

VLS ASSET MANAGEMENT LTD.

Regd. Off. 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi – 110065,
CIN: U74899DL1995PLC065812,
email: vami@vlsfinance.com, Phone: 011-46656666, Fax: 011-46656699

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 25th Annual Report of your Company together with the Balance Sheet as at 31st March, 2020 and the Statement of Profit & Loss for the year ended on that date.

Financial Results

The Company has incurred a loss of Rs. 4,500/- 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 Company did not undertake any activity during the year under review. However, the Board is continuing efforts to identify suitable activity for operation keeping in view the means available. Accordingly the Company is being viewed as a going concern and the accounts have been prepared on the basis of the going concern assumption.

Board Meetings

During the year ended 31/03/2020, 4 (four) Board Meetings were held with one meeting in every quarter on 15/05/2019, 01/08/2019, 14/12/2019, and 20/03/2020.

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. 2019-20	
1	Shri S. K. Agarwal	4	15/05/2019
			01/08/2019
			14/12/2019
			20/03/2020
2	Shri K. K. Soni	4	15/05/2019
			01/08/2019
			14/12/2019
			20/03/2020
3	Shri Rajesh Jhalani	4	15/05/2019
			01/08/2019
			14/12/2019
			20/03/2020

Internal Financial Control Systems

The Company has in place a proper and adequate system of internal control to monitor proper recording of transactions authorized according to policies and procedures laid down by the Board. The Board ensures that all regulatory guidelines are being complied with at all levels.

Risk Management

Although the Company has not carried out any business during the year under review, the risk management mechanism of the Company was in place as consented to by the Board.

Dividend/Reserves

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

Directors

During the year under there is no change in directorship of the Company. Shri S.K. Agarwal (DIN: 00106763) 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)

We have reported in **Annexure-1** to this report, the extract of the Annual Return to be filed with the Registrar of the Companies in prescribed format.

Contracts With Related Party

Relevant disclosures has been made under clause 10 of note forming part of financial statements. The details of the related party transactions have been provided in form AOC-2 as under:

Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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:

Sl. No.	Particulars	Details
a)	Name(s) of the related party	NONE
b)	Nature of relationship	
c)	Nature of contracts/ arrangements/ transactions	
d)	Duration of the contracts / arrangements/transactions	
e)	Salient terms of the contracts or arrangements or transactions	
f)	Justification for entering into such contracts or arrangements or transactions	
g)	Date(s) of approval by the Board	
h)	Amount paid during the year	

Directors Responsibility Statement

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

- that in the preparation of the Annual Accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they have prepared the Annual Accounts for the financial year ended 31st March, 2020 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.

Auditors

The Members of the Company had appointed M/s. Agiwal & Associates-Chartered Accountants, (FRN: 00181N) as Statutory Auditors, in the 20th Annual General Meeting held on 23/09/2015 for a period of 5 years i.e. upto conclusion of 25th Annual General Meeting ("AGM") of the Company to be held in 2020. The term of Statutory Auditors of five years as per provision of section 139(1) of Companies Act, 2013 will end at the conclusion of ensuing AGM. The Board recommends to re-appoint M/s. Agiwal & Associates-Chartered Accountants, (FRN: 00181N) as Statutory Auditors of the Company for a further period of 5 years commencing from conclusion of forthcoming Annual General Meeting i.e. 25th AGM to conclusion of 30th AGM of the Company to be held in calendar year 2025 as set out in the notice convening 25th AGM of the Company. M/s. Agiwal & Associates have conveyed their in-principle consent and eligibility for appointment as Statutory Auditors of the Company. The provisions relating to rotation of Statutory Auditors of Company in terms of section 139(2) of the Companies Act, 2013 are not applicable since the Company does not fall in categories prescribed in Rule 5 of Companies (Audit and Auditors) Rules 2014 as in force on date.

Auditors Report

The observations made by Auditors, M/s. Agiwal & Associates, Chartered Accountants in their report have been adequately dealt with in relevant Notes on Accounts and in this report under the head – Financial Results. No further comments or explanations are required from Directors as there is no qualification in the Auditor's report for the year under review.

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-2** 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 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 43a and 62(1) (b) of Companies Act, 2013 during the year under review.

Your company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of Sec 67(3) (b) of Companies Act, 2013 during the year under review.

No revision of financial statements or Board's Report has been made in terms of section 131(1) of the Companies Act, 2013.

The Company has not undertaken any Corporate Social Responsibility initiative as the relevant provisions are not applicable on the Company.

Provisions for appointment of Independent directors are not applicable on your Company nor is it covered under sections 134(p), 177, 178, 203 and 204 of the Companies Act, 2013.

The Company has no subsidiaries and associates as defined under the Companies Act, 2013.

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

S. K. Agarwal
Director
DIN: 00106763

K. K. Soni
Director
DIN: 00106037

Place : New Delhi
Date : 14/07/2020

ANNEXURE-1
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U74899DL1995PLC065812
ii	Registration Date	24/02/1995
iii	Name of the Company	VLS ASSET MANAGEMENT LIMITED
iv	Category/Sub-category of the Company	Public Limited Company
v	Address of the Registered office & contact details	2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi- 110065 Phone Nos. 011 - 46656666 Fax 011-46656699
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Asset Management	9999999999999999	0.00

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	VLS Finance Ltd. '2nd Floor, 13, Sant Nagar, 'East of Kailash, New Delhi- 110065	L65910DL1986PLC023129	Holding	99.15%	2(46)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)
(i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01/04/2019				No. of Shares held at the end of the year i.e. 31/03/2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Central Govt.or State Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corporates	0	70100	70100	99.15%	0	70100	70100	99.15%	0.00%
d) Bank/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL:(A) (1)	0	70100	70100	99.15%	0	70100	70100	99.15%	0.00%
(2) Foreign									
a) NRI-Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other...	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (A) (2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	70100	70100	99.15%	0	70100	70100	99.15%	0.00%

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Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01/04/2019				No. of Shares held at the end of the year i.e. 31/03/2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Central govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Fund	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIIS	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (B)(1):	0	0	0	0.00%	0	0	0	0.00%	0.00%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	100	100	0.14%	0	100	100	0.14%	0.00%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	500	500	0.71%	0	500	500	0.71%	0.00%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
a) NRI / OCB	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Foreign National	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Clearing Member	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) LLP	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Trust	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (B)(2):	0	600	600	0.85%	0	600	600	0.85%	0.00%
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	600	600	0.85%	0	600	600	0.85%	0.00%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
Grand Total (A+B+C)	0	70700	70700	100.00%	0	70700	70700	100.00%	0.00%

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year i.e. 01/04/2019			Shareholding at the end of the year i.e. 31/03/2020			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	VLS Finance Ltd.	70100	99.15%	0.00	70100	99.15%	0.00	0.00%
	Total	70100	99.15%	0.00	70100	99.15%	0.00	0.00%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

SI. No.	Shareholder's Name	Date	Share holding at the beginning of the Year i.e. 01/04/2019		Cumulative Share holding during the year	
			No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	VLS Finance Ltd.		There is no change in promoter holding.			
	At the beginning of the year	01-04-2019	70100	99.15%	70100	99.15%
	At the end of the year	31-03-2020	70100	99.15%		

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

SI. No	For Each of the Top 10 Shareholders	Date	Share holding at the beginning of the Year i.e. 01/04/2019		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Shri M. P. Mehrotra					
	At the beginning of the year	01-04-2019	100	0.14%	100	0.14%
	At the end of the year	31-03-2020	100	0.14%		
2	Dr. (Mrs.) Sushma Mehrotra					
	At the beginning of the year	01-04-2019	100	0.14%	100	0.14%
	At the end of the year	31-03-2020	100	0.14%		
3	Shri Somesh Mehrotra					
	At the beginning of the year	01-04-2019	100	0.14%	100	0.14%
	At the end of the year	31-03-2020	100	0.14%		
4	Shri Vikas Mehrotra					
	At the beginning of the year	01-04-2019	100	0.14%	100	0.14%
	At the end of the year	31-03-2020	100	0.14%		
5	Shri Ramji Mehrotra					
	At the beginning of the year	01-04-2019	100	0.14%	100	0.14%
	At the end of the year	31-03-2020	100	0.14%		

Sl. No	For Each of the Top 10 Shareholders	Date	Share holding at the beginning of the Year i.e. 01/04/2019		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No of shares	% of total shares of the company
6	VLS Capital Ltd.					
	At the beginning of the year	01-04-2019	100	0.14%	100	0.14%
	At the end of the year	31-03-2020	100	0.14%		

(v) **Shareholding of Directors & KMP** : None of the Directors or KMP hold any shares in the Company.

Sl. No	For Each of the Directors & KMP	Date	Share holding at the beginning of the Year i.e. 01/04/2019		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	01-04-2019	0	0.00%	0	0.00%
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0	0	0
3	At the end of the year	31-03-2020	0	0.00%	0	0.00%

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount		₹	941994	0	941994
ii) Interest due but not paid		₹	0	0	0
iii) Interest accrued but not due		₹	0	0	0
Total (i+ii+iii)		₹	941994	0	941994
Change in Indebtedness during the financial year					
Additions		₹	4500	0	4500
Reduction		₹	0	0	0
Net Change		₹	4500	0	4500
Indebtedness at the end of the financial year					
i) Principal Amount		₹	946494	0	946494
ii) Interest due but not paid		₹	0	0	0
iii) Interest accrued but not due		₹	0	0	0
Total (i+ii+iii)		₹	946494	0	946494

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager : **NIL**
Since appointment of Key Managerial personnel is not mandatory for the Company.

Sl.No	Particulars of Remuneration	Name of the MD/WTD/ Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	0	0
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock options	0	0
3	Sweat Equity	0	0
4	Commission as % of profit others (specify)	0	0
5	Others, please specify	0	0
	Total (A)	0	0
	Ceiling as per the Act per annum	0	0

B. Remuneration to other directors: No remuneration was paid to Directors.

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	No Independent directors			
	(a) Fee for attending board committee				
	(b) Commission				
	(c) Others, please specify				
	Total (1)				
2	Other Non Executive Directors	Shri S. K. Agarwal	Shri K. K. Soni	Shri Rajesh Jhalani	Total Amount
	(a) Fee for attending board committee	0	0	0	0
	(b) Commission	0	0	0	0
	(c) Others, please specify.	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	0	0	0	0
	Total Managerial Remuneration	0	0	0	0
	Overall Ceiling as per the Act. Per meeting	100000	100000	100000	0

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD **NIL**
Since appointment of Key Managerial personnel is not mandatory for the Company.

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary	CFO
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N.A	N.A	N.A
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N.A	N.A	N.A
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A	N.A	N.A
2	Stock Option	N.A	N.A	N.A
3	Sweat Equity	N.A	N.A	N.A
4	Commission as % of profit others, specify	N.A	N.A	N.A
5	Others, please specify	N.A	N.A	N.A
	Total	N.A	N.A	N.A

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
B. DIRECTORS					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*
C. OTHER OFFICERS IN DEFAULT					
Penalty	*	*	*	*	*
Punishment	*	*	*	*	*
Compounding	*	*	*	*	*

* No Penalty, punishment imposed or compounding undertaken by the company or Directors or other officers in default during the year under review.

Annexure-2
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, 2020.

CONSERVATION OF ENERGY

- a) Energy conservation measure taken : Nil
- b) Proposals under implementation for reduction in consumption of energy : 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

S. K. Agarwal **K. K. Soni**
Director **Director**
DIN: 00106763 **DIN: 00106037**

Place : New Delhi
Date : 14/07/2020

INDEPENDENT AUDITOR'S REPORT
**To The Members of VLS Asset Management Limited
Report on the Audit of the Financial Statements**
Opinion

We have audited the accompanying IND AS financial statements of **VLS Asset Management Limited** ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis on Matter
a) Going Concern:

The Company's operating results have been materially affected due to various factors during earlier years and also during the financial year ended March 31, 2020, and the Company has huge accumulated losses of Rs 16,37,271

against share capital of Rs 7,07,000 as on the aforesaid date, which has eroded the entire net worth of the Company. Accordingly, the appropriateness of the Going Concern assumption is dependent on the Company's ability to establish consistent profitable operations as well as raising, obtaining or infusing adequate/ required fund to meet its short term and long term obligations.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statement of the current period.

Other Information

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

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

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

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

Management's Responsibility for the Ind AS Financial Statements

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

reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Change in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) In Our Opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the company to its directors in accordance with the provision of section 197 read with schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have pending litigation which would impact its financial position;
 - ii. the company did not have any long term contract including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

CA P. C. Agiwal
Partner
Membership Number: 080475

UDIN: 20080475AAAACA9513

Place: New Delhi

Date : July 14, 2020

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the financial statements of VLS Asset Management Limited for the year ended 31st March, 2020, we report that:

- (i) The Company did not have any Fixed Assets during the relevant financial year. Hence, comments of physical verification of assets and ownership thereof are not required.
- (ii) Since there were no operations during the year hence comments on physical verification of stock is not required.
- (iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loan to companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the Company.
- (iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security the Company have not made any loans, investments, guarantees and security thus no comments are required on compliance of Section 185 and 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions under the Act. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund,

employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other material statutory dues to the appropriate authorities to the extent these are applicable.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at March 31st, 2020, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of Income Tax, or Sales Tax or Goods and Services Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited by the company on account of disputes.
- (viii) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company does not have any outstanding dues to financial institutions or banks during the year.
- (ix) In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) On the basis of records and information and explanations made available, no managerial remuneration has been paid or provided hence no comment is required on compliance of Section 197 Read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under section 406 of the act.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Agiwal & Associates**
Chartered Accountants

Firm's Registration Number: 000181N

CA P. C. Agiwal
Partner

Membership Number: 080475

UDIN: 20080475AAAACA9513

Place: New Delhi

Date : July 14, 2020

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **VLS Asset Management Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively

for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Agiwal & Associates**
Chartered Accountants

Firm's Registration Number: 000181N

CA P. C. Agiwal
Partner

Membership Number: 080475

UDIN: 20080475AAAACA9513

Place: New Delhi

Date : July 14, 2020

BALANCE SHEET AS ON 31.03.2020

(Amount Rs. in Lakhs)

Particulars	Note No.	31.03.2020	31.03.2019	01.04.2018
ASSETS				
(1) FINANCIAL ASSETS				
(a) Cash and cash equivalents	3	0.16	0.16	0.16
		<u>0.16</u>	<u>0.16</u>	<u>0.16</u>
(2) NON-FINANCIAL ASSETS				
(a) Property, Plant and Equipment		-	-	-
Total Assets		<u>0.16</u>	<u>0.16</u>	<u>0.16</u>
LIABILITIES				
(1) FINANCIAL LIABILITIES				
(a) Other financial liabilities	4	-	-	0.01
		-	-	<u>0.01</u>
(2) NON-FINANCIAL LIABILITIES				
(a) Borrowings	5	9.46	9.42	9.37
		<u>9.46</u>	<u>9.42</u>	<u>9.37</u>
EQUITY				
(a) Equity Share capital	6	7.07	7.07	7.07
(b) Other Equity	7	(16.37)	(16.33)	(16.29)
		<u>(9.30)</u>	<u>(9.26)</u>	<u>(9.22)</u>
Total Liabilities and Equity		<u>0.16</u>	<u>0.16</u>	<u>0.16</u>
Significant Accounting Policies and Notes forming part of accounts	1 to 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 : 14/07/2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount Rs. in Lakhs)

	As at 31.03.2020	As at 31.03.2019
A. Cash Flow from operating activities		
Net Profit (Loss) before Tax	(0.05)	(0.04)
Adjustment for :-		
Operating Profit before working capital changes	(0.05)	(0.04)
Increase / (Decrease) in trade payables & Others	-	-
Cash Generated from Operations	(0.05)	(0.04)
Net Cash From Operating Activities	(0.05)	(0.04)
B. Cash Flow From Financing activities		
Proceeds from borrowings	0.05	0.04
Net Cash From Financing Activities	0.05	0.04
Net increase in Cash & Cash Equivalents (A+B)	-	-
C. Cash & Cash Equivalents at the beginning of the Year	0.16	0.16
D. Cash & Cash Equivalents at the end of the year	0.16	0.16
Increase/(Decrease) in Cash & Cash Equivalents (D-C)	-	-
As per our report of even date attached hereto		

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 : 14/07/2020

STATEMENT OF PROFIT AND LOSS AS ON 31.03.2020

(Amount Rs. in Lakhs)

Particulars	Note No.	31.03.2020	31.03.2019
I Income			
Revenue From Operations			
(i) Interest Income		-	-
(ii) Dividend Income		-	-
(iii) Net Gain on Fair Value Charges		-	-
(iv) Sale of Shares/Securities		-	-
(v) Income from Brokerage		-	-
Total Income (I)		<u>-</u>	<u>-</u>
II Other Income			
Total Income (II)		<u>-</u>	<u>-</u>
III Total Income (I+II)			
(i) Purchase of Stock-in-Trade		-	-
(ii) Net Loss on Fair Value Charges		-	-
(iii) Employee benefits expense		-	-
(iv) Operating Expenses		-	-
(v) Depreciation and amortization expense		-	-
(vi) Other expenses	8	0.05	0.04
Total expenses (IV)		<u>0.05</u>	<u>0.04</u>
V Profit/(loss) before exceptional items and tax (I-IV)		(0.05)	(0.04)
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		(0.05)	(0.04)
VIII Tax expense:			
(1) Current tax		-	-
(2) Tax adjustment for earlier Year		-	-
(2) Deferred tax		-	-
IX Profit (Loss) for the period (VII-VIII)		(0.05)	(0.04)
XI Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Gain / (Loss) arising on Defined Employee Benefits		-	-
Gain / (Loss) arising on fair valuation of Investment		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XII Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(0.05)	(0.04)
XIII Earnings per equity share			
(1) Basic		(0.00)	(0.00)
(2) Diluted		(0.00)	(0.00)
Significant Accounting Policies and Notes forming part of accounts	1 to 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 : 14/07/2020

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note 1
Corporate Overview

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:
a) General

The accompanying financial statements have been prepared on the historical cost convention and conform to the statutory provisions and practices prevailing in the country.

b) Method of Accounting

The company is following accrual basis of accounting.

(Amount Rs. in Lakhs)

NOTE PARTICULARS	31.03.2020	31.03.2019	01.04.2018
NOTE - 3			
Cash & Bank Balances			
Cash and Cash Equivalents			
Cash on hand	-	-	-
Balance with Bank			
In current account	0.16	0.16	0.16
Total	<u>0.16</u>	<u>0.16</u>	<u>0.16</u>

Notes Forming Part of Financial Statements

NOTE PARTICULARS NO.	31.03.2020	31.03.2019	01.04.2018
NOTE - 4			
Other financial Liabilities			
Expenses Payable	-	-	0.01
	-	-	0.01
NOTE - 5			
Other financial Liabilities			
Unsecured Long Term Borrowings			
From Holding Company i. e. VLS Finance Ltd. (non-interest bearing)	9.46	9.42	9.37
	9.46	9.42	9.37

NOTE - 6 Share Capital	(No of Shares in Lakhs and Amount Rs. In Lakhs)		
	As at 31-Mar-20	As at 31-Mar-19	As at 01-April-18
Authorised			
1,00,00,000 Equity Shares of Rs.10/- each	1,000.00	1,000.00	1,000.00
	1,000.00	1,000.00	1,000.00
Issued, Subscribed & Paid up	7.07	7.07	7.07
70700 Equity Shares of Rs.10/- each	7.07	7.07	7.07

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

Equity Shares	As at 31.03.2020		As at 31.03.2019		As at 31.03.2018	
	No. of shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	0.707	7.07	0.707	7.07	0.707	7.07
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	0.707	7.07	0.707	7.07	0.707	7.07

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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 31.03.2020	As at 31.03.2019	As at 31.03.2018
VLS Finance Ltd.	0.701	0.701	0.701

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

	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
VLS Finance Ltd. (including 600 shares held through its nominees)	0.701	99.15	0.701	99.15	0.701	99.15

Statement of Changes in Equity for the year ended 31 March 2020
Note 7
A. Equity Share

(Amount Rs. in Lakhs)

Particulars	Equity share capital	
	Number of shares	Amount
As at 1 April 2018	0.71	7.07
Changes during the year due to exercise of ESOS	-	-
As at 31 March 2019	0.71	7.07
Changes during the year due to exercise of ESOS	-	-
As at 31 March 2020	0.71	7.07

B. Other Equity

Particulars	Reserves and Surplus							Other comprehensive income		Total	
	Capital Redemption Reserve	Capital Reserve	Securities premium	Share based payment reserve	Statutory Reserves (under Sec 45ic of RBI Act, 1934)	General Reserve	Debenture Redemption Reserve	Retained Earnings	Equity instruments through other comprehensive income		Actuarial gain/(losses) on post retirement benefit plans
Balance as at 01 April 2018	-	-	-	-	-	-	-	(16.29)	-	-	(16.29)
Due to exercise of options											-
Transition effect as on 01.04.2018											-
Additions during the year								(0.04)			(0.04)
Transfer to statutory reserves											
Transfer to debenture redemption reserve											
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(16.33)	-	-	(16.33)
Dividends											
Transfer to Securities premium											
Balance as at 31 March 2019	-	-	-	-	-	-	-	(16.33)	-	-	(16.33)
Balance as at 01 April 2019	-	-	-	-	-	-	-	(16.33)	-	-	(16.33)
Additions during the year								(0.04)			(0.04)
Transfer to Retained earning											
Transfer to debenture redemption reserve											
Dividends											
Total other comprehensive income for the year											
Balance as at 31 March 2020	-	-	-	-	-	-	-	(16.37)	-	-	(16.37)

As our report of even date

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

P.C. Agiwal
 Partner
 Membership No. 080475

 Place : New Delhi
 Date : 14/07/2020

For and on behalf of the Board

S. K. Agarwal
 Director
 DIN:00106763

K. K. Soni
 Director
 DIN:00106037

Notes Forming Part of Financial Statements

(Amount Rs. in Lakhs)

Note No.	Particulars	31.03.2020	31.03.2019
NOTE - 8			
Revenue From Operations			
	Interest Income	-	-
	Dividend Income	-	-
	Net Gain on Fair Value Charges	-	-
	Sale of Shares/Securities	-	-
	Income from Brokerage	-	-
	Total	-	-
NOTE - 9			
Other Income			
	Audit Fee Payable	-	-
	Total	-	-
NOTE - 10			
Other Expenses			
	Filing Charges	0.03	0.02
	Certification Charges	0.02	0.02
	Total	0.05	0.04

11 Deferred Tax Liability/ Deferred Tax Asset

There is no deferred tax asset/liability for the company during the year.

12 Related Party Disclosure (Accounting Standard - 18)

Following are the Related Parties:-

Holding company: - VLS Finance Ltd.

Fellow Subsidiaries: - VLS Securities Ltd.

Transaction during the year with the related party:-

(Amount Rs. in Lakhs)

Related Party	Nature of Transaction	As at 31 st March, 2020	As at 31 st March, 2019
Holding Company	Opening Balance	9.42	9.37
	Transactions during the year	0.04	.05
	Closing Balance	9.46	9.42

13 Basic and Diluted Earning Per Share (Under Accounting Standard - 20)

(No of Shares in Lakhs and Amount Rs. In Lakhs)

S. No.	Particulars	Year Ended 31 st March 2020	Year Ended 31 st March 2019
1.	Net Profit/Loss after Tax	(0.05)	(0.04)
2.	Weighted Average number of Equity Shares	0.707	0.707
3.	Face value per Share	10	10
4.	Basic & Diluted Earning Per Share	(0.00)	(0.00)

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

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 **K. K. Soni**
Director Director
DIN:00106763 DIN:00106037

Place : New Delhi
Date : 14/07/2020

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of VLS Finance Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **VLS Finance Limited ("the Company")** and its subsidiaries and associate (the Company and its subsidiaries and associate company together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, 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, 2020, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have