

**VLS ASSET MANAGEMENT LTD.**

Regd. Office: Ground Floor, 90, Okhla Industrial Estate, Phase-III, New Delhi 110020  
 CIN: U74899DL1995PLC065812,  
 E-mail: vaml@vlsfinance.com, Phone: 011-46656666

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the 29<sup>th</sup> Annual Report of your Company together with the Balance Sheet as on 31<sup>st</sup> March, 2024 and the Statement of Profit & Loss for the year ended on that date.

**Financial Results**

The period comprises the Financial Year from 01/04/2023 to 31/03/2024. The Company has incurred a loss of Rs. 4,110/- (Rupees Four Thousand One Hundred and Ten only) on account of administrative expenses incurred. No income was generated during the year under review. 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 in continuous efforts to identify suitable activity for operations, 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 the financial year under review and date of this report.

**Board Meetings**

During the Financial Year ended 31/03/2024, 4 (Four) Board Meetings were held with one meeting in every quarter on 17/05/2023, 08/08/2023, 21/10/2023 and 23/01/2024.

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 F. Y. 2023-24	
1	Shri S. K. Agarwal	4	17/05/2023
			08/08/2023
			21/10/2023
			23/01/2024
2	Shri K. K. Soni	4	17/05/2023
			08/08/2023
			21/10/2023
			23/01/2024
3	Shri Rajesh Jhalani	2	17/05/2023
			08/08/2023

**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 the loss for the year has been transferred to other equity under the head 'Retained Earnings'.

**Directors**

During the year under review, there is no change in directorship of the Company. Shri Rajesh Jhalani (DIN: 00006395) shall be retiring by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for reappointment. Your directors recommend his reappointment in order to have his continued valuable direction, guidance and assistance in the conduct of the affairs of your Company.

**Annual Return Extract (MGT-9)**

The reporting of extract of Annual Return in Form No. MGT-9 had been done away with pursuant to amendment in Section 92(3) of the Companies Act, 2013 read with Rule 12 of 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 the link thereof is required to be given in the Board's Report. The Company does not have a website at present; hence, a 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.

**Contracts With Related Party**

Relevant disclosures have been made under Clause 13 of the 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 the Company 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 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March, 2024 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 25<sup>th</sup> Annual General Meeting held on 25/09/2020 for the 2<sup>nd</sup> term for a period of 5 years i.e. upto conclusion of 30<sup>th</sup> Annual General Meeting of the Company to be held in 2025. The provisions relating to rotation of Statutory Auditors of Company in terms of Section 139(2) of the Companies Act, 2013 are not applicable since the Company does not fall in categories prescribed in Rule 5 of Companies (Audit and Auditors) Rules, 2014 as in force on date. The Auditors have confirmed their eligibility for continuing as Statutory Auditors for the Financial Year 2024-25 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-I** 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, provisions 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 year and therefore, the provision relating to disclosure of variation in valuation in terms Rule 8 (5) (XII) of Companies (Accounts) Rules, 2014 is not applicable for the said Financial Year.

**Acknowledgement**

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

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

<b>Place : New Delhi</b>	<b>Rajesh Jhalani</b>	<b>K. K. Soni</b>
<b>Date : 22/05/2024</b>	<b>Director</b>	<b>Director</b>
	<b>DIN: 00006395</b>	<b>DIN: 00106037</b>

**Annexure-I**

**Annexure to Directors’ Report**

**Information as per Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of Directors’ Report for the year ended 31<sup>st</sup> March, 2024.**

**CONSERVATION OF ENERGY**

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

**TECHNOLOGY ABSORPTION**

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

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

<b>Place : New Delhi</b>	<b>Rajesh Jhalani</b>	<b>K. K. Soni</b>
<b>Date : 22/05/2024</b>	<b>Director</b>	<b>Director</b>
	<b>DIN: 00006395</b>	<b>DIN: 00106037</b>

## 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, 2024, 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, 2024 and its loss, total comprehensive loss, 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We Reporting of Key Audit matters as per SA 701 - 'Key Audit Matters' are not applicable to the Company as it is unlisted company.

#### 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, 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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;

As the Company has not paid any Managerial Remuneration to its directors, the provisions of Section 197 relating to managerial remuneration are not applicable to it.

- 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;
  - vi. Based on our examination of the books of account produced before us, the company has maintained manual books of account, therefore reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable in the case of the company.

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

**CA P.C. Agiwal**  
Partner  
Membership Number: 080475  
UDIN: 24080475BKFKZQ6494

Place: New Delhi  
Date: 22/05/2024

**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, 2024 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. The provision regarding Internal Audit is not applicable to the company, hence reporting under clause xiv(a) and xiv (b) is not made.
- 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. 0.04 lakh during the financial year covered under our audit and cash losses of Rs. 0.05 lakh 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: 24080475BKFKZQ6494

Place: New Delhi  
Date: 22/05/2024

#### **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, 2024 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, 2024, 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: 24080475BKFKZQ6494

Place: New Delhi  
Date: 22/05/2024

#### Statement of Profit and Loss for the year ended 31st March, 2024

		(₹ in lakhs)		
	Particulars	Note No	For the year ended 31st March 2024	For the year ended 31st March 2023
I	<b>Revenue From Operations</b>			
(i)	Interest Income	9	-	-
(ii)	Dividend Income		-	-
(iii)	Net Gain on Fair Value Changes		-	-
	Total Revenue From Operations (I)		-	-
II	<b>Other Income</b>	10	-	-
	Total Other Income (II)		-	-
III	Total Income (I+II)		-	-
IV	<b>Expenses</b>			
(i)	Employee benefits expense		-	-
(ii)	Depreciation and amortization expense		-	-
(iii)	Other expenses	11	0.04	0.05
	Total expenses (IV)		<b>0.04</b>	<b>0.05</b>
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)	(0.06)
	(2) Diluted Rs.		(0.06)	(0.06)

#### Balance Sheet as at 31st March, 2024

		(₹ in lakhs)		
	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
	<b>ASSETS</b>			
(1)	<b>FINANCIAL ASSETS</b>			
(a)	Cash and cash equivalents	4	0.16	0.16
			<b>0.16</b>	<b>0.16</b>
(2)	<b>NON-FINANCIAL ASSETS</b>			
(a)	Property, Plant and Equipment		-	-
			-	-
	<b>Total Assets</b>		<b>0.16</b>	<b>0.16</b>
	<b>LIABILITIES AND EQUITY</b>			
(1)	<b>FINANCIAL LIABILITIES</b>			
(a)	Other financial liabilities	5	-	-
			-	-
(2)	<b>NON-FINANCIAL LIABILITIES</b>			
(a)	Other non-financial liabilities	6	9.64	9.60
			<b>9.64</b>	<b>9.60</b>
	<b>EQUITY</b>			
(a)	Equity Share capital	7	7.07	7.07
(b)	Other Equity	8	(16.55)	(16.51)
			<b>(9.48)</b>	<b>(9.44)</b>
	<b>Total Liabilities and Equity</b>		<b>0.16</b>	<b>0.16</b>

Significant Accounting Policies and Notes forming part of Financial Statement 1 to 17

Significant Accounting Policies and Notes forming part of Financial Statement 1 to 17

As per our report of even date attached  
**For Agiwal & Associates**  
Chartered Accountants  
(F.R.N.000181N)

**For and on behalf of the Board**

**P.C.Agiwal**  
Partner  
Membership No. 080475  
UDIN: 24080475BKFKZQ6494  
Place : New Delhi  
Date : 22/05/2024

**Rajesh Jhalani K. K. Soni**  
Director Director  
DIN:00006395 DIN:00106037

As per our report of even date attached  
**For Agiwal & Associates**  
Chartered Accountants  
(F.R.N.000181N)

**For and on behalf of the Board**

**P.C.Agiwal**  
Partner  
Membership No. 080475  
UDIN: 24080475BKFKZQ6494  
Place : New Delhi  
Date : 22/05/2024

**Rajesh Jhalani K. K. Soni**  
Director Director  
DIN:00006395 DIN:00106037

**Cash Flow Statement for the year ended 31st March, 2024**

(₹ in lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(0.04)	(0.05)
Adjustment for:		
	-	-
Operating profit	(0.04)	(0.05)
Adjustment for working capital changes		
(Increase) / decrease in loans	0.04	0.05
Cash generated / (used) from operations	-	-
Direct taxes paid net	-	-
Net cash generated / (used) from operating activities (A)	-	-
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net cash generated / (used) from investing activities (B)	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
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	-	-
Scheduled bank - In current account	0.16	0.16
<b>Total</b>	<b>0.16</b>	<b>0.16</b>
<b>Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4)</b>		
Cash and cash equivalents as at end of the year as per above	0.16	0.16
Add:- Fixed deposit with banks	-	-
Add:- Unpaid dividend account	-	-
<b>Total cash and bank balances equivalents as at end of the year</b>	<b>0.16</b>	<b>0.16</b>

Significant Accounting Policies and Notes forming part of accounts

As per our report of even date attached

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

**For and on behalf of the Board**
**P.C.Agiwal**  
 Partner  
 Membership No. 080475  
 UDIN: 24080475BKFKZQ6494  
 Place : New Delhi  
 Date : 22/05/2024

**Rajesh Jhalani**   **K. K. Soni**  
 Director   Director  
 DIN:00006395   DIN:00106037

**Statement of Changes in Equity for the year ended 31st March,2024**
**A. Equity Share Capital**
**(1) Current reporting period**

(₹ in lakhs)

Balance as at 1st April, 2023	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2023	Changes in equity share capital during the current year	Balance as at 31st March, 2024
7.07	-	7.07	-	7.07

**(2) Previous reporting period**

(₹ in lakhs)

Balance at 1st April, 2023	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2022	Changes in equity share capital during the previous year	Balance as at 31st March, 2023
7.07	-	7.07	-	7.07

**B. Other Equity**
**(1) Current reporting period**

(₹ in lakhs)

Particulars	Retained Earnings	Other Comprehensive Income		
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
Balance as at 1st April, 2023	(16.51)	-	-	(16.51)
Changes in accounting policy/ prior period errors	-	-	-	-
Restated balance as at 1st April, 2023	(16.51)	-	-	(16.51)
Profit for the year	(0.04)	-	-	(0.04)
Other Comprehensive Income (net of tax)	-	-	-	-
<b>Total comprehensive income for the current year</b>	<b>(0.04)</b>	<b>-</b>	<b>-</b>	<b>(0.04)</b>
Dividends	-	-	-	-
Transfer to/ from retained earnings	-	-	-	-
Any other change (to be specified)	-	-	-	-
Balance as at 31st March, 2024	(16.55)	-	-	(16.55)

**(2) Previous reporting period**

(₹ in lakhs)

Particulars	Retained Earnings	Other Comprehensive Income		
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
Balance as at 1st April, 2022	(16.46)	-	-	(16.46)
Changes in accounting policy/ prior period errors	-	-	-	-
Restated balance as at 1st April, 2022	(16.46)	-	-	(16.46)
Profit for the year	(0.05)	-	-	(0.05)
Other Comprehensive Income (net of tax)	-	-	-	-

**(2) Previous reporting period** (₹ in lakhs)

Particulars	Retained Earnings	Other Comprehensive Income		
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
Total comprehensive income for the previous year	(0.05)	-	-	(0.05)
Dividends	-	-	-	-
Transfer to/ from retained earnings	-	-	-	-
Any other change (to be specified)	-	-	-	-
Balance as at 31st March, 2023	(16.51)	-	-	(16.51)

As per our report of even date attached

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

**P.C.Agiwal**  
Partner  
Membership No. 080475  
UDIN: 24080475BKFKZQ6494  
Place : New Delhi  
Date : 22/05/2024

**For and on behalf of the Board**

**Rajesh Jhalani** **K. K. Soni**  
Director Director  
DIN:00006395 DIN:00106037

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**
**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 business 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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**
**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**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

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) 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).

**(iii) 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 / Server 6 years

Vehicles 8 to 10 years

Building 60 years

**(iv) 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.

Intangible asset	Useful life / amortization period
Computer Software	5 Years

**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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

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.

**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 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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

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.

PARTICULARS	(₹ in lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
<b>Note - 4 Cash &amp; Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	-	-
<b>Balance with Bank</b>		
In current account	0.16	0.16
Total	<u>0.16</u>	<u>0.16</u>

PARTICULARS	(₹ in lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
<b>Note - 5 Other financial Liabilities</b>		
Expenses Payable	-	-
<b>Note - 6 Other non-financial liabilities</b>		
Dues to Holding Company i.e. VLS Finance Limited	9.64	9.60
Total	<u>9.64</u>	<u>9.60</u>

**NOTE - 7**

Share Capital	(Shares in Nos. and ₹ in lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
<b>Authorised</b>		
1,00,00,000 Equity Shares of Rs.10/- each	1,000.00	1,000.00
	<u>1,000.00</u>	<u>1,000.00</u>
<b>Issued, Subscribed &amp; Paid up</b>		
70700 Equity Shares of Rs.10/- each	7.07	7.07
	<u>7.07</u>	<u>7.07</u>

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

Particulars	(Shares in Nos. and ₹ in lakhs)			
	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	Amount	No. of Shares	Amount
At the beginning of the year	70,700	7.07	70,700	7.07
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>70,700</u>	<u>7.07</u>	<u>70,700</u>	<u>7.07</u>

**b. Terms/rights attached to equity shares**

The Company has 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.

Particulars	As at 31st March, 2024	As at 31st March, 2023
VLS Finance Ltd.	70,100.00	70,100.00

d. Details of shareholders holding more than 5% shares in the company	No. of shares	% of holding	No. of shares	% of holding
<b>Particulars</b>				
VLS Finance Ltd.	70,100	99.15	70,100	99.15
<b>Total</b>	<u>70,100</u>	<u>99.15</u>	<u>70,100</u>	<u>99.15</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**
**Shareholding of promoters as at 31st March, 2024**

Particulars Promoter Name	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
VLS Finance Ltd.	70,100.00	99.15	70,100.00	99.15	-
<b>Total</b>	<b>70,100.00</b>	<b>99.15</b>	<b>70,100.00</b>	<b>99.15</b>	<b>-</b>

**Shareholding of promoters as at 31st March, 2023**

Particulars Promoter Name	As at 31st March 2022		As at 31st March 2023		% Change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
VLS Finance Ltd.	70,100.00	99.15	70,100.00	99.15	-
<b>Total</b>	<b>70,100.00</b>	<b>99.15</b>	<b>70,100.00</b>	<b>99.15</b>	<b>-</b>

**Note 8 : Other Equity**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Retained earnings</b>		
Balance at the beginning of the year	(16.51)	(16.46)
Add: Profit/(loss) during the year	(0.04)	(0.05)
<b>Balance as at end of the year</b>	<b>(16.55)</b>	<b>(16.51)</b>
<b>Total</b>	<b>(16.55)</b>	<b>(16.51)</b>

i) There is no changes in accounting policy and there is no prior period errors.

**Nature and purpose of reserves :**
**i) Retained earnings:**

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

(₹ in lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
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**Note - 9 Interest Income**

Interest Income	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note -10 Other Income**

Audit Fee Payable	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note - 11 Other Expenses**

Filing Charges	0.02	0.05
Professional Charges	0.02	-
<b>Total</b>	<b>0.04</b>	<b>0.05</b>

**Note 12: Deferred Tax Liability/ Deferred Tax Asset**

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

**Note 13: Related Party Disclosures:**

Pursuant to compliance of Indian Accounting Standard (Ind AS 24) on related party disclosure, the relevant information is provided here below:-

**List of Related Parties & Relationships**

- 1) Holding Company  
Related party where control exist -VLS Finance Ltd.
- 2) Fellow Subsidiaries
  - a) VLS Securities Limited
  - b) VLS Real Estate Limited
- 3) Others
  - i) VLS Capital Ltd. : Associate of fellow subsidiary viz. VLS Securities Ltd.
  - ii) Key Managerial Personnel : Not Applicable

- iii) Mr. S. K. Agarwal : Non-Executive Director
- iv) Mr. K. K. Soni : Non-Executive Director
- v) Mr. T. B. Gupta : Non-Executive Director

Transaction during the year with the related party:-

(₹ in lakhs)

Name of Related Party	Relationship	Nature of Transaction	For the year ended 31st March 2024 #	For the year ended 31st March 2023 #
VLS Finance Limited	Holding Company	<b>Dues to Holding Company</b>		
		Opening Balance	9.60	9.55
		Filing fee & related expenses paid on our behalf	0.04	0.05
		Closing Balance	9.64	9.60

**# Notes:**

- 1 The value of transaction represents the value of transaction with related party from the date the party became related party.
- 2 If the amount is less than Rs 500 then the figure is shown as "-"
- 3 The value of related party transactions are given, excluding applicable taxes if any.

**Note 14: Earnings per Share (Ind AS 33)**

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computation.

(₹ in lakhs)

Particulars	For the year ended 31/03/2024	For the year ended 31/03/2023
Profit attributable to equity holders of the Company: Continuing operations -A	(0.04)	(0.05)
Dilution effect	-	-
Profit attributable to equity holders adjusted for dilution effect -B	(0.04)	(0.05)
Weighted Average number of equity shares used for computing Earning Per Share - C	0.71	0.71
<b>Earnings Per Share (Basic &amp; Diluted) (in Rs.) D =A/C or B/C</b>	<b>(0.06)</b>	<b>(0.06)</b>

**Note 15: Other Financial Information**

- a) Under the Micro, Small and Medium Enterprises Development Act, 2006

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

(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'. (₹ in lakhs)

Particulars	31 March 2024	31 March 2023
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
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

b) Earnings in Foreign Currency	Nil	Nil
c) Expenditure in Foreign Currency	Nil	Nil

**Note 16: Commitments and contingencies**

**a. Commitments:**

Particulars	31 March 2024	31 March 2023
(a) Estimated amount of contracts remaining to be executed on Capital Account.	Nil	Nil
(b) Uncalled liability on shares and other investments partly paid	Nil	Nil

**b. Contingent liabilities**

(a) Claims against the company not acknowledged as debt;	Nil	Nil
(b) Guarantees excluding financial guarantees; and	Nil	Nil

**Note 17: a) Key Ratio**

S No	Particulars	As At 31st Mar 2024	As At 31st Mar 2023
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 *

\* 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	Numerator (Rs. in Lakhs)	Denominator (Rs. in Lakhs)	As at 31st Mar 2024 Ratio	As at 31st Mar 2023 Ratio	% Change from previous period in Current Year	Reason for Change in Current Year (if Change > 25 %)
1	2	3	4	5 = 3 / 4	6	7 = (6 - 5) / 6	8
1	Return on equity (PAT / Equity) (%)	(0.04)	7.07	(0.58)	(0.58)	(9.38)	Within Limit
2	Return on Assets (PAT / Total Assets) (%)	(0.04)	0.16	(25.33)	(25.33)	(9.86)	Within Limit
3	Current Ratio (Cash, Bank, Receivables & Other Fin. Assets) / (Financial Liabilities) (times)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

- a) Since, the Company does not have any trade receivables/ trade payable as on March 31, 2024 and March 31, 2023, the disclosure relating to trade receivables ageing schedule has been dispensed with.
- b) 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 during the financial years ended March 31, 2024 and March 31, 2024.
- c) The Company did not have any transactions with the Companies struck-off under Section 248 of the Companies Act, 2013 during the financial years ended March 31, 2024 and March 31, 2023.
- d) The Company does not have any subsidiaries, hence provisions of section 2(87) of the Companies Act, 2013 are not applicable on the Company.
- e) There are no intangible assets under development as on 31<sup>st</sup> March 2024 as well as 31<sup>st</sup> March 2023.
- f) There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statements.
- g) No business activity could be taken up during the financial years ended March 31, 2024 and March 31, 2023. The Company is still exploring the business avenues available to it. Hence there is no separate reportable segments identified as per the Ind AS 108 - Operating segments. Further the Company does not have any reportable geographical segment. Hence segment-wise reporting has not been made.
- h) During the financial years ended March 31, 2024 and March 31, 2023, the company does not have any property, plant and Equipment.
- i) During the financial years ended March 31, 2024 and March 31, 2023, the company does not have any property where the Company is a lessee.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024**

- j) The Company has not been sanctioned working capital limits from Banks/financial Institutions during the financial years ending March 31, 2024 and March 31, 2023. Therefore, during the financial years ending March 31, 2024 and March 31, 2023, the company is not required to file the Quarterly return/ statements of current assets with banks and financial institutions.
- k) During the financial years ended March 31, 2024 and March 31, 2023, no Scheme of Arrangements related to the company has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- l) Utilisation of Borrowed funds and share premium: -
- a) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- i. 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
- ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- i. 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
- ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- m) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2024 and 31 March 2023.
- n) The Company has not been declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2024 and 31 March 2023.
- o) There is no creation or satisfaction of charges which are pending to be filed with ROC as at 31 March 2024 and 31 March 2023.
- p) The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2024 and March 31, 2023.
- q) The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). No previously unrecorded income and related assets have been recorded in the books of account during the year.
- r) The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2024 and March 31, 2023.
- s) The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April 2014. The provisions of the said section in not applicable the Company during the financial year ended March 31, 2024 and March 31, 2023.
- t) There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2024 and March 31, 2023.
- u) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure and rounding off errors have been ignored further Previous year figures have been shown in brackets.
- v) The amounts reflected as "0" or "-" in the financial information are values with less than rupees five hundred. All amounts have been rounded to the nearest lakhs up to two decimal places, unless otherwise stated.

As per our report of even date

**For Agiwal & Associates** For and on behalf of the Board of Directors  
Chartered Accountants  
(F.R.N.000181N)

**P.C. Agiwal**  
Partner  
Membership No.080475  
UDIN: 24080475BKFQZQ6494

**Rajesh Jhalani**  
Director  
DIN:00006395

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

Place: New Delhi  
Date: 22/05/2024