

VLS Securities Ltd.

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Directors' Report

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

Financial Summary ₹ in lakhs

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

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

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

Dividend /Reserves

In order to conserve resources, no dividend has been recommended and no amount has been proposed to be transferred to General Reserve.

Capital Structure

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

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

Operations/State of Company's Affairs

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

The Company is a Trading and Clearing Member in cash segment of The National Stock Exchange of India Ltd. ('NSE') and also a Trading Member of NSE in Future & Option segment. It is also a registered Merchant Banker with the Securities & Exchange Board of India.

Future Outlook

The stock markets have been generally upbeat during the year under review inspite of the Covid-19 pandemic, which had adversely affected many sectors globally. The Company is optimistic that the markets will continue to show positive trend. The Company is engaged in looking for new possibilities. The Merchant Banking Division of the Company is continuing to explore possibilities of making inroads in consultancy and similar fee-based services.

Directors/Key Managerial Personnel

Directors

There was no change in the Board during the year under review. The Company has complied with the relevant provisions with respect to the constitution of the Board during the year under review.

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

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

Key Managerial Personnel ('KMP')

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

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

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 ('Act') with respect to Directors' Responsibility statement, it is hereby confirmed that:

- in preparation of annual accounts for the financial year ended 31st March 2022, the applicable accounting standards had been followed;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the *profit* of the Company for that year;
- the directors had taken proper and sufficient care for the maintenance of proper accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts for the financial year ended 31st March, 2022 on a going concern basis;
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Control Systems

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

Meetings of Board of Directors

During the year, 4 Board meetings were held on 25/06/2021, 23/07/2021, 09/11/2021 and 04/02/2022 respectively.

Details of meetings attended by the Directors in the relevant period are as below:

S No.	Name of the Director	Whether Chairman / Member	No. of meetings attended during F. Y. 2021-22 & Dates
1	Dr. Rajeev Lochan Bishnoi	Chairman	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
2	Shri Rajendra Kumar Goswami	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
3	Shri Kishan Kumar Soni	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
3	Shri Tej Bhan Gupta	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
5	Shri Suresh Kumar Agarwal	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
6	Shri Vikas Mehrotra	Member	3 25/06/2021 23/07/2021 09/11/2021
7	Ms. Divya Mehrotra	Member	2 25/06/2021 23/07/2021

Audit Committee

During the year, 4 meetings of the Audit Committee were held on 25/06/2021, 23/07/2021, 09/11/2021 and 04/02/2022 respectively. The Audit Committee comprised of Independent Directors namely Dr. Rajeev Lochan Bishnoi and Shri Rajendra Kumar Goswami and Director - Shri Kishan Kumar Soni. Further, there were no changes in the composition of the Committee during the year. Shri Goswami is the Chairman of the Committee. All the recommendations made by the Committee were accepted by the Board in entirety.

Details of meetings attended by the Audit Committee Members in the relevant period are as below:

S. No.	Name	Chairman / Member	No. of meetings attended during F.Y. 2021-22 & Dates
1	Shri Rajendra Kumar Goswami	Chairman	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
2	Shri Kishan Kumar Soni	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022
3	Dr. Rajeev Lochan Bishnoi	Member	4 25/06/2021 23/07/2021 09/11/2021 04/02/2022

Nomination and Remuneration Committee ('NRC')

During the year, 2 meeting of the Nomination and Remuneration Committee were held on 25/06/2021 and 23/07/2021. The Nomination and Remuneration Committee consisted of Dr. Rajeev Lochan Bishnoi, Shri Rajendra Kumar Goswami and Shri Kishan Kumar Soni. Shri Soni is the Chairman of the Committee and there were no changes in the composition of the Committee during the year. All the recommendations of the Committee were accepted by the Board in entirety.

Details of meetings attended by the NRC Committee Members in the relevant period are as below:

S. No.	Name of the Director	Whether Chairman / Member	No. of meetings attended during F.Y. 2021-22 & Dates
1	Shri Kishan Kumar Soni	Chairman	2 25/06/2021 23/07/2021
2	Shri Rajendra Kumar Goswami	Member	2 25/06/2021 23/07/2021
3	Dr. Rajeev Lochan Bishnoi	Member	2 25/06/2021 23/07/2021

Corporate Social Responsibility ('CSR')

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

Board Evaluation

The aim of the Board's evaluation was to assess the effectiveness of the Directors, Board's and Committee's composition, processes and arrangement in order to identify and realize any actions required to improve effectiveness. The evaluation process comprised of Board, Committee and management information and other relevant documentation, Meetings with key individuals within the organization and discussions with all members of Board of Directors, Committee members focusing on aspects of the Board's and Committee's composition; strategy, risk and controls; decision-making, roles and performance of the Chairman, independent directors, executive directors and other non-executive directors. As per the provisions of Section 178 of Companies Act, 2013, the Board carried out annual evaluation of each Director's performance, the Board as a whole and its committees, in its meeting held on 14/05/2022.

The evaluation concluded that in overall, the Directors, Board and its Committees were effective. As Corporate Governance continues to advance and evolve, the recommendations were provided by the Directors so that the Board and its Committees remained fully effective. The Board and its Committees has considered the recommendations for appropriate implementation.

Independent Directors

Your Company has two Independent Directors namely, Dr. Rajeev Lochan Bishnoi and Shri Rajendra Kumar Goswami. They have confirmed to the Company that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

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

Annual Return Extract (MGT-9)

The reporting of extract of Annual Return in Form no. MGT-9 had been done away with pursuant to amendment in section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 w.e.f. 28/08/2020. The electronic copy of the latest Annual Return is now required to be placed on the website of the Company, if any, in terms of section 92(3) read with section 134(3)(a) of the Act and link thereof is required to be given in the Board's Report.

The Annual Return for the F. Y. 2020-21 is available on web link viz.: <https://www.vlssecurities.com/Annual%20Return%202020%20-%202021.pdf>

Related Party

The details of the related party transactions have been provided in Form AOC-2 as under:

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	NONE
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any:	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party	VLS Finance Ltd.
b)	Nature of relationship	Holding Company
c)	Nature of contracts/ arrangements/ transactions	1. Client for stock trading 2. Usage of Office Services
d)	Duration of the contracts / arrangements/ transactions	1. Perpetual unless rescinded 2. Perpetual unless rescinded
e)	Salient terms of the contracts or arrangements or transactions	1. As per stock Exchange regulations 2. Reimbursement of expenses for services.
f)	Justification for entering into such contracts or arrangements or transactions	1. In ordinary course of business for revenue generation. 2. In ordinary course of business for facilitating operations.
g)	date(s) of approval by the Board	Not applicable for points 1 and 2 of serial no 'c' above, since entered into prior to enforcement of provisions of section 188 of the Companies Act, 2013.
h)	Amount paid during the year	Please refer note no. 29 of notes forming part of financial statements for details.

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

Anti-sexual harassment mechanism

The detailed mechanism may be accessed at www.vlssecurities.com

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

The Internal Complaints Committee is presently headed by a Woman Director on the Board of the holding company. There were no complaints received from any employee or otherwise during the year under review and no complaints were pending as on 31/03/2022.

Risk Management Policy

The Company has developed and implemented a risk management policy for identification therein of elements of risk which in the opinion of the Board may threaten the existence of the Company. The policy of the company is available on Company's website viz. www.vlssecurities.com.

Nomination and Remuneration Policy

The Company has adopted a Nomination and Remuneration Policy. The Nomination and Remuneration Committee ('NRC') is responsible for identifying persons who are qualified to become directors and who may be appointed to the senior management of the Company. This Policy is intended to provide a more detailed criteria to be followed for such appointments including training of Independent Directors. There has been no change in the Policy during the year. The policy can be accessed at www.vlssecurities.com.

Auditors

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

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

Auditors' Report

The Auditors' Report to the members on annual accounts for the year under review does not contain any qualification or remark requiring explanation thereto by the Board. Further the Auditors have not reported any fraud in terms of section 143(12) of the Companies Act, 2013 to the Board for the year under review.

Deposits

During the year under review, the Company has not taken or held any fixed deposit within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.

Holding/Subsidiary/Associate Companies

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

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

The Company does not have any Subsidiary.

Green Initiative in Corporate Governance:

As a continuing endeavor towards the 'Go Green' initiative the Company proposes to send future correspondence and documents like the notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email address provided by the members. You may kindly note that as a member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the annual report of the Company, upon receipt of a requisition from you, at any time.

Statutory Disclosures

- During the year under review, the Company did not absorb any new technology nor has carried out any R&D activity including conservation of Energy. The relevant disclosures are contained in **Annexure-1** to this report.
- None of the employees of the Company are in receipt of remuneration in excess of limits specified in Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. There are no disclosures which are required to be made in this report, in terms of the aforesaid regulations.
- The Company has complied with SEBI (Stock Brokers) Regulations 1992, SEBI (Merchant Bankers) Regulations, 1992 and other applicable laws / regulations, as amended. There was no proposal during the year under review for buy back of shares by the Company.
- No loan, guarantee or security in connection with a loan has been provided in terms of Section 186 of the Companies Act, 2013 during the period under review.
- Further, in regard to disclosure on investments made, since the Company's principal business is stock broking and investing in securities, the Company is exempt under the provisions of Section 186(1)(b)(i) of the Companies Act, 2013.
- Your Company has not issued any equity shares with differential voting rights or under ESOP in terms of sections 43(a) and 62(1)(b) of the Companies Act, 2013.
- Your Company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of section 67(3)(b) of the Companies Act, 2013.
- No revision of Financial Statements or Board's Report has been made in terms of section 131(1) of the Companies Act, 2013.
- No Independent Director had been appointed by a special resolution by the Company during the year under review.

- The Managing Director of your Company is also the Managing Director of VLS Finance Ltd.- the holding Company and receives remuneration from the holding Company in terms of section 197(14) of the Companies Act, 2013.
- There has been no change in the nature of business and name of Company during the year under review.
- There had been no significant and material orders passed by regulatory authorities/ court that would impact the going concern status of the Company and its future operations. Further, there were no material changes or commitments affecting financial position of the Company occurred between the year under review and date of this report.
- The provisions relating to Secretarial Audit and Cost Audit are not applicable to the Company for the financial year under review. Further, there was no one time settlement with Bank/ Financial Institutions during the year under review.
- In the annual financial statements for the year under review, the disclosures of those items where amount for the year under review and corresponding previous year was Nil had been dispensed with, though required to be disclosed under applicable regulations.
- The Registered Office of the Company has been shifted from 2nd floor, 13, Sant Nagar, East of Kailash, New Delhi – 110065 to First Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 w.e.f. 14/05/2022 pursuant to Board's decision to this effect on 14/05/2022.

Human Resources

The relationship with the employees continued to be cordial during the year. The Directors place on record their sincere appreciation to the employees at all levels. The number of employees stood at 9 (nine) as on 31/03/2022.

Acknowledgements

The Board takes this opportunity to place on record their sincere appreciation for all round co-operation and support from The National Stock Exchange of India Ltd., the regulatory authorities, clients, bankers and associates.

For and on behalf of the Board of Directors

Place : New Delhi	(S.K. Agarwal)	(K.K. Soni)
Date : 14/05/2022	Managing Director	Director
	DIN: 00106763	DIN: 00106037

Annexure-1

Annexure to Directors' Report

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

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board of Directors

Place : New Delhi	(S.K. Agarwal)	(K.K. Soni)
Date : 14/05/2022	Managing Director	Director
	DIN: 00106763	DIN: 00106037

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VLS SECURITIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **VLS SECURITIES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its **profit**, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements, and our auditor's report thereon.

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

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

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

Management's Responsibilities for the Standalone Financial Statements

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- the provisions of section 197 relating to managerial remuneration are not applicable; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- j) In our opinion proper books of account and records as specified in Rule 15 of the Securities Contracts (Regulation) Rule, 1957 and as required by other laws have been kept by the Company so far as it appears from our examination of those books;
- j) The stock broker has complied with the requirements of the stock exchange so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the stock exchange.
- iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not paid any dividends during the year.

For ANIL PARIK & GARG
CHARTERED ACCOUNTANTS
FRN: 01676C

PLACE: KANPUR
DATE: 14/05/2022

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

UDIN: 22070250AIZUWU5813

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VLS Securities Limited of even date)

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

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

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

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

For ANIL PARIK & GARG
 CHARTERED ACCOUNTANTS
 FRN: 01676C

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

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

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VLS Securities Limited of even date)

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

We have audited the internal financial controls over financial reporting of **VLS Securities Limited** (the "Company") as of March 31, 2022, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For ANIL PARIK & GARG
 CHARTERED ACCOUNTANTS
 FRN: 01676C

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

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

Balance Sheet as at 31st March, 2022

(₹ in Lakh)

Particulars	Note No.	As at 31st March 2022 (Audited)	As at 31st March 2021 (Audited)
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	4	451.61	998.12
(b) Bank Balance other than (a) above		-	-
(c) Receivables	5		
(I) Trade Receivables		-	-
(II) Other Receivables		-	-
(d) Loans	6	4.68	8.70
(e) Investments	7	1,78,086.65	1,43,911.70
(f) Other Financial assets	8	702.45	1,140.40
Sub - total financial assets (A)		1,79,245.39	1,46,058.92
(2) Non-financial Assets			
(a) Current tax assets	9	38.22	12.29
(b) Deferred tax assets (Net)		-	-
(c) Investment Property		-	-
(d) Property, Plant and Equipment	10	1.26	1.57
(e) Intangible assets under development		-	-
(f) Other Intangible assets		0.00	0.00
(g) Other non-financial assets	11	17.30	3.26
Sub - total non - financial assets (B)		56.78	17.12
Total Assets(A+B)		1,79,302.17	1,46,076.04
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Payables			
(I) Trade Payables	12		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		637.37	47.69
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		15.99	14.97
(b) Debt Securities		-	-
(c) Borrowings (Other than Debt Securities)		-	-
(d) Deposits		-	-
(e) Other financial liabilities		-	-
Sub - total financial liabilities (A)		653.36	62.66
(2) Non-Financial Liabilities			
(a) Current tax liabilities (net)		-	-
(b) Provisions	13	23.16	21.58
(c) Deferred tax liabilities (Net)	14	41,561.42	35,592.46
(d) Other non-financial liabilities	15	12.16	16.12
Sub - total non - financial liabilities (B)		41,596.74	35,630.16
(3) EQUITY			
(a) Equity Share capital	16	3,000.00	3,000.00
(b) Other Equity	17	1,34,052.07	1,07,383.22
Sub - total equity (C)		1,37,052.07	1,10,383.22
Total Liabilities and Equity(A+B+C)		1,79,302.17	1,46,076.04

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

1 to 41

As per our report of even date attached

For Anil Pariek and Garg

(F. R. N. 001676C)

Chartered Accountants

H. K. Pariek

(Partner)

Membership No. 070250

Place: Kanpur

Date: 14/05/2022

For and on behalf of the Board
S. K. Agarwal

Managing Director

DIN: 00106763

K. K. Soni

Director

DIN: 00106037

Anurag Bhatnagar

C.F.O.

PAN: AAJPB6607R

Place: New Delhi

Date: 14/05/2022

Unnati Jani

Company Secretary

M.No.: A62834

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

(₹ in lakhs)

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

1 to 41

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

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

Place: Kanpur
Date: 14/05/2022

For and on behalf of the Board

S. K. Agarwal
Managing Director
DIN: 00106763

K. K. Soni
Director
DIN: 00106037

Anurag Bhatnagar
C.F.O.
PAN: AAJPB6607R
Place: New Delhi
Date: 14/05/2022

Unnati Jani
Company Secretary
M.No.: A62834

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

(₹ in lakhs)

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

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

1 to 11

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

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

Place: Kanpur
 Date: 14/05/2022

For and on behalf of the Board

S. K. Agarwal
 Managing Director
 DIN: 00106763

K. K. Soni
 Director
 DIN: 00106037

Anurag Bhatnagar
 C.F.O.
 PAN: AAJPB6607R
 Place: New Delhi
 Date: 14/05/2022

Unnati Jani
 Company Secretary
 M.No.: A62834

Statement of Changes in Equity for the year ended 31st March 2022
A. Equity Share Capital
(1) Current reporting period

(₹ in lakhs)

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

(2) Previous reporting period

(₹ in lakhs)

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

B. Other Equity
(1) Current reporting period

(₹ in lakhs)

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

(2) Previous reporting period

(₹ in lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Fair Value Gain on Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange Differences on translating the financial statements of a foreign operation	Remeasurement of Defined Benefit Plans	Money Received against share warrants	Total
			Capital Reserve	Security Premium	Other Reserves (Specify nature)	Retained Earnings								
Balance as at 1st April, 2020	-	-	-	-	-	521.67	-	74,378.83	-	-	-	2.14	-	74,902.64
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April, 2020	-	-	-	-	-	521.67	-	74,378.83	-	-	-	2.14	-	74,902.64
Profit for the year	-	-	-	-	-	450.02	-	-	-	-	-	-	-	450.02
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	32,035.21	-	-	-	(4.65)	-	32,030.56
Total comprehensive income for the previous year	-	-	-	-	-	450.02	-	32,035.21	-	-	-	(4.65)	-	32,480.58
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to/ from retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	-	-	-	-	-	971.69	-	1,06,414.04	-	-	-	(2.51)	-	1,07,383.22

As per our report of even date attached

For Anil Pariek and Garg

(F.R.N. 001676C)

Chartered Accountants

H. K. Pariek

(Partner)

Membership No. 070250

Place: Kanpur

Date: 14/05/2022

For and on behalf of the Board
S. K. Agarwal
 Managing Director
 DIN: 00106763

K. K. Soni
 Director
 DIN: 00106037

Anurag Bhatnagar
 C.F.O.
 PAN: AAJPB6607R
 Place: New Delhi
 Date: 14/05/2022

Unnati Jani
 Company Secretary
 M.No.: A62834

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

(Currency: Indian Rupees)

Note 1: Corporate information

VLS Securities Ltd., is a wholly-owned subsidiary of VLS Finance Ltd. incorporated in 1994. It is Category-I Merchant Banker registered with Securities and Exchange Board of India. It is registered Stock Broker with National Stock Exchange of India Ltd., in Capital Market and Future & Options Segment. Besides above providing consulting and advisory services are areas of activity of Company.

Note 2: Significant accounting policies

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

2.1 Basis of preparation
(i) Compliance with Ind AS

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

For periods up to and including the year ended March 31, 2019, the Company presented its financial statements on accrual basis under historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India ('Indian GAAP' or 'previous GAAP') which encompasses applicable accounting standards relevant provisions of the Companies Act, 2013, other statutory provisions and regulatory framework.

The financial statements for the year ended March 31, 2020 were the first financial statements of the Company under Ind AS. The transition to Ind AS has been carried out in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards". Accordingly, the impact of transition has been recorded in the other equity as at 1 April 2018.

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

(ii) Historical cost convention

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

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

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Balance Sheet, the statement of Profit & Loss and the statement of changes in equity are prepared in the format as prescribed under Division III of Schedule III of the Companies Act, 2013, as amended from time to time, for Non-Banking Financial Company (NBFC) that are required to comply with Ind AS. The statement of Cash Flows has been presented as per the requirements of 'Ind AS 7 – Statement of Cash Flows'.

(iv) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these

estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 3.

2.2 Revenue Recognition

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

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

(i) Brokerage fee Income

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

(ii) Interest income

Interest income from financial assets is recognized on an accrual basis.

(iii) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

(iv) Gain / losses on dealing in securities

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

2.3 Income Tax

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

2.3.1 Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the

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

(Currency: Indian Rupees)

provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

2.3.2 Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.4 Cash and cash equivalents

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

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated in the Cash flow statement.

2.6 Financial instruments

(i) Initial recognition and measurement:

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

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

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

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined

individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

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

(ii) Fair value of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 33.

2.6.1 Financial assets

(i) classification and subsequent measurement

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

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

Financial assets carried at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

(ii) Equity instruments

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

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

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

(iii) Investments in mutual funds

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

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

(Currency: Indian Rupees)

(iv) Impairment

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

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

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

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

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

(v) Derecognition

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

2.7 Financial liabilities
(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

Offsetting financial instruments

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

2.8 Property, plant and equipment

(i) Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(ii) Transition to Ind AS

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

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

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

(iv) Assets Useful life

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

Lease hold Improvements Over the primary lease period or useful life, whichever is less.

Furniture and Fixtures	10 years
Office Equipment	5 years
Computers	3 years
Vehicles	8 years

(v) Derecognition:

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

2.9 Intangible Assets

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

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

Amortisation

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

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

(Currency: Indian Rupees)

Intangible asset	Useful life / amortization period
Computer Software	5 Years

Optional exemption from retrospective application:

Deemed cost for intangible assets.

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

2.10 Investment Property

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

2.11 Impairment of non-financial assets

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

2.12 Provisions and contingencies:

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

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

2.13 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable

to equity share holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

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

2.14 Leases

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

Transition

Effective April 1, 2020, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2020 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives as at and for the year ended March 31, 2020 have not been retrospectively adjusted.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.15 Foreign exchange transactions

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

Assets and liabilities of foreign operations are translated at the closing rate at each reporting period. Income and expenses of foreign operations are translated at monthly average rates. The resultant exchange differences are recognized in other comprehensive income in case of foreign operation whose functional currency is different from the presentation currency and in the statement of profit and loss for other foreign operations. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

2.16 Borrowing costs

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

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

(Currency: Indian Rupees)

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

2.17 Impairment of non-financial assets

The Company assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

2.18 Retirement and other employee benefits

(i) Short-term employee benefits

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

(ii) Post-employment benefits

(ii) (a) Defined contribution plans:

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

(ii) (b) Defined benefit plan:

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

(ii) (c) Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as long-term provision.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Note 3: Key accounting estimates and Judgments

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

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

Notes to the Standalone Financial Statements
Note 4: Cash and cash equivalent

(₹ in lakhs)

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

Note 5: Receivables

(₹ in lakhs)

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

Note 6 : Loans

(₹ in lakhs)

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

Note No. 7: Investments

(₹ in lakhs)

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

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

Note No. 7.1: Investments in Equity instruments of Associate

(₹ in lakhs)

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

Principal place of business of Associate is in India.

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

(₹ in lakhs)

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

Note 9 : Current Tax Assets (Net)

(₹ in lakhs)

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

Note 10
Fixed assets : Property, Plant and Equipment

(₹ in lakhs)

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

Intangible Assets

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

Notes to the Standalone Financial Statements

Note 11 : Other Non-Financial Asset

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

Note 12 (a) (I) Trade Payables

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

Trade Payables ageing schedule

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

Note 12 (a) (II) Other Payables

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

Other Payables ageing schedule

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

Note 13 : Provisions

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

Note 14 : Tax Expense & Deferred Tax Assets / Liabilities

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

Deferred tax assets / liabilities

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

Notes to the Standalone Financial Statements

(₹ in lakhs)

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

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

Note 15 : Other non-financial liabilities

(₹ in lakhs)

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

Note 16 : Equity share capital

(₹ in lakhs)

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

Terms / rights attached to shares

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

Reconciliation of number of shares outstanding

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number	Amount	Number	Amount
At beginning of the year	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
At the end of the year	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00

Shares held by holding Company

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

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

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

Notes to the Standalone Financial Statements

(₹ in lakhs)

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

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

Shareholding of promoters as at 31st March, 2021

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

Note 17 : Other Equity

(₹ in lakhs)

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

Note 18 : Interest Income

(₹ in lakhs)

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

Note 19 : Dividend Income

(₹ in lakhs)

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

Note 20 : Fees and Commission Income

(₹ in lakhs)

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

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

(₹ in lakhs)

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

Note 22 : Other Income

(₹ in lakhs)

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

Note 23 : Finance Cost

(₹ in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest	1.03	2.14
Total	<u>1.03</u>	<u>2.14</u>

Note 24 : Fees and Commission expense

(₹ in lakhs)

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

Note 25 : Employee benefits expense

(₹ in lakhs)

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

Note 26 : Depreciation and Amortization expense

(₹ in lakhs)

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

Note 27 : Other expenses

(₹ in lakhs)

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

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

(₹ in lakhs)

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

Note 29: Related Party Disclosures: -

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

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

VLS Finance Ltd.

(b) Directors & Key Management Personnel

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

(c) Other:

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

(₹ in lakhs)

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

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

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

Outstanding Balances at the year end

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

Note 30: Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio

Notes to the Standalone Financial Statements

(₹ in lakhs)

within a level of 25%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	31st March 2022	31st March 2021
Borrowings	-	-
Less: cash and cash equivalents	451.61	998.12
Net debt	-	-
Equity	3,000.00	3,000.00
Other Equity	1,29,037.20	1,07,383.22
Total capital	1,32,037.20	1,10,383.22
Capital and net debt	1,32,037.20	1,10,383.22
Gearing ratio	NA	NA

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

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

Note 31: Dues to Micro and small Suppliers

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

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

Note 32: Commitments and contingencies
a. Commitments

Estimated number of contracts remaining to be executed on capital account and not provided for: At 31st March 2022, the company had commitments of Rs. Nil (31st March 2021: Rs. Nil).

b. Contingent liabilities – Nil
c. Leases
Operating lease - company as lessee

The company has taken a property on cancellable operating lease. The lease agreement provides for an option to the company to renew the lease period at the end of cancellable period.

Lease expense recognized for the year is Rs.7.20 Lakh (lease agreement is for the period up to one year only) (31st March 2021 Rs.0.60 Lakh).

Note 33: Fair Value

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

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

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

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

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires

Notes to the Standalone Financial Statements

management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2021 was assessed to be insignificant.

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

Safety of our employees continues to be our key priority. We are encouraging the vaccination for our employees, providing flexible work options and adhering to COVID-19 guidelines. We are closely monitoring the situation and will continue to take all necessary actions to ensure the health and safety of our employees. The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets.

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

Note 35:

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

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

Form AOC- 1

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

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

Part A - Subsidiaries

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

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

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

Part B Associates and Joint Ventures

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

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

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

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

As per our report of even date attached

For Anil Pariek and Garg

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

H. K. Pariek

(Partner)
Membership No. 070250

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

For and on behalf of the Board

S. K. Agarwal
Managing Director
DIN: 00106763

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

K. K. Soni
Director
DIN: 00106037

Unnati Jani
Company Secretary
M.No.: A62834

Notes to the Standalone Financial Statements

Note 36: Financial risk management

Risk management framework

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

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

- a) Credit risk
- b) Liquidity risk
- c) Market risk

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

The risk management system features a "three lines of defence" approach:

- a) The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.
- b) The second line of defence comprises specialized departments such as risk management and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.
- c) The third line of defence comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance, and provide the Board with comprehensive feedback.

a) credit risk:

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

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and advances given.

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

Following provides exposure to credit risk for trade receivables and loans:

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

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

Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is 90 days overdue. Out of the total trade receivables of Rs. Nil (2022), Rs. Nil (2021) are overdue for a period in excess of 90 days.

Loans: Loans comprise of surplus fund given as inter corporate deposit provided for which a staged approach is followed for determination of ECL.

Stage 1: All the outstanding loans are considered as stage 1 asset for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro- economic environment.

Stage 2: Exposures under stage 2 include dues upto 30 days pertaining to principal amount.

Stage 3: Exposures under stage 3 include dues past 30 days pertaining to principal amount.

However, no ECL provision is made as there is no such default in payment.

Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments comprise of quoted and unquoted Equity instruments, bonds and mutual funds which are market tradable. Other financial assets include deposits for assets acquired on lease.

b) liquidity risk

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

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the trading and investment activities and in the management of trading positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

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

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31st March 2022

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

Notes to the Standalone Financial Statements

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

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

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying amount
Assets					
Cash and bank balances	998.12	-	-	-	998.12
Securities for trade	-	-	-	-	-
Trade receivables	-	-	-	-	-
Loans	2.05	1.46	5.19	-	8.70
Investments	-	-	1,43,911.70	-	1,43,911.70
Other financial assets	53.90	-	1,086.50	-	1,140.40
Total	1,054.07	1.46	1,45,003.39	-	1,46,058.92
Liabilities	-	-	-	-	-
Trade payables	47.69	-	-	-	47.69
Other payables	14.97	-	-	-	14.97
Debt securities	-	-	-	-	-
Deposits	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Total	62.66	-	-	-	62.66
Net Excess / (shortfall)	991.41	1.46	1,45,003.39	-	1,45,996.26

c) Market risk

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

- i) Equity Risk
- ii) Interest Rate Risk
- iii) Currency Risk

i) Equity Risk

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

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

ii) Interest Rate Risk

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

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

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

iii) Foreign exchange Risk/currency Risk

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

The Company's currency risk is managed in accordance with the policy approved by the board.

Note 37: Employees Benefits

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

i) Defined Contribution Plans:

Amount of Lakh 8.48 (Previous Year - 2021 Lakh 8.36) contributed to provident funds is recognized as an expense and included in Contribution to EPF, gratuity etc.' under 'Employee Cost in the Statement of Profit and Loss.

Defined benefit plan

Long term employee benefits in the form of gratuity and leave encashment are considered as defined benefit plan

The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the balance sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of obligation as adjusted for unrecognized past service cost as reduced by the fair value of plan assets. In accordance with the Ind AS-19, actuarial valuation was done in respect of gratuity and leave encashment defined benefits plans and details of the same are given below:

Notes to the Standalone Financial Statements

(₹ in lakhs)

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

*Gratuity: LIC of India

Maturity profile of defined benefit obligation

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

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

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

Note: 38: Maturity Analysis of Assets and Liabilities

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

(₹ in lakhs)

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

Notes to the Standalone Financial Statements

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

Note 39: Tax Expense

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to opt the amended tax regime w.e.f. the financial year 2020-21.

a) Income Tax recognised in Statement of Profit and Loss

(₹ in lakhs)

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

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

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

Notes to the Standalone Financial Statements

(₹ in lakhs)

Note: 40 Fair Value Measurement
1 Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

(₹ in lakhs)

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

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

Particulars	Carrying amount				Fair value				
	31st March 2021	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Cash and cash equivalents	-	-	998.12	998.12	-	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-
(I) Trade receivables	-	-	-	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-	-	-	-
Loans	-	-	8.70	8.70	-	-	-	-	-
Investments	-	1,43,311.70	600.00	1,43,911.70	1,43,311.70	-	-	-	1,43,311.70
Other financial assets	-	-	1,140.40	1,140.40	-	-	-	-	-
Total financial assets	-	1,43,311.70	2,747.22	1,46,058.92	1,43,311.70	-	-	-	1,43,311.70
Financial liabilities									
Payables	-	-	-	-	-	-	-	-	-
(I) Trade payables	-	-	-	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	47.69	47.69	-	-	-	-	-
(II) Other payables	-	-	-	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	14.97	14.97	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-
Borrowings (Other than debt securities)	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-
Total financial liabilities	-	-	62.66	62.66	-	-	-	-	-

Notes to the Standalone Financial Statements

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investment in private equity funds, real estate funds.

ii. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- Quoted equity investments - Quoted closing price on stock exchange
- Mutual fund - net asset value of the scheme
- Alternative investment funds - net asset value of the scheme
- Unquoted equity investments - NAV on the last audited financials available of the companies.
- Private equity investment fund - NAV of the audited financials of the funds.
- Real estate fund - net asset value, based on the independent valuation report or financial statements of the company income approach or market approach based on the independent valuation report.

iii. Financial instruments not measured at fair value

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature. Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature. Fair value measurements using significant unobservable inputs (level 3)

41.a) Key Ratio

Part A

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

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

Part B

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

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

As per our report of even date attached

For Anil Pariek and Garg

(F.R.N.001676C)

Chartered Accountants

H. K. Pariek

(Partner)

Membership No. 070250

Place: Kanpur (U.P.)

Date: 14/05/2022

For and on behalf of the Board

S. K. Agarwal

Managing Director

DIN:00106763

K. K. Soni

Director

DIN:00106037

Anurag Bhatnagar

Chief Financial Officer

Unnati Jani

Company

Secretary

M.No.: A62834

PAN: AAJPB6607R

Place: New Delhi

Date: 14/05/2022