered Accountants, (FRN: 00181N) as its First Auditors, in the first Board Meeting held on 03/03/2021 to hold office until the conclusion of the first Annual General Meeting of the Company. The provisions relating to rotation of Statutory Auditors of Company in terms of Section 139(2) of the Companies Act, 2013 ("Act") are not applicable since the Company does not fall in categories prescribed in Rule 5 of Companies (Audit and Auditors) Rules, 2014 as on date.

The Board recommends the appointment of M/s. Agiwal & Associates-Chartered Accountants as Statutory Auditor of the Company for a period of 5 years as envisaged in Section 139(1) of the Act as set out in the notice for ensuing Annual General meeting of the Company. The Auditors have confirmed their eligibility for appointment as Statutory Auditors of the Company, if appointed.

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 period under review. Further, the Auditors have not reported any fraud in terms of Section 143(12) of the Companies Act, 2013 to the Board.

Statutory Disclosures

- During the period 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.
- There was no employee on the roll of the Company during the period under review. 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. Even otherwise, no complaint was received in this regard during the year under review.
- The Company has not given any loan, guarantees or made investments during the period 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 the

Companies Act, 2013 during the period under review.

- There was no 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 the Companies Act, 2013 during the period under review, as there is no employee on the rolls of the Company.
- 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 period 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 as per Section 135 of the Companies Act, 2013.
- 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 does not have or had subsidiaries and associates as defined under the Companies Act, 2013 during the period under review. Further, provision relating to maintenance of cost records in terms of Section 148(1) of the Companies Act, 2013 are not applicable to the Company.
- Neither any application has been made nor any proceeding is pending under Insolvency and Bankruptcy Code, 2016 during the period under review. Further no loan from Bank or financial institution was obtained in the said period and therefore, the provision relating to disclosure of variation in valuation in terms of Rule 8(5)(XII) of the Companies (Accounts) Rules, 2014 is not applicable for the period under review.
- The registered office of the Company has been shifted from 2nd floor, 13, Sant Nagar, East of Kailash, New Delhi - 110065 to First Floor, 90, Okhla Industrial Estate, Phase - III, New Delhi - 110020 w.e.f. 07/05/2022 pursuant to Board's decision to this effect on 07/05/2022.

Acknowledgement

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

For and on behalf of the Board of Directors

Place : New Delhi	S. K. Agarwal Director	K.K. Soni Director
Date : 07/05/2022	DIN: 00106763	DIN: 00106037

Annexure-1

Annexure to Directors' Report

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the period ended 31st March 2022.

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	S. K. Agarwal Director	K.K. Soni Director
Date : 07/05/2022	DIN: 00106763	DIN: 00106037

INDEPENDENT AUDITOR'S REPORT

To the Members of VLS Real Estate Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **VLS Real Estate Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and 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, 2022 and its profit, 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 ("SA"s) specified under section 143(10) of the Act. 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 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report under this paragraph.

Information Other than the 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 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, 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 Responsibilities for the 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 control 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 with reference to financial statements 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.

Materiality is the magnitude of misstatements in the 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, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) With respect to the other matters to be included in the

Auditor's Report in accordance with the requirements of section of 197(16) of the Act, as amended;

In our opinion and best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors for the year ended March 31, 2022 is in accordance with the provisions 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, as amended, 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For Agiwal & Associates

Chartered Accountants

ICAI Firm Registration Number: 000181N

CA P.C. Agiwal

Partner

Membership Number: 080475

UDIN: 22080475AKJBIN9540

Place: Delhi

Date: May 7, 2022

Annexure '1' to the Independent Auditor's Report

(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report to the Member of VLS Real Estate Limited of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(a)(A) of the Order is not Applicable.
 - (B) The Company does not have any Intangible Assets, hence reporting under clause 3(i)(a)(B) of the Order is not Applicable.
 - (b) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(b) of the Order is not Applicable.
 - (c) The Company does not have any immovable property hence reporting under clause 3(i)(c) of the Order is not Applicable.
 - (d) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(d) of the Order is not Applicable.
 - (e) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(e) of the Order is not Applicable.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not Applicable.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has not made any investment in or provided any loan or advances to, companies, firms, Limited Liability Partnerships and granted unsecured loans to other parties, during the year, hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable to the Company.
- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
 - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
 - b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No frauds by the Company and no fraud on the Company has been noticed or reported during the year.

- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company with in the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses of Rs. 6,05,559/- during the financial year covered under our audit and this was the first financial year of the Company.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any

guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. As per our information and explanation given, the company does not fall under the criteria of Section 135 of Companies Act, 2013 for CSR activities. Hence, this clause of report is not applicable to the company.

For **Agiwal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 000181N

CA P.C. Agiwal

Partner

Membership Number: 080475

UDIN: 22080475AKJBIN9540

Place: Delhi

Date: May 7, 2022

Annexure '2' to the Independent Auditor's Report

(Referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report to the Members of VLS Real Estate Limited of even date)

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 Real Estate Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind As 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 judgement, 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 with reference to these financial statements.

Meaning of Internal Financial Controls over these Financial Reporting

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls over financial

reporting were operating effectively as at March 31, 2022, 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 ICAI.

For **Agiwal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 000181N

CA P.C. Agiwal

Partner

Membership Number: 080475

UDIN: 22080475AKJBIN9540

Place: Delhi

Date: May 7, 2022

Balance Sheet as at 31st March, 2022 (As per Indian Accounting Standard)

		(₹ in lakhs)	
	Particulars	Note No.	31st March, 2022
	ASSETS		
(1)	Non-current assets		-
			-
(2)	Current assets		
	(a) Financial Assets		
	(i) Cash and cash equivalents	3	3.94
			3.94
	Total Assets		3.94
	EQUITY AND LIABILITIES		
	EQUITY		
	(a) Equity Share capital	4	10.00
	(b) Other Equity	5	(6.06)
			3.94
	LIABILITIES		
(1)	(a) Non-current liabilities		-
			-
(2)	(b) Current Liabilities		-
			-
	Total Equity and Liabilities		3.94

Significant Accounting Policies and Notes 1-14 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

S. K. Agarwal

Director

DIN:00106763

K. K. Soni

Director

DIN:00106037

Place : New Delhi

Date : 07/05/2022

Statement of Profit and Loss for the period ended 31st March, 2022

(₹ in lakhs)

	Particulars	Note No	For the period ended 31st March 2022
I	Revenue From Operations Total Revenue From Operations (I)		-
II	Other Income Total Other Income (II)		-
III	Total Income (I+II)		-
IV	EXPENSES		
	(i) Other expenses Total expenses (IV)	6	6.06 6.06
V	Profit/(loss) before exceptional items and tax (I- IV)		(6.06)
VI	Exceptional Items		-
VII	Profit/(loss) before tax (V-VI)		(6.06)
VIII	Tax expense:		-
	(1) Current tax		-
	(2) Deferred tax		-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(6.06)
X	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		-
XI	Other comprehensive income / (loss) (i+ii)		-
XII	Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(6.06)
XIII	Earnings per equity share		
	(1) Basic		(6.06)
	(2) Diluted		(6.06)

Significant Accounting Policies and Notes forming part of accounts

1-14

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 : 07/05/2022

Statement of Changes in Equity for the year ended 31st March 2022

A. Equity Share Capital

Current reporting period

(₹ in lakhs)

Balance as at 3rd February, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2021	Changes in equity share capital during the current year	Balance as at 31st March, 2022
10.00	-	10.00	10.00	10.00

B. Other Equity

Current reporting period

(₹ in lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Fair Value Gain on Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange Differences on translating the financial statements of a foreign operation	Remeasurement of Defined Benefit Plans	Money Received against share warrants	Total
			Capital Reserve	Security Premium	Other Reserves (Specify nature)	Retained Earnings								
Balance as at 1st April, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April, 2021	-	-	-	-	-	(6.06)	-	-	-	-	-	-	-	(6.06)
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to/ from retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Statement of Profit and Loss for the period ended 31st March, 2022

(₹ in lakhs)

B. Other Equity
Current reporting period

(₹ in lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Fair Value Gain on Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange Differences on translating the financial statements of a foreign operation	Remeasurement of Defined Benefit Plans	Money Received against share warrants	Total
			Capital Reserve	Security Premium	Other Reserves (Specify nature)	Retained Earnings								
Balance as at 31st March, 2022	-	-	-	-	-	(6.06)	-	-	-	-	-	-	-	(6.06)

* Company incorporated on 03/02/2021

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 : 07/05/2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022
1. Corporate Information

VLS Real Estate Limited is a wholly-owned subsidiary of VLS Finance Limited., incorporated on 3rd February, 2021. The main objects of the company is to engage in Real Estate activities.

2. Significant Accounting Policies
2.1 Statement of Compliance with Ind AS

The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

2.2 Basis of Preparation of Financial Statements

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention which shall be followed unless required otherwise under any regulation or if any variation therefrom is approved by the Board.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities except for period under review wherein entire period from date of incorporation i.e. from 03/02/2021 till 31/03/2022 has been considered.

2.3 Use of Estimates

The preparation of the Financial Statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Management believes that the estimates made in the preparation of the financial statements are prudent and reliable. Actual results might differ from the estimates. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

2.4 Revenue Recognition and Expenses

Revenue on supply and service contracts are recognized as the related performance obligation is completed.

2.5 Expenses

All expenses are accounted for on accrual basis.

2.6 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.7 Financial instruments

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- 1) At amortised cost,
- 2) At fair value through other comprehensive income (FVTOCI), and
- 3) At fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- 1) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- 2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest 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.

Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price is deferred and after initial recognition deferred difference is recognised as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

2.8 Taxes on Income

(a) Current Tax

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which give future economic benefit in the form of adjustment to future income tax liability is considered as an asset to the extent there is convincing evidence that the company will pay normal income tax.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. 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.

Deferred tax liabilities are generally recognised on all taxable temporary differences.

2.9 Impairment of Non-financial Assets

- (i) No financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

- (ii) An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount, costs of disposal and value in use.
- (iii) For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash generating units).
- (iv) Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Provisions, Contingent Liabilities and Contingent Assets

- (i) Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.
- (ii) Provision is recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.
- (iii) Provisions are not recognised for future operating losses.
- (iv) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.
- (v) A contingent asset is not recognized in the financial statements.
- (vi) Provisions and contingent liabilities are reviewed at each balance sheet date.

2.11 Earnings Per Share

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

Diluted earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

2.12 Cash and Cash Equivalents

Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management

2.13 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing flows. The cash flows operating, investing and financing activities of the company are segregated.

2.14 Estimated fair value of unlisted securities

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the net assets value (NAV) model. The management uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as

liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.15 Insurance claims and liquidated damages

Insurance claims are accounted as and when admitted/settled. Subsequent changes in value, if any, are provided for.

PARTICULARS	As at 31st March, 2022
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Note - 3 Cash & Bank Balances

Cash and Cash Equivalents

Cash on hand	-
Balance with Bank	
In current account	3.94
Total	3.94

NOTE - 4

(Shares in Nos. and ₹ in lakhs)

Share Capital	As at 31st March, 2022
Authorised	
50,00,000 Equity Shares of Rs.10/- each	500.00
	500.00
Issued, Subscribed & Paid up	10.00
1,00,000 Equity Shares of Rs.10/- each	10.00

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March, 2022	
	No. of shares	₹ in lakhs
At the beginning of the period	-	-
Issued during the period	1,00,000.00	10.00
Outstanding at the end of the period	1,00,000.00	10.00

b. Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 each (previous year: having at 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.

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, 2022
VLS Finance Ltd. (including 6 shares held through its 6 nominees)	1,00,000

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

	No. of shares	% of holding
VLS Finance Ltd. (including 6 shares held through its 6 nominees)	1,00,000.00	100.00
Outstanding at the end of the period	1,00,000.00	100.00

Disclosure of shareholding of promoters

Shareholding of promoters as at 31st March, 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

Particulars	As at		% Change during the year
	31st March, 2022		
Promoter Name	No. of shares held	% of holding	
VLS Finance Ltd. (including 6 shares held though its 6 nominees)	1,00,000.00	100.00	100.00
Total	1,00,000.00	100.00	100.00

* Company incorporated on 03/02/2021

Note 5 : Other Equity (₹ in lakhs)

Particulars	As at 31st March, 2022
Securities premium	
Balance at the beginning of the period	_____
Balance as at end of the period	_____
General reserve	
Balance at the beginning of the period	_____
Balance as at end of the period	_____
Retained earnings	
Balance at the beginning of the period	_____
Add: Profit/(loss) during the period	(6.06)
Balance as at end of the period	(6.06)
Fair value gain on equity instruments carried through other comprehensive income	
Balance at the beginning of the period	_____
Add: Other Comprehensive Income during the period (net of tax)	_____
Balance as at end of the period	_____
Remeasurement of Defined Benefit Plans	
Balance at the beginning of the period	_____
Add: Other comprehensive income (net of tax)	_____
Balance as at end of the period	_____
Total	(6.06)

(₹ in lakhs)

PARTICULARS	For the period ended 31-Mar-22
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Note - 6 Other Expenses	
Filing Charges	0.01
Preliminary Expense	6.01
Miscellaneous expense	0.03
Professional Charges	-
Certification Charges	-
Total	6.06

Note 7 Deferred Tax Liability/ Deferred Tax Asset

There is no deferred tax asset/liability for the company during the period under review.

Note 8 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 Asset Management Limited
- II. Others - VLS Capital Ltd. (Associate of fellow subsidiary viz. VLS Securities Ltd.)
- III. Related Parties with whom there were transactions during the period under review.
 - a) Related party where control exist
 - Holding Company - VLS Finance Ltd. (subscription of capital -

Rs.10 Lakhs)

- i) Key Managerial Personnel – N.A.

Note 9 Earnings per Share (Ind AS 33)

Basic and Diluted EPS amounts are calculated by dividing the profit/ (loss) for the period under review attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the period under review.

Basic and Diluted EPS amounts are calculated by dividing the profit/ (Loss) for the period under review attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the period under review.

Diluted EPS amounts are calculated by dividing the profit/(Loss) attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the period under review 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:	For the period ended 31/03/2022
Continuing operations (₹ in lakhs)	(6.06)
Profit attributable to equity holders for basic earnings	-
Dilution effect	-
Profit attributable to equity holders adjusted for dilution effect (₹ in lakhs)	(6.06)
Weighted Average number of equity shares (in lakhs) used for computing Earning Per Share (Basic & Diluted) *	1.00
Earnings Per Share (Basic & Diluted) (in Rs.)	(6.06)

Note 10 Contingent Liabilities: - Contingent Liabilities incurred during the period under review was Nil.

Note 11 Estimated amount of contracts remains to be executed on capital account and not provided for Rs. Nil.

Note 12 There is no amount due and payable to any enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, during the period under review.

Note 13 These financial statements covers the period from 03.02.2021 (the date of incorporation of the Company) to 31.03.2022 being the first financial year and therefore, figures are not provided for the previous financial year in these statements.

Note 14 Where value during the period under review was NIL, the disclosures on items specified under applicable regulations has been dispensed with though prescribed to be disclosed in annual financial statements.

As per our report of even date

For Agiwal & Associates
(F.R.N.000181N)
Chartered Accountants

For and on behalf of the Board

P. C. Agiwal
Partner
Membership No.080475

S. K. Agarwal
Director
DIN: 00106763

K. K. Soni
Director
DIN: 00106037

Place: New Delhi
Date: 07/05/2022

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, 2022, 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, 2022, 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.

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

CONSOLIDATED FINANCIAL STATEMENTS

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.

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

1. 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. 1,79,306.27 lakh and net assets of Rs. 1,37,046.61 Lakh as at 31st March 2022, total revenues of Rs. 3,501.99 lakh, total net profit after tax of Rs. 4,466.41 lakh and total comprehensive income of Rs. 26,662.75 lakh and net cash flows amounting to Rs. (552.57) 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. 234.59 lakh and Rs. 234.46 lakh for the year ended 31.03.2022 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.
2. There have been no qualification or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statement.

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

CONSOLIDATED FINANCIAL STATEMENTS

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, 2022, 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, 2022, 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 31st March, 2022.
- (ii) The Group has made provisions as at 31st March, 2022, 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.
- (iv) (a) The respective Managements of the Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any

other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The respective Managements of the Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

- (v) The final dividend paid by the Company during the year declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 19 to the financial statements, the Board of Directors of the Company has proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to the declaration of dividend.

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

M. L. Puri
Partner
M. No. 009198
Place: New Delhi
Date: May 28, 2022
UDIN: 22009198AMCEJR3512

Annexure - A to the Independent Auditors' Report
Report on the Internal Financial Controls under Clause (j) 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, 2022, 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 2022, 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: May 28, 2022
UDIN: 22009198AMCEJR3512

CONSOLIDATED FINANCIAL STATEMENTS
Consolidated Balance sheet as at 31st Mar, 2022
(Rupees in Lakhs)

Particulars	Note No.	As at 31st Mar 2022	As at 31st Mar 2021
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	4	7,363.88	10,511.68
(b) Bank Balance other than (a) above	5	444.81	418.58
(c) Receivables	6		
(I) Trade Receivables		119.94	196.43
(II) Other Receivables		348.93	349.01
(d) Loans	7	807.29	813.92
(e) Investments	8	3,43,393.72	2,80,311.20
(f) Other Financial assets	9	11,878.71	9,765.00
Total (1)		3,64,357.28	3,02,365.82
2 Non-financial Assets			
(a) Current tax assets (Net)	10	813.57	1,782.54
(b) Investment Property		70.94	70.94
(c) Property, Plant and Equipment	11	2,724.12	865.52
(d) Capital work-in-progress		6.98	928.41
(f) Other Intangible assets	11	0.68	0.86
(g) Other non-financial assets	12	525.65	823.44
Total (2)		4,141.94	4,471.73
Total Assets (1+2)		3,68,499.22	3,06,837.55
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(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		488.94	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		59.74	30.85
(b) Borrowings (Other than Debt Securities)	14	91.33	-
(c) Other financial liabilities	15	255.84	143.96
Total (1)		895.85	180.39
2 Non-financial Liabilities			
(a) Current tax liabilities (Net)		-	-
(b) Provisions	16	100.06	106.71
(c) Deferred tax liabilities (Net)	17	70,926.60	63,008.39
(d) Other non-financial liabilities	18	44.61	37.95
Total (2)		71,071.27	63,153.05
3 EQUITY			
(a) Equity Share capital	19	3,878.42	3,878.42
Non Controlling Interest		0.06	10.06
(b) Other Equity	20	2,92,653.76	2,39,257.78
Non Controlling Interest		(0.14)	357.85
Total (3)		2,96,532.10	2,43,504.11
Total Liabilities and Equity (1+2+3)		3,68,499.22	3,06,837.55

Accompanying Notes are an integral part of the Financial statements.

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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
 May 28th, 2022
 UDIN : 22009198AMCEJR3512

For and on 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 Statement of Profit and Loss for the Year Ended 31st Mar 2022

(Rupees in Lakhs)

	Particulars	Note No	Year ended 31.03.2022	Year ended 31.03.2021
I	Revenue From Operations			
	(i) Interest Income	21	944.58	703.58
	(ii) Dividend Income	22	1,200.08	450.64
	(iii) Net gain/(loss) on fair value changes	23	2,069.36	20,671.86
	(iv) Other Operating Income	24	719.13	272.38
	Total Income from operations (Total I)		22,933.15	22,098.46
II	Other Income	25	301.30	119.34
	Total Other Income (Total II)		301.30	119.34
III	Total Income (I+II)		23,234.45	22,217.80
IV	EXPENSES			
	Employee benefits expense	26	581.22	516.52
	Finance costs	27	3.24	3.77
	Depreciation and amortization expense	11	147.58	77.64
	Other expenses	28	1,500.47	836.96
	Total expenses (IV)		2,232.51	1,434.88
V	Profit/(loss) before exceptional items and tax (III- IV)		21,001.94	20,782.92
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		21,001.94	20,782.92
VIII	Tax (expense)/credit (net):			
	(1) Current tax		(3,182.18)	(664.32)
	(2) Tax adjustment for earlier Year		-	(6.45)
	(3) Deferred tax		3,202.69	2,024.21
	Total Tax expenses (VIII)		20.51	1,353.44
IX	Profit / (Loss) for the period (VII+VIII)		21,022.45	22,136.36
XI	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Gain / (Loss) arising on Defined Employee Benefits			
	- Remeasurement of Defined Employee Benefits		14.91	(25.95)
	Gain / (Loss) arising on fair valuation of Investment		44,184.61	79,147.78
	(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		(11,120.89)	(22,049.98)
	Total (A)		33,078.63	57,071.84
	B (i) Items that will be reclassified to profit or loss			
	Total (B)		-	-
	Total Other Comprehensive Income (A+B)		33,078.63	57,071.84
XII	Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		54,101.07	79,208.20
	Profit for the year attributable to:			
	Shareholders of the Company		21,020.52	22,134.86
	Non-Controlling interest		1.93	1.50
	Other Comprehensive Income for the year attributable to:			
	Shareholders of the Company		32,956.58	56,965.08
	Non-Controlling interest		122.05	106.77
	Total Comprehensive Income for the year attributable to:			
	Shareholders of the Company		53,977.10	79,099.93
	Non-Controlling interest		123.97	108.27
XIII	Earnings per equity share (Face value Rs.10/-per equity share)	29		
	(1) Basic (in Rupees)		54.37	57.26
	(2) Diluted (in Rupees)		54.37	57.26

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
May 28th, 2022
UDIN : 22009198AMCEJR3512

For and on 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 Changes in Equity for the year ended 31 March 2022

(Rupees in Lakhs)

A.1 Equity Share Capital

Particulars	Equity share capital	
	Number of shares (See Note below)	Amount (See Note below)
As at 31 March 2020	3,86,62,017	3,878.42
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period	3,86,62,017	3,878.42
Changes in equity share capital during the year	-	-
As at 31 March 2021	3,86,62,017	3,878.42
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period	3,86,62,017	3,878.42
Changes in equity share capital during the year	-	-
As at 31 March 2022	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 2020	1,00,600	10.06
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period	1,00,600	10.06
Changes in equity share capital during the year	-	-
As at 31 March 2021	1,00,600	10.06
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period	1,00,600	10.06
Changes in equity share capital during the year	(1,00,000)	(10.00)
As at 31 March 2022	600	0.06

(B) Other equity*

(Rupees in Lakhs)

PARTICULARS	Shareholders of the Company						Non Controlling Interest			
	Reserves and surplus				Other Comprehensive Income		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
At March 31, 2020	2,878.45	10,052.27	120.13	35,855.37	1,22,361.36	19.21	1,71,286.79	1.65	247.93	249.58
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)	-	-	-
Balance after giving above effect	3,573.29	9,627.48	113.30	34,248.08	1,13,157.21	18.43	1,60,737.79	1.65	247.93	249.58
Profit for the period	-	-	-	22,024.49	-	-	22,024.49	1.50	-	1.50
Consolidation adjustment for Associates	-	-	-	110.36	(1.81)	0.27	108.82	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	-	56,986.24	(19.62)	56,966.61	-	106.77	106.77
Total Comprehensive Income for the period	-	-	-	22,134.85	56,984.43	(19.35)	79,099.93	1.50	106.77	108.27
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	-	-	-	-
Cash Dividend	-	-	-	(579.93)	-	-	(579.93)	-	-	-
At March 31, 2021	3,573.29	9,627.48	113.30	63,074.52	1,62,878.76	(9.56)	2,39,257.78	3.15	354.70	357.85
Profit for the period	-	-	-	20,785.93	-	-	20,785.93	1.93	-	1.93
Consolidation adjustment for Associates	-	-	-	234.59	0.30	(0.43)	234.46	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	-	32,945.23	11.48	32,956.71	-	122.05	122.05
Total Comprehensive Income for the period	-	-	-	21,020.53	32,945.53	11.05	53,977.11	1.93	122.05	123.97
Transfer from FVTOCI to Retained Earnings	-	-	-	10,668.55	(10,668.55)	-	-	-	-	-
Adjustment for changes in Non Controlling ownership Interests	-	-	-	(1.20)	-	-	(1.20)	(5.21)	(476.75)	(481.96)
Cash Dividend	-	-	-	(579.93)	-	-	(579.93)	-	-	-
As at 31st Mar 2022	3,573.29	9,627.48	113.30	94,182.46	1,85,155.74	1.49	2,92,653.76	(0.14)	-	(0.14)

(*) 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 other Equity: There is no change in accounting policy & there are no prior period errors.

(#) 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
May 28th, 2022

For and on 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 31.03.2022

(Rupees in Lakhs)

Particulars	Consolidated	
	For the year ended 31st March 2022	For the year ended 31st March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	21,001.95	20,782.92
Adjustment for:		
Depreciation	147.58	77.64
Interest Income	(35.95)	(83.79)
Loss/(Profit) on sale of Property, plant and equipment	0.36	-
Share of profit of Associates	(234.59)	(110.36)
Dividend Income	(1,200.08)	(450.64)
Actuarial gain / (loss) on Defined Employee Benefits	15.34	(26.22)
Provision for Employee Benefits	(6.64)	26.06
	(1,313.98)	(567.32)
Operating profit	19,687.97	20,215.60
Adjustment for working capital changes		
1) Increase / (decrease) in borrowings	91.36	(22.84)
2) Increase / (decrease) in other financial liabilities	105.72	(10.80)
3) Increase / (decrease) in trade payables	590.76	(165.86)
4) Increase / (decrease) in Other payables	27.86	(9.98)
5) (Increase) / decrease in loans	6.63	2.68
6) Increase / (decrease) in other non- financial liabilities	6.65	7.82
7) (Increase) / decrease in other financial assets	(2,113.71)	(2,383.93)
8) (Increase) / decrease in other non financial asset	197.53	(73.18)
9) (Increase) / decrease in trade receivables	76.49	97.46
10) (Increase) / decrease in other receivables	0.08	25.98
11) Increase / (decrease) in current tax assets/liabilities	990.00	(426.01)
Cash generated / (used) from operations	19,667.34	17,256.94
Direct taxes paid (net)	(3,203.20)	(678.34)
Net cash generated / (used) from operating activities (A)	16,464.14	16,578.60
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / decrease on investments (net)	(18,663.73)	(7,521.89)
Sale/(Purchase) of Property, plant and equipment (net)	(2,006.34)	(33.02)
Capital work in progress	921.43	(202.97)
Interest received on fixed deposits	35.95	83.79
Security Deposit	-	(1.50)
Dividend Income	1,200.08	450.64
Net cash generated / (used) from investing activities (B)	(18,512.61)	(7,224.95)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of minority interest	(493.16)	-
Dividend paid	(579.93)	(579.93)
Net cash generated / (used) from financing activities (C)	(1,073.09)	(579.93)
Net increase / (decrease) in cash and cash equivalents during the year (A +B +C)	(3,121.56)	8,773.72
Cash and Cash equivalents as at beginning of the year	10,930.26	2,156.54
Cash and cash equivalents as at end of the year :	7,808.70	10,930.26
Cash in hand	4.79	2.57
Scheduled bank - In current account	81.81	210.55
Fixed Deposit with Banks	314.79	698.39
In Liquid Funds	7,256.16	9,905.14
Scheduled Bank - Unpaid Dividend Account	151.15	113.61
Total	7,808.70	10,930.26
Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 and 5)		
Cash and cash equivalents as at end of the year as per above	86.60	213.12
Add:- Fixed deposit with banks	314.79	698.39
Add:- In Liquid Funds	7,256.16	9,905.14
Add:- Unpaid dividend account	151.15	113.61
Total cash and bank balances equivalents as at end of the year	7,808.70	10,930.26

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
May 28th, 2022

For and on 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, 2022
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, 2022	Proportion of Ownership Interest March 31, 2021	Country of Incorporation
(a) Subsidiaries			
VLS Securities Limited	100.00%	99.67%	India
VLS Asset Management Limited	99.15%	99.15%	India
VLS Real Estate Limited	100.00%	100.00%*	India
(b) Associates			
VLS Capital Limited	42.40%	42.40%	India

*Incorporated on 03-02-2021

The consolidated financial statement includes the audited financials for the year ended on 31.03.2022 of the subsidiaries VLS Securities Limited (100%), VLS Asset Management Limited (99.15%) and VLS Real Estate Limited (100%) which 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 Sunair Hotels Limited (Sunair) are not included in these consolidated financial statements as 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 both the years.

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,

CONSOLIDATED FINANCIAL STATEMENTS
Notes forming part of Consolidated Financial Statement for the year ended March 31, 2022

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.

CONSOLIDATED FINANCIAL STATEMENTS

Notes forming part of Consolidated Financial Statement for the year ended March 31, 2022

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 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 recognised as 'Revenue from operations' in the Statement of Profit and Loss.

(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 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.

CONSOLIDATED FINANCIAL STATEMENTS

Notes forming part of Consolidated Financial Statement for the year ended March 31, 2022

(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 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.

CONSOLIDATED FINANCIAL STATEMENTS

Notes forming part of Consolidated Financial Statement for the year ended March 31, 2022

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.

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 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:

CONSOLIDATED FINANCIAL STATEMENTS
Notes forming part of Consolidated Financial Statement for the year ended March 31, 2022

- (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 Consolidated Financial Statements

(Rupees in Lakhs)

NOTE NO.	PARTICULARS	As at 31.03.2022	As at 31.03.2021
4	Cash and cash equivalents		
	a) Cash on hand	4.79	2.57
	b) Balances with Banks		
	-In Current Accounts	81.81	210.55
	-In Deposits Accounts	20.20	387.00
	(Original Maturity of Less than 3 months)		
	c) Interest accrued on Fixed Deposits	0.93	6.42
	d) Liquid Funds	7,256.16	9,905.14
	Total	7,363.88	10,511.68
5	Bank Balance other than cash and cash equivalents		
	a) Fixed deposits with bank (Refer note below)	288.99	300.20
	(Original Maturity of more than 3 months and less than or equal to 12 months)		
	b) Interest accrued on Fixed Deposits	4.67	4.77
	c) Bank balances in Unpaid dividend accounts	151.15	113.61
	Total	444.81	418.58
	<i>Note : Pledged with banks as security for overdraft facility</i>		
6	Receivables		
	I) Trade Receivables		
	Secured, considered good		
	Unsecured, considered good		
	a) Receivable from share brokers	104.09	192.15
	b) Others	15.85	4.28
	Total	119.94	196.43
	<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>		
	II) Other Receivables		
	Secured, considered good		
	Interest accrued	373.66	373.70
	Unsecured, considered good		
	a) Interest accrued	0.27	0.31
	Allowance for Expected credit losses on Interest accrued	(25.00)	(25.00)
	Total	348.93	349.01

CONSOLIDATED FINANCIAL STATEMENTS
Notes to the Consolidated Financial Statements

(Rupees in Lakhs)

NOTE NO.	PARTICULARS	As at	
		31.03.2022	31.03.2021
7	Loans		
	(Unsecured and considered good)		
	a) Loan to employees (including deferred cost)	7.29	13.92
	b) Others	800.00	800.00
	Total	807.29	813.92

Note No. 8: Investments

(Rupees in Lakhs)

S No	Particulars	As at 31st Mar 2022				As at 31st Mar 2021			
		At Amortised Cost	At Fair Value Through Other Comprehensive Income	At Equity Method	Total	At Amortised Cost	At Fair Value Through Other Comprehensive Income	At Equity Method	Total
		1	Equity instruments		3,27,360.25		3,27,360.25		2,65,223.36
2	Mutual funds/PMS		4,924.93		4,924.93		4,114.90		4,114.90
3	Debt securities*	350.59	7,436.07		7,786.65	350.00	7,485.51		7,835.51
4	Equity instrument in Associate (Refer Note 8.1)			3,671.89	3,671.89			3,437.43	3,437.43
5	Total - Gross (A)	350.59	3,39,721.24	3,671.89	3,43,743.72	350.00	2,76,823.77	3,437.43	2,80,611.20
6	(i) Investments in India	350.59	3,39,721.24	3,671.89	3,43,743.72	350.00	2,76,823.77	3,437.43	2,80,611.20
7	(ii) Investments outside India								
8	Total (B)	350.59	3,39,721.24	3,671.89	3,43,743.72	350.00	2,76,823.77	3,437.43	2,80,611.20
9	Less: Aggregate amount of provision for impairment in the value of investments (Expected credit losses on Investment) (C)	(350.00)			(350.00)	(300.00)			(300.00)
10	Total - Net D= (A)-(C)	0.59	3,39,721.24	3,671.89	3,43,393.72	50.00	2,76,823.77	3,437.43	2,80,311.20

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

(Rupees in Lakhs)

Note No. 8.1: Investments in equity instruments of Associate

S No	Particulars	As at 31st Mar 2022				As At 31st Mar 2021			
		Proportion of Ownership Interest / Voting Right	Face Value	Holding	Value	Proportion of Ownership Interest / Voting Right	Face Value	Holding	Value
		%	(in Rs.)	No. of shares	(Rs. in Lakhs)	%	(in Rs.)	No. of shares	(Rs. in Lakhs)
	1	2	3	4	5	6	7	8	9
1	Investments in Equity shares of Associate: (Unquoted & Fully paid up) (Measured on equity method of accounting) VLS Capital Ltd.	42.40%	10	98,20,833	3,671.89	42.40%	10	98,20,833	3,437.43
	Total				3,671.89				3,437.43

Principal place of business of Associate is in India.

9 Other Financial Assets

(Unsecured, considered good)

a) Margin Money Deposits

-Share brokers

10,608.00

9,508.00

-Others

5.00

35.00

b) Security deposits

748.15

166.39

c) Others

517.56

48.38

d) Interest accrued

-
 7.23 || | **Total** | **11,878.71** | **9,765.00** |
10 Current Tax Assets (Net)

Advance Tax and Tax Deducted at source

4,861.54

2,679.48

Less: Tax Provisions

(4,047.97)

(896.94)

Total **813.57** **1,782.54**

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(Rupees in Lakhs)

Note No: 11. Property, Plant and Equipment

Description	Building	Land	Temporary Structure	Vehicles	Office Equipments	Furniture & fixtures	Air Conditioners	Computers	Electrical Installations	Generator	Assets on Lease	Leasehold Improvement	Right to use Assets (IndAs 116)	Total
Gross Carrying Amount														
Balance as at 31.03.2020	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	-		-	19.89	7.03	-	-	5.91	-	-	-		-	32.64
Sales/ Adjustments during the year	-		-	-	-	-	-	-	-	-	-		-	-
Balance as at 31.03.2021	1,110.96	-	6.89	145.97	36.38	13.51	15.16	73.11	2.45	4.31	12,066.67	-	73.95	13,549.37
Balance as at 31.03.2021	1,110.96		6.89	145.97	36.38	13.51	15.16	73.11	2.45	4.31	12,066.67		73.95	13,549.37
Additions during the year	867.33	931.65	-	14.89	65.27	225.27	69.72	71.75	191.42	14.12	-	243.74	61.53	2,756.68
Sales/ Adjustments during the year	(931.65)	-	-	(3.76)	(8.26)	-	-	-	-	-	-	-	(73.95)	(1,017.62)
Balance as at 31.03.2022	1,046.64	931.65	6.89	157.10	93.39	238.78	84.88	144.86	193.87	18.43	12,066.67	243.74	61.53	15,288.45

Accumulated Depreciation

Balance as at 31.03.2020	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
Depreciation for the year	39.57		-	13.32	3.04	0.22	0.28	4.65	-	-	-		16.30	77.38
Sales/ Adjustments during the year	-		-	-	-	-	-	-	-	-	-		-	-
Balance as at 31.03.2021	313.17	-	6.89	96.66	27.76	12.55	13.80	66.98	2.33	4.09	12,065.67	-	73.95	12,683.85
Balance as at 31.03.2021	313.17		6.89	96.66	27.76	12.55	13.80	66.98	2.33	4.09	12,065.67		73.95	12,683.85
Depreciation for the year	20.48	-	-	16.30	15.75	17.20	8.20	18.42	21.09	1.75	-	24.88	3.31	147.40
Sales/ Adjustments during the year	(181.90)	-	-	(3.22)	(7.85)	-	-	-	-	-	-	-	(73.95)	(266.91)
Balance as at 31.03.2022	151.75	-	6.89	109.75	35.66	29.75	22.01	85.40	23.42	5.84	12,065.67	24.88	3.31	12,564.34

Net Carrying Amount

As at 31.03.2021	797.79	-	-	49.31	8.62	0.96	1.36	6.14	0.12	0.22	1.00	-	(0.00)	865.52
As at 31.03.2022	894.89	931.65	-	47.35	57.73	209.03	62.87	59.46	170.45	12.59	1.00	218.85	58.22	2,724.12

Note No: 11. Other Intangible assets

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

Gross Carrying Amount

Balance as at 31.03.2020	11.22	11.22
Additions during the year	0.38	0.38
Sales/ Adjustments during the year	-	-
Balance as at 31.03.2021	11.60	11.60
Balance as at 31.03.2021	11.60	11.60
Additions during the year	-	-
Sales/ Adjustments during the year	-	-
Balance as at 31.03.2022	11.60	11.60

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Accumulated Depreciation		
Balance as at 31.03.2020	10.48	10.48
Depreciation for the year	0.26	0.26
Sales/ Adjustments during the year	-	-
Balance as at 31.03.2021	10.74	10.74

Balance as at 31.03.2021	10.74	10.74
Depreciation for the year	0.18	0.18
Sales/ Adjustments during the year	-	-
Balance as at 31.03.2022	10.92	10.92

Net Carrying Amount

As at 31.03.2021	0.86	0.86
As at 31.03.2022	0.68	0.68

12 Other non-financial assets
Unsecured and considered good

Capital Advances	111.05	420.72
Prepaid Expenses	25.38	6.54
Advances recoverable in cash or kind	412.92	421.18

Secured and considered good

Taxes due from Government	1.30	-
Allowance for Expected credit losses	(25.00)	(25.00)

Total 525.65 823.44
13 Payables
Trade Payables

a) Total outstanding dues of micro enterprises and small enterprises - -
Total - -

b) Total outstanding dues of creditors other than micro enterprises and small enterprises

- Payable to share brokers	-	-
- other payables	488.94	5.58

Total 488.94 5.58
Other Payables

a) Total outstanding dues of micro enterprises and small enterprises - -
Total - -

b) Total outstanding dues of creditors other than micro enterprises and small enterprises

59.74 30.85
Total 59.74 30.85
14 Borrowings (Other than debt securities)
Secured Loans from Banks
(Secured against Pledge of Fixed Deposit) 91.33 -
Total 91.33 -
15 Other financial liabilities

a) Unpaid dividends accounts	151.15	113.62
b) Creditors for capital goods	46.09	30.34
c) Others	58.60	0.00

Total 255.84 143.96
16 Provisions

Provisions for employee benefits 100.06 106.71
Total 100.06 106.71

CONSOLIDATED FINANCIAL STATEMENTS
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(Rupees in Lakhs)

Note 17 : Tax expense & Deferred tax assets / liabilities

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Deferred tax liability on account of :		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	36.29	47.07
Deferred tax on IND AS adjustments	80,580.75	70,951.36
Total deferred tax liabilities (A)	80,617.04	70,998.43
Deferred tax assets on account of:		
On Employee Benefits (loans)	0.05	-
On Provision for impairment (Expected Credit Loss)	100.67	88.09
Deferred Tax on Ind AS Adjustments	9,564.19	7,662.71
Provision for leave encashment/Gratuity (Employee benefits)	25.52	22.16
Losses carried forward	-	217.09
Total deferred tax assets (B)	9,690.44	7,990.04
Net deferred tax assets / (liability) (B-A)	(70,926.60)	(63,008.39)

Statement of Deferred Tax Assets and Deferred Tax Liabilities

Particulars	As at 31st Mar 2022	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2021	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2020
Deferred tax liabilities on account of:							
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	36.29	(10.79)	-	47.07	7.29	-	39.78
Deferred tax on IND AS adjustments	80,580.75	(1,490.67)	11,120.07	70,951.36	(1.12)	22,049.98	48,902.50
Total deferred tax liabilities	80,617.04	(1,501.46)	11,120.07	70,998.43	6.17	22,049.98	48,942.28
Deferred tax assets on account of:							
On Employee Benefits (loans)	0.05	0.05	-	-	-	-	-
On Provision for impairment (Expected Credit Loss)	100.67	12.58	-	88.09	88.09	-	-
Deferred Tax on Ind AS Adjustments	9,564.19	1,901.49	-	7,662.71	1,829.66	-	5,833.05
Provision for leave encashment/Gratuity (Employee benefits)	25.52	4.19	(0.83)	22.16	1.53	-	20.63
Losses carried forward	-	(217.09)	-	217.09	111.11	-	105.98
Total deferred tax assets	9,690.44	1,701.23	(0.83)	7,990.04	2,030.39	-	5,959.66
Total deferred tax Assets/(liability) (net)	(70,926.60)	3,202.69	(11,120.89)	(63,008.39)	2,024.21	(22,049.98)	(42,982.64)

18 Other non-financial liabilities

Statutory dues payable

(Rupees in Lakhs)

	44.61	37.95
Total	44.61	37.95

Note 19 : Equity share capital

(Rupees in Lakhs)

	As at 31-Mar-22		As at 31-Mar-21	
	Number	Amount in Lakhs	Number	Amount in Lakhs
Authorised				
15,00,00,000 Equity Shares of Rs.10/- each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
	15,00,00,000	15,000.00	15,00,00,000	15,000.00
Issued, subscribed and paid up				
3,91,29,517 Equity Shares of Rs.10/- each	3,91,29,517	3,912.95	3,91,29,517	3,912.95
	3,91,29,517	3,912.95	3,91,29,517	3,912.95

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

	As at 31-Mar-22		As at 31-Mar-21	
	Number	Amount in Lakhs	Number	Amount in Lakhs
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
	3,86,62,017	3,878.42	3,86,62,017	3,878.42

CONSOLIDATED FINANCIAL STATEMENTS
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(Rupees in Lakhs)

Reconciliation of number of shares outstanding

	As at 31-Mar-22		As at 31-Mar-21	
	Number	Amount in Lakhs	Number	Amount in Lakhs
At beginning of the year	3,86,62,017	3,866.20	3,86,62,017	3,866.20
Stock options exercised under the ESOP	-	-	-	-
At the end of the year	3,86,62,017	3,866.20	3,86,62,017	3,866.20

Shares held by holding Company

Name of shareholder	As at 31-Mar-22		As at 31-Mar-21	
	No. of shares held	% of holding	No. of shares held	% of holding
	NA- Public limited and Listed Entity		NA- Public limited and Listed Entity	

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-22		As at 31-Mar-21	
	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

(Rupees in Lakhs)

Particulars	As at 31-Mar-22	As at 31-Mar-21
a) General reserve		
Balance at the beginning of the year	3,573.29	2,878.45
Cumulative effect under IndAS in respect of associate on consolidation	-	694.85
Add: during the year	-	-
Balance as at end of the year	3,573.29	3,573.29
b) Securities premium		
Balance at the beginning of the year	9,627.48	10,052.27
Cumulative effect under IndAS in respect of associate on consolidation	-	(424.79)
Add: during the year	-	-
Balance as at end of the year	9,627.48	9,627.48
c) Capital Redemption Reserve		
Balance at the beginning of the year	113.30	120.13
Cumulative effect under IndAS in respect of associate on consolidation	-	(6.83)
Add: during the year	-	-
Balance as at end of the year	113.30	113.30
d) Retained earnings		
Balance at the beginning of the year	63,074.52	35,855.37
Cumulative effect under IndAS in respect of associate on consolidation	-	(1,607.29)
Consolidation adjustment for Associates Profit/(loss) for the the year	234.59	110.36
Transfer from/to FVTOCI to Retained Earnings	20,785.93	22,024.49
Transfer from/to Retained earnings from/to Remeasurement of Defined Benefit Plan	10,668.55	7,271.81
Dividend Paid	-	(0.29)
Adjustment for changes in Non Controlling ownership Interests	(579.93)	(579.93)
Adjustment for changes in Non Controlling ownership Interests	(1.20)	-
Balance as at end of the year	94,182.47	63,074.52
e) Fair value gain on equity and other instruments carried through other comprehensive income		
Balance at the beginning of the year	1,62,878.76	1,22,361.36

Note: 20 Other Equity

(Rupees in Lakhs)

Particulars	As at 31-Mar-22	As at 31-Mar-21
Cumulative effect under IndAS in respect of associate on consolidation	-	(9,204.15)
Consolidation adjustment for Associates Other Comprehensive Income during the year (net of tax)	0.30	(1.81)
Transfer from/to FVTOCI from/to Remeasurement of Defined Benefit Plan	32,945.23	56,986.24
Transfer from/to FVTOCI to Retained Earnings	-	8.93
	(10,668.55)	(7,271.81)
Balance as at end of the year	1,85,155.74	1,62,878.76
f) Remeasurement of Defined Benefit Plans		
Balance at the beginning of the year	(9.56)	19.22
Cumulative effect under IndAS in respect of associate on consolidation	-	(0.78)
Consolidation adjustment for Associates	(0.43)	0.27
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)
Other Comprehensive Income during the year (net of tax)	11.48	(19.62)
Balance as at end of the year	1.49	(9.56)
Total (a to f)	2,92,653.76	2,39,257.78
Non-Controlling Interest		
Retained earnings		
Balance at the beginning of the year	357.85	249.58
Adjustments for effect of transition to IndAS	-	-
Profit/(loss) for the the year	1.93	1.50
Other Comprehensive Income during the year (net of tax)	122.05	106.77
Adjustment for changes in Non Controlling ownership Interests	(476.75)	-
Adjustment for changes in Non Controlling ownership Interests	(5.21)	-
Total	(0.14)	357.85

@ Note on other Equity: There is no change in accounting policy & there are no prior period errors.

CONSOLIDATED FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

		(Rupees in Lakhs)				(Rupees in Lakhs)	
NOTE NO.	PARTICULARS	31.03.2022	31.03.2021	NOTE NO.	PARTICULARS	31.03.2022	31.03.2021
21	Interest Income						
	Interest income from Investments:-				Consultancy, Legal & Service Charges	323.64	196.75
	- From Tax Free Bonds	475.51	475.19		Communication Expenses	7.18	5.95
	- Interest income from Debentures	-	-		Electricity & Water Charges	38.10	10.23
	- From PMS/MF investments	66.09	82.98		Insurance	1.47	1.26
	- From Others	-	-		Office Expenses	37.99	32.16
	On Margin Deposits with Share Brokers/stock exchange	339.13	61.62		Shares Transaction Charges	101.94	56.78
	On deposits with Banks	35.95	83.79		Securities Transaction Tax on Investment	299.37	120.00
	Other interest income	27.90	-		Securities Transaction Tax on others	162.89	55.16
	Total	944.58	703.58		Interest on Income Tax	-	2.82
22	Dividend Income				Travelling Expenses & Conveyance	38.42	13.88
	Dividend on Investments	1,200.08	450.64		Rates & Taxes	149.74	72.02
	Total	1,200.08	450.64		Rent	55.99	41.03
23	Net gain on fair value changes				Repairs & Maintenance		
	Net gain/ (loss) on financial instruments at fair value through Profit and loss account	-	-		-- Building	-	-
	(a) - Investment				-- Others	31.06	14.87
	- On Investment	21,454.77	15,413.17		Miscellaneous Expenses	55.12	113.43
	(b) - Trading				CSR Expenditure	129.33	37.02
	- On Securities	14.56	19.18		Auditors' Remuneration		
	- On Future & Option	(1,617.20)	5,153.78		a) Audit Fees	2.40	1.98
	- On Liquid Mutual Funds	217.24	85.73		b) For Other Services		
	Total	20,069.36	20,671.86		-- For Tax audit	1.05	0.98
	Fair Value changes:				-- For certification	2.30	1.58
	-Realised	20,069.36	20,671.86		-- Out of pocket expenses	0.55	0.55
	-Unrealised	-	-		Internal Auditors' Remuneration		
	Total	20,069.36	20,671.86		-- Fees	1.00	0.80
					-- For certification	0.10	0.10
24	Other Operating Income				Directors' Sitting Fees	25.65	17.40
	Income from Securities Lending	23.21	9.78		Loss on sale/transfer of assets	0.36	-
	Brokerage Income	695.92	262.60		Total	1,500.47	836.96
	Total	719.13	272.38	29	Earnings per equity share		
25	Other Income				Net profit/(Loss) attributable to equity shareholders	21,022.45	22,136.36
	Misc Balances/Unspent liabilities written back (net)	-	0.00		Total (A) (Rupees in Lakhs)	21,022.45	22,136.36
	Interest on staff loans and advances	0.64	1.79		Weighted average number of equity shares issued (face value of Rs. 10 each) (Number in Lakhs)	386.62	386.62
	Interest on income tax refund	65.49	0.15		Total (B) (Number in Lakhs)	386.62	386.62
	On Financial Assets measured at Amortised Cost	0.57	0.78		Basic earnings per share [A/B] (In Rupees)		
	Others	0.01	6.26		Net Profit attributable to equity shareholders [C] (Rupees in Lakhs)	21,022.45	22,136.36
	Share of Profit/(Loss) of Associates	234.59	110.36		Less : Impact on net profit due to exercise of diluted potential equity shares [D]	-	-
	Total	301.30	119.34		Net profit attributable to equity shareholders for calculation of diluted EPS [C-D] (Rupees in Lakhs)	21,022.45	22,136.36
26	Employee benefits expense				Weighted average of equity shares issued (face value of Rs. 10/- each) (Number in Lakhs) [E]	386.62	386.62
	Salaries	513.03	456.70		Weighted number of additional equity shares outstanding for diluted EPS (Number in Lakhs) [F]	-	-
	Staff Amenities/welfare expenses	15.12	3.83		Weighted number of equity shares outstanding for diluted EPS (Number in lakhs) [E+F]	386.62	386.62
	Employer's Contribution to PF, ESI, Gratuity Fund etc.	53.07	55.98		Diluted earnings per share [C-D/E+F] (In Rupees)	54.37	57.26
	Total	581.22	516.51				
27	Finance Costs						
	Bank / Finance Charges	0.81	0.74				
	Interest Payment on Loans/overdraft facilities	1.37	2.30				
	Interest on Financial Liabilities	-	-				
	Interest on Right of Use assets -AS116	1.06	0.73				
	Total	3.24	3.77				
28	Other expenses						
	Advertisement & Business Promotion	34.82	40.22				

CONSOLIDATED FINANCIAL STATEMENTS
Notes to the Consolidated Financial Statements for the year ended 31.03.2022
Note: 30 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/Group has undertaken the following CSR initiatives during the financial year 2021-22 & 2020-21.

a) Accumulated amount required to be spent by the company during the year Rs. 129.33 Lakhs (Previous year Rs. 37.02 Lakhs)

b) Amount spent during the year ended 31 March 2022 & 31st March 2021:

(Rupees in Lakhs)

Particulars	As at	
	31st Mar 2022	31st Mar 2021
(i) Amount required to be spent by the company during the year	129.33	37.02
(ii) Amount of expenditure incurred	129.46	37.02
a) Construction / Acquisition of any asset	12.23	-
b) on purposes other than a) above	117.23	37.02
(iii) Shortfall / (Excess) at the end of the year *	(0.13)	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	N.A.	N.A.
(vi) Nature of CSR activities	CSR initiatives majorly includes supporting under privileged in medical treatments and promoting education.	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	N.A.	N.A.
* Excess amount spent during the year to be set off in next year		

Note 31 Related party transactions:

List of Related Parties and Relationships with whom transactions have been done during the year:

a) Subsidiary Companies:

- VLS Securities Limited (100.00%) (VLSSL)
- VLS Asset Management Limited (99.15%) (VAML)
- VLS Real Estate Limited (100.00%) (VREL)

b) Key Managerial Personnel (KMP):

- Shri M. P. Mehrotra (Exec. Vice-Chairman in VLS Finance Ltd and Director in VREL & SAEL)
- Shri S. K. Agarwal (MD in VLS Finance Ltd. and VLSSL and Director in VREL)
- Shri K. K. Soni (Director-Finance & CFO in VLS Finance Ltd. and Director in VLSSL, SAEL & VREL)
- Shri H Consul (CS in VLS Finance Ltd)
- Shri Anurag Bhatnagar (CFO in VLSSL)
- Ms. Unnati Jani (CS in VLSSL) appointed w.e.f. 22nd Mar 2022 – CS VLSSL
- Ms. Komal Taparua (CS in VLSSL) resigned w.e.f. 21st Mar 2022 – CS VLSSL

b) Associate:

- VLS Capital Limited (Associate of VLSSL)

c) Others:

- South Asian Enterprises Ltd (SAEL)(Subsidiary of VLS Capital Ltd.)
- Shri Vikas Mehrotra (Director in VLS Finance Ltd and VLSSL)
- Ms. Divya Mehrotra (Director in VLSSL & VREL, and VLS Finance Ltd w.e.f 13-11-21)
- M/s Vinayak Pharma – Related to Mr. S.K. Agarwal, MD
- Dr. (Mrs.) Neeraj Arora (Non-Exec Director in VLS Finance Ltd and SAEL)
- Shri D. K. Mehrotra (Independent Director in VLS Finance Ltd)
- Shri Ajit Kumar (Chairman, Independent Director in VLS Finance Ltd)
- Shri R. K. Goswami (Independent Director in VLSSL and SAEL)
- Dr. Rajeev Lochan Bishnoi - (Independent Director in VLSSL, VLS Finance Ltd, VLS Capital Ltd and SAEL) (Resigned from SAEL w.e.f. 7-5-22).
- Shri Deepak Kumar Chatterjee (Independent Director in VLS Finance Ltd)

Transactions with Related Parties in the group:

S NO	Nature of Transaction	Related Party Type	Year Ended 31-3-22	Year Ended 31-3-21
1	Remun. to Exec. Vice-Chairman (VLS Finance Ltd.)	KMP	77.27	69.00
2	Remun. to MD (VLS Finance Limited)	KMP	41.26	41.26
3	Remun. to Director- Fin. & CFO (VLS Finance Ltd.)	KMP	39.60	39.60
4	Remun. to CS (VLS Finance Ltd.)	KMP	28.58	26.09
5	Remun. to CFO (VLSSL)	KMP	26.36	27.06
6	Loan to CS (VLS Finance Ltd.)	KMP	0.30	-
7	Remun. to CS VLSSL	KMP	5.56	6.35
8	Rent Paid to Ms. Divya Mehrotra (VLS Finance Ltd.)	Director	4.00	-
9	Brokerage earned	Others	3.06	1.39
10	Interest paid on margin money deposits	Others	0.95	0.53
11	Security Deposit Paid/(Received back)	Others	-	(120.00)
12	Shares of Subsidiary purchased	Associate	493.16	-
13	Purchase of Shares	Others	-	300.00
14	Sanitizer & other Medical consumables / equipment purchased (COVID-19 preventive measures)	Others	0.45	1.11
15	Sitting Fees paid to Non-Executive Directors	Others	25.65	17.41
16	Outstanding Balance at the year end			
	a). Security Deposits Paid	Others	385.00	385.00
	b). Payables	Others	2.39	-

CONSOLIDATED FINANCIAL STATEMENTS
Notes to the Consolidated Financial Statements for the year ended 31.03.2022

(Rupees in Lakhs)

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	31-03-2022	31-03-2021
Borrowings	91.33	-
Trade payables	488.94	5.58
Other payables	59.74	30.85
Less: cash and cash equivalents	(7,363.88)	(10,511.68)
Net debt	-	-
Total capital	2,96,532.10	2,43,504.11
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 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	
	31-03-2022	31 March 2021	31-03-2022	31 March 2021
Financial assets				
Trade Receivables	119.94	196.43		
Other Receivables	348.93	349.01		
Other financial assets	11,878.71	9,765.00	-	-
Loans	807.29	813.92	-	-
FVTOCI financial investments	3,39,721.24	2,76,823.77		2,76,823.77
Total	3,52,876.11	2,87,948.13		2,76,823.77
Financial liabilities				
Borrowings	91.33	-	-	-
Other Financial Liabilities	255.84	143.96	-	-
Total	347.17	143.96	-	-

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 and remaining maturities. The Group follows "FIFO" method for calculating the profit/loss on sale of investments.

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

The Company has taken into account the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial statements. The Company will continue to monitor for any material changes in future

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 2022	31 March 2021
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. Earnings in Foreign Currency	Nil	Nil
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c. Expenditure in Foreign Currency	1.97	Nil
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Note 34. Commitments and contingencies
a. Commitments:

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

31 st March 2022	31 st March 2021
170.04	125.65

b. Contingent liabilities

31 st March 2022	31 st March 2021
Nil	Nil

economic conditions. In the opinion of the Company, there will be no impact of COVID 19 on Going Concern Assumption in the present ongoing scenario.

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 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.

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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 31,2022	March 31,2021
Trade and Other Receivables (net of impairment)	468.87	545.44
Total	468.87	545.44

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

The table below summaries the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31 2022

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
Assets					
Cash and bank balances	7,718.45	90.24	-	-	7,808.69
Trade receivables	119.94	-	-	-	119.94
Other receivables	348.93	-	-	-	348.93
Loans	1.98	1.71	803.60	-	807.29
Investments	-	-	2,26,752.03	1,16,641.69	3,43,393.72
Other financial assets	11,223.44	517.11	78.99	59.17	11,878.71
Total	19,412.74	609.06	2,27,634.62	1,16,700.86	3,64,357.28
Liabilities					
Trade payables	488.94	-	-	-	488.94
Other payables	59.74	-	-	-	59.74
Borrowings	91.33	-	-	-	91.33
Other financial liabilities	255.84	-	-	-	255.84
Total	895.85	-	-	-	895.85
Net Excess / (shortfall)	18,516.89	609.06	2,27,634.62	1,16,700.86	3,63,461.43

The table below summarises the maturity profile of the undiscounted cash flows of the Group'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
Assets					
Cash and bank balances	10,819.80	110.46	-	-	10,930.26
Trade receivables	196.43	-	-	-	196.43
Other Receivables	347.51	-	1.50	-	349.01
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	75.59	9,765.00
Total	19,920.66	165.61	1,86,731.35	95,548.20	3,02,365.82
Liabilities					
Trade payables	5.58	-	-	-	5.58
Other payables	30.85	-	-	-	30.85
Borrowings	-	-	-	-	-
Other financial liabilities	143.96	-	-	-	143.96
Total	180.39	-	-	-	180.39
Net Excess / (shortfall)	19,740.27	165.61	1,86,731.35	95,548.20	3,02,185.43

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

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.

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.

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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. 29.66 lakhs contributed to provident fund is recognized as an expense under "Employee Cost" in the Statement of Profit and Loss for the current year (Rs. 28.11 lakhs for the financial year 2020-21).

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:

1. Assumptions	For the year ended 31, March 2022	For the year ended 31, March 2021
Discount rate	7.00%	7.00%
Salary Escalation	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
2. Changes in present value of obligation during the year		
Present value of obligation as at beginning of the year	243.79	199.68
Interest Cost	16.66	13.98
Current Service Cost	11.54	11.16
Past Service Cost	0	0
Benefits Paid	(14.00)	(9.81)
Actuarial (gain) / loss on obligations	(10.06)	28.79
Present value of obligations as at end of the year	247.94	243.80
3. Changes in fair value of plan assets		
Fair value of plan assets at beginning of year	165.20	139.68
Expected return on plan assets	11.23	9.57
Contributions	2.79	9.50
Benefits paid	(5.28)	(0.43)
Actuarial gain / (loss) on plan assets	0.48	6.89
Fair value of plan assets at the year end	174.42	165.20
4. OCI / Expenses (Re measurements)		
Cumulative Un recognized Actuarial (gain)/loss opening b/f	14.75	(7.15)
Actuarial (gain) / loss on obligations	(10.06)	28.79
Actuarial (gain) / loss for the year – on plan assets	(0.48)	(6.89)
Total Actuarial (gain) / loss for the year	(10.54)	21.90
Cumulative total actuarial (gain)/loss c/f	4.22	14.75
5. Amounts to be recognized in the Balance Sheet		
Present value of obligations as at the end of the year	247.94	243.80
Fair value of plan assets as at the end of the year	174.42	165.21
Net (asset) / liability as at the end of the year	73.52	78.59
Funded Status Surplus/ (Deficit)	(73.52)	(78.59)
6. Amounts recognized in the Statement of Profit and Loss		
Current service cost	11.54	11.16
Interest Cost	16.66	13.98
Past Service Cost	0	0
Expected return on plan assets	(11.23)	(9.57)
Net Expenses recognized in Statement of Profit and Loss	16.98	15.57

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:

1. Assumptions	For the year ended 31, March 2022	For the year ended 31, March 2021
Discount rate	7.00%	7.00%
Salary Escalation	5.00%	5.00%
2. Changes in present value of obligation during the year		
Present value of obligation as at beginning of the year	28.12	20.65
Interest Cost	1.93	1.44
Current Service Cost	1.84	1.71
Benefits Paid	(0.54)	0.00
Actuarial (gain) / loss on obligations	(4.80)	4.32
Present value of obligations as at end of the year	26.54	28.12

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	For the year ended 31, March 2022	For the year ended 31, March 2021
3. OCI / Expenses (Re measurements)		
Cumulative Un recognized Actuarial (gain)/loss opening bf	(0.38)	(4.70)
Actuarial (gain) / loss on obligations	(4.80)	4.32
Actuarial (gain) / loss for the year – on plan assets	0.00	0.00
Total Actuarial (gain) / loss for the year	(4.80)	4.32
Cumulative total actuarial (gain)/loss c/f	(5.18)	(0.38)
4. Amounts to be recognized in the Balance Sheet		
Present value of obligations as at the end of the year	26.54	28.12
Fair value of plan assets as at the end of the year	0.00	0.00
Net (asset) / liability recognized in balance sheet	26.54	28.12
Funded Status Surplus/ (Deficit)	(26.54)	(28.12)
5. Amounts recognized in the Statement of Profit and Loss		
Current service cost	1.84	1.71
Interest Cost	1.93	1.44
Expected return on plan assets	0.00	0.00
Expenses recognized in Statement of Profit and Loss	3.77	3.15

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 Lakhs)

Particulars	31-Mar-22			31-Mar-21		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	7,363.88		7,363.88	10,511.68		10,511.68
Bank Balance other than above	444.81		444.81	418.58		418.58
Trade receivables	119.94	-	119.94	196.43	-	196.43
Other receivables	348.93	-	348.93	347.51	1.50	349.01
Loans	3.69	803.60	807.29	7.66	806.26	813.92
Investments	-	3,43,393.72	3,43,393.72	-	2,80,311.20	2,80,311.20
Other financial assets	11,740.55	138.16	11,878.71	8,604.41	1,160.59	9,765.00
Total-Financial assets	20,021.81	3,44,335.48	3,64,357.28	20,086.27	2,82,279.55	3,02,365.82
Non-Financial assets						
Current Tax assets	38.21	775.36	813.57	12.29	1,770.25	1,782.54
Investment Property		70.94	70.94		70.94	70.94
Property, plant and equipment		2,724.12	2,724.12		865.52	865.52
Capital work-in-progress	6.98		6.98	928.41		928.41
Other Intangible assets		0.68	0.68		0.86	0.86
Other non-financial assets	519.86	5.79	525.65	754.57	68.87	823.44
Total-Non financial assets	565.05	3,576.89	4,141.94	1,695.27	2,776.46	4,471.73
Total Assets	20,586.86	3,47,912.36	3,68,499.22	21,781.54	2,85,056.01	3,06,837.55
Liabilities						
Financial Liabilities						
Trade payables	488.94	-	488.94	5.58	-	5.58
Other payables	59.74	-	59.74	30.85	-	30.85
Borrowings	91.33	-	91.33	-	-	-
Other financial liabilities	255.84	-	255.84	143.96	-	143.96
Total- Financial Liabilities	895.85	-	895.85	180.39	-	180.39
Non Financial Liabilities						
Provisions	94.81	5.25	100.06	101.26	5.45	106.71
Deferred tax liabilities		70,926.60	70,926.60		63,008.39	63,008.39
Other non financial liabilities	44.61		44.61	37.95		37.95
Total-Non Financial Liabilities	139.42	70,931.85	71,071.27	139.21	63,013.84	63,153.05
Total Liabilities	1,035.27	70,931.85	71,967.12	319.60	63,013.84	63,333.44

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Note: 40 Fair Value Measurement
(i) Accounting classification and fair values

(Rupees in Lakhs)

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 2022 are as follows:

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	7,363.88	7,363.88	7,363.88			7,363.88
Bank balance other than cash and cash equivalents above	-	-	444.81	444.81	444.81			444.81
Receivables								-
(I) Trade receivables	-	-	119.94	119.94	119.94			119.94
(II) Other receivables	-	-	348.93	348.93	348.93			348.93
Loans	-	-	807.29	807.29	807.29			807.29
Investments	-	3,39,721.24	3,672.48	3,43,393.72	3,34,017.38	1,549.19	4,154.67	3,39,721.24
Other financial assets	-	-	11,878.71	11,878.71	11,878.71			11,878.71
Total financial assets	-	3,39,721.24	24,636.04	3,64,357.28	3,54,980.94	1,549.19	4,154.67	3,60,684.80

Financial liabilities								
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	-	-	488.94	488.94	488.94	-	-	488.94
(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	-	-	59.74	59.74	59.74	-	-	59.74
Borrowings (Other than debt securities)	-	-	91.33	91.33	91.33	-	-	91.33
Other financial liabilities	-	-	255.84	255.84	255.84	-	-	255.84
Total financial liabilities	-	-	895.85	895.85	895.85	-	-	895.85

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
Financial assets								
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	-	-	349.01	349.01	-	-	-	-
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	-	-	9,765.00	9,765.00	-	-	-	-
Total financial assets	-	2,76,823.77	25,542.05	3,02,365.82	2,71,726.42	988.74	4,108.62	2,76,823.77

Financial liabilities								
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	-	-	143.96	143.96	-	-	-	-
Total financial liabilities	-	-	180.39	180.39	-	-	-	-

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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 41: 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.

a) Income Tax recognised in Statement of Profit and Loss

Particulars	(Rupees in Lakhs)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
Current tax (expense)/credit:		
1 Current tax for the year	(3,182.18)	(664.32)
2 Minimum alternate tax	-	-
3 Tax adjustment in respect of earlier years	-	(6.45)
Total current tax (expense)/credit (A)	(3,182.18)	(670.77)
Deferred tax (expense)/credit:	3,202.69	2,024.21
Net deferred tax (expense)/credit (B)	3,202.69	2,024.21
Income tax (expense)/credit (net): (C = A+B)	20.51	1,353.44

b) Reconciliation of estimated Income tax (expense)/credit reported in Statement of Profit and Loss

Particulars	For the year ended	
	31.03.2022	31.03.2021
Profit / (loss) before tax	21,001.94	20,782.92
1 Expected income tax (expense)/credit at the applicable tax rates	(5,285.77)	(5,204.44)
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	(116.83)	(44.10)
3 Effect of differential tax rates and carried/brought forward losses	5,104.81	6,402.06
4 Effect of income exempt from tax	324.70	228.99
5 Others	(6.40)	(29.08)
Income Tax (expenses)/credit reported in statement of profit and loss (1+2+3+4+5)	20.51	1,353.44

CONSOLIDATED FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements for the year ended 31.03.2022

(Rupees in Lakhs)

Note 42: Shareholding of Promoters and Promoter Group

Shares held by Promoters & Promoter Group as at 31st Mar 2022						As at 31st Mar 2021	
S. No	Promoter Name	Category*	No. of shares	% of Total shares	% change during the year	No. of shares	% of total shares
1	VLS Capital Ltd.	PG	1,33,36,538	34.50	-	1,33,36,538	34.50
2	VLS Commodities Private Limited	PG	4,57,768	1.18	-	4,57,768	1.18
3	South Asian Enterprises Ltd	PG	1,500	-	-	1,500	-
4	Divya Mehrotra	PG	5,41,393	1.40	0.11	4,99,682	1.29
5	Mahesh Prasad Mehrotra (HUF)	PG	19,84,262	5.13	-	19,84,262	5.13
6	Sadhana Mehrotra	PG	8,84,691	2.29	-	8,84,691	2.29
7	Vikas Mehrotra	PG	4,85,783	1.26	-	4,85,783	1.26
8	Mahesh Prasad Mehrotra	P	1	-	-	1	-
Total Promoter & Promoter Group			1,76,91,936	45.76		1,76,50,225	45.65

* P = Promoter, PG = Promoter Group

Note: 43: Ageing of Trade and Other Payables
Ageing of Trade & Other Payables as on 31-03-2022

Particulars	Outstanding for following periods from due date of payment				
	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-				
(ii) Others	548.68	542.84	0.01	-	5.83
(iii) Disputed dues – MSME	-				
(iv) Disputed dues – Others	-				

Ageing of Trade & Other Payables as on 31-03-2021

Particulars	Outstanding for following periods from due date of payment				
	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME					
(ii) Others	36.43	29.70	0.90	-	5.83
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

Note: 44: Ageing of Trade and Other Receivables
Ageing of Trade & Other Receivables as on 31-03-2022

Particulars	Outstanding for following periods from due date of payment					
	Total	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	468.87	343.02	124.18	0.53	0.92	0.22
(ii) Undisputed Trade Receivables - significant increase in credit risk						
(iii) Undisputed Trade Receivables - Credit impaired						
(iv) Disputed Trade receivables – considered good						
(v) Disputed Trade Receivables - significant increase in credit risk						
(vi) Disputed Trade Receivables - Credit impaired						

Ageing of Trade & Other Receivables as on 31-03-2021

Particulars	Outstanding for following periods from due date of payment					
	Total	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	545.44	420.92	123.38	0.92	-	0.22
(ii) Undisputed Trade Receivables - significant increase in credit risk						
(iii) Undisputed Trade Receivables - Credit impaired						
(iv) Disputed Trade receivables – considered good						
(v) Disputed Trade Receivables - significant increase in credit risk						
(vi) Disputed Trade Receivables - Credit impaired						

CONSOLIDATED FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements for the year ended 31.03.2022

(Rupees in Lakhs)

Note: 45: Loans to Related Parties

Loans Given to Related Parties as on 31.3.22

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of loans
Promoters		
Directors		
KMPs	0.30	0.04%
Related Parties		

Loans Given to Related Parties as on 31.3.21

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of loans
Promoters		
Directors		
KMPs	NIL	NIL
Related Parties		

Note: 46: Ageing of Capital Work in Progress

Ageing of Capital Work in Progress as on 31-03-2022

CWIP	Total	Amount in CWIP for a period of			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	6.98	6.98			
Projects temporarily suspended					

Ageing of Capital Work in Progress as on 31-03-2021

CWIP	Total	Amount in CWIP for a period of			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	928.41	202.97	321.90	188.62	214.92
Projects temporarily suspended					

Note: 47A: CWIP Completion Schedule

CWIP Completion Schedule as on 31-03-2022

CWIP	Total	Amount in CWIP for a period of			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	6.98	6.98			
Projects temporarily suspended					

CWIP Completion Schedule as on 31-03-2021

CWIP	Total	Amount in CWIP for a period of			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	928.41	928.41			
Projects temporarily suspended					

Note: 47B: Intangible Assets under Development Ageing Schedule

 There are no intangible assets under development as on 31st March 2022 and as on 31st March 2021.

Note 48: Relationship with Strike off Companies

(Rupees in Lakhs)

Sl. No.	NAME OF THE COMPANY	NATURE OF TRANSACTION										RELATIONSHIP (IF ANY)
		INVESTMENT IN SECURITIES OF SUCH COMPANY (Nos.)		RECEIVABLES (Amount)		PAYABLES (Amount)		SHARES HELD BY SUCH COMPANY (Nos.)		OTHER OUTSTANDING: UNPAID DIVIDEND (Amount)		
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	
1	COLOCAR LEASING & FINANCE P LTD	0	0	0	0	0	0	600	600	0.03	0.03	NIL
2	GURU RAKHA INVESHMENT PVT LTD	0	0	0	0	0	0	100	100	0.01	0.00	NIL
3	LAKSHMI FINTRADE PVT LTD (SHRI LAKSHMI FINTRADE PRIVATE LIMITED)	0	0	0	0	0	0	600	600	0.03	0.03	NIL
4	MANEELA FINANCE INVESTMENT PVT LTD (MANEELA FINANCE AND INVESTMENTS PRIVATE LTD)	0	0	0	0	0	0	600	600	0.03	0.03	NIL
5	MONEY TREE PLANTATION PVT LTD	0	0	0	0	0	0	1200	1200	0.06	0.05	NIL
6	NAV TRADING AND INVESTMENTS PRIVATE LIMITED	0	0	0	0	0	0	3600	3600	0.19	0.15	NIL

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Notes to the Consolidated Financial Statements for the year ended 31.03.2022

(Rupees in Lakhs)

7	OPTIONS FINANCIAL SERVICES LTD	0	0	0	0	0	0	600	600	0.03	0.03	NIL
8	PAAVAN SECURITIES PVT LTD	0	0	0	0	0	0	400	400	0.02	0.02	NIL
9	PARADISE FINSTOCK SERVICE PVT LTD	0	0	0	0	0	0	600	600	0.03	0.03	NIL
10	RAHAT HOLDINGS & ESTATES P LTD	0	0	0	0	0	0	600	600	0.03	0.03	NIL
11	SIDDIHI COMMODEAL PRIVATE LIMITED	0	0	0	0	0	0	400	400	0.02	0.02	NIL
12	SIS SHARE & STOCK BR. PVT LTD (GUARDIAN SHARE AND STOCK BROKERS PRIVATE LTD)	0	0	0	0	0	0	200	200	0.01	0.01	NIL
13	SUNSHINE HOLDINGS P LTD	0	0	0	0	0	0	9300	9300	0.41	0.30	NIL
14	YASHIKA FINLEASE AND HOLDINGS P LTD	0	0	0	0	0	0	2400	2400	0.13	0.10	NIL
15	KAMLESH LEASING AND FINANCE PRIVATE LIMITED	0	0	0	0	0	0	0	100	-	-	NIL
	BALANCE OUTSTANDING	0	0	0	0	0	0	21200	21300	1.05	0.80	-

Note 49: Key Ratios
Part A

S No	Particulars	As At 31.3.22	As At 31.3.21
1	Capital to risk- weighted assets ratio	NA *	NA *
2	Tier I CRAR	NA *	NA *
3	Tier II CRAR	NA *	NA *
4	Liquidity Coverage Ratio	NA *	NA *

* Note: As the company is not registered with RBI as NBFC by virtue of exemption given by RBI, the above ratios are not applicable to the company.

Part B

S No	Particulars	As At 31.3.22	As At 31.3.21	Change	Reason for Change (if Change > 25 %)
1	Return on equity (PAT / Equity) (%)	7.09%	9.09%	22.0%	Within Limit
2	Return on Assets (PAT / Total Assets) (%)	5.70%	7.21%	20.9%	Within Limit
3	Current Ratio (Cash, Bank, Receivables & Other Fin. Assets) / (Financial Liabilities) (times)	22.50	117.76	80.9%	While the numerator (assets) is almost at same level as in previous year, the denominator (liabilities) has increased on account of OD limit utilized, increase in Creditors for Capital goods, amount due to clearing member of Subsidiary and increase in Unpaid Dividend.

Note 50: 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*
		As at 31.03.2022			As at 31.03.2021		
		INR	INR	INR	INR	INR	INR
1	Reporting Currency						
2	Share Capital	3,000.00	7.07	10.00	3,000.00	7.07	10.00
3	Other Equity	1,34,052.07	(16.45)	(6.06)	1,07,383.22	(16.42)	(6.16)
4	Total Assets	1,79,302.18	0.16	3.94	1,46,076.04	0.16	10.00
5	Total Liabilities	42,250.11	9.55	-	35,692.82	9.51	6.16
6	Investments	1,78,086.66	-	-	1,43,911.70	-	-
7	Turnover/Total Income	3,502.00	-	-	645.02	-	-
8	Profit/(Loss) Before Taxation	3,225.81	(0.03)	0.11	496.53	(0.05)	(6.16)
9	Provision for Tax (expense)/credit (net):	1,246.70	-	-	(46.51)	-	-
10	Profit/(Loss) After Taxation	4,472.51	(0.03)	0.11	450.02	(0.05)	(6.16)
11	Other Comprehensive Income	22,196.33	-	-	32,030.56	-	-
12	Total Comprehensive Income	26,668.84	(0.03)	0.11	32,480.58	(0.05)	(6.16)
13	Proposed Dividend	-	-	-	-	-	-
14	% of Shareholding	100.00%	99.15%	100.00%	99.67%	99.15%	100.00%

* 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 has ended on 31-03-2022. The relevant financial parameters as on 31-03-2021 have been incorporated herein.

CONSOLIDATED FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements for the year ended 31.03.2022

(Rupees in Lakhs)

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 31.03.2022			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	31.03.2022	98,20,833	2,538.54	42.40%	3,671.89	234.46	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 31.03.2021			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	31.03.2021	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.

(Rupees in Lakhs)

Note 51: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associate as on 31.03.2022

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
Parent								
VLS Finance Limited	57.66	1,70,975.96	121.01	25,438.94	32.90	10,882.43	67.14	36,321.37
Subsidiaries (Indian):								
VLS Securities Limited	45.04	1,33,570.17	21.27	4,470.59	66.73	22,074.28	49.07	26,544.87
VLS Asset Management Limited	(0.01)	(16.39)	(0.00)	(0.03)	-	-	(0.00)	(0.03)
VLS Real Estate Limited	(0.00)	(6.06)	0.00	0.11	-	-	0.00	0.11
Inter-company eliminations due to consolidation	(3.08)	(9,124.86)	(43.40)	(9,123.67)	-	-	(16.86)	(9,123.67)
Non-controlling interest								
Subsidiaries (Indian)	(0.00)	(0.08)	0.01	1.93	0.37	122.05	0.23	123.98
Associate:								
VLS Capital Limited	0.38	1,133.35	1.12	234.59	(0.00)	(0.13)	0.43	234.46
Total	100.00	2,96,532.09	100.00	21,022.46	100.00	33,078.63	100.00	54,101.09

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
Parent								
VLS Finance Limited	55.54	1,35,234.53	97.50	21,582.18	43.88	25,042.83	58.86	46,625.01
Subsidiaries (Indian):								
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)
Non-controlling interest								
Subsidiaries (Indian)	0.15	367.91	0.01	1.50	0.19	106.77	0.14	108.27

CONSOLIDATED FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements for the year ended 31.03.2022

(Rupees in Lakhs)

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
Associate:								
VLS Capital Limited	0.37	898.89	0.50	110.36	(0.00)	(1.54)	0.14	108.82
Total	100.00	2,43,504.11	100.00	22,136.35	100.00	57,071.85	100.00	79,208.20

Note 52. 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 M. L. Puri & Co
 Chartered Accountants
 (FRN: 002312N)

For and on behalf of the board

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: May 28th, 2022

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

H. Consul
 Company Secretary
 M. No A-11183

Book Post



If not delivered, please return to :

VLS FINANCE LTD.

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