



# XXXVI ANNUAL REPORT 2022-23

**VLS FINANCE LTD.**

Regd. Office : Ground Floor, 90, Okhla Industrial Estate, Phase-III, New Delhi-110 020

CIN : L65910DL1986PLC023129, Email : [vlsvlsfinance.com](mailto:vlsvlsfinance.com), Website : [www.vlsvlsfinance.com](http://www.vlsvlsfinance.com)

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# VLS FINANCE LIMITED

## NOTICE

### 36<sup>th</sup> ANNUAL GENERAL MEETING

of the Members of the Company will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") at 3:30 p.m. on Friday, 29<sup>th</sup> September, 2023

## SHARE TRANSFER & INVESTOR SERVICES

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

Our e-mail address:

For investor services: hconsul@vlsfinance.com  
Other than above: vls@vlsfinance.com  
visit us at www.vlsfinance.com

## Attention Members

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

## EQUITY SHARES LISTED AT :

**THE NATIONAL STOCK EXCHANGE OF INDIA LTD.**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

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

**THE CALCUTTA STOCK EXCHANGE LTD. (Pending Delisting)**  
7, Lyons Range, Kolkata-700001.

## BOARD OF DIRECTORS:

Shri Ajit Kumar

Shri M. P. Mehrotra

Shri S. K. Agarwal

Shri K. K. Soni

Shri D. K. Mehrotra

Shri Anoop Mishra \*

Shri Adesh Kumar Jain\*

Ms. Divya Mehrotra

Chairman - Independent Director  
(DIN: 00106597)

Executive Vice-Chairman  
(DIN: 00016768)

Managing Director  
(DIN: 00106763)

Director-Finance & CFO  
(DIN: 00106037)

Independent Director  
(DIN: 00142711)

Independent Director  
(DIN: 02849054)

Independent Director  
(DIN: 00512969)

Non-Executive Director  
(DIN: 00006494)

\* Appointed w.e.f. 10/08/2023

## COMPANY SECRETARY

Shri H. Consul

## AUDITORS :

M/s. Agjwal & Associates

Chartered Accountants

(FRN: 000181N)

"Moti Kunj" D-6/9A,

Upper Ground Floor,

Rana Pratap Bagh, Delhi-110007

email: caagjwal68@gmail.com

## BANKERS

HDFC Bank

UCO Bank

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## DIRECTORS' REPORT

Your directors are pleased to present the 36<sup>th</sup> Annual Report of the Company together with the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2023.

### 1. Financial Results

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
Total Income	7,725.11	28,628.73
Less: Total Expenditure	1,933.94	1,814.68
Less: Finance Cost	7.20	2.22
Gross Profit/(loss)	5,783.97	26,811.83
Less: Depreciation	425.82	146.69
Profit/ (loss) before tax	5,358.15	26,665.14
Less: Current Tax	(568.00)	(2,937.00)
Less/Add: Tax adjustment for earlier year	60.09	--
Add: Deferred Tax	393.76	1,710.80
Net Profit/ (loss) after tax	5,244.00	25,438.94
Paid up Equity Share Capital (excluding calls in arrears)	3,535.00	3,878.42
Reserves excluding revaluation reserve	1,45,797.78	1,67,097.53
Earnings per share (Rs.)	13.57	65.80

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

### 2. Management Discussion and Analysis

#### Industry Structure and Development

The registered office of the Company was changed to 1<sup>st</sup> Floor, 90, Okhla Industrial Estate, Phase-III, New Delhi-110020 w.e.f. 01/06/2022. The same was changed to Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 effective from 10/11/2022. The related compliances were done in time under prescribed procedure.

The trend in the Indian Stock Market had largely been upbeat during the year under review except towards end of 4<sup>th</sup> quarter. Much of the effect of the COVID-19 pandemic waned during the year resulting in near normal operations. Globally also the effect of COVID-19 has waned. However, the global economy continued to face challenges with fear of recession looming large in several countries. The continuing war between Ukraine and Russia with visible unrest in some parts of the world continues to be a cause of concern. The Central Banks had effected several rate hikes in the wake of continuing inflation.

#### Health Safety and Pandemic Risk

The Company and its subsidiaries have been proactive enough to adopt the digital mode since the Covid-19 outbreak ensuring best health safety measures for employees and uninterrupted service to the stakeholders in the Post COVID-19 era. The Company's focus on liquidity, near zero debt supported by a strong balance sheet and acceleration in cost optimization initiatives, would help in navigating any near-term challenge.

#### Outlook, Risks and Concerns

The underlying strength of Indian demand and consumption, continues to remain healthy. The performance of your Company is closely linked to those of the stock markets.

The Company is exposed to normal industry risks such as credit, interest rate, economic, currency, political, market and operational risks. The Company views risk management

as integral to its business for creating and maintaining best practices in business operations and administration.

#### Opportunities and Threats

The continuing emphasis on 'Make in India', Production Linked Incentive in various sectors, emphasis on building up infrastructure by the government is expected to infuse further capital investment in the country and thus more opportunities for the financial sector. The Company is looking forward to grasp the available opportunities. The Company will also focus on permitted avenues as a member of the Stock Exchange. The uncertain state of the global economy however continues to remain a cause of concern.

#### Adequacy of Internal Financial Control Systems

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

#### Financial Review

During the year under review, your Company generated total income of Rs. 7,725.11 lakhs as against Rs. 28,628.73 lakhs in the previous year. The other income included in the aforesaid total income was Rs. 153.77 lakhs for the year under review as against Rs. 73.35 lakhs in the previous year. The Company has earned a net profit before tax of Rs. 5,358.15 lakhs for the year under review as compared to the profit of Rs. 26,665.14 lakhs in previous year. The other comprehensive income for the period stood at (Rs.20108.07 lakhs) as compared to the corresponding other comprehensive income figure of Rs. 10,882.43 lakhs for the previous year.

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

#### Key Ratios

Please refer Note no. 50 of Standalone Financial Statements for Key ratios and related information thereon.

#### Segment wise Performance

Ind-AS 108 on Operating Segments has been complied with. Please refer Note no. 55 of Standalone Financial Statements. Hence separate disclosure has not been made.

#### Cautionary Statement

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

include changes in government regulations, tax regimes, economic developments within the country and abroad, and other related factors.

### 3. Dividend & Reserve

The Board has recommended a dividend of 15% i.e. Rs.1.50 per equity share of Rs. 10/- each for the year 2022-23 subject to approval of members. The dividend, if approved, will be paid to the registered members as on the cutoff date for the purpose of Annual General Meeting ('AGM') scheduled to be held on 29/09/2023. No amount was proposed to be transferred to the reserve during the year under review.

### 4. Buy-back

During the year under review, the Board of Directors of the Company at its meeting held on 5th January, 2023, approved the buyback of upto 35,00,000 (Thirty Five Lacs) fully paid-up equity shares of Rs. 10/- each, from the open market through the stock exchange route at a price of upto Rs. 200/- per Equity Share ("**Maximum Buyback Price**") *excluding brokerage costs, Securities and Exchange Board of India turnover charges, taxes, advisory fees, brokerage, relevant stamp duty, GST, public announcement, publication charges, SEBI & Stock exchanges fees etc. (collectively referred to as "**Transaction Costs**")* for an aggregate amount not exceeding Rs.70,00,00,000/- (Rupees Seventy Crores only) (maximum buyback size, excluding transaction costs). The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters / Promoter Group of the Company). The buyback of equity shares through the stock exchange commenced on 16th January, 2023 and would be closed on 29th May, 2023 (closing date of buyback).

The Company had bought back 34,34,235 equity shares during the financial year ended 31/03/2023 at an average price of Rs. 180.51 per equity share which were extinguished as per the buyback regulations. Accordingly, the share capital of the Company has been reduced by Rs.3,43,42,350/- as detailed in the enclosed balance sheet in Note No. 20's footnote.

Further, from the commencement of buy-back upto the date of this report the Company had bought back 38,66,025 (Thirty eight lakhs sixty six thousand and twenty five) Equity Shares at an average price of Rs 179.22 (Rupees One Hundred Seventy Nine Twenty Two Paise Only) per equity share and had deployed Rs. 69,28,58,736.35 (Rupees Sixty Nine Crores Twenty Eight Lacs Fifty Eight Thousand Seven Hundred Thirty Six and Paise Thirty Five only) (excluding Transaction Costs), which represents 98.98% of the Maximum Buyback Size of Rs.70 Crores (i.e. the maximum total amount which could be utilized in the Buyback).

Since the equity shares were bought back at an average price of Rs. 179.22 which was below the maximum buyback price of Rs. 200/-, therefore, the actual number of equity shares bought back has exceeded the indicative maximum number of equity shares that could have been bought back which was subject to maximum buyback size of Rs. 70 crores but was less than 38,66,200 equity shares being 10% of equity share capital prior to commencement of buyback.

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

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

#### Directorate:

Shri Vikas Mehrotra (DIN: 06476150) was appointed as Managing Director – International Operation w.e.f.

12/01/2022 pursuant to the approval of the Board and the members in their meetings held on 13/11/2021 and 30/12/2021 respectively and the subsequent approval of the Central Government via order dated 31/05/2022 read with corrigendum dated 29/06/2022.

Dr. Rajeev Lochan Bishnoi–Independent Director (DIN: 00130335) resigned w.e.f. the closing business hours of 01/03/2023 from the Board citing his expanding role and responsibilities on being appointed on the Audit Advisory Board of Comptroller and Auditor General of India and other commitments. Besides this, he has confirmed that there are no other reasons. The Board places on record its appreciation for the invaluable guidance and contribution made by Dr. Bishnoi during his tenure as Independent Director of the Company.

Shri Deepak Kumar Chatterjee–Independent Director (DIN: 03379600) resigned w.e.f. 04/05/2023 from the Board due to personal reasons. Besides this, no other reason has been stated for resignation by him. The Board places on record its appreciation for the invaluable guidance and contribution made by Shri Chatterjee during his tenure as Independent Director of the Company.

Dr. (Mrs.) Neeraj Arora–Non Executive Director (DIN: 07191167) resigned w.e.f. 10/05/2023 from the Board due to personal reasons including her health. Besides this, no other reason has been stated for resignation by her. The Board places on record its appreciation for the invaluable guidance and contribution made by Dr. Arora during her tenure as Non-Executive Director of the Company.

Further, Shri M. P. Mehrotra (DIN: 00016768) Executive Vice-Chairman in the capacity of Whole Time Director, whose tenure would end on 31<sup>st</sup> July, 2023, was reappointed by the Board in its meeting held on 27/05/2023 for a further period of 3 years w.e.f. 01/08/2023 to 31/07/2026, concurring to the recommendation of Nomination and Remuneration Committee of the Company subject to approval of Members in the ensuing Annual General Meeting. Your Directors recommend his re-appointment as Executive Vice-Chairman for a period of three years as set out in the Notice convening the ensuing AGM.

Shri S. K. Agarwal- Managing Director (DIN: 00106763) was reappointed by the Board in its meeting held on 28/05/2022 for a further period of 3 years w.e.f. 21/08/2022 to 20/08/2025 which was approved by the members of the Company in the 35th Annual General Meeting held on 30/09/2022.

Shri K. K. Soni- Director- Finance & CFO (DIN: 00106037) was reappointed by the Board in its meeting held on 28/05/2022 for a further period of 3 years w.e.f. 01/08/2022 to 31/07/2025 which was approved by the members of the Company in the 35th Annual General Meeting held on 30/09/2022.

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

#### **Directors retiring by rotation:**

In accordance with the provisions of Article 89 of the Articles of Association of the Company, Shri Suresh Kumar Agarwal (DIN: 00106763) and Ms. Divya Mehrotra (DIN: 0006494) will be retiring by rotation at the ensuing AGM of your Company and being eligible, have offered themselves for re-appointment. Concurring to recommendation of Nomination and Remuneration Committee of the Company,

your directors recommend their re-appointment as set out in the Notice convening the ensuing AGM.

**Key Managerial Personnel (KMP):**

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons were Key Managerial Personnel of the Company as on March 31, 2023:

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

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

**6. Independent Directors**

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

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

During the year ended 31/03/2023, 1 (one) meeting of Independent Directors was held on 31/03/2023 as detailed hereunder:

S. No.	Name of the Director	Whether Chairman / Member	No. of Meeting(s) attended during F.Y. 2022-2023 and date(s)	
1	Shri D. K. Chatterjee	Chairman	1	31/03/2023
2	Shri Ajit Kumar	Member	1	31/03/2023
3	Shri D.K. Mehrotra	Member	1	31/03/2023

In the meeting of Independent Directors, held on 31/03/2023 pursuant to Schedule IV of the Act and the Listing Regulations, the Independent Directors reviewed the performance of the Chairman and Non-Independent Directors of the Company. The Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board, which is necessary for the Board to effectively and reasonably perform their duties. Their conclusion on all the issues discussed was satisfactory.

**7. Number of Board and Committee Meetings**

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

**8. Corporate Governance and Compliance Certificate**

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

Obligations & Disclosure Requirements) Regulations, 2015.

The requisite certificate from A. Aggarwal and Associates-Company Secretaries signed by Shri Ashutosh Aggarwal, Practicing Company Secretary (COP: 7467 and Peer Review Certificate No. 1097 / 2021) confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Company by the SEBI / Ministry of Corporate Affairs or any such statutory authority is appended at the end of aforesaid report.

**9. Directors' Responsibility Statement**

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

- a. that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- b. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the *profit* of the Company for that period;
- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that they have prepared the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2023 on a 'going concern' basis;
- e. that they have laid down Internal Financial controls to be followed by the Company and that such Internal Financial Controls are adequate and effective and
- f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

**10. Evaluation of Board/Committees/Individual Directors**

The Board carried out the annual performance evaluation of its own performance and its Committees in its meeting held on 27/05/2023. The said exercise was led by the independent directors who are also constituents of Nomination and Remuneration Committee. The evaluation process focused on different aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competence, performance of specific duties and obligations, governance issues etc. The aim was to assess the effectiveness of the Board's/Committees' processes, and to identify any actions required to improve effectiveness. The review thus focused on the following associated areas viz. structure, leadership, strategy, risks, decision making and development.

The evaluation process inter-alia comprised the following:

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

of the Chairman, independent directors, executive directors and other non-executive directors.

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

As per the provisions of Section 178(2) of Companies Act, 2013, the Board of Directors also carried out annual evaluation of each Director's performance in its meeting held on 27/05/2023 on the parameters including attendance, contribution and independent judgment by individual directors. Since all Directors have rich experience of corporate environment, so they are accustomed to having their performance regularly evaluated.

**11. Proper systems to ensure that compliances were adequate and effective**

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

**12. Corporate Social Responsibility (CSR)**

The Company is covered under the threshold prescribed under the Act for CSR. During the year under review, the Company had allocated total amount of Rs. 2,90,98,638.00 for spending in the F. Y. 2022-2023 after adjusting excess amount of Rs.13,330/- spent in previous year. The utilization statement is appended below:

Financial Year	Allocated Amount	Amount spent	Recipient entity and project	Amount Unspent (cumulative) as on March 31, 2023
	(in Rs.)	(in Rs.)		(in Rs.)
2022-23	2,91,11,967.18		Opening Balance (excess spent)	-13,330.00
			<b>Amount available for disbursal</b>	<b>2,90,98,637.18</b>
		6,85,380.00	<i>IIMPACT, Gurgaon (Assistance for five learning centers located in the rural areas of Kanpur Dehat Dist. (U.P.).</i>	2,84,13,257.18
		11,00,000.00	<i>Bharat Lok Shiksha Parishad NS-15/ H 5 (Between ED &amp; FD Block), Pitampura, Delhi-110034 (Project Ekal Vidyalaya for 50 centres)</i>	2,73,13,257.18
		49,40,000.00	Sri Sathya Sai Health & Education Trust (for treatment of 38 children with congenital heart disease in Sai Sanjeevani Hospital at Palwal, Haryana and other centers).	2,23,73,257.18
		32,50,000.00	Sri Sathya Sai Health & Education Trust (for treatment of 38 children with congenital heart disease in Sai Sanjeevani Hospital at Palwal, Haryana and other centers).	1,91,23,257.18
		7,85,100.00	Pratibha Parishkar Sansthanam, Mathura (U.P.) (Purchasing of Ambulance).	1,83,38,157.18
		-4,052.50	Refunded by Pratibha Parishkar Sansthanam, Mathura (U.P.)	1,83,42,209.68
		11,00,000.00*	Sri Sankat Mochan Dham Trust, Kanpur (Construction work of Computer Centre and Science Lab in Smt. Kasturi Devi Parashar Inter College in village Salai, District Kasganj (U.P.). <b>(approved as an Ongoing project)</b>	1,72,42,209.68
		52,79,730.00*	Pushp Niketan School Samiti, Dhampur, (U.P.). (for complete renovation of badminton court). <b>(approved as an Ongoing project)</b>	1,19,62,479.68
		1,15,72,000.00*	Research project by National Institute of Computer Education Society, Meerut (U.P.). <b>(approved as an Ongoing project)</b>	3,90,479.68
		3,90,480.00	Transfer to PM CARES FUND permissible under schedule VII of the Companies Act, 2013 on 31/03/2023. (including a sum of Rs. 4052/- which remained unutilized by Pratibha Parishkar Sansthanam)	0.00
		-13,123.00	Refunded by Pratibha Parishkar Sansthanam, Mathura (U.P.) received on 31/03/2023.	13,123.00
		13,123.00 <sup>§</sup>	Transfer to PM CARES FUND permissible under schedule VII of the Companies Act, 2013 on 09/05/2023.	0
			Balance	0

\* Transferred to "VLS Finance Ltd. – Unspent Corporate Social Responsibility Account" in pursuance to Section 135(6) for the Companies Act, 2013 read with Rule 2(1)(i) the Companies (Corporate Social Responsibility Policy) Rules, 2014.

§ An amount of Rs.7,85,100.00 was allocated to the 'Pratibha Parishkar Sansthanam', Mathura (U.P.). However, Rs.17,175.00 was unutilized and therefore, returned to the Company in two tranches. The entire amount was deposited to the PM Cares Fund as per CSR rules in two tranches. First tranche of Rs. 4,052/- was deposited on 31/03/2023 and second tranche of Rs. 13,123/- was deposited on 09/05/2023.

The recent amendment in CSR Rules effective from 22/01/2021 issued by Ministry of Corporate Affairs, mandates under Rule 10 thereof that the amount which remains unspent till the 31<sup>st</sup> March of every financial year, must be transferred to designated fund by the Government ('fund') within 6 months from the end of financial year and the Company would no longer be able to use or disburse under the CSR activities or carry over to next year or spend in future the allocated amount for CSR which remained unspent on 31<sup>st</sup> March of every financial year. For the financial year 2022-23, from the entire amount available for CSR initiative by the Company, Rs. 1,07,43,305/- had been spent in various proposals and an amount of Rs. 1,79,51,730/- had been transferred to "VLS Finance Ltd. – Unspent Corporate Social Responsibility Account" in pursuance to Section 135(6) for the Companies Act, 2013 read with Rule 2(1)(i) the Companies (Corporate Social Responsibility Policy) Rules, 2014. Further, an amount of Rs. 3,90,480/- was transferred to the PM Cares Fund. At the end of financial year, there was an unspent amount of Rs. 13,123/- left in CSR corpus for the year 2022-23 which was received on 31/03/2023 from 'Pratibha Parishkar Sansthanam' besides allocation for ongoing projects. Accordingly, the amount of Rs. 13,123/- was transferred to the PM cares fund compliance of second proviso to sub-section 5 of Section 135 of the Companies Act 2013 read with Rule 10 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

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

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2023 is available on the website of the Company at [www.vlsfinance.com](http://www.vlsfinance.com).

### 14. Policies

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

#### A. Corporate Social Responsibility Policy

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

#### B. Related Party Transaction

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

The Board of Directors (the "Board") of VLS Finance Limited (the "Company") has adopted this Policy. The said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions ("Policy") in compliance with the requirements of

Section 188 of the Companies Act, 2013 and conforms to the requirements of Regulation 23 of the Listing Regulations.

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

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

#### C. Board diversity

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

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

#### D. Risk Management

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

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

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

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

#### E. Anti-sexual harassment mechanism

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of

The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All women employees inter-alia permanent, contractual, temporary, trainees are covered under this policy.

The Internal Complaints Committee is headed by the woman Director on the Board. There were no complaints received from any employee or otherwise during the year under review and no complaints were pending as on 31/03/2023.

**F. Nomination and Remuneration Policy**

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

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

**G. Vigil Mechanism /Whistle Blower**

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

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

**15. Contracts with Related Party**

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

**16. Auditors**

**Statutory Auditors**

In terms of Section 139 read with Companies (Audit and Auditors) Rules, 2014 M/s. Agiwal & Associates, Chartered Accountants (FRN: 000181N) had been appointed for a period of 5 years i.e. from the conclusion of 35<sup>th</sup> Annual General Meeting till the conclusion of 40<sup>th</sup> Annual General Meeting of the Company subject to applicable regulations. The members in the 35<sup>th</sup> AGM of the Company had authorised the Board to fix the remuneration of the Auditors. The Statutory Auditors have consented to continue as Statutory Auditors and have given a confirmation that they are eligible to continue with their appointment and have not been disqualified in any manner for continuing as Statutory Auditors.

**Cost Auditor**

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

**Secretarial Auditors**

The Board in its meeting held on 27/05/2023 had reappointed M/s. A. Aggarwal & Associates-Company Secretaries (COP: 7467) as Secretarial Auditors for the financial year 2023-24 who was also the Secretarial Auditors of the Company for the financial year 2022-23 in compliance with Section 204 of the Companies Act, 2013 read with regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**17. Auditors' Report**

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

**18. Secretarial Audit Report**

The Secretarial Audit Report for the year 2022-23 submitted by Secretarial Auditor in terms of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure-IV**. The said report does not contain any adverse remark or observation by the Secretarial Auditor.

**19. Statutory Information.**

- The Company has paid the annual listing fees for the year 2023-24 to BSE Ltd. and The National Stock Exchange of India Ltd. and the custodian fees to National Securities Depository Ltd. and Central Securities Depository Ltd.
- The Board in its meeting held on 25/10/2018 had approved the proposal for voluntary delisting from the Calcutta Stock Exchange Ltd. ('CSE'). When the Company approached CSE, thereafter, for completing formalities of delisting, it was learnt that CSE had suspended the scrip of your Company alleging non-payment of listing fee for the year 2014-15 and other non-compliances. Since the Company had paid the said listing fee in time and also made other compliances the same were promptly informed to CSE in response to their communications. However, the Exchange had been inordinately delaying the process and delisting approval has not yet been granted. Regarding listing fee for the year 2019-20 onwards, the stand taken by the Company is that the same is not payable since the Company had approached Exchange for delisting of scrip well in time and cannot be made liable for payment of the fee when the delay is on part of Exchange.
- The shares of the Company are presently listed at BSE Ltd., The National Stock Exchange of India Ltd., Mumbai and The Calcutta Stock Exchange Ltd., Kolkata (pending delisting).
- There had been no change in the nature of business and name of Company during the year under review. Further, no proceedings/ application under Insolvency and Bankruptcy Code, 2016 had been made/pending against the Company.
- During the year under review, the Company did not absorb any new technology or carry out any R&D related activity for this purpose. However, use of energy efficient devices, wherever possible, in conducting

business of Company is part of its administration policies. The detailed disclosure is enclosed as Annexure -V to this report.

- Your Company's principal business is acquisition of securities; hence Section 186 of the Act is not applicable.
- Your Company has not issued equity shares with differential voting rights, sweat equity or ESOP in terms of Section 43 and Section 62 of the Companies Act, 2013, during the year under review.
- No revision of financial statements or Board's Report has been made in terms of Section 131 of the Companies Act, 2013, during the year under review. Further, there was no one time settlement with Bank/ Financial Institutions during the year under review.
- Disclosure relating to ratio of the remuneration of each director to the median employee's remuneration in terms of Section 197(12) of the Companies Act, 2013 is enclosed as **Annexure -VI** to this report.
- Executive Vice-Chairman, Managing Director and Director- Finance & CFO of your company are not in receipt of any remuneration or commission from any subsidiary company in terms of Section 197(14) of the Companies Act, 2013 and were appointed by passing special resolution for 3 years.
- There had been no significant and material orders passed by regulatory authorities/ court that would impact the going concern status of the Company and its future operations. Further, there were no material changes or commitments affecting financial position of the Company occurred between the year under review and date of this report.
- In the annual financial statements for the year under review, the disclosures of those items, where amount for the year under review and corresponding previous year was Nil, had been dispensed with, though required to be disclosed under applicable regulations.

## 20. Fixed Deposits

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

## 21. Human Resources

Employee relations continued to be cordial during the year. The number of employees stood at 34 (Thirty Four) at the end of the year under review. The Directors place on record their appreciation of the devoted service of the employees at all levels. In terms of the provisions of Section 197 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there was no employee during the year drawing remuneration more than the stipulated amount in the said rules. Your Company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of Section 67(3)(b) of the Companies Act, 2013 during the year under review.

## 22. Green initiative in Corporate Governance

As a continuing endeavor towards the Go Green Initiative, the Company has been sending documents like the notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to

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

## 23. Subsidiary/Associate Companies

Statement pursuant to Section 129(3) of the Companies Act, 2013 for the financial year ended 31/03/2023 in respect of the subsidiary/associate companies, is enclosed with Annual Accounts of the Company. Please refer to Note no. 53 of Notes forming part of consolidated financial statement in the Annual Report for the year under review.

The consolidated financial results include the audited financial results for the year ended on 31/03/2023 of the subsidiaries VLS Securities Limited (100%), VLS Real Estate Limited (100%) and VLS Asset Management Limited (99.15%). The financial results of VLS Capital Ltd. for the same period have been consolidated under equity method of accounting as an associate of VLS Securities Ltd. a subsidiary of the Company, since it was not consolidated by said subsidiary in view of exemption available under Section 129 read with Rule 6 of the Companies (Accounts) Rules, 2014. The financial results of Sunair Hotels Ltd. ('Sunair') are not included in these consolidated financial statements as it does not fall under the definition of an associate as per Ind AS-28 due to absence of significant influence on account of ongoing disputes between the Company and Sunair, hence excluded from consolidation of financial results of the year under review.

## 24. Consolidated Financial Statements

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

## 25. Acknowledgements

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

For and on behalf of the Board

Place: New Delhi	S.K. Agarwal	K. K. Soni
Date : 27/05/2023	Managing Director	Director-Finance & CFO
	DIN: 00106763	DIN: 00106037

### Report on Corporate Governance

**Our Mission:**

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

**Corporate Philosophy:**

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

**1. Board of Directors**

- a) The strength of the Board as on 31st March, 2023 was 9 Directors and except the Executive- Vice Chairman, Managing Director, Managing Director- International Operations and Director- Finance & CFO, all are non-executive, consisting of 3 (three) independent directors and 2 (two) non-executive & non-independent directors. The Chairman is Non-Executive, Independent Director. The present constitution of Board also adequately complies with the present requirement of composition of Board under Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"). The Independent Directors aforesaid adequately meet the criteria laid down in Section 149 of Companies Act, 2013 and other relevant laws as per declarations received by the Company. The details of changes in Board of Directors have been dealt with in Directors' Report under the head 'Directorate'. The information provided in this Report on Corporate Governance is as on March 31, 2023 and update, if any, have been indicated separately.

The attendance record of directors for the year ended 31/03/2023 and other information about them as required under the Listing Regulations is as follows:

S. No.	Name of the Director	Whether Promoter/ Executive or Non- Executive/ Independent	No. of Board Meetings attended during F.Y. 2022-2023	Whether attended AGM held on 30/09/2022	No. of Directorships in other Public Limited Companies as on 31/03/2023	No. of Committee positions held in other Public Limited Companies	
						Chairman	Member
1)	Shri Ajit Kumar (Chairman)	Independent, Non-Executive	8	Yes	0	0	0
2)	Shri M. P. Mehrotra (Executive Vice-Chairman)	Promoter, Executive	8	No	4	1	1
3)	Shri S. K. Agarwal (Managing Director)	Executive	8	Yes	3	0	0
4)	Shri Vikas Mehrotra (Managing Director – International Operations) (appointed w.e.f. 12/01/2022)	Promoter Group, Executive	7	No	2	0	0
5)	Shri K. K. Soni (Director- Finance & CFO)	Executive	8	Yes	4	1	2
6)	Dr. (Mrs.) Neeraj Arora (Resigned w.e.f. 10/05/2023)	Non-Executive	8	No	1	0	0
7)	Shri D. K. Mehrotra	Independent, Non-Executive	8	Yes	5	0	4
8)	Dr. R. L. Bishnoi (Resigned w.e.f. 01/03/2023)	Independent, Non-Executive	8	Yes	1	1	1
9)	Shri D. K. Chatterjee (Resigned w.e.f. 04/05/2023)	Independent, Non-Executive	8	No	1	1	1
10)	Ms. Divya Mehrotra	Promoter Group, Non-Executive	8	No	4	0	0

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

**b) Board meetings and attendance**

During the year ended 31/03/2023, 8 (Eight) board meetings were held on 28/05/2022, 13/08/2022, 19/09/2022, 09/11/2022, 05/01/2023, 04/02/2023, 23/02/2023 and 01/03/2023 with atleast one meeting in every quarter and the gap between two Board meetings did not exceed 120 days. The information as required under Schedule V (C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is made available to the Board. The agenda and papers for consideration at the Board Meeting and its Committee Meetings are circulated in advance as required under law except when the meeting was called at a shorter notice. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions.

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

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors present	Leave of absence was granted to:
1	28/05/2022	10	10	None
2	13/08/2022	10	10	None
3	19/09/2022	10	10	None
4	09/11/2022	10	10	None
5	05/01/2023	10	9	Shri Vikas Mehrotra
6	04/02/2023	10	10	None
7	23/02/2023	10	10	None
8	01/03/2023	10*	10	None

\* before resignation of Dr. R. L. Bishnoi w.e.f. from the closing business hours of 01/03/2023.

- c) There were no material transactions with the non-executive directors during the year under review. For other related party transactions, necessary disclosures have been made under the head "Notes forming part of financial statement" in the annual accounts for the year under review.
- d) Information supplied to the Board:  
The Board has unfettered and complete access to any information within the Company and to any employee of the Company. All other relevant information as and when required including those envisaged in Regulation 17 of the listing regulations was regularly provided to the Board and Committees thereof. The requisite CEO and CFO certification was also placed before the Board along with the quarterly and annual accounts for the year under review as required under Regulation 33 of the listing regulations.
- e) Details of remuneration paid to the Directors during the Financial year ended on 31/03/2023:

(Amount in Lacs)

S. No.	Name of the Director	Salary	Perquisites	Sitting fee	Commission	Total
1	Shri Ajit Kumar	N.A.	N.A.	7.10	N.A.	7.10
2	Shri M. P. Mehrotra	107.03	0.00	N.A.	N.A.	107.03
3	Shri S. K. Agarwal	43.55	0.00	N.A.	N.A.	43.55
4	Shri Vikas Mehrotra	51.85	N.A.	N.A.	N.A.	51.85
5	Shri K. K. Soni	41.77	0.00	N.A.	N.A.	41.77
6	Shri D. K. Mehrotra	N.A.	N.A.	6.15	N.A.	6.15
7	Dr. R. L. Bishnoi	N.A.	N.A.	6.65	N.A.	6.65
8	Shri D. K. Chatterjee	N.A.	N.A.	4.40	N.A.	4.40
9	Dr. (Mrs.) Neeraj Arora	N.A.	N.A.	5.10	N.A.	5.10
10	Ms. Divya Mehrotra	N.A.	N.A.	4.30	N.A.	4.30

**Notes:**

- i) Currently, the Company does not have any stock option scheme.
- ii) No remuneration, except sitting fee, is paid to Non-Executive Directors. The non-Executive Directors of your Company are only paid sitting fees and they are not entitled to any stock options and no payment of commission has been approved by the members. *The Non-Executive Directors do not have any pecuniary relationship/transaction with the Company in their personal capacity other than Sitting Fees and reimbursement of expenses for attending meetings of the Board and Committees thereof.* The criteria can also be accessed at [www.vlsfinance.com](http://www.vlsfinance.com).
- iii) Shri Vikas Mehrotra holds 4,85,783 equity shares and Ms. Divya Mehrotra holds 5,41,393 equity shares. Further, Shri M. P. Mehrotra, Shri S. K. Agarwal and Shri K. K. Soni hold 1 equity share each of the Company as on 31/03/2023. No other director held any share of the Company on the said date. None of the Directors except Shri M. P. Mehrotra, Shri Vikas Mehrotra, Ms. Divya Mehrotra and Dr. (Mrs.) Neeraj Arora are related to each other.  
Shri S. K. Agarwal- Managing Director was reappointed by the Board in its meeting held on 28/05/2022 for another period of 3 years w.e.f. 21/08/2022 to 20/08/2025 and approved by the members of the Company in the Annual General Meeting held on 30/09/2022. The service contract in case of Managing Director is 3 years with notice period of 3 months. Shri K. K. Soni- Director- Finance & CFO was reappointed by the Board in its meeting dated 28/05/2022 for another period of 3 years w.e.f. 01/08/2022 to 31/07/2025 and approved by the members of the Company in the Annual General Meeting held on 30/09/2022. The service contract in case of Director- Finance & CFO is 3 years with notice period of 3 months. Shri M. P. Mehrotra had been re-appointed as Executive Director designated as Executive Vice - Chairman by the Board in its meeting held on 27/05/2023 for a period of 3 years w.e.f. 01/08/2023 to 31/07/2026. The said appointment will be considered for approval of the members of the Company in the AGM to be held on 29/09/2023. The service contract in case of Executive Vice - Chairman is 3 years with notice period of 3 months. Presently, all the Directors other than Independent Directors are liable to retire by rotation as per provisions of the Companies Act, 2013. Shri Vikas Mehrotra was appointed as Managing Director – International Operation w.e.f. 12/01/2022 pursuant to the approval of the Board in its meeting held on 13/11/2021 and the approval of members in the Extraordinary General Meeting ('EGM') held on 30/12/2021 and the subsequent approval of the Central Government vide order dated 31/05/2022 read with corrigendum dated 29/06/2022.
- iv) In case of Executive Directors, the fixed component of salary is based on the recommendation of Nomination and Remuneration Committee of the Company, which takes into consideration the performance of relevant period. The performance criterion is provided in the section 'Evaluation of Board/ Committees/ Individual Directors' in the Directors' Report.
- f) **Code of Conduct**  
The Code of Conduct is applicable on all directors and senior managerial personnel of the Company with certain provisions applicable to all employees e.g. insider trading etc. The Code of Conduct is available on the Company's website. The declaration from Managing Director that all Board members and other concerned have complied with the code is appended to and forms part of this report.

**Declaration for compliance with the Code of Conduct**

Pursuant to Regulation 26 read with Schedule V (D) of the Listing Regulations, I hereby declare that the Company has obtained affirmative compliance with Code of Conduct from all the Board members and senior management personnel of the Company for the period under review, which ended on 31/03/2023.

**Date: 27/05/2023**  
**Place: New Delhi**

**S. K. Agarwal**  
**Managing Director**  
**DIN: 00106763**

- g) **Disclosures regarding appointment or re-appointment of Directors**  
The relevant information about Directors retiring by rotation and appointment of Independent Directors has been furnished in notice convening the ensuing Annual General Meeting.
- h) Details of familiarization program imparted to Independent Directors can be accessed at [www.vlsfinance.com](http://www.vlsfinance.com).
- i) Names of the listed entities where Directors are on Board including VLS Finance Ltd.:

Name of Directors	Name of Listed Company	Category
Shri Ajit Kumar	VLS Finance Ltd.	Chairman- Independent Director
Shri M. P. Mehrotra	VLS Finance Ltd. Dhampur Sugar Mills Ltd. South Asian Enterprises Ltd.	Executive Vice – Chairman Independent Director Non-Executive Director
Shri S. K. Agarwal	VLS Finance Ltd.	Managing Director
Shri Vikas Mehrotra	VLS Finance Ltd.	Managing Director- International Operations
Shri K. K. Soni	VLS Finance Ltd. South Asian Enterprises Ltd.	Director- Finance & CFO Non-Executive Director
Shri D. K. Mehrotra	VLS Finance Ltd. Computer Age Management Services Ltd. UTI Asset Management Co. Ltd.  SBI Cards and Payment Services Ltd.	Independent Director Chairman- Independent Director Non-Executive Chairman and Independent Director Independent Director
Dr. R. L. Bishnoi	VLS Finance Ltd.* Jammu and Kashmir Bank Ltd.	Independent Director Independent Director
Shri D. K. Chatterjee	VLS Finance Ltd.# UTI Asset Management Company Ltd.	Independent Director Independent Director
Dr. (Mrs.) Neeraj Arora	VLS Finance Ltd.\$ South Asian Enterprises Ltd.	Non-Executive Director Non-Executive Director
Ms. Divya Mehrotra	VLS Finance Ltd.	Non-Executive Director

\* Dr. R. L. Bishnoi resigned as Independent Director of the Company w.e.f. the closing business hours of 01/03/2023.

# Shri D. K. Chatterjee resigned as Independent Director of the Company w.e.f. 04/05/2023.

\$ Dr. (Mrs.) Neeraj Arora resigned as Non-Executive Director of the Company w.e.f. 10/05/2023.

#### Key Board qualifications, expertise and attributes

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

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

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

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

Name	Financial	Leadership	Governance
Shri Ajit Kumar	-	√	√
Shri M. P. Mehrotra	√	√	√
Shri S.K. Agarwal	√	√	√
Shri K. K. Soni	√	√	√
Shri Vikas Mehrotra	√	-	√
Dr. (Mrs.) Neeraj Arora	-	-	√
Shri D. K. Mehrotra	√	√	√
Dr. R. L. Bishnoi	√	√	√
Shri D. K. Chatterjee	√	√	√
Ms. Divya Mehrotra	-	-	√

## 2. Audit Committee

### a) Composition

As on 01/04/2022, the Audit Committee consisted of Dr. Rajeev Lochan Bishnoi as Chairman with Shri Ajit Kumar, Shri D. K. Mehrotra and Shri M. P. Mehrotra as members. Dr. Bishnoi- Chairman- Audit Committee had ceased to be a member of the Audit Committee due to his resignation w.e.f. 01/03/2023. The Committee will elect the Chairman in due course of time. Majority of members are independent directors. All the members of Committee are financially literate in terms of relevant stipulation under Regulation 18 of the Listing Regulations and two members have extensive experience in areas of finance, taxation and other financial services. The Committee continues to comply with the constitution norms stipulated in Listing Regulations except the absence of a regular Chairman, after the resignation of Dr. R. L. Bishnoi w.e.f. the closing business hours of 01/03/2023, whose appointment will be made in the due course of time. The Company Secretary acts as Secretary of the Committee.

**b) Terms of reference**

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

**c) Meetings and attendance**

During the year ended 31/03/2023, 4 (Four) meetings of Audit Committee were held on 28/05/2022, 13/08/2022, 09/11/2022 and 04/02/2023. The summary of attendance of members is as under:

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

\*resigned w.e.f. the closing business hours of 01/03/2023.

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

Sr. No.	Date of Audit Committee Meeting	Audit Committee Strength	No. of Directors present	Leave of absence was granted to:
1	28/05/2022	4	4	Nil
2	13/08/2022	4	4	Nil
3	09/11/2022	4	4	Nil
4	04/02/2023	4	4	Nil

**3. Nomination and Remuneration Committee**
**a) Composition**

The Nomination and Remuneration Committee ('NRC') as on 01/04/2022 comprised of Shri D. K. Mehrotra as Chairman with Shri Ajit Kumar, Dr. R. L. Bishnoi and Dr. (Mrs.) Neeraj Arora as members. Dr. Bishnoi ceased to be a member of the Committee due to his resignation w.e.f. 01/03/2023 and Dr. (Mrs.) Neeraj Arora had also ceased to be a member of the Committee due to her resignation w.e.f. 10/05/2023. The Board, in its meeting held on 27/05/2023, had nominated Ms. Divya Mehrotra as member of the Committee. The Committee continues to comply with the constitution norms stipulated in Listing Regulations. The Company Secretary acts as Secretary of the Committee.

**b) Terms of reference**

The Committee formulates the remuneration package for directors including key managerial personnel subject to approval of the Board and performs other roles detailed out in the listing regulations or as assigned by the Board from time to time. During the year under review, four meetings of NRC were held on 28/05/2022, 13/08/2022, 04/02/2023 and 23/02/2023. The performance evaluation criteria for independent directors is based on participation, contribution, effective utilization of expertise & skill, relationship with stakeholders, maintenance of confidentiality, independent judgment, willingness to contribute time etc. The minutes of NRC Committee meetings are regularly placed before the Board. The Board had accepted all the recommendations made by NRC Committee during the year under review.

**c) Meetings and attendance**

The summary of attendance of members is as under:

Name	Shri D. K. Mehrotra	Shri Ajit Kumar	Dr. (Mrs.) Neeraj Arora#	Dr. R. L. Bishnoi\$	Ms. Divya Mehrotra *
Attendance in meetings.	4	4	4	4	0

# resigned w.e.f. 10/05/2023. \$resigned w.e.f. the closing business hours of 01/03/2023. \* nominated w.e.f. 27/05/2023.

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

Sr. No.	Date of NRC Meeting	NRC Strength	No. of Directors present	Leave of absence was granted to:
1	28/05/2022	4	4	Nil
2	13/08/2022	4	4	Nil
3	04/02/2023	4	4	Nil
4	23/02/2023	4	4	Nil

**4. Stakeholders Relationship Committee**
**a) Composition and terms of reference**

The Committee as on 01/04/2022 consisted of Shri Ajit Kumar – Independent Director as Chairman, Shri S. K. Agarwal and Shri K. K. Soni as its members. Shri H. Consul- Company Secretary is the Compliance Officer and Secretary of the Committee. The Committee is vested with the requisite powers and authority to specifically look into the redressal of the shareholder's and investor's grievances apart from powers of issuing duplicate shares and other related matters. The processing of request for dematerialisation/ transfer/ transmission/ issue of duplicate certificates and matters related thereto is processed by M/s. RCMC Share Registry Pvt. Ltd., the Registrar & Transfer Agents within the time prescribed. The Committee continues to comply with the constitution norms stipulated in Listing Regulations.

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

**b) Meetings and attendance**

During the year under review, 9 (Nine) meetings of Stakeholders Relationship Committee ('SRC') were held on 26/04/2022, 03/06/2022, 13/07/2022, 22/08/2022, 21/09/2022, 07/11/2022, 19/12/2022, 24/01/2023 and 16/03/2023.

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

Name	Shri Ajit Kumar	Shri S. K. Agarwal	Shri K. K. Soni
Attendance in meetings	9	8	8

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

Sr. No.	Date of SRC Meeting	SRC Strength	No. of Directors present	Leave of absence was granted to:
1	26/04/2022	3	3	None
2	03/06/2022	3	2	Shri K. K. Soni
3	13/07/2022	3	3	None
4	22/08/2022	3	3	None
5	21/09/2022	3	3	None
6	07/11/2022	3	3	None
7	19/12/2022	3	3	None
8	24/01/2023	3	2	Shri S. K. Agarwal
9	16/03/2023	3	3	None

**c) Shareholders Complaints**

The Company had received 10 (Ten) complaints during the financial year ended 31<sup>st</sup> March, 2023. All the complaints whether received through SEBI, stock exchanges or individual members during the year were redressed to the satisfaction of the shareholders and one remained outstanding at the end of the year, which was resolved on 06/04/2023. The nature wise summary of complaints received and redressed during the year is as under:

Nature of Complaints**	Received	Redressed
Non-receipt of Dividend	0	0
Non-receipt of Shares after transfer/Rejection through RTA.	0	0
Non-receipt of Annual Report	0	0
Non-receipt of Bonus Shares	0	0
Non-receipt of Name change sticker	0	0
Non- receipt of share certificate after Rejection of Demat request	0	0
Others [SCORES (Non-receipt of Dividend), exchanges etc.]	10	10
<b>Total</b>	10	10

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

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

**5. CSR Committee**

**a) Composition and terms of reference**

As on 01/04/2022, the Committee consisted of Shri Ajit Kumar - Independent Director as Chairman, Dr. R. L. Bishnoi- Independent Director, Shri M. P. Mehrotra- Executive Vice-Chairman and Shri S. K. Agarwal - Managing Director as members. Further, the Board in its meeting held on 09/11/2022 had nominated Shri Vikas Mehrotra- Managing Director- International Operations to the CSR Committee. The terms of reference of CSR Committee are in compliance with the applicable regulations. During the year, 3 (Three) meetings of the Committee were held on 09/11/2022, 05/01/2023 and 01/03/2023 (post adjournment on 23/02/2023). The Committee continues to comply with the constitution norms stipulated under applicable laws. The Company Secretary acts as Secretary of Committee.

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

Name	Shri Ajit Kumar	Dr. R. L. Bishnoi#	Shri M. P. Mehrotra	Shri S. K. Agarwal	Shri Vikas Mehrotra
Attendance in meetings	3	3	3	3	1*

\* nominated w.e.f. 09/11/2022. # resigned w.e.f. the closing business hours of 01/03/2023.

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

Sr. No.	Date of CSR Committee Meeting	CSR Strength	No. of Directors present	Leave of absence was granted to:
1	09/11/2022	4	4	None
2	05/01/2023	5	4	Shri Vikas Mehrotra
3	01/03/2023 (post-Adjournment on 23/02/2023)	5	5	None

**6. Other Committees of Board of Directors:**

**a) Operations Management Committee**

**Composition and terms of reference**

As on 01/04/2022, the Committee consisted of Shri Ajit Kumar - Independent Director as Chairman, Shri M. P. Mehrotra – Executive Vice-Chairman, Shri S. K. Agarwal - Managing Director and Shri K. K. Soni – Director-Finance & CFO as members. The terms of reference of this Committee are approved by the Board. During the year one meeting of the Committee was on 13/07/2022 in which all the members of the Committee were present.

**b) Risk Management Committee**

The provisions of Regulation 21 read with clause 5A of part C of Schedule V of Listing Regulations are not applicable to the Company for the year under review though the Board has constituted an internal committee for monitoring risk management.

c) **Buyback Committee**

The Board in its meeting held on 05/01/2023 had approved the proposal to Buyback fully paid up equity shares of Rs.10/- each of the Company for an aggregate amount not exceeding Rs. 70 Crores. In this regard, to oversee and approve the matters relating to Buyback, the Board had constituted Buyback Committee consisting of Dr. R. L. Bishnoi - Independent Director, Shri M. P. Mehrotra – Executive Vice-Chairman, Shri S. K. Agarwal - Managing Director and Shri K. K. Soni – Director-Finance & CFO. Further, Dr. R. L. Bishnoi was elected as Chairman of the Committee by the members. During the year under review, one meeting of the Committee was held on 14/01/2023 in which all the members were present. Further, details relating to the Buyback may be accessed from the Company's website i.e. [www.vlsfinance.com](http://www.vlsfinance.com) and from the exchange website i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

7. **General Body Meetings**

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

Financial year ended	Date	Time	Venue
March 31, 2022 (AGM)	September 30, 2022	3.30 p.m.	From registered office through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM')
1 <sup>st</sup> EGM of 2021	December, 30, 2021	3.30 p.m.	From Corporate office through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM')
March 31, 2021 (AGM)	September 30, 2021	3.30 p.m.	From registered office through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM')
March 31, 2020 (AGM)	December 10, 2020	3.30 p.m.	From registered office through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM')

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

- In the AGM held on 10/12/2020, appointment of Shri M. P. Mehrotra as Executive Vice- Chairman was approved by special resolution.
- In the AGM held on 30/09/2021, re-appointment of Shri Dinesh Kumar Mehrotra (DIN: 00142711) as a Non-Executive Independent Director of the Company for the 2<sup>nd</sup> term of 5 years and revision of remuneration of Shri Mahesh Prasad Mehrotra (DIN: 00016768) - Executive Vice-Chairman and Shri Suresh Kumar Agarwal (DIN: 00106763) - Managing Director and continuation of employment of Managing Director were approved by respective special resolutions.
- In the AGM held on 30/09/2022, re-appointment of Shri Suresh Kumar Agarwal (DIN: 00106763) - Managing Director and Shri Kishan Kumar Soni (DIN:00106037) as Director- Finance & CFO were approved by respective special resolutions.

c) **Postal ballot**

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

8. **Disclosures**

a) **Related party transactions**

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

b) **Statutory compliance, penalties and strictures**

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

- None.

c) **Legal Proceedings**

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

d) **Whistle Blower Policy/Vigil Mechanism**

The Company has adopted the whistle blower policy and no personnel have been denied access to the audit committee. The policy may be accessed at [www.vlsfinance.com](http://www.vlsfinance.com).

e) **Certificate on disqualification of Directors**

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

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

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

g) **Compliance of Non-mandatory requirements**

i) **Operations Management Committee**

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

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

iii) **Presently, the positions of Chairman and Managing Director are held by separate persons and the Chairman is a non-executive director and is not related to the Managing Director. The Company do not have any CEO.**

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

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

## 9. Communication to Shareholders

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

- The official news releases and presentations made to analysts/ institutional investors shall also be posted on the website as and when made. No presentation was, however, made by company to analysts etc. during the year under review.
- The 'Management Discussion and Analysis' forms part of annual report for the year under review. The Company, however, assumes no responsibility in respect of forward-looking statements, which may be amended or modified in future on the basis of subsequent developments or events.
- The email of the Company is [vls@vlsfinance.com](mailto:vls@vlsfinance.com). The Company also has dedicated an e-mail ID exclusively for redressal of investor complaints in compliance of Regulation 46 of the listing regulations namely [hconsul@vlsfinance.com](mailto:hconsul@vlsfinance.com) which is displayed on the Company's website [www.vlsfinance.com](http://www.vlsfinance.com) under heading 'contact us'. The queries may also be addressed at the registered office or corporate office of the Company.

## 10. Shareholders Information

### a) Annual General Meeting

<b>Date and time</b>	:	Friday, 29 <sup>th</sup> September, 2023 at 3.30 p.m.
<b>Venue</b>	:	Video Conferencing ("VC") / Other Audio Visual Modes ("OAVM") from registered office of the Company situated at Ground Floor, 90, Okhla Industrial Estate, Phase-III, New Delhi-110020.
<b>Financial Year</b>	:	April 2022 to March 2023.
<b>Book Closure</b>	:	From 23/09/2023 to 29/09/2023 (both days inclusive)
<b>Buy back of shares</b>	:	Please refer para 4 of the Director's Report.
<b>Dividend payment date</b>	:	On or before 29/10/2023, if declared.

### b) Listing at Stock Exchanges

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

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

The annual listing fee has been paid to BSE and NSE upto the year 2023-2024. The Company had filed the application for voluntary delisting of its shares from the CSE during the year 2018-19 itself and the same is under process, hence no listing fee has been paid to CSE for the year 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24, as of now.

### c) Stock Market data

Monthly highs, lows and trading volume for the financial year 2022-2023:

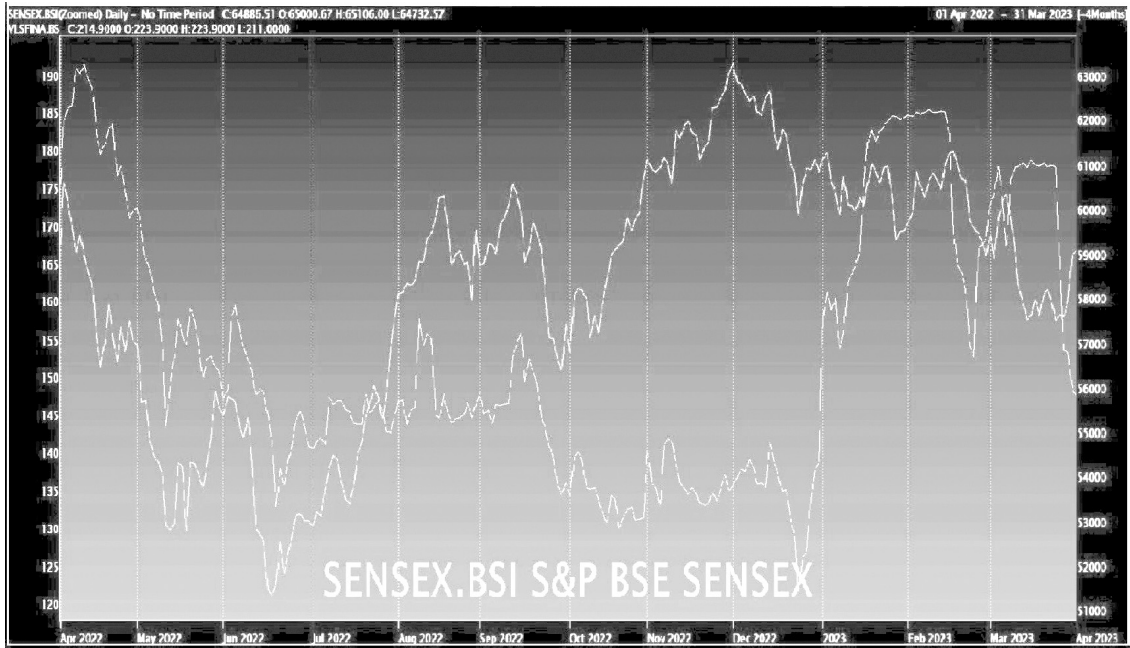
Month	NSE			BSE		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	Nos.	Rs.	Rs.	Nos.
Apr-22	197.60	161.90	1028802	198.00	162.95	191385
May-22	175.00	140.10	557798	174.10	135.00	96263
Jun-22	168.85	130.20	587640	167.85	129.40	94986
Jul-22	155.00	140.15	249879	154.80	138.20	45483
Aug-22	164.65	140.10	895237	165.55	140.00	108239
Sep-22	158.00	133.75	1118419	159.75	133.85	124573
Oct-22	147.85	128.90	376743	142.00	115.00	55619
Nov-22	151.80	130.00	1006982	152.90	131.85	72717
Dec-22	143.90	120.50	1034281	143.30	120.50	115445
Jan-23	187.40	142.00	4974424	188.70	141.00	670036
Feb-23	190.90	150.70	2686117	190.90	148.00	416183
Mar-23	182.00	147.15	2353130	182.95	147.50	291126
<b>Total</b>			16869452			2282055

Graphical representation of Shares Price in NSE and BSE vis-à-vis Index Movement:

**NSE Graph of VLS Finance Ltd.**



**BSE Graph of VLS Finance Ltd.**



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

The Company has retained M/s RCMC Share Registry Pvt. Ltd., as its Registrar & Transfer Agents for further period of one-year w.e.f. 01/04/2023 for entire shareholder services viz. processing request for transfer, other shareholder services, dematerialisation of holding, providing connectivity services with depositories in compliance of SEBI's circular No. D&CC/F/TTC/CIR-15/2002 dated 27/12/2002.

**e) Investors Correspondence**

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

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

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

**f) Distribution of shareholding as on March 31, 2023**

Slab of share holdings	No. of share holders	%age	No. of shares	Nominal value of shares held (Lacs)	%age
1-500	19995	72.36	2788887	278.89	7.92
501-1000	5634	20.39	3698935	369.89	10.50
1001-2000	1138	4.12	1627116	162.71	4.62
2001-3000	305	1.10	781602	78.16	2.22
3001-4000	144	0.52	512852	51.29	1.46
4001-5000	102	0.37	479671	47.97	1.36
5001-10000	171	0.62	1213722	121.37	3.45
10001 and above	145	0.52	24124997	2412.49	68.48
<b>Total</b>	<b>27634</b>	<b>100.00</b>	<b>35227782</b>	<b>3522.78</b>	<b>100.00</b>

**According to categories of shareholders as on March 31, 2023**

Sl. No.	Categories	No. of Shares	Amount in Lacs	Percentage of Shareholding
1	Promoters, Directors and Relatives	17691936	1769.19	50.22
2	Financial Institution and Banks	10800	1.08	0.03
3	Alternate Investment Fund	0	0.00	0.00
4	Mutual Fund and Foreign Financial Institutions	400	0.04	0.00
5	Corporate Bodies	425574	42.56	1.21
6	Clearing Members	17609	1.76	0.05
7	Indian Public	15803095	1580.31	44.86
8	NRI/OCBs/FN	234629	23.47	0.67
9	NBFC	0	0.00	0.00
10	LLP	2400	0.24	0.01
11	FPI	600198	60.01	1.70
12	HUF	441137	44.11	1.25
13	Other Directors and KMP	4	0	0
14	Demat Suspense account	0	0	0
15	Investor Education and Protection Fund	0	0	0
16	Others	0	0	0
	<b>Grand Total</b>	<b>35227782</b>	<b>3522.77</b>	<b>100.00</b>

**g) Dematerialisation of Shares and liquidity**

92.77% (post adjustment of 34,34,235 equity shares bought back and extinguished till 31/03/2023) of the total share capital of Company was held in dematerialized form as on 31/03/2023. The shares of Company are actively traded in BSE Ltd. and The National Stock Exchange of India Ltd. The shares of the Company are traded only in demat segment w.e.f. 28<sup>th</sup> August 2000.

**h)** There were no ADRs/ GDRs/ Warrants or other convertible instruments outstanding as on 31/03/2023.

**i) Reconciliation of Capital**

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

**j) Tentative Financial Calendar for the financial year ending 31<sup>st</sup> March 2024:**

Particulars	Tentative Period
Quarter ending June 30, 2023	Second week of August, 2023
Quarter ending September 30, 2023	Second week of November, 2023
Quarter ending December 31, 2023	Second week February, 2024
Quarter and Year ending March 31, 2024 #	End of May, 2024
Annual General Meeting for the year ended March 31, 2023	29 <sup>th</sup> September, 2023

# For the quarter ending 31/03/2024 un-audited results may not be published and only audited results will be published, unless decided otherwise.

**k) Subsidiary Companies**

The Company has a material non-listed Indian subsidiary namely VLS Securities Ltd. in terms of Regulation 24 of the listing regulations, as amended, as per the financial results for the immediate preceding financial year i.e. 2021-22, details of which are as follows:

Name	Date of Incorporation	Place of Incorporation	Name of Auditor	Date of appointment of Auditor
VLS Securities Limited	13/11/1994	New Delhi	M/s. Anil Pariek & Garg- Chartered Accountants (FRN: 001676C)	10 September, 2022 (for a term of 5 years)

Further, as per listing regulations, one Independent Director on the Board of the listed entity needs to be appointed on the Board of an unlisted material subsidiary. In this regard, one Independent Director, namely Dr. R. L. Bishnoi was on the Board of the Company and of said Subsidiary Company also. However, he has resigned from both the Companies i.e. VLS Finance Limited and the said subsidiary w.e.f. 01/03/2023. The common Independent Director will be appointed in the due course of time. As per financial results for the year 2022-23, the said subsidiary continues to remain material subsidiary for the year 2023-24.

**l) Plant Location**

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

**m) Credit Rating**

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

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

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

**o) Utilization of funds raised**

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

**p) Consolidated Remuneration to Statutory Auditors**

The details of remuneration paid to Statutory Auditors for the period under review has been detailed in Notes to Accounts for the year under review under the head 'Auditors Remuneration'.

**q) Disclosure of Loans and Advances**

The Company has not provided any loans and advances in the nature of loans to firms/companies in which any director is interested except as disclosed under form AOC-2.

11. Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on prevention of sexual harassment of women at workplace and constituted Internal Complaints Committee. Status of complaints during Financial year 2022-23 is as under:

Pending at the beginning of the financial year	Nil
Received during the financial year	Nil
Disposed of during the financial year	Nil
Pending as at March 31, 2023	Nil

**Certificate on Corporate Governance**

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

**CERTIFICATE**

**To the Members of VLS Finance Limited**

I have examined the compliance of applicable conditions of Corporate Governance by VLS Finance Limited ("the Company"), for the year ended on March 31, 2023, and particularly in respect of:

- Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from April 01, 2022 to March 31, 2023.

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

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has in general complied with the conditions of Corporate Governance including Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations, during the year ended March 31, 2023.

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

Sd/-

Ashutosh Aggarwal  
A Aggarwal and Associates  
Company Secretaries  
ACS 9972 CP No. 7467  
P.R. Certificate No. 1097 / 2021  
UDIN: A009972E000335583

Place: New Delhi  
Date: May 19, 2023

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

**To the Members of VLS Finance Limited**

I have examined the relevant Registers, Records, Forms, Returns and disclosures received from the Directors of VLS Finance Limited (CIN:L65910DL1986PLC023129) and having registered office at Ground Floor, 90, Okhla Industrial Estate, Phase -III, New Delhi 110020 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

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

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

Sd/-

Ashutosh Aggarwal  
A Aggarwal and Associates  
Company Secretaries  
ACS 9972 CP No. 7467  
P.R. Certificate No. 1097 / 2021  
UDIN: A009972E000338003

Place: New Delhi  
Date: May 19, 2023

**ANNEXURE –II**

**ANNUAL REPORT ON CSR ACTIVITIES**

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

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

\* Resigned from the Board w.e.f. the closing business hours of 01/03/2023

# Nominated by the Board w.e.f. 09/11/2022

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. www.vlsfinance.com
- Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not applicable
- Average net profit of the Company as per section 135 (5). Rs.1,45,55,98,358.87
  - Two percent of average net profit of the Company as per section 135(5). Rs.2,91,11,967.18
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
  - Amount required to be set off for the financial year if any Rs.13,330/-
  - Total CSR obligation for the financial year (b+c-d) Rs.2,90,98,637.18

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). Rs.1,11,33,785/-  
 (b) Amount spent in Administrative Overheads. Nil  
 (c) Amount spent on Impact Assessment, if applicable. Nil  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] Rs.1,11,33,785/-  
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs.1,11,33,785/-	Rs.1,79,51,730/-	24/04/2023	PM Cares Fund	Rs.13,123/-	09/05/2023

(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the company as per section 135(5) (Net)	Rs.2,90,98,637.18
(ii)	Total amount spent for the Financial Year	Rs.1,11,33,785/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)(in Rs.)	Balance Amount in Unspent CSR Account under section 135(6)	Amount spent in the Financial Year(in Rs.)	Amount transferred to a fund as specified under Schedule VII as per second proviso to section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer.		
-	----	----	----	----	----	----	----	----

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No  
 If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent - (in Rs.)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Rs. 13,123/- allocated to 'Pratibha Parishkar Sansthanam' (CSR registration no. CSR00036497) was returned being unutilized. The entire amount was deposited to PM Cares Fund on 09-05-2023.

S. K. Agarwal  
 Managing Director

Ajit Kumar  
 Chairman- CSR Committee

**Form AOC-2**

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

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

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

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

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

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

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

\* Please refer note no. 32 of Annual Report for the year 2022-23 for disclosures under 'Related Party'.

**SECRETARIAL AUDIT REPORT**  
**For the financial year ended 31<sup>st</sup> March, 2023**  
**Form MR-3**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members  
VLS Finance Limited  
Ground Floor, 90, Okhla Industrial Estate  
Phase -III, New Delhi-110020

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by it and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit period covering the Financial Year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2023 according to the provisions of: -

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the year under review).
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations) 2021; (Not applicable during the year under review).
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the year under review).
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable during the year under review).
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

- (Not applicable to the Company during the financial year under review.)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (j) The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992.
  - (k) The Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;
- (vi) The Company had properly complied the other laws viz. Income tax Act 1961, Prevention of Money Laundering Act, 2002 and Rules made thereunder, other applicable Tax Laws, Labour Laws, Local Revenue Laws, Insurance Act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder, Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder, Environment (Protection) Act, 1986, as applicable to it.

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Company has been filing requisite forms and returns with Registrar of Companies generally in time. *However, additional filing fee was paid in respect of 9 (Nine) Forms for exceeding stipulated period of filing. A penalty of Rs. 6,000/- has been imposed on the Listed Entity in May 2022 under Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 for adverse observations of the Internal Auditor in its Report for the period ended 30.09.2021.* Further, no action was initiated against the Promoters / Directors / Subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) or Registrar of Companies under the aforesaid Acts / Regulations and Circulars / Guidelines issued thereunder during the period under the review.

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

Adequate notices were given to all the Directors of the Company to schedule the Board Meetings. Agenda and detailed Notes on Agenda were sent at least seven days in advance except when Meeting was called at shorter notice, the fact of calling Meeting at short Notice and consent of Directors for the same was duly recorded in the Minutes. A system exists for seeking and obtaining further information and clarifications on the Agenda Items before the Meeting for meaningful participation of the Directors at the Meetings. All decisions were passed unanimously and were properly recorded as part of the minutes.

**I further report that** the Company is a listed Company having Trading Membership of BSE Limited.

**I further report that** the Company had approached the Calcutta Stock Exchange Limited for delisting of its scrip from the Exchange pursuant to Board's decision dated 25.10.2018. The delisting of scrip was not confirmed by the said Exchange during the audit period and is in process till date.

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

**I further report that** pursuant to the approval of the Board in its Meeting held on 05.01.2023 in compliance with provisions of Section 68(2)(b) proviso (i) and (ii) of the Companies Act, 2013 and the Public Announcement dated 07.01.2023, the Company has Bought Back and Extinguished 34,34,235 Equity Shares till 31.03.2023.

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

**I further report that** during the Audit period, the Company has not taken any actions having major bearing on affairs of the Company pursuant to above referred Laws, Rules, Regulations, Guidelines and Standards.

Ashutosh Aggarwal  
A Aggarwal and Associates  
Company Secretaries  
ACS 9972 CP No. 7467  
P.R. CERTIFICATE NO. 1097/2021  
UDIN: A009972E000270551

Place: New Delhi  
Date: 08.05.2023

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

## Annexure 1

To

The Members  
VLS Finance Limited  
Ground Floor, 90, Okhla Industrial Estate,  
Phase -III, New Delhi-110020

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

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

Ashutosh Aggarwal  
A Aggarwal and Associates  
Company Secretaries  
ACS 9972 CP No. 7467  
P.R. CERTIFICATE NO. 1097/2021  
UDIN: A009972E000270551

Place: New Delhi  
Date: 08.05.2023

**Information as per Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2023.**

**CONSERVATION OF ENERGY**

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

**TECHNOLOGY ABSORPTION**

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

For and on behalf of the Board of Directors

Place: New Delhi

Date: 27/05/2023

S.K. Agarwal  
(Managing Director)  
DIN: 00106763

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

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

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

**1 The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-2023:**

Sl.No	Name of the Directors	Designation	% increase of remuneration in 2023 as compared to 2022	Ratio to the median remuneration
1	Shri Ajit Kumar	Non-Executive Independent Director (Chairman)	42.00%	0.99:1
2	Dr. (Mrs.) Neeraj Arora	Non-Executive Non Independent Director	50.00%	0.71:1
3	Dr. R.L. Bishnoi	Non-Executive Independent Director	44.57%	0.93:1
4	Shri D. K. Mehrotra	Non-Executive Independent Director	73.24%	0.86:1
5	Shri D. K. Chatterjee	Non-Executive Independent Director	41.94%	0.62:1
6	Shri Vikas Mehrotra *	Non-Executive Non Independent Director	Not Comparable	7.26:1
7	Ms. Divya Mehrotra#	Non-Executive Non Independent Director	186.67%	0.6:1
8	Shri M. P. Mehrotra	Executive Vice- Chairman	38.51%	14.99:1
9	Shri S. K. Agarwal	Managing Director	5.54%	6.1:1
10	Shri K. K. Soni	Director- Finance & CFO	5.48%	5.85:1

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

\* Remuneration was paid w.e.f. 01st June 2022 on receipt on approval from central government on 31st May 2022 and sitting fee of Rs 0.50 lakh paid prior to receipt of intimation had been treated as remuneration for the said period.

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

**2 The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year 2022-23:**

Sl.No	Name of the Company Secretary	Designation	% increase of remuneration in 2023 as compared to 2022
1	Shri H. Consul	Company Secretary	4.52%

**3. The percentage increase in the median remuneration of employees in the financial year 2022-2023.**

There was percentage increase in the median remuneration of employees in the financial year of around 37.17 %

**4. The number of permanent employees on the rolls of company as on 31st March 2023: 34**
**5 Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average increase in salaries of employees other than managerial personnel in 2022-23 was 20 %

The average increase in remuneration of Key Managerial Personnel in 2022-23 was 19 %

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

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

**7. Top 10 employees in items of remuneration drawn in the financial year 2022-23:**

S.No.	Name/ Designation of employee	Remuneration received ( Rs. in lacs)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of such employee (Years)	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2)	Whether any such employee is a relative of any director or manager of the company and if so name of such director or manager
1	M. P. Mehrotra Executive Vice- Chairman	107.03	Contractual	B.Com., FCA, LL.B. 60 years	01/08/2017	83	Self employed	---	Shri Vikas Mehrotra Dr. (Mrs) Neeraj Arora Ms. Divya Mehrotra
2	Shri Vikas Mehrotra	51.35	Contractual	B.Com., MBA 30 years	13/11/2021	55	Self employed	---	Shri M. P. Mehrotra Dr. (Mrs) Neeraj Arora Ms. Divya Mehrotra
3	S. K. Agarwal Managing Director	43.55	Contractual	B.Com. (Hons.), CAIIB 51 years	01/01/1998	72	VLS View Asset Management Ltd.	---	---
4	K.K. Soni Director Finance & CFO	41.77	Contractual	B.Com., FCA, FCS 47 years	28/7/2006	70	VLS Capital Limited	---	---
5	H. Consul Company Secretary	29.87	Permanent	B.Com. (Hons.), ACS, LL.B. 37 Years	02/02/1998	59	Prakash Ispat Ltd.	---	---
6	Mohit Goel Vice- President (Accounts)	14.70	Permanent	B.Com., ACA, MBA 26 years	01/01/2021	50	Self employed	---	---
7	Kushant Arora Equity Analyst	15.80	Permanent	B.Com. (Hons.), FCA 10 years	18/03/2021	35	Baroda Asset Management India Ltd.	---	---
8	Dinesh Negi Group Head - (Accounts)	12.32	Permanent	B. Com. 35 years	25/09/1995	58	Universal Subscription Agency Pvt. Ltd.	---	---
9	Ramesh Chandra Pandey Group Head- (Secretarial)	11.89	Permanent	B. Sc., LL.B. 35 years	01/04/1994	59	Self employed	---	---
10	Nand Gopal Garg Group Member - (Accounts)	11.01	Permanent	B.Sc.(Bio.), C. A. (Inter) 1st Group 33 years	01/04/2016	59	VLS Capital Limited	---	---

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

For and on behalf of the Board of Directors

Place: New Delhi  
Date: 27/05/2023

S.K. Agarwal  
(Managing Director)  
DIN: 00106763

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

## INDEPENDENT AUDITOR'S REPORT

To The Members of VLS Finance Limited

Report on the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of VLS Finance Limited ("the Company") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

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

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Change in Equity, and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as of 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors is disqualified as of 31<sup>st</sup> March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) In our opinion, proper books of accounts and records as specified in Rule 15 of the Securities Contract (Regulation) Rules, 1957 have been kept in so far as it appears from our examination of such books;
- g) The company as Stock Broker has complied with the requirements of the stock exchange so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the Stock Exchange;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has informed and explained to us the pending litigations have no adverse effect on its financial position in its standalone financial statements as of 31st March 2023.
  - ii. The Company has made provision as of 31st March 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no requirement to transfer any amount to the Investor Education and Protection Fund, as the Company has no due outstanding during the year ended 31st March 2023.
  - 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. As stated in note 20, foot note (6) of the accompanying standalone financial statements, the final dividend paid by the Company during the year ended 31 March 2023 in respect of dividend declared for the previous year ended 31 March 2022 is in accordance with section 123 of the Act to the extent it applies to payment of dividend.  
Further as stated in note 54 (j) of the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The final dividend declared by the Company for the previous year ended 31 March 2023 is in accordance with section 123 of the Companies Act 2013 to the extent it applies to declaration of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Agiwal & Associates  
Chartered Accountants  
(FRN: 000181N)

CA P. C. Agiwal  
Partner  
M. No. 080475  
Place: New Delhi  
Date: May 27, 2023  
UDIN: 23080475BGWKSU1549

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

The Annexure referred to an Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31 March 2023, we report that:

- i. a) A. The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets.  
B. The Company has maintained proper records showing full particulars of intangible assets.
- b) The Property, plant and equipment, and intangible assets, except assets on lease which are in the possession of the lessees, have been physically verified by the Management according to the program of periodical verification in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- c) As per the records and information and explanations given to us, title deeds of immovable properties are held in the name of the Company.
- d) The Company has not revalued its property, plant and equipment, (including Right of Use assets) or intangible assets or both during the year.
- e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. a) The company generally deals in shares, securities, and Units of Mutual funds. Primarily these are held in electronic form, so the inventory of the Company has been electronically verified by the management at reasonable intervals and the procedures of verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. There were no discrepancies noticed on such verification of inventory as compared to book records.

- b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of company's own fixed deposits. The company is not required to file the Quarterly return/ statements of current assets with banks and financial institutions. This matter has been disclosed in note 56 (iv) of the Standalone Financial Statements.
- iii. a) According to the information and explanations given to us, the Company has during the year granted loans to its Subsidiary company and to its employees, and the details are as follows:

(Rs in Lakhs)

Particulars	Loans (To Employees)	Advances in nature of loans (To Related Party-Subsidiary)	Total
Aggregate amount granted/ provided during the year	20.46	0.06	20.52
Percentage of loans/ advances in the nature of loans to total loans (in %)	99.71	0.29	100.00
Balance outstanding as at balance sheet date in respect of above cases	12.32	0.06	12.97

- b) In respect of the aforesaid loans and advances, in our opinion the terms and conditions under which the loan to its employees and advances in the nature of loan granted to its subsidiary are prima facie, not prejudicial to the Company's interest.
- In our opinion, the investments made during the year are prima facie, not prejudicial to the interest of the Company.
- c) According to the information and explanations given to us, advances given in the nature of loan to its subsidiary, the schedule of payment of interest & schedule of repayment of principal amount of such loans are not stipulated. In respect of loans given by the Company to its employees, the Company has stipulated the schedule of repayment of principal and payment of interest wherever applicable. Repayment of such loans is regular.
- d) According to the information and explanations given to us in respect of loans granted to employees during the year, there is no overdue amount for more than ninety days as at the Balance Sheet date.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no loan which has fallen due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.
- f) In our opinion and according to the information and explanations given to us there are no loans/advances granted during the year in the nature of loans to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 which are repayable on demand or without specifying any terms or period of repayment other than company's subsidiary.
- iv. According to the information, explanations and representations provided by the company and based upon audit procedures performed, we are of the opinion that in respect of loans and investments given/ made by the Company, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions under the Act. Accordingly, paragraph v of the Order is not applicable to the Company.
- vi. Clause 3 (vi) of CARO is not applicable as the Company is not engaged in production of such goods and providing such services as prescribed by Central Government under sub section (1) of section 148 of the Companies Act, 2013 for maintenance of cost records.
- vii. a) The Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, wealth tax, service tax and any other statutory dues with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of

provident fund, employees' state insurance, income-tax, wealth tax, service tax and any other material statutory dues in arrears as at 31.03.2023 for a period of more than six months from the date they became payable.

- c) According to the records and information and explanations given to us, there is no outstanding of any disputed statutory dues as on 31.03.2023.
- viii. In our opinion and as per the documents presented by the management there are no transactions recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority. This matter has been disclosed in note 56 (ix) of the Standalone Financial Statements.
- c) In our opinion and according to the information and explanation given to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) According to the information and explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a) During the year, no monies have been raised by public offer of shares. Money raised on term loans has been applied for the purposes for which loans were raised.
- b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not made any preferential allotment or private placement of shares during the financial year ended on 31st March, 2023, hence clause (x)(b) is not applicable.
- xi. a) Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and on the Company by its officers or employees has been noticed or reported during the course of the audit.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) No whistle blower complaints have been received by us during the year.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related parties transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable, As explained, details of related parties transactions are disclosed as per the applicable Accounting Standards.
- xiv. a) As per the information and records made available by the management of the Company, the company has an internal audit system commensurate with the size and nature of its business.
- b) The reports of the Internal Auditors for the period under audit were considered by us and there were no material discrepancies noticed on verification of the reports shared by the management of the Company.
- xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not

entered into any non cash transactions with the directors or person connected with him.

- xvi. a) The Company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934.
- b) The company has not conducted any Non-Banking Financial or Housing Finance activities.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Group does not have any CIC as part of the Group.
- xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. In our opinion and as per the information, documents and records presented by the management of the Company, no material uncertainty exists as on the date of the report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. a) As per the information given and records presented by the management of the Company, the unspent amounts in respect of other than ongoing projects, the company has transferred the unspent amount to a Fund specified in Schedule VII to the Companies Act before the date of our audit report in compliance with second proviso to sub-section (5) of section 135 of the said Act. This matter has been disclosed in note 31 of the Standalone Financial Statements.
- b) As per the information given and records presented by the management of the Company all the amounts that are unspent under Sub Section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special bank account in compliance with provisions of sub section (6) of Section 135 of the said Act. This matter has been disclosed in note 31 of the Standalone Financial Statements.
- xxi. The reporting under clause 3(xxii) of the order is not applicable in respect of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

#### For Agiwal & Associates

Chartered Accountants  
(FRN: 000181N)

#### CA P. C. Agiwal

Partner  
M. No. 080475  
Place: New Delhi  
Date: May 27, 2023  
UDIN: 2308047SBGWKSU1549

#### Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of VLS Finance Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

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

The board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

##### Auditors' Responsibility

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

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

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

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

##### Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

##### Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### For Agiwal & Associates

Chartered Accountants  
(FRN: 000181N)

#### CA P. C. Agiwal

Partner  
M. No. 080475  
Place: New Delhi  
Date: May 27, 2023  
UDIN: 2308047SBGWKSU1549

**Standalone Balance Sheet as at 31st March, 2023**

(Rupees in Lakhs)

	Particulars	Note No.	As at 31st Mar 2023	As at 31st Mar 2022
<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	4	4,002.58	6,908.17
(b)	Bank Balance other than (a) above	5	1,518.75	444.81
(c)	Receivables	6		
	(I) Trade Receivables		1,834.47	119.94
	(II) Other Receivables		349.58	348.93
(d)	Loans	7	812.61	802.61
(e)	Investments	10	1,41,998.90	1,76,797.54
(f)	Other Financial assets	8	10,791.20	11,176.26
	<b>Total (1)</b>		<b>1,61,308.09</b>	<b>1,96,598.26</b>
<b>2</b>	<b>Non-financial Assets</b>			
(a)	Current tax assets (Net)	9	1,379.81	775.36
(b)	Investment Property	51	6,651.46	70.94
(c)	Property, Plant and Equipment	11a	2,528.15	2,722.84
(d)	Capital work-in-progress	11b	-	6.98
(e)	Other Intangible assets	11c	0.18	0.68
(f)	Other non-financial assets	12	514.48	666.48
	<b>Total (2)</b>		<b>11,074.08</b>	<b>4,243.28</b>
	<b>Total Assets (1+2)</b>		<b>1,72,382.17</b>	<b>2,00,841.54</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Payables	13		
	(I) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2.63	0.14
	(II) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		19.15	43.75
(b)	Borrowings (Other than Debt Securities)	14	68.75	91.33
(c)	Other financial liabilities	15	332.49	255.83
	<b>Total (1)</b>		<b>423.02</b>	<b>391.05</b>
<b>2</b>	<b>Non-financial Liabilities</b>			
(a)	Provisions	16	291.37	76.91
(b)	Deferred tax liabilities (Net)	18	22,208.54	29,365.18
(c)	Other non-financial liabilities	17	126.46	32.45
	<b>Total (2)</b>		<b>22,626.37</b>	<b>29,474.54</b>
<b>3</b>	<b>EQUITY</b>			
(a)	Equity Share capital	19	3,535.00	3,878.42
(b)	Other Equity	20	1,45,797.78	1,67,097.53
	<b>Total (3)</b>		<b>1,49,332.78</b>	<b>1,70,975.95</b>
	<b>Total Liabilities and Equity (1+2+3)</b>		<b>1,72,382.17</b>	<b>2,00,841.54</b>

Accompanying Notes are an integral part of the Financial Statements.

1-58

As per our report of even date attached

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

 CA P. C. Agiwal  
 Partner  
 Membership No.080475

 New Delhi  
 27th May 2023  
 UDIN : 23080475BGWKSU1549

For and on behalf of the Board

 S.K. Agarwal  
 Managing Director  
 DIN: 00106763

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

 M.P. Mehrotra  
 Executive Vice Chairman  
 DIN: 00016768

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

**Standalone Statement of Profit And Loss for the Year ended 31.03.2023**

(Rupees in Lakhs)

	Particulars	Note No	Year Ended 31.03.2023	Year Ended 31.03.2022
I	<b>Revenue From Operations</b>			
	(i) Interest Income	21	1,084.12	925.57
	(ii) Dividend Income	22	1,000.86	793.84
	(iii) Net gain on fair value changes	23	5,421.86	26,812.76
	(iv) Other Operating Income	24	64.50	23.21
	<b>Total Income from operations (Total I)</b>		<b>7,571.34</b>	<b>28,555.38</b>
II	Other Income	25	153.77	73.35
	<b>Total Other Income (Total II)</b>		<b>153.77</b>	<b>73.35</b>
III	<b>Total Income (I+II)</b>		<b>7,725.11</b>	<b>28,628.73</b>
IV	<b>EXPENSES</b>			
	(i) Employee benefits expense	26	537.79	440.90
	(ii) Finance costs	27	7.20	2.22
	(iii) Depreciation and amortization expense	28	425.82	146.69
	(iv) Other expenses	29	1,396.15	1,373.78
	<b>Total expenses (IV)</b>		<b>2,366.96</b>	<b>1,963.59</b>
V	<b>Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>5,358.15</b>	<b>26,665.14</b>
VI	Exceptional Items		-	-
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>5,358.15</b>	<b>26,665.14</b>
VIII	Tax (expense)/credit (net):	42		
	(1) Current tax		(568.00)	(2,937.00)
	(2) Tax adjustment for earlier Year		60.09	-
	(3) Deferred tax		393.76	1,710.80
	<b>Total Tax expenses (VIII)</b>		<b>(114.15)</b>	<b>(1,226.20)</b>
IX	<b>Profit / (Loss) for the period (VII+VIII)</b>		<b>5,244.00</b>	<b>25,438.94</b>
X	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	Gain / (Loss) arising on Defined Employee Benefits			
	- Remeasurement of Defined Employee Benefits		(23.14)	12.05
	Gain / (Loss) arising on fair valuation of Investment		(26,847.81)	14,530.43
	(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		6,762.88	(3,660.05)
	<b>Total (A)</b>		<b>(20,108.07)</b>	<b>10,882.43</b>
	B (i) Items that will be reclassified to profit or loss		-	-
	<b>Total (B)</b>		<b>-</b>	<b>-</b>
	<b>Total Other Comprehensive Income (A+B)</b>		<b>(20,108.07)</b>	<b>10,882.43</b>
XI	<b>Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(14,864.07)</b>	<b>36,321.37</b>
XII	Earnings per equity share (Face value per share Rs.10/-)	30		
	(1) Basic (in Rupees)		<b>13.57</b>	<b>65.80</b>
	(2) Diluted (in Rupees)		<b>13.57</b>	<b>65.80</b>

Accompanying Notes are an integral part of the Financial Statements.

1-58

As per our report of even date attached

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

 CA P. C. Agiwal  
 Partner  
 Membership No.080475

 New Delhi  
 27th May 2023  
 UDIN : 23080475BGWKSU1549

For and on behalf of the Board

 S.K. Agarwal  
 Managing Director  
 DIN: 00106763

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

 M.P. Mehrotra  
 Executive Vice Chairman  
 DIN: 00016768

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

**Standalone Statement of Changes in Equity for the year ended 31st March 2023**

Particulars	(Rupees in Lakhs)	
	Number of shares (See Note below)	Amount (See Note below)
<b>As at 31 March 2021</b>	<b>3,86,62,017</b>	<b>3,878.42</b>
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period	3,86,62,017	3,878.42
Changes in equity share capital during the year	-	-
<b>As at 31 March 2022</b>	<b>3,86,62,017</b>	<b>3,878.42</b>
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period	3,86,62,017	3,878.42
Shares Extinguished on Buyback of Equity Shares <sup>4</sup>	(34,34,235)	(343.42)
<b>As at 31 March 2023</b>	<b>3,52,27,782</b>	<b>3,535.00</b>

Note: Equity share capital amount includes Rs. 12.22 Lakhs being the amount forfeited on 4,67,500 equity shares.

PARTICULARS	Reserves and surplus				Other Comprehensive Income		
	General Reserve	Securities Premium <sup>(1)</sup>	Capital Redemption Reserve <sup>(3,4)</sup>	Retained Earning	FVTOCI reserve	Re-measurement of Defined Benefits	Total
<b>As at 31 March 2021</b>	<b>2,968.84</b>	<b>9,627.48</b>	<b>113.30</b>	<b>61,826.10</b>	<b>56,829.03</b>	<b>(8.64)</b>	<b>1,31,356.11</b>
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	<b>2,968.84</b>	<b>9,627.48</b>	<b>113.30</b>	<b>61,826.10</b>	<b>56,829.03</b>	<b>(8.64)</b>	<b>1,31,356.11</b>
Profit for the period	-	-	-	25,438.94	-	-	25,438.94
Other Comprehensive Income	-	-	-	-	10,873.41	9.02	10,882.43
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,438.94</b>	<b>10,873.41</b>	<b>9.02</b>	<b>36,321.37</b>
Transfer from FVTOCI to Retained Earnings	-	-	-	5,653.69	(5,653.69)	-	-
Cash Dividend <sup>5</sup>	-	-	-	(579.93)	-	-	(579.93)
<b>As at 31st Mar 2022</b>	<b>2,968.84</b>	<b>9,627.48</b>	<b>113.30</b>	<b>92,338.80</b>	<b>62,048.73</b>	<b>0.38</b>	<b>1,67,097.53</b>

PARTICULARS	Reserves and surplus				Other Comprehensive Income		
	General Reserve	Securities Premium <sup>(1)</sup>	Capital Redemption Reserve <sup>(3,4)</sup>	Retained Earning	FVTOCI reserve	Re-measurement of Defined Benefits	Total
<b>As at 31st Mar 2022</b>	<b>2,968.84</b>	<b>9,627.48</b>	<b>113.30</b>	<b>92,338.80</b>	<b>62,048.73</b>	<b>0.38</b>	<b>1,67,097.53</b>
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	<b>2,968.84</b>	<b>9,627.48</b>	<b>113.30</b>	<b>92,338.80</b>	<b>62,048.73</b>	<b>0.38</b>	<b>1,67,097.53</b>
Profit for the period	-	-	-	5,244.00	-	-	5,244.00
Other Comprehensive Income	-	-	-	-	(20,090.76)	(17.31)	(20,108.07)
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,244.00</b>	<b>(20,090.76)</b>	<b>(17.31)</b>	<b>(14,864.07)</b>
Transfer from FVTOCI to Retained Earnings	-	-	-	998.71	(998.71)	-	-
Buyback of Equity Shares <sup>4</sup>	-	(5,855.76)	343.42	(343.42)	-	-	(5,855.76)
Cash Dividend <sup>6</sup>	-	-	-	(579.93)	-	-	(579.93)
<b>As at 31st Mar 2023</b>	<b>2,968.84</b>	<b>3,771.72</b>	<b>456.72</b>	<b>97,658.16</b>	<b>40,959.27</b>	<b>(16.93)</b>	<b>1,45,797.78</b>

**Notes:**

- 1) Of the above amount of ₹ 9627.48 lakh, an amount of ₹ 474.34 lakh is relating to share premium received on forfeited shares.
- 2) There is no changes in accounting policy and there is no prior period errors.
- 3) Transfer from the Retained Earning to the Capital Redemption Reserve towards nominal value of 11,32,983 fully paid up Equity Shares of ₹ 10/-each bought back for the first time on 11/02/2014 for cash.
- 4) Pursuant to the public announcement dated 07th-Jan-2023 in respect of second time buy back of shares from the open market through stock exchange mechanism as prescribed under SEBI (Buy Back of Securities) Regulations, 2018 and other applicable regulations, the Buy back of shares commenced on 16th Jan 2023 and will remain open till 14-July-2023 unless closed earlier. The Company bought back a total of 34,34,235 equity shares from the open market as at the end of 31-Mar-2023. A total sum of ₹ 6,199.18 lakhs was utilised on the shares bought back till 31st Mar 2023. Consequently the total number of paid up equity shares of the company (of ₹ 10/- nominal value per share) reduced from 3,86,62,017 equity shares to 3,52,27,782 equity shares as at the end of 31-Mar-2023. The consideration of ₹ 6,199.18, lakhs paid towards buy-back of equity shares till 31st Mar 2023 is adjusted against share capital to the extent of ₹ 343.42 lakhs and against the share premium to the extent of ₹ 5,855.76 lakhs. Further consequent to the aforesaid buyback of 34,34,235 fully paid up Equity Shares of ₹ 10/- each as at the end of 31-Mar-2023 for cash, the nominal amount of shares capital bought-back of ₹ 343.42 lakhs has been transferred to the Capital Redemption Reserve from out of the Retained Earning.
- 5) Dividend amounting to ₹ 579.93 lakhs @ ₹ 1.50 per equity share proposed for the year ended March 31, 2021 was paid on the outstanding number of shares during the year ended March 31, 2022.
- 6) Dividend amounting to ₹ 579.93 lakhs @ ₹ 1.50 per equity share proposed for the year ended March 31, 2022 was paid on the outstanding number of shares during the year ended March 31, 2023.

Accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

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

CA P. C. Agiwal  
Partner  
Membership No.080475

New Delhi  
27th May 2023  
UDIN : 23080475BGWKSU1549

For and on behalf of the Board

S.K. Agarwal  
Managing Director  
DIN: 00106763

M.P. Mehrotra  
Executive Vice Chairman  
DIN: 00016768

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

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

**Standalone Cash Flow Statement for the year ended 31.03.2023**

(Rupees in lakhs)

Particulars	Standalone	
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,358.15	26,665.13
<b>Adjustment for:</b>		
Depreciation	425.82	146.69
Interest Income	(38.50)	(16.94)
Loss/(Profit) on sale of Property, plant and equipment	3.54	0.36
Dividend Income	(1,000.86)	(793.84)
Actuarial gain / (loss) on Defined Employee Benefits	(23.14)	12.05
Provision for unspent expenditure on Corporate Social Responsibility	179.65	-
Provision for Employee Benefits	34.83	(8.22)
	<b>(418.66)</b>	<b>(659.90)</b>
<b>Operating profit</b>	<b>4,939.48</b>	<b>26,005.23</b>
<b>Adjustment for working capital changes</b>		
1) Increase / (decrease) in borrowings	(22.58)	91.33
2) Increase / (decrease) in other financial liabilities	(10.13)	111.89
3) Increase / (decrease) in trade payables	2.49	0.06
4) Increase / (decrease) in Other payables	(24.60)	27.86
5) (Increase) / decrease in loans	(10.00)	2.60
6) Increase / (decrease) in other non-financial liabilities	69.18	10.61
7) (Increase) / decrease in other financial assets	385.05	(2,551.66)
8) (Increase) / decrease in other non financial asset	152.01	211.57
9) (Increase) / decrease in trade receivables	(1,714.53)	76.49
10) (Increase) / decrease in other receivables	(0.65)	0.08
11) (Increase) / decrease in Bank Balance other than cash and cash equivalents	(1,518.75)	-
12) Increase / (decrease) in current tax assets/liabilities	(604.44)	994.91
<b>Cash generated / (used) from operations</b>	<b>1,642.53</b>	<b>24,980.97</b>
Direct taxes paid (net)	(507.91)	(2,937.00)
<b>Net cash generated / (used) from operating activities (A)</b>	<b>1,134.62</b>	<b>22,043.97</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / decrease on investments (net)	7,950.82	(23,759.48)
Sale/(Purchase) of Property, plant and equipment (net)	(234.17)	(2,005.76)
Sale/(Purchase) of Investment Property	(6,580.52)	-
Capital work in progress	6.98	921.43
Interest received on fixed deposits	38.49	16.94
Security Deposit Received	111.62	-
Dividend Income	1,000.86	793.84
<b>Net cash generated / (used) from investing activities (B)</b>	<b>2,294.08</b>	<b>(24,033.03)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buyback of Equity Shares	(6,199.18)	-
Dividend paid (including Dividend distribution tax)	(579.93)	(579.93)
<b>Net cash generated / (used) from financing activities (C)</b>	<b>(6,779.11)</b>	<b>(579.93)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (A +B +C)</b>	<b>(3,350.41)</b>	<b>(2,568.99)</b>
<b>Cash and cash equivalents as at beginning of the year :</b>	<b>7,352.99</b>	<b>9,921.98</b>
<b>Cash and cash equivalents as at end of the year :</b>	<b>4,002.58</b>	<b>7,352.99</b>
Cash in hand	5.72	4.43
Scheduled bank - In current account	18.87	6.46
Fixed Deposit with Banks	-	314.79
In Liquid Funds	3,977.99	6,876.16
Scheduled Bank - Unpaid Dividend Account	-	151.15
<b>Total</b>	<b>4,002.58</b>	<b>7,352.99</b>
<b>Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 and 5)</b>		
Cash and cash equivalents as at end of the year as per above	24.59	10.89
Add:- Fixed deposit with banks	-	314.79
Add:- In Liquid Funds	3,977.99	6,876.16
Add:- Unpaid dividend account	-	151.15
<b>Total cash and bank balances equivalents as at end of the year</b>	<b>4,002.58</b>	<b>7,352.99</b>

Accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

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

CA P. C. Agiwal  
Partner  
Membership No.080475

New Delhi  
27th May 2023  
UDIN : 23080475BGWKSU1549

For and on behalf of the Board

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

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

**Notes forming part of Standalone Financial Statement for the year ended March 31, 2023**
**Note 1: Corporate Information.**

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

**Note 2: Significant accounting policies**

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

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

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

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

**(ii) Historical cost convention**

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

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

**(iii) Preparation of financial statements**

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity.

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

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

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

**2.2 Revenue Recognition**

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

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

**(i) Brokerage fee income**

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

**(ii) Interest income**

Interest income from financial assets is recognized on accrual basis.

**(iii) Dividend income**

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

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

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

**2.3 Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and

**Notes forming part of Standalone Financial Statement for the year ended March 31, 2023**

deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in “other comprehensive income” or directly in “other equity”. In this case, the tax is also recognized in “other comprehensive income” or directly in “other equity”, respectively.

**2.3.1 Current Tax**

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

**2.3.2 Deferred Tax**

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

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

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

**2.4 Cash and cash equivalents**

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

**2.5 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or

payments. The cash flows from operating, investing and financing activities of the Company are segregated in the Cash flow statement.

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

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

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

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

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

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

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

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 36.

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

The Company has applied Ind AS 109 and classifies

**Notes forming part of Standalone Financial Statement for the year ended March 31, 2023**

its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL):  
Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit and loss statement. The gain or loss on disposal is recognised in the profit and loss statement. Interest income is recognised in the profit and loss statement for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognised when the Company's right to receive dividend is established.
- Fair value through other comprehensive income (FVTOCI):  
Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)
  - the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
  - the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
 Interest income is recognised in profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in FVTOCI is transferred from FVTOCI to Retained Earnings.
- Amortised cost:  
Financial asset is measured at the amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPi) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

**(ii) Equity instruments**

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

assets.

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

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

**(iii) Investments in mutual funds**

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

**(iv) Impairment**

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

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

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

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

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

**(v) Derecognition**

A financial asset is derecognised only when:

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

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is

**Notes forming part of Standalone Financial Statement for the year ended March 31, 2023**

derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

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

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

**(ii) Subsequent measurement**

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

**(iii) Derecognition**

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

**Offsetting financial instruments**

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

**2.8 Property, plant and equipment**

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

maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

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

**(iii) Assets Useful life**

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

Furniture and Fixtures: 10 years

Office Equipment: 5 years

Computers: 3 years/Servers: 6 years

Vehicles: 8 to 10 years

Buildings: 60 years

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

**(iv) Derecognition:**

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

**2.9 Intangible Assets**

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

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

**Amortisation**

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

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

**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

**Notes forming part of Standalone Financial Statement for the year ended March 31, 2023**

business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

**2.11 Impairment of non-financial assets**

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

**2.12 Provisions and contingencies:**

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

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

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

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

**b) Diluted earnings per share**

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

**2.14 Leases**

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

**As a lessor**

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

**2.15 Foreign exchange transactions**

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

**2.16 Borrowing costs**

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

**Notes forming part of Standalone Financial Statement for the year ended March 31, 2023**

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

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

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

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

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

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

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

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

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

**Note 3 Key accounting estimates and Judgments**

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

assumptions that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

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

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

NOTE NO.	PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022	NOTE NO.	PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022
<b>4</b>	<b>Cash and cash equivalents</b>			<b>6</b>	<b>Receivables <sup>(1)</sup></b>		
	a) Cash on hand	5.72	4.43		<b>I) Trade Receivables</b>		
	b) Balances with Banks				<b>Unsecured, considered good</b>		
	-In Current Accounts	18.87	6.46		a) Receivable from share brokers	1,833.55	104.09
	-In Deposits Accounts	-	20.20		b) Others	0.92	15.85
	(Original Maturity of Less than or equival to 3 months)				<b>Total <sup>(1)</sup></b>	<b>1,834.47</b>	<b>119.94</b>
	c) Interest accrued on Fixed Deposits	-	0.92		<b>II) Other Receivables</b>		
	d) Liquid Funds	3,977.99	6,876.16		<b>Secured, considered good</b>		
	<b>Total</b>	<b>4,002.58</b>	<b>6,908.17</b>		Interest accrued	374.23	373.66
					Allowance for Expected credit losses on Interest accrued	(25.00)	(25.00)
<b>5</b>	<b>Bank Balance other than cash and cash equivalents</b>				<b>Unsecured, considered good</b>		
	a) Fixed deposits with bank (Refer note below)	324.54	293.66		a) Interest accrued	0.35	0.27
	(Original Maturity of more than 3 months and less than or equal to 12 months) *#				<b>Total</b>	<b>349.58</b>	<b>348.93</b>
	b) Fixed deposits with bank (Maturity more than 12 months) *#	502.77	-				
	c) Bank balances in Unpaid dividend accounts	184.44	151.15		1) Pl. refer Note No 45: Ageing of Trade & Other Receivables		
	d) Bank balances in Buyback Account	1.68	-	<b>7</b>	<b>Loans</b>		
	e) Fixed deposits with bank earmarked for Buyback of shares #	505.32	-		<b>(Unsecured and considered good)</b>		
	<b>Total</b>	<b>1,518.75</b>	<b>444.81</b>		a) Loan to employees (including deferred cost) <sup>(2)</sup>	12.61	2.61
					b) Others	800.00	800.00
					<b>Total</b>	<b>812.61</b>	<b>802.61</b>
					2) Pl. refer Note No 46		
				<b>8</b>	<b>Other Financial Assets</b>		
					<b>(Unsecured, considered good)</b>		
					a) Margin Money Deposits		
					-Share brokers	9,900.00	10,600.00
					-Others	50.00	5.00
					b) Security deposits	39.85	71.15
					c) Others	801.35	500.11
					<b>Total</b>	<b>10,791.20</b>	<b>11,176.26</b>
				<b>9</b>	<b>Current Tax Assets (Net)</b>		
					Advance Tax and Tax Deducted at source	5,038.60	4,518.86
					Less: Tax Provisions	(3,658.79)	(3,743.50)
					<b>Total</b>	<b>1,379.81</b>	<b>775.36</b>

Note: \* Pledged with banks as security for overdraft facility  
# Balance of fixed deposits also include interest accrued on fixed deposit

(Rupees in Lakhs)

**Note 10: Investments**

S No	Investments	As at 31st Mar 2023			As at 31st Mar 2022		
		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		4,939.31	4,939.31		4,924.93	4,924.93
2	Debt securities*	350.58	7,503.28	7,853.86	350.58	7,436.07	7,786.65
3	Equity instruments		1,26,055.56	1,26,055.56		1,60,935.79	1,60,935.79
4	Equity instruments in Subsidiaries	3500.17		3,500.17	3500.17		3,500.17
5	Equity instruments in Associates (Refer Note 10.1)	-		-	-		-
6	<b>Total - Gross (A)</b>	<b>3,850.75</b>	<b>1,38,498.15</b>	<b>1,42,348.90</b>	<b>3,850.75</b>	<b>1,73,296.79</b>	<b>1,77,147.54</b>
7	(i) Investments in India	3,850.75	1,38,498.15	1,42,348.90	3,850.75	1,73,296.79	1,77,147.54
8	(ii) Investments outside India	-	-	-	-	-	-
9	<b>Total (B)</b>	<b>3,850.75</b>	<b>1,38,498.15</b>	<b>1,42,348.90</b>	<b>3,850.75</b>	<b>1,73,296.79</b>	<b>1,77,147.54</b>
10	Less: Aggregate amount of provision for impairment in the value of investments ( Expected credit losses on Investment) (C)	(350.00)		(350.00)	(350.00)		(350.00)
11	<b>Total - Net D= (A)-(C)</b>	<b>3,500.75</b>	<b>1,38,498.15</b>	<b>1,41,998.90</b>	<b>3,500.75</b>	<b>1,73,296.79</b>	<b>1,76,797.54</b>

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

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

**Schedule 10.1: Investments in equity instruments of subsidiaries & Associate**

S No	Particulars	As at 31st Mar 2023				As at 31st Mar 2022			
		Proportion of ownership Interest/Voting Right	Face Value	Holding	Value	Proportion of ownership Interest/Voting Right	Face Value	Holding	Value
		%	(in Rs)	No. of shares	(Rs in Lakhs)	%	(in Rs)	No. of shares	(Rs in Lakhs)
	1	2	3	4	5	6	7	8	9
	<b>Investments in Equity shares of subsidiaries: (Unquoted &amp; Fully paid up) (Measured at amortized cost)</b>								
1	VLS Securities Ltd.	100%	10	30,000,000	3,483.16	100%	10	30,000,000	3,483.16
2	VLS Real Estate Ltd.	100%	10	1,00,000	10.00	100%	10	1,00,000	10.00
3	VLS Asset Management Ltd.	99.15%	10	70,100	7.01	99.15%	10	70,100	7.01
	<b>Total - (A)</b>				<b>3,500.17</b>				<b>3,500.17</b>

Principal Place of all subsidiaries &amp; Associate are in India

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**
**Note No 11a : Property, Plant and Equipment**

(Rupees in Lakhs)

Description	Building	Land	Temporary Structure	Vehicles	Office Equipments	Furniture & fixtures	Air Conditioners	Computers	Electrical Installations	Generator	Assets on Lease	Leasehold Improvement	Right of use Assets (IndAs 116)	Total
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**Gross Carrying Amount**

<b>Balance as at 31.03.2021</b>	<b>1,110.96</b>	<b>-</b>	<b>6.89</b>	<b>140.18</b>	<b>33.50</b>	<b>12.80</b>	<b>15.16</b>	<b>31.16</b>	<b>2.45</b>	<b>4.31</b>	<b>12,066.67</b>	<b>-</b>	<b>73.95</b>	<b>13,498.04</b>
Additions during the year	867.33	931.65	-	14.89	65.05	225.27	69.72	71.39	191.42	14.12	-	243.74	61.53	2,756.10
Sales/ Adjustments during the year	(931.65)	-	-	(3.76)	(8.26)	-	-	-	-	-	-	-	(73.95)	(1,017.62)
<b>Balance as at 31.03.2022</b>	<b>1,046.64</b>	<b>931.65</b>	<b>6.89</b>	<b>151.31</b>	<b>90.30</b>	<b>238.07</b>	<b>84.88</b>	<b>102.55</b>	<b>193.87</b>	<b>18.43</b>	<b>12,066.67</b>	<b>243.74</b>	<b>61.53</b>	<b>15,236.53</b>

<b>Balance as at 31.03.2022</b>	<b>1,046.64</b>	<b>931.65</b>	<b>6.89</b>	<b>151.31</b>	<b>90.30</b>	<b>238.07</b>	<b>84.88</b>	<b>102.55</b>	<b>193.87</b>	<b>18.43</b>	<b>12,066.67</b>	<b>243.74</b>	<b>61.53</b>	<b>15,236.53</b>
Additions during the year	107.71	-	-	27.77	69.68	10.10	0.45	3.30	13.41	-	-	-	3.23	235.65
Sales/ Adjustments during the year	-	-	(6.89)	(26.51)	(13.59)	(9.05)	(15.16)	(25.59)	(2.45)	(4.31)	-	-	-	(103.55)
<b>Balance as at 31.03.2023</b>	<b>1,154.35</b>	<b>931.65</b>	<b>-</b>	<b>152.57</b>	<b>146.39</b>	<b>239.12</b>	<b>70.17</b>	<b>80.26</b>	<b>204.83</b>	<b>14.12</b>	<b>12,066.67</b>	<b>243.74</b>	<b>64.76</b>	<b>15,368.63</b>

**Accumulated Depreciation/Amortization**

<b>Balance as at 31.03.2021</b>	<b>313.17</b>	<b>-</b>	<b>6.89</b>	<b>91.37</b>	<b>24.88</b>	<b>11.84</b>	<b>13.81</b>	<b>26.09</b>	<b>2.33</b>	<b>4.09</b>	<b>12,065.67</b>	<b>-</b>	<b>73.95</b>	<b>12,634.09</b>
Depreciation for the year	20.48	-	-	16.15	15.68	17.20	8.20	17.76	21.09	1.75	-	24.88	3.31	146.51
Sales/ Adjustments during the year	(181.90)	-	-	(3.22)	(7.85)	-	-	-	-	-	-	-	(73.95)	(266.91)
<b>Balance as at 31.03.2022</b>	<b>151.75</b>	<b>-</b>	<b>6.89</b>	<b>104.30</b>	<b>32.72</b>	<b>29.04</b>	<b>22.02</b>	<b>43.85</b>	<b>23.41</b>	<b>5.85</b>	<b>12,065.67</b>	<b>24.88</b>	<b>3.31</b>	<b>12,513.69</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

<b>Balance as at 31.03.2022</b>	<b>151.75</b>	-	<b>6.89</b>	<b>104.30</b>	<b>32.72</b>	<b>29.04</b>	<b>22.02</b>	<b>43.85</b>	<b>23.41</b>	<b>5.85</b>	<b>12,065.67</b>	<b>24.88</b>	<b>3.31</b>	<b>12,513.69</b>
Depreciation for the year	48.26	-	-	17.31	50.97	55.84	16.21	27.22	47.74	3.20	-	138.23	20.75	425.72
Sales/ Adjustments during the year	-	-	(6.89)	(25.59)	(12.92)	(8.56)	(14.19)	(24.36)	(2.33)	(4.09)	-	-	-	(98.92)
<b>Balance as at 31.03.2023</b>	<b>200.01</b>	-	-	<b>96.02</b>	<b>70.77</b>	<b>76.32</b>	<b>24.03</b>	<b>46.70</b>	<b>68.83</b>	<b>4.95</b>	<b>12,065.67</b>	<b>163.11</b>	<b>24.07</b>	<b>12,840.48</b>

**Net Carrying Amount**

<b>Balance as at 31.03.2022</b>	<b>894.88</b>	<b>931.65</b>	<b>0.00</b>	<b>47.02</b>	<b>57.59</b>	<b>209.03</b>	<b>62.86</b>	<b>58.70</b>	<b>170.45</b>	<b>12.58</b>	<b>1.00</b>	<b>218.85</b>	<b>58.22</b>	<b>2,722.84</b>
<b>Balance as at 31.03.2023</b>	<b>954.34</b>	<b>931.65</b>	-	<b>56.56</b>	<b>75.63</b>	<b>162.80</b>	<b>46.14</b>	<b>33.55</b>	<b>135.99</b>	<b>9.17</b>	<b>1.00</b>	<b>80.63</b>	<b>40.70</b>	<b>2,528.15</b>

**Note No 11b: Capital Work in Progress**
**Capital work-in-progress**

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening carrying value as at April 1	6.98	928.41
Additions / adjustments	-	6.98
Transfer to property, plant and equipment	(6.98)	(928.41)
<b>Closing carrying value as at March 31</b>	<b>-</b>	<b>6.98</b>

Pl. refer Note No 47: Ageing of Capital Work in Progress

**Note No: 11c Other Intangible assets**

Description	Computer Software													Total
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**Gross Carrying Amount**

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

<b>Balance as at 31.03.2022</b>	<b>10.56</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>10.56</b>
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales/ Adjustments during the year	(8.52)	-	-	-	-	-	-	-	-	-	-	-	-	(8.52)
<b>Balance as at 31.03.2023</b>	<b>2.04</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>2.04</b>

**Accumulated Depreciation/Amortisation**

<b>Balance as at 31.03.2021</b>	<b>9.70</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>9.70</b>
Depreciation for the year	0.19	-	-	-	-	-	-	-	-	-	-	-	-	-	0.19
Sales/ Adjustments during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2022</b>	<b>9.88</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>9.88</b>

<b>Balance as at 31.03.2022</b>	<b>9.88</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>9.88</b>
Depreciation for the year	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10
Sales/ Adjustments during the year	(8.13)	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.13)
<b>Balance as at 31.03.2023</b>	<b>1.86</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>1.86</b>

**Net Carrying Amount**

<b>Balance as at 31.03.2022</b>	<b>0.68</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>0.68</b>
<b>Balance as at 31.03.2023</b>	<b>0.18</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>0.18</b>

NOTE NO.	PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022
<b>12</b>	<b>Other non-financial assets</b>		
	<b>Unsecured and considered good</b>		
	Capital Advances	4.18	111.05
	Prepaid Expenses	16.29	8.09
	Receivable from subsidiaries <sup>(2)</sup>	108.95	158.12
	Advances recoverable in cash or kind	386.10	412.92
	Allowance for Expected credit losses	(25.00)	(25.00)
	<b>Secured and considered good</b>		
	Taxes due from Government	23.96	1.30
	<b>Total</b>	<b>514.48</b>	<b>666.48</b>
	2) Pl. refer Note No 46		
<b>13</b>	<b>Payables <sup>(3)</sup></b>		
	<b>Trade Payables</b>		
	a) Total outstanding dues of micro enterprises and small enterprises	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
	-Payable to share brokers	-	-
	- other payables	2.63	0.14
	<b>Total</b>	<b>2.63</b>	<b>0.14</b>
	<b>Other Payables</b>		
	a) Total outstanding dues of micro enterprises and small enterprises	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19.15	43.75
	<b>Total</b>	<b>19.15</b>	<b>43.75</b>
	3) Pl. refer Note No 44: Ageing of Trade & Other Payables		

NOTE NO.	PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022
<b>14</b>	<b>Borrowings (Other than debt securities)</b>		
	<b>(A) Borrowings in India</b>		
	Secured Loans from Banks		
	Overdraft against Deposit with Banks	68.75	91.33
	(Secured against Pledge of Fixed Deposit)		
	<b>Total</b>	<b>68.75</b>	<b>91.33</b>
<b>15</b>	<b>Other financial liabilities</b>		
	a) Unpaid dividends accounts	184.44	151.15
	b) Creditors for capital goods	18.32	46.09
	c) Security deposit (against premises given on lease)	86.79	-
	d) Lease liabilities <sup>(4)</sup>	42.95	58.60
	<b>Total</b>	<b>332.49</b>	<b>255.83</b>
	4) Pl. refer Note No 52: Disclosure under Ind As 116 Lease:		
<b>16</b>	<b>Provisions</b>		
	Provisions for employee benefits <sup>(6)</sup>	111.72	76.91
	Provision for unspent expenditure on Corporate Social Responsibility <sup>(5)</sup>	179.65	-
	<b>Total</b>	<b>291.37</b>	<b>76.91</b>
	5) Pl. refer Note No: 31 on Corporate Social Responsibility		
	6) Pl. refer Note No 39 on Employees Benefits		
<b>17</b>	<b>Other non-financial liabilities</b>		
	Statutory dues payable	100.71	32.45
	Advance interest received on T Bills	0.92	-
	Advance interest received on Security deposit (against premises given on lease)	24.83	-
	<b>Total</b>	<b>126.46</b>	<b>32.45</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

**Note 18 : Deferred tax assets / liabilities**

(Rupees in Lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
<b>Deferred tax liability on account of :</b>		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	(20.48)	36.34
IndAS Adjustments	32,733.46	39,490.52
<b>Total deferred tax liabilities (A)</b>	<b>32,712.98</b>	<b>39,526.86</b>
<b>Deferred tax assets on account of:</b>		
On Employee Benefits (loans)	0.16	0.05
Provision for leave encashment/Gratuity (Employee benefits)	23.09	16.33
On Provision for impairment (Expected Credit Loss)	100.67	100.67
IndAS Adjustments	10,380.52	10,044.63
<b>Total deferred tax assets (B)</b>	<b>10,504.44</b>	<b>10,161.68</b>
<b>Net deferred tax assets / (liability) (B-A)</b>	<b>(22,208.54)</b>	<b>(29,365.18)</b>

**Note 18.1 : Movement of Deferred tax**

Particulars	As at 31st Mar 2023	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31st Mar 2022	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31.03.2021
<b>Deferred tax liabilities on account of:</b>							
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	(20.48)	(56.82)	-	36.34	(10.80)	-	47.15
Deferred tax on IND AS adjustments	32,733.46	-	(6,757.06)	39,490.52	-	3,657.02	35,833.50
<b>Total deferred tax liabilities</b>	<b>32,712.98</b>	<b>(56.82)</b>	<b>(6,757.06)</b>	<b>39,526.86</b>	<b>(10.80)</b>	<b>3,657.02</b>	<b>35,880.64</b>
<b>Deferred tax assets on account of:</b>							
On Employee Benefits (loans)	0.16	0.10	-	0.05	0.05	-	-
On Provision for impairment (Expected Credit Loss)	100.67	-	-	100.67	12.58	-	88.09
Deferred Tax on Ind AS Adjustments	10,380.52	335.89	-	10,044.63	1,901.49	-	8,143.14
Provision for leave encashment/Gratuity (Employee benefits)	23.09	0.94	5.82	16.33	2.96	(3.03)	16.39
Losses carried forward	-	-	-	-	(217.09)	-	217.09
<b>Total deferred tax assets</b>	<b>10,504.44</b>	<b>336.94</b>	<b>5.82</b>	<b>10,161.68</b>	<b>1,700.00</b>	<b>(3.03)</b>	<b>8,464.71</b>
<b>Total deferred tax Assets/(liability) (net)</b>	<b>(22,208.54)</b>	<b>393.76</b>	<b>6,762.88</b>	<b>(29,365.18)</b>	<b>1,710.80</b>	<b>(3,660.05)</b>	<b>(27,415.93)</b>

**Note No 19 : Equity share capital**

Particulars	As at 31st Mar 2023		As at 31st Mar 2022	
	Number	Amount	Number	Amount
<b>Authorised Share Capital:</b>				
Equity Shares of Rs.10/- each	1,50,000,000	15,000.00	1,50,000,000	15,000.00
<b>Total</b>	<b>1,50,000,000</b>	<b>15,000.00</b>	<b>1,50,000,000</b>	<b>15,000.00</b>
<b>Issued share capital:</b>				
Equity Shares of Rs.10/- each	3,56,95,282	3,569.53	3,91,29,517	3,912.95
<b>Total</b>	<b>3,56,95,282</b>	<b>3,569.53</b>	<b>3,91,29,517</b>	<b>3,912.95</b>
<b>Subscribed &amp; Paid-Up Capital:</b>				
Equity Shares of Rs.10/- each fully paid up	3,52,27,782	3,522.78	3,86,62,017	3,866.20
<b>Forfeited shares:</b>				
Amount paid up on forfeited equity shares	4,67,500	12.22	4,67,500	12.22
<b>Total</b>	<b>3,56,95,282</b>	<b>3,535.00</b>	<b>3,91,29,517</b>	<b>3,878.42</b>

**Terms / rights attached to shares**

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

**Reconciliation of number of shares outstanding at the beginning and at the year end:**

Particulars	Year ended 31st Mar 2023		Year ended 31st Mar 2022	
	Number	Amount	Number	Amount
<b>Issued Equity Share capital:</b>				
At beginning of the year	3,91,29,517	3,912.95	3,91,29,517	3,912.95
Shares Extinguished on Buyback of Equity Shares <sup>(6)</sup>	(34,34,235)	(343.42)	-	-
<b>At the end of the year</b>	<b>3,56,95,282</b>	<b>3,569.53</b>	<b>3,91,29,517</b>	<b>3,912.95</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

<b>Subscribed &amp; Paid-Up Equity Share Capital:</b>				
At beginning of the year	3,86,62,017	<b>3,866.20</b>	3,86,62,017	<b>3,866.20</b>
Shares Extinguished on Buyback of Equity Shares <sup>(4)</sup>	(34,34,235)	<b>(343.42)</b>	-	-
<b>At the end of the year</b>	<b>3,52,27,782</b>	<b>3,522.78</b>	<b>3,86,62,017</b>	<b>3,866.20</b>

\$ Pl. refer foot note 4 of Note No 20: Other Equity

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

Name of shareholder	As at 31st Mar 2023		As at 31st Mar 2022	
	No. of shares held	% of holding (*)	No. of shares held	% of holding
VLS Capital Limited	1,33,36,538	37.86	1,33,36,538	34.50
Mahesh Prasad Mehrotra (HUF)	19,84,262	5.63	19,84,262	5.13

Pl. refer Note No 43: showing Shareholding of Promoters and Promoter Group

**Note No 20 : Other Equity <sup>(2)</sup>**

PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022
<b>a) General Reserve</b>		
Balance at the beginning of the year	2,968.84	2,968.84
Add: during the year	-	-
<b>Balance as at end of the year</b>	<b>2,968.84</b>	<b>2,968.84</b>
<b>b) Securities Premium <sup>(1)</sup></b>		
Balance at the beginning of the year	9,627.48	9,627.48
Add: during the year	-	-
Buyback of Equity Shares <sup>(4)</sup>	(5,855.76)	-
<b>Balance as at end of the year</b>	<b>3,771.72</b>	<b>9,627.48</b>
<b>c) Capital Redemption Reserve <sup>(3,4)</sup></b>		
Balance at the beginning of the year	113.30	113.30
Buyback of Equity Shares <sup>(4)</sup>	343.42	-
<b>Balance as at end of the year</b>	<b>456.72</b>	<b>113.30</b>
<b>d) Retained earnings</b>		
Balance at the beginning of the year	92,338.80	61,826.10
Add: Profit/(loss) during the year	5,244.00	25,438.94
Transfer from/to FVTOCI to Retained Earnings	998.71	5,653.69
Less: Cash Dividend <sup>(5,9)</sup>	(579.93)	(579.93)
Buyback of Equity Shares <sup>(4)</sup>	(343.42)	-
<b>Balance as at end of the year</b>	<b>97,658.16</b>	<b>92,338.80</b>
<b>e) Fair value gain on equity and other instruments carried through other comprehensive income</b>		
Balance at the beginning of the year	62,048.73	56,829.03
Other Comprehensive Income during the year (net of tax)	(20,090.76)	10,873.41
Transfer from/to FVTOCI from/to Retained Earnings	(998.71)	(5,653.69)
<b>Balance as at end of the year</b>	<b>40,959.27</b>	<b>62,048.73</b>
<b>f) Remeasurement of Defined Benefit Plans</b>		
Balance at the beginning of the year	0.38	(8.64)
Add: Other comprehensive income (net of tax)	(17.31)	9.02
<b>Balance as at end of the year</b>	<b>(16.93)</b>	<b>0.38</b>
<b>TOTAL (a to f)</b>	<b>1,45,797.78</b>	<b>1,67,097.53</b>

- 1) Of the above amount of ₹ 9627.48 lakh, an amount of ₹ 474.34 lakh is relating to share premium received on forfeited shares.
- 2) There is no changes in accounting policy and there is no prior period errors.
- 3) Transfer from the Retained Earning to the Capital Redemption Reserve towards nominal value of 11,32,983 fully paid up Equity Shares of ₹ 10/-each bought back for the first time on 11/02/2014 for cash.
- 4) Pursuant to the public announcement dated 07th-Jan-2023 in respect of second time buy back of shares from the open market through stock exchange mechanism as prescribed under SEBI (Buy Back of Securities) Regulations, 2018 and other applicable regulations, the Buy back of shares commenced on 16th Jan 2023 and will remain open till 14-July-2023 unless closed earlier. The Company bought back a total of 34,34,235 equity shares from the open market as at the end of 31-Mar-2023. A total sum of ₹ 6,199.18 lakhs was utilised on the shares bought back till 31st Mar 2023. Consequently the total number of paid up equity shares of the company (of ₹ 10/- nominal value per share) reduced from 3,86,62,017 equity shares to 3,52,27,782 equity shares as at the end of 31-Mar-2023. The consideration of ₹ 6,199.18, lakhs paid towards buy-back of equity shares till 31st Mar 2023 is adjusted against share capital to the extent of ₹ 343.42 lakhs and against the share premium to the extent of ₹ 5,855.76 lakhs. Further consequent to the aforesaid buyback of 34,34,235 fully paid up Equity Shares of ₹ 10/- each as at the end of 31-Mar-2023 for cash, the nominal amount of shares capital bought-back of ₹ 343.42 lakhs has been transferred to the Capital Redemption Reserve from out of the Retained Earning.

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

- 5) Dividend amounting to ₹ 579.93 lakhs @ ₹ 1.50 per equity share proposed for the year ended March 31, 2021 was paid on the outstanding number of shares during the year ended March 31, 2022.
- 6) Dividend amounting to ₹ 579.93 lakhs @ ₹ 1.50 per equity share proposed for the year ended March 31, 2022 was paid on the outstanding number of shares during the year ended March 31, 2023.

**Nature and purpose of reserves :**
**(A) Securities premium:**

Securities premium is used to record the premium received on issue of shares. The Securities premium can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

**(B) Retained earnings:**

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

**(C) General reserve:**

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

**(D) Capital redemption reserve:**

The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account or both, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

**(E) Other comprehensive income (OCI):**

The Company has elected to recognise changes in the fair value of certain investments in equity securities and other instruments in other comprehensive income. These changes are accumulated within the FVTOCI reserve under the head "other equity". The Company transfers amounts from this reserve to retained earnings when those investments have been disposed off. Further this also represents the gain/(loss) on remeasurement of defined benefit obligations and of plan assets.

NOTE NO.	PARTICULARS	For the Year ended	
		31.03.2023	31.03.2022
21	<b>Interest Income</b>		
	Interest income from Investments:-		
	-From Tax Free Bonds	475.48	475.51
	-From PMS/MF investments	63.45	66.09
	-From Others	32.91	-
	On Margin Deposits with Share Brokers/stock exchange	410.25	339.13
	On deposits with Banks	38.50	16.94
	Other interest income	63.53	27.90
	<b>Total</b>	<b>1,084.12</b>	<b>925.57</b>
22	<b>Dividend Income</b>		
	Dividend on Investments	1,000.86	793.84
	<b>Total</b>	<b>1,000.86</b>	<b>793.84</b>
23	<b>Net gain on fair value changes</b>		
	Net gain/ (loss) on financial instruments at fair value through Profit and loss account		
	<b>(a) - Investment</b>		
	- On Investment	5,526.92	28,257.51
	<b>(b) - Trading</b>		
	- On Securities	6.25	14.23
	- On Future & Option	(360.20)	(1,617.20)
	- On Liquid Mutual Funds	248.89	158.22
	<b>Total</b>	<b>5,421.86</b>	<b>26,812.76</b>
	<b>Fair Value changes:</b>		
	-Realised	5,421.86	26,812.76
	-Unrealised	-	-
	<b>Total</b>	<b>5,421.86</b>	<b>26,812.76</b>
24	<b>Other Operating Income</b>		
	Income from Securities Lending	64.50	23.21
	<b>Total</b>	<b>64.50</b>	<b>23.21</b>
25	<b>Other Income</b>		
	Rental income from other assets *	37.97	7.20
	Rental income from Investment properties *	4.23	-
	Interest on staff loans and advances	0.08	0.07
	On Financial Assets measured at Amortised Cost	1.16	0.58
	Interest on Income Tax Refund	110.33	65.49
	Others	-	0.01
	<b>Total</b>	<b>153.77</b>	<b>73.35</b>

\* Pl. refer Note No 52: Disclosure under Ind As 116 Lease and Note No 51: Investment Property

NOTE NO.	PARTICULARS	For the Year ended	
		31.03.2023	31.03.2022
26	<b>Employee benefits expense</b>		
	Salaries	457.95	385.68
	Staff Amenities/welfare expenses	28.77	15.05
	Employer's Contribution to PF, ESI, Gratuity Fund etc.	51.07	40.17
	<b>Total</b>	<b>537.79</b>	<b>440.90</b>
27	<b>Finance Costs</b>		
	Bank / Finance Charges	0.73	0.81
	Interest Payment on Loans/overdraft facilities	1.08	0.35
	Interest on lease liabilities	5.32	1.06
	Other interest expenses	0.07	-
	<b>Total</b>	<b>7.20</b>	<b>2.22</b>
28	<b>Depreciation and amortization expenses</b>		
	Depreciation on Property, plant & equipment	404.97	143.19
	Amortisation of Right of use Assets (Refer note 11a)	20.75	3.31
	Amortisation on other intangible assets	0.10	0.19
	<b>Total</b>	<b>425.82</b>	<b>146.69</b>
29	<b>Other expenses</b>		
	Advertisement & Business Promotion	31.99	29.59
	Consultancy, Legal & Service Charges	298.82	312.71
	Communication Expenses	7.60	6.86
	Electricity & Water Charges	29.01	38.10
	Insurance	2.50	1.30
	Office Expenses	25.02	32.78
	Shares Transaction Charges	14.54	13.40
	Securities Transaction Tax on Investment	179.27	299.37
	Securities Transaction Tax on others	145.90	162.89
	Travelling Expenses & Conveyance	29.53	32.07
	Rates & Taxes	106.24	149.76
	Short-term leases	25.07	55.99
	Repairs & Maintenance		
	--Building	-	-
	--Others	61.28	31.01
	Miscellaneous Expenses	39.83	48.26
	Share Buyback expenses	63.34	-
	CSR Expenditure <sup>(#)</sup>	291.12	129.33
	Auditors' Remuneration		
	a) Audit Fees	2.00	2.00

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(Rupees in Lakhs)

NOTE NO.	PARTICULARS	For the Year ended	
		31.03.2023	31.03.2022
	b) For Other Services		
	--For Tax audit	0.90	0.90
	-- For certification	3.00	2.00
	--Out of pocket expenses	0.35	0.35
	Internal Auditors' Remuneration		
	-- Fees	1.00	1.00
	--For certification	0.10	0.10
	Directors' Sitting Fees	34.20	23.65
	Loss on sale/transfer of assets	3.54	0.36
	<b>Total</b>	<b>1,396.15</b>	<b>1,373.78</b>
	# Refer Note No: 31 on Corporate Social Responsibility		
30	<b>Earnings per equity share</b>		
	Net profit/(Loss) attributable to equity shareholders	5,244.00	25,438.94
	<b>Total (A) (Rupees in Lakhs)</b>	<b>5,244.00</b>	<b>25,438.94</b>
	Weighted average number of equity shares issued (face value of Rs 10/ each) (Numbers in Lakhs)	386.34	386.62
	<b>Total (B) (Numbers in Lakhs)</b>	<b>386.34</b>	<b>386.62</b>
	<b>Basic earnings per share [A/B] (In Rupees)</b>	<b>13.57</b>	<b>65.80</b>
	Net Profit/(Loss) attributable to equity shareholders [C] (Rupees in Lakhs)	5,244.00	25,438.94
	Less : Impact on net profit due to exercise of diluted potential equity shares [D]	-	-
	Net profit/(Loss) attributable to equity shareholders for calculation of diluted EPS [C-D] (Rupees in Lakhs)	5,244.00	25,438.94
	Weighted average of equity shares issued (face value of Rs 10/- each) (Numbers in Lakhs) [E]	386.34	386.62
	Weighted number of additional equity shares outstanding for diluted EPS (Numbers in Lakhs) [F]	-	-
	Weighted number of equity shares outstanding for diluted EPS (Numbers in lakhs) [E+F]	386.34	386.62
	<b>Diluted earnings per share [C-D/ E+F] (In Rupees)</b>	<b>13.57</b>	<b>65.80</b>

Note No: 31 Corporate Social Responsibility

- 1) The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2022-23 and 2021-22. CSR initiatives majorly includes promoting education and supporting under privileged in medical treatments and various other charitable and noble aids.
- a) Amount required to be spent by the company during the year 2022-23 Rs. 291.12 Lakhs (Previous year Rs. 129.33 Lakhs) computed in accordance with applicable regulations.
- b) Amount spent during the year ended 31 March 2023 and 31st March 2022 as follows:

(Rupees in Lakhs)

Particulars	As at	
	31st March 2023	31st March 2022
(i) Amount required to be spent by the company during the year	291.12	129.33
(ii) Excess amount spent in previous year(s) (set off)	(0.13)	-
(iii) Amount available for spending under CSR for the year, after set off	290.99	129.33
(iv) Amount of expenditure incurred	290.99	129.46
a) Construction/acquisition of any asset	-	12.23
b) on purposes other than (i) above	111.34	117.23
(v) Details related to spent / unspent obligations:		

Particulars	As at	
	31st March 2023	31st March 2022
a) Directly by the Company	-	-
b) Contribution to eligible entity	111.34	129.46
c) Unspent amount in relation to:		
- Ongoing project	179.52	-
- Other than ongoing project	0.13	-
(vi) Shortfall/(Excess #) at the end of the year	179.65	(0.13)
(vii) Total of previous years shortfall	-	-
(viii) Reason for shortfall	Allocated to ongoing projects	N.A.
(ix) Nature of CSR activities	CSR initiatives majorly includes promoting education and supporting under privileged in medical treatments and various other charitable and noble aids.	
(x) Details of related party transactions as per relevant Accounting Standard		**
(xi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision.	As given below	N.A.

2) Movements in the provision with respect to a liability incurred by entering into a contractual obligation during the year.

(Rupees in Lakhs)

Particulars	For the year ended	
	31st March 2023	31st March 2022
Opening provision balance	-	-
Provision created during the year (for ongoing projects, in case of S. 135(6))	179.52	-
Provision created during the year (for other than ongoing project, In case of S. 135(5))	0.13	-
Amount spent during the year	-	-
Closing Provision balance	<b>179.65</b>	-

3) Details of other than ongoing project, In case of S. 135(5)

(Rupees in Lakhs)

Particulars	For the year ended	
	31st March 2023	31st March 2022
Opening Balance	-	-
Amount required to be spent during the year (after set off of Excess amount spent in previous year)	111.47	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount spent during the year	(111.34)	-
Closing Balance <sup>5</sup>	<b>0.13</b>	-

4) Details of ongoing projects, in case of S. 135(6)

(Rupees in Lakhs)

Particulars	For the year ended	
	31st March 2023	31st March 2022
Opening Balance		
With Company	-	-
In Separate CSR Unspent A/c	-	-
Transfer to Separate CSR unspent A/c	-	-
Amount required to be spent during the year	179.52	-
Amount spent during the year		
From Company's Bank A/c	-	-
From Separate CSR Unspent A/c	-	-
Closing balance *	179.52	-
With Company	-	-
In Separate CSR Unspent A/c	-	-

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

**Notes**

\* The corpus of Rs 179.52 Lakhs under CSR for the year 2022-2023 had been allocated to projects identified for ongoing project. No disbursement was made during 2022-23 because the concerned entities had requested disbursement of funds from the year 2023-24 onwards though allocated in the year 2022-23. Accordingly, the amount of Rs 179.52 lakhs has not been considered as spent and shown in the shortfall Column. The amount has already been transferred with in 30 days of close of the financial year 2022-2023 in to the bank account maintained for unspent CSR and will be disbursed in accordance with the applicable regulations.

\*\* The Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

# Excess amount spent during the year to be set off in next year.

\$ Remitted to PM Cares Fund on 09-May-2023 in accordance with applicable regulations.

**Note No 32. Related party transactions:**
**List of Related Parties and Relationships with whom transaction done during the year:**
**a) Subsidiary Companies:**

1. VLS Securities Limited (100.00%)
2. VLS Asset Management Limited (99.15%)
3. VLS Real Estate Limited (100.00%)

**b) Key Managerial Personnel (KMP):**

1. Shri M.P.Mehrotra (Executive Vice Chairman) ('Exec. VC')
2. Shri S. K. Agarwal (Managing Director)
3. Shri Vikas Mehrotra (Managing Director -International Operations) w.e.f. 12th Jan 2022 \*

4. Shri K. K. Soni (Director Finance & CFO)
5. Shri H Consul (Company Secretary)
6. Ms. Vishesh Jain (CS in VLS Securities Ltd.) appointed w.e.f. 28th Dec 2022 - ('CS VLS Sec.')
7. Shri Anurag Bhatnagar (CFO in VLS Securities Limited) ('CFO VLS Sec') resigned w.e.f. 31/08/2022
8. Ms. Unnati Jani (CS in VLS Securities Ltd.) appointed w.e.f. 22nd Mar 2022 - resigned w.e.f. 17th Dec 2022
9. Ms. Komal Taparia (CS in VLS Securities Ltd.) resigned w.e.f. 21st Mar 2022 - ('CS VLS Sec.')

**c) Others:**

1. VLS Capital Limited (Associate of VLS Securities Ltd.)
2. M/s Vinayak Pharma – related to Mr SK Agarwal, Managing Director
3. Shri Ajit Kumar (Chairman, Independent Director)
4. Dr. (Mrs.) Neeraj Arora (Non-Executive Director) resigned w.e.f. 10th May 2023
5. Shri. D. K. Mehrotra (Independent Director)
6. Dr. R. L. Bishnoi (Independent Director) resigned w.e.f. 1st Mar 2023
7. Shri Deepak Kumar Chatterjee (Independent Director) resigned w.e.f. 4th May 2023
8. Ms. Divya Mehrotra w.e.f. 13/11/2021 (Non-Executive Director & Constituent of Promoter Group)
9. M/s Mehrotra And Mehrotra (Firm in which Promoter is Partner)
10. Ms. Sadhana Mehrotra (Promoter Group)
11. Mahesh Prasad Mehrotra (HUF) (Promoter Group)
12. Chai Thela Pvt Ltd (Private Company in which a Director or his relative is a Member or Director)
13. South Asian Enterprises Ltd (Promoter Group)
14. VLS Commodities Private Limited (Promoter Group)

**Transactions with Related Parties:**

(Rupees in Lakhs)

S No	Name of Related Party	Relationship of the counterparty with the listed entity	Nature of Transaction	Year Ended March 31, 2023 <sup>(#)</sup>	Year Ended March 31, 2022 <sup>(#)</sup>
1	VLS Securities Limited	Wholly Owned Subsidiary Company	Purchase of Securities (as share broker)	14,02,165.52	15,95,170.78
2	VLS Securities Limited	Wholly Owned Subsidiary Company	Sale of Securities (as share broker)	14,17,398.25	15,88,372.06
3	VLS Securities Limited	Wholly Owned Subsidiary Company	Rent and other Charges received	24.30	7.20
4	VLS Capital Limited	Promoter Group	Rent and other Charges received	2.67	-
5	M/s Mehrotra And Mehrotra	Firm in which Promoter is Partner	Rent and other Charges received	7.50	-
6	VLS Securities Limited	Wholly Owned Subsidiary Company	Other charges Paid (GST, STT, Stamp Duty)	385.58	618.83
7	VLS Securities Limited	Wholly Owned Subsidiary Company	Interest received on Margin Money Deposits	391.14	336.50
8	Shri M.P. Mehrotra	Key Managerial Personnel	Remuneration	107.03	77.27
9	Shri Vikas Mehrotra *	Key Managerial Personnel	Remuneration	51.35	-
10	Shri Vikas Mehrotra *	Key Managerial Personnel	Sitting Fees	0.50	2.50
11	Shri S. K. Agarwal	Key Managerial Personnel	Remuneration	43.55	41.26
12	Shri K. K. Soni	Key Managerial Personnel	Remuneration	41.77	39.60
13	Shri H Consul	Key Managerial Personnel	Remuneration	29.87	28.58
14	Ms. Komal Taparia	Key Managerial Personnel of Subsidiary Company	Remuneration	-	5.44
15	Ms. Unnati Jani	Key Managerial Personnel of Subsidiary Company	Remuneration	3.01	0.12
16	Shri Vishesh Jain	Key Managerial Personnel of Subsidiary Company	Remuneration	1.21	-
17	Ms. Divya Mehrotra	Director	Security Deposit Received back	26.97	-
18	Ms. Divya Mehrotra	Director	Rent Paid	24.20	4.00
19	Ms. Divya Mehrotra	Director	Sitting Fees	4.30	1.50
20	Shri Ajit Kumar	Non-executive Independent Director	Sitting Fees	7.10	5.00
21	Mrs Neeraj Arora	Director	Sitting Fees	5.10	3.40
22	Shri Rajeev Lochan Bishnoi	Non-executive Independent Director	Sitting Fees	6.65	4.60
23	Shri Dinesh Kumar Mehrotra	Non-executive Independent Director	Sitting Fees	6.15	3.55

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

S No	Name of Related Party	Relationship of the counterparty with the listed entity	Nature of Transaction	Year Ended March 31, 2023 <sup>(#)</sup>	Year Ended March 31, 2022 <sup>(#)</sup>
24	Shri Deepak Chatterjee	Non-executive Independent Director	Sitting Fees	4.40	3.10
25	Chai Thela Pvt Ltd	Private Company in which a Director or his relative is a Member or Director	Rent and other Charges received	2.50	-
26	South Asian Enterprises Ltd	Promoter Group	Rent and other Charges received	1.00	-
27	VLS Capital Limited	Promoter Group	Dividend Paid	200.05	200.05
28	Mahesh Prasad Mehrotra (HUF)	Promoter Group	Dividend Paid	29.76	29.76
29	Ms. Sadhana Mehrotra	Promoter Group	Dividend Paid	13.27	13.27
30	Ms. Divya Mehrotra	Director	Dividend Paid	8.12	7.50
31	Vls Commodities Private Limited	Promoter Group	Dividend Paid	6.87	6.87
32	Shri Vikas Mehrotra	Key Managerial Personnel	Dividend Paid	7.29	7.29
33	South Asian Enterprises Ltd	Promoter Group	Dividend Paid	0.02	0.02
34	Shri S. K. Agarwal	Key Managerial Personnel	Dividend Paid	-	-
35	Shri M.P.Mehrotra	Key Managerial Personnel	Dividend Paid	-	-
36	Shri K. K. Soni	Key Managerial Personnel	Dividend Paid	-	-
37	VLS Asset Management Limited	Subsidiary	Filling Fee & related expenses paid on behalf of subsidiary	0.06	0.03
38	VLS Real Estate Limited	Wholly Owned Subsidiary Company	Reimbursement of expenses	0.06	0.04
39	VLS Securities Limited	Wholly Owned Subsidiary Company	Sale of Securities (Unquoted Shares)	-	11,062.21
40	VLS Capital Limited	Promoter Group	Shares of Subsidiary Purchased	-	493.16
41	Shri H Consul	Key Managerial Personnel	Loan to Company Secretary	-	0.30
42	Shri H Consul	Key Managerial Personnel	Repayment of Loan by Company Secretary	0.30	-
43	Shri Anurag Bhatnagar	Key Managerial Personnel of Subsidiary Company	Sale of Asset to CFO VLS Sec.	0.13	-
44	M/s Vinayak Pharma	Enterprises in which Key Management Personnel and their relatives exercise Significant Influence	Sanitizer & Medical consumables/ equipments purchased (COVID-19 preventive measures)	0.04	0.45
45	Chai Thela Pvt Ltd	Private Company in which a Director or his relative is a Member or Director	Receivables	2.70	-
46	VLS Asset Management Limited	Subsidiary	Investment in Subsidiary at the year end	7.01	7.01
47	VLS Real Estate Limited	Wholly Owned Subsidiary Company	Investment in Subsidiary at the year end	10.00	10.00
48	VLS Securities Limited	Wholly Owned Subsidiary Company	Investment in Subsidiary at the year end	3,483.16	3,483.16
49	Ms. Divya Mehrotra	Director	Security Deposit Outstanding Balance at the year end	358.03	385.00
50	VLS Securities Limited	Wholly Owned Subsidiary Company	Outstanding Balance at the year end (including margin money deposits)	11,106.49	10,705.72
51	VLS Asset Management Limited	Subsidiary	Receivables Outstanding Balance at the year end	9.60	9.55

\* Remuneration was paid w.e.f. 01st June 2022 on receipt on approval from central government on 31st May 2022 and sitting fee of Rs 0.50 lakh paid prior to receipt of intimation had been treated as remuneration for the said period.

**# Notes:**

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

**Note No 33.Capital management.**

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

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

less cash and cash equivalents excluding discontinued operations.

Particulars	31st Mar 2023	31st Mar 2022
Borrowings	68.75	91.33
Trade payables	2.63	0.14
Other payables	19.15	43.75
Less: cash and cash equivalents	4,002.58	6,908.17
Net debt	-	-
Total capital	1,49,332.78	1,70,975.96
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

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

**Note No 34. Other Financial Information**

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

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

Particulars	31 March 2023	31 March 2022
Principal amount remaining unpaid to any supplier as at the period end.	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

<b>b. Earnings in Foreign Currency</b>	Nil	Nil
<b>c. Expenditure in Foreign Currency</b>	Nil	1.97

d. In Note no 6: Receivables dues from related party, Pl. refer note No 32: Related party Transactions.

e. In Note No 29: Other expenses, Auditor Remuneration for certification is inclusive of remuneration paid to previous auditors.

**Note No 35. Commitments and contingencies**
**a. Commitments:**

Particulars	31 March 2023	31 March 2022
(a) Estimated amount of contracts remaining to be executed on Capital Account.	Nil	170.04
(b) Uncalled liability on shares and other investments partly paid	Nil	Nil

**b. Contingent liabilities**

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

**Note No 36. 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 2023	31st March 2022	31st March 2023	31st March 2022
<b>Financial assets</b>				
Trade Receivables	1834.47	119.94	-	-
Other Receivables	349.58	348.93	-	-
Other financial assets	10,791.20	11,176.26	-	-
Loans	812.61	802.61	-	-
FVTOCI financial investments	1,38,498.15	1,73,296.79	1,38,498.15	1,73,296.79
<b>Total</b>	<b>1,52,286.01</b>	<b>1,85,744.53</b>	<b>1,38,498.15</b>	<b>1,73,296.79</b>
<b>Financial liabilities</b>				
Borrowings	68.75	91.33	-	-
Other Financial Liabilities	332.49	255.83	-	-
<b>Total</b>	<b>401.24</b>	<b>347.16</b>	<b>-</b>	<b>-</b>

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

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

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

**Note No 37: Impact of COVID-19 on Going Concern Assumption**

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

**Note No38: 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:

- i. Credit risk
- ii. Liquidity risk
- iii. Market risk

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

**i. Credit risk:**

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

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

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

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

Following provides exposure to credit risk for trade receivables:

Particulars	March 31,2023	March 31,2022
Trade and Other Receivables (net of impairment)	2184.05	468.87
<b>Total</b>	<b>2184.05</b>	<b>468.87</b>

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

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

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks of high standing. Investments comprise of quoted

and unquoted Equity instruments bonds and mutual funds which are market tradable. Other financial assets include deposits for assets acquired on lease.

**ii. Liquidity risk**

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

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

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

**The table below summaries the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31 2023:**

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
<b>Assets</b>					
Cash and bank balances	4,926.25	92.31	502.77	-	<b>5,521.33</b>
Trade receivables	1,834.47	-	-	-	<b>1,834.47</b>
Other receivables	349.58	-	-	-	<b>349.58</b>
Loans	5.57	3.19	803.85	-	<b>812.61</b>
Investments	-	-	44,117.06	97,881.84	<b>1,41,998.90</b>
Other financial assets	9,900.00	851.35	-	39.85	<b>10,791.20</b>
<b>Total</b>	<b>17,015.87</b>	<b>946.85</b>	<b>45,423.68</b>	<b>97,921.69</b>	<b>1,61,308.09</b>
<b>Liabilities</b>					
Trade payables	2.63	-	-	-	2.63
Other payables	19.15	-	-	-	19.15
Borrowings	68.75	-	-	-	68.75
Other financial liabilities	332.49	-	-	-	332.49
<b>Total</b>	<b>423.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>423.02</b>
Net Excess / (shortfall)	<b>16,592.85</b>	<b>946.85</b>	<b>45,423.68</b>	<b>97,921.69</b>	<b>1,60,885.07</b>

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

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

**iii. Market risk**

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

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

**i) Equity price Risk**

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

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

**ii) Interest Rate Risk**

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

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

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

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

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

**Note No 39: Employees Benefits**
**i. Defined Contribution Plans:**

Amount of Rs. 29.25 lakhs (Rs.21.18 lakhs for the financial year 2021-2022) contributed to provident funds is recognized as an expense under 'Employee Cost in the Statement of Profit and Loss.

**ii. Defined Benefit Plans**
**a) Funded:**

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

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

1. Assumptions	Year Ended March 31, 2023	Year Ended March 31, 2022
Discount rate	7.50%	7.00%
Salary Escalation	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
<b>2. Changes in present value of obligation at the year end</b>		
Present value of obligation as at beginning of the year	161.15	162.83
Interest Cost	11.28	11.40
Current Service Cost	12.48	8.34
Past Service Cost	-	-
Benefits Paid	(1.56)	(14.00)
Actuarial (gain) / loss on obligations	22.74	(7.42)
Present value of obligations as at end of the year	206.09	161.15
<b>3. Changes in fair value of plan assets at the year end</b>		
Fair value of plan assets at beginning of year	102.27	97.67
Expected return on plan assets	7.67	6.84
Contributions	7.34	2.72
Benefits paid	0	(5.28)
Actuarial gain / (loss) on plan assets	0.13	0.32
Fair value of plan assets at the end of the year	117.41	102.27
<b>4. OCI / Expenses (Re measurements)</b>		
Cumulative Un recognized Actuarial (gain)/loss opening b/f	4.37	12.12
Actuarial (gain) / loss on obligations	22.74	(7.42)
Actuarial (gain) / loss for the year – on plan assets	(0.13)	(0.33)
Total (gain) / loss for the year	22.60	(7.75)
Cumulative total actuarial (gain)/ loss c/f	26.98	4.37
<b>5. Amounts to be recognized in the Balance Sheet</b>		
Present value of obligations as at the end of the year	206.09	161.15
Fair value of plan assets as at the end of the year	117.41	102.27
Net (asset) / liability recognized in balance sheet	88.68	58.89
Funded Status Surplus/ (Deficit)	(88.68)	(58.89)
<b>6. Amounts recognized in the Statement of Profit and Loss</b>		
Current service cost	12.48	8.34
Interest Cost	11.28	11.40

Past Service Cost	-	-
Expected return on plan assets	(7.67)	(6.84)
Expenses recognized in Statement of Profit and Loss	16.09	12.90

**7. Current Liability/Non-Current Profile:**

Period	As at 31 March 2023	As at 31 March 2022
Current Liability (Short Term)	171.11	120.53
Non-Current Liability (Long Term)	34.98	40.62
<b>Total Liability</b>	<b>206.09</b>	<b>161.15</b>

**8. Maturity profile of defined benefit obligation: Weighted Average:**

Weighted average duration (based on discounted cash flows) in years	2	3
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**9. Sensitivity Analysis:** Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. The effect of the 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	As at 31 March 2023	As at 31 March 2022
Defined Benefit Obligation (Base)	206.09 Lakhs @ Salary Increase Rate: 5%, and discount rate :7.5%	161.15 Lakhs @ Salary Increase Rate: 5%, and discount rate :7%
Liability with x% increase in Discount Rate	203.63 Lakhs x=1.00% [Change (1) %]	159.10 Lakhs; x=1.00% [Change (1) %]
Liability with x% decrease in Discount Rate	208.79 Lakhs x=1.00% [Change 1%]	163.41 Lakhs; x=1.00% [Change 1%]
Liability with x% increase in Salary Growth Rate	208.83 Lakhs; x=1.00% [Change 1%]	163.43 Lakhs; x=1.00% [Change 1%]
Liability with x% decrease in Salary Growth Rate	203.56 Lakhs; x=1.00% [Change (1) %]	159.04 Lakhs; x=1.00% [Change (1) %]
Liability with x% increase in Withdrawal Rate	206.23 Lakhs; x=1.00% [Change 0%]	161.29 Lakhs; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	205.92 Lakhs; x=1.00% [Change 0%]	160.99 Lakhs; x=1.00% [Change 0%]

**b) Unfunded.**

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

1. Assumptions	Year Ended March 31, 2023	Year Ended March 31, 2022
Discount rate	7.50%	7.00%
Salary Escalation	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
<b>2. Changes in present value of obligation at the year end</b>		
Present value of obligation as at beginning of the year	18.02	19.96
Interest Cost	1.26	1.40
Current Service Cost	4.03	1.50
Benefits Paid	(0.79)	(0.54)
Actuarial (gain) / loss on obligations	0.53	(4.30)
Present value of obligations as at end of the year	23.05	18.02
<b>3. OCI / Expenses (Re measurements)</b>		

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

Cumulative Un recognized Actuarial (gain)/loss opening bf	(5.36)	(1.06)
Actuarial (gain) / loss on obligations	0.53	(4.30)
Actuarial (gain) / loss for the year – on plan assets	-	-
Total (gain) / loss for the year	0.53	(4.30)
Cumulative total actuarial (gain)/loss c/f	(4.83)	(5.36)
<b>4. Amounts to be recognized in the Balance Sheet</b>		
Present value of obligations as at the end of the year	23.05	18.02
Fair value of plan assets as at the end of the year	-	-
Net (asset) / liability recognized in balance sheet	23.05	18.02
Funded Status Surplus/ (Deficit)	(23.05)	(18.02)
<b>5. Amounts recognized in the Statement of Profit and Loss</b>		
Current service cost	4.03	1.51
Interest Cost	1.26	1.40
Expected return on plan assets	-	-
Expenses recognized in Statement of Profit and Loss	5.29	2.90

**6. Current Liability/Non-Current Profile:**

Period	As at 31 March 2023	As at 31 March 2022
Current Liability (Short Term)	16.44	12.77
Non-Current Liability (Long Term)	6.61	5.25
Total Liability	23.05	18.02

**3.5: Sensitivity Analysis:** Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. The effect of the 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	As at 31 March 2023	As at 31 March 2022
Defined Benefit Obligation (Base)	23.05 Lakhs	18.02 Lakhs
Liability with x% increase in Discount Rate	22.64 Lakhs; x=1.00% [Change (2) %]	17.70 Lakhs; x=1.00% [Change (2) %]
Liability with x% decrease in Discount Rate	23.51 Lakhs; x=1.00% [Change 2%]	18.38Lakhs; x=1.00% [Change 2%]
Liability with x% increase in Salary Growth Rate	23.51 Lakhs; x=1.00% [Change 2%]	18.39 Lakhs; x=1.00% [Change 2%]
Liability with x% decrease in Salary Growth Rate	22.62 Lakhs; x=1.00% [Change (2) %]	17.69 Lakhs; x=1.00% [Change (2) %]
Liability with x% increase in Withdrawal Rate	23.11 Lakhs; x=1.00% [Change 0%]	18.06Lakhs; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	22.98 Lakhs; x=1.00% [Change 0%]	17.97Lakhs; x=1.00% [Change 0%]

**Note No 40: Maturity Analysis of Assets and Liabilities**

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

Rupees in Lakhs

Particulars	As at 31st Mar 2023			As at 31st Mar 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	4,002.58		4,002.58	6,908.17		6,908.17
Bank Balance other than above	1,015.98	502.77	1,518.75	444.81		444.81
Trade receivables	1,834.47		1,834.47	119.94		119.94
Other receivables	349.58		349.58	348.93		348.93
Loans	8.76	803.85	812.61	2.00	800.61	802.61
Investments	-	1,41,998.90	1,41,998.90	-	1,76,797.54	1,76,797.54
Other financial assets	10,751.35	39.85	10,791.20	11,117.11	59.15	11,176.26
<b>Total-Financial assets</b>	<b>17,962.72</b>	<b>1,43,345.37</b>	<b>1,61,308.09</b>	<b>18,940.96</b>	<b>1,77,657.30</b>	<b>1,96,598.26</b>
<b>Non-Financial assets</b>						
Current Tax assets		1,379.81	1,379.81		775.36	775.36
Investment Property		6,651.46	6,651.46		70.94	70.94
Property, plant and equipment		2,528.15	2,528.15		2,722.84	2,722.84
Capital work-in-progress		-	-	6.98		6.98
Other Intangible assets		0.18	0.18		0.68	0.68
Other non-financial assets	405.53	108.95	514.48	508.36	158.12	666.48
<b>Total-Non financial assets</b>	<b>405.53</b>	<b>10,668.55</b>	<b>11,074.08</b>	<b>515.34</b>	<b>3,727.94</b>	<b>4,243.28</b>
<b>Total Assets</b>	<b>18,368.25</b>	<b>1,54,013.92</b>	<b>1,72,382.17</b>	<b>19,456.30</b>	<b>1,81,385.24</b>	<b>2,00,841.54</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	2.63	-	2.63	0.14	-	0.14
Other payables	19.15	-	19.15	43.75	-	43.75
Borrowings	68.75	-	68.75	91.33	-	91.33
Other financial liabilities	332.49	-	332.49	255.83	-	255.83
<b>Total- Financial Liabilities</b>	<b>423.02</b>	<b>-</b>	<b>423.02</b>	<b>391.05</b>	<b>-</b>	<b>391.05</b>
<b>Non Financial Liabilities</b>						
Provisions	284.76	6.61	291.37	71.66	5.25	76.91
Deferred tax liabilities		22,208.54	22,208.54		29,365.18	29,365.18
Other non financial liabilities	111.97	14.49	126.46	32.45		32.45
<b>Total-Non Financial Liabilities</b>	<b>396.73</b>	<b>22,229.64</b>	<b>22,626.37</b>	<b>104.11</b>	<b>29,370.43</b>	<b>29,474.54</b>
<b>Total Liabilities</b>	<b>819.75</b>	<b>22,229.64</b>	<b>23,049.39</b>	<b>495.16</b>	<b>29,370.43</b>	<b>29,865.59</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

**Note No: 41 Fair Value Measurement**
**(i) Accounting classification and fair values**

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

The carrying value and fair value of financial instruments by categories as of 31 March 2023 are as follows:

(Rupees in Lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	4,002.58	4,002.58	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	1,518.75	1,518.75	-	-	-	-
Receivables								
(I) Trade receivables	-	-	1,834.47	1,834.47	-	-	-	-
(II) Other receivables	-	-	349.58	349.58	-	-	-	-
Loans	-	-	812.61	812.61	-	-	-	-
Investments	-	1,38,498.15	3,500.75	1,41,998.90	1,32,576.10	3,000.83	2,921.22	1,38,498.15
Other financial assets	-	-	10,791.20	10,791.20	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>1,38,498.15</b>	<b>22,809.94</b>	<b>1,61,308.09</b>	<b>1,32,576.10</b>	<b>3,000.83</b>	<b>2,921.22</b>	<b>1,38,498.15</b>
<b>Financial liabilities</b>								
Payables								
(I) Trade payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	2.63	2.63	-	-	-	-
(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	-	-	19.15	19.15	-	-	-	-
Borrowings (Other than debt securities)	-	-	68.75	68.75	-	-	-	-
Other financial liabilities	-	-	332.49	332.49	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>423.02</b>	<b>423.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The carrying value and fair value of financial instruments by categories as of 31 March 2022 are as follows:

(Rupees in Lakhs)

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

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

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

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

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

**ii Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include :

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

**iii. Financial instruments not measured at fair value**

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets.

These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

Fair value measurements using significant unobservable inputs (level 3)

**Note No 42: Tax Expense**

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

The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to opt the amended tax regime w.e.f. the financial year 2019-20.

**a) Income Tax (expense)/credit recognised in Statement of Profit and Loss:**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Current tax (expense)/credit:</b>		
1 Current tax for the year	(568.00)	(2,937.00)
2 Excess provision of tax relating to earlier years written back.	60.09	-
<b>Total current tax (expense)/credit (A)</b>	<b>(507.91)</b>	<b>(2,937.00)</b>
<b>Deferred tax (expense)/credit:</b>	393.76	1,710.80
<b>Net deferred tax (expense)/credit (B)</b>	<b>393.76</b>	<b>1,710.80</b>
<b>Income tax (expense)/credit (net): (C = A+B)</b>	<b>(114.15)</b>	<b>(1,226.20)</b>

**(b) Income Tax (expense)/credit recognised through other comprehensive income:**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
1 Remeasurement of defined benefit plan	5.82	(3.03)
2 Equity instruments through other comprehensive income	6,757.06	(3,657.02)
<b>Total</b>	<b>6,762.88</b>	<b>(3,660.05)</b>

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

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Profit / (loss) before tax</b>	5,358.15	26,665.14
1 Expected income tax (expense)/credit at the applicable tax rates	(1,348.54)	(6,711.08)
<b>Tax effect of adjustments to reconcile expected Income tax (expense)/credit at tax rate to reported income tax (expense)/credit</b>		
2 Effect of non-deductible expenses	(119.32)	(116.83)
3 Effect of differential tax rates and carried/brought forward losses	1,029.55	3,046.23
4 Excess provision of tax relating to earlier years written back.	60.09	-
5 Effect of income exempt from tax	265.62	2,561.88
6 Others	(1.55)	(6.40)
<b>Income Tax (expenses)/credit reported in statement of profit and loss (1+2+3+4+5+6)</b>	<b>(114.15)</b>	<b>(1,226.20)</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

**Note No 43: Shareholding of Promoters and Promoter Group**

Shares held by Promoters (P) & Promoter Group (PG)			As at 31st Mar 2023			As at 31st Mar 2022		
S. No	Promoter Name	Category <sup>(S)</sup>	No. of shares (in Nos)	% of Total shares	% change during the year <sup>(#)</sup>	No. of shares (in Nos)	% of Total shares	% change during the year <sup>(#)</sup>
1	VLS Capital Ltd.	PG	1,33,36,538	37.86	-	1,33,36,538	34.50	-
2	VLS Commodities Private Limited	PG	4,57,768	1.30	-	4,57,768	1.18	-
3	South Asian Enterprises Ltd	PG	1,500	0.00	-	1,500	-	-
4	Divya Mehrotra	PG	5,41,393	1.54	-	5,41,393	1.40	0.11
5	Maresh Prasad Mehrotra(HUF)	PG	19,84,262	5.63	-	19,84,262	5.13	-
6	Sadhana Mehrotra	PG	8,84,691	2.51	-	8,84,691	2.29	-
7	Vikas Mehrotra	PG	4,85,783	1.38	-	4,85,783	1.26	-
8	Maresh Prasad Mehrotra	P	1	0.00	-	1	-	-
<b>Total (*)</b>			<b>1,76,91,936</b>	<b>50.22</b>		<b>1,76,91,936</b>	<b>45.76</b>	

\$ Promoters = P, Promoter Group = PG

# Percentage change has been computed considering the number of shares at the beginning of the year.

\* % of shareholding increased as at the end of 31st March 2023 due to buyback of equity shares and consequent extinguishment of equity share at the end of the year.

**Note No 44: Ageing of Trade & Other Payables**
**Ageing of Trade Other Payables as on 31-03-2023**

(Rupees in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-	-
(ii) Others	21.78	15.94	0.01	-	5.83
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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

(Rupees in Lakhs)

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

**Note No 45: Ageing of Trade & Other Receivables**
**Ageing of Trade Receivables & Other Receivables as on 31.03.2023**

(Rupees in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Total	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	2,184.05	1,908.23	268.68	0.40	0.34	6.40
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,184.05</b>	<b>1,908.23</b>	<b>268.68</b>	<b>0.40</b>	<b>0.34</b>	<b>6.40</b>

**Ageing of Trade Receivables & Other Receivables as on 31.03.2022**

(Rupees in Lakhs)

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

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

**Note No 46: Loans or advances in the nature of loans as per additional regulatory disclosure of schedule III to Companies Act 2013.**

As at 31.3.2023		
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Party - Subsidiary	9.60	1.17

As at 31.3.2022		
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	0.30	0.04
Related Party - Subsidiary	9.55	1.18

**Note No 47: Ageing of Capital Work in Progress**
**Ageing of Capital Work in Progress as on 31-03-2023**

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

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

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

Refer Note No 48: CWIP Completion Schedule

**Note No 48: CWIP Completion Schedule**
**CWIP Completion Schedule as on 31-03-2023**

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

**CWIP Completion Schedule as on 31-03-2022**

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

**Note No 49: Relationship with Strike off Companies**

Sl. No.	NAME OF THE COMPANY	NATURE OF TRANSACTION										RELATIONSHIP (IF ANY)
		INVESTMENT IN SECURITIES OF SUCH COMPANY (Nos.)		RECEIVABLES (Amount)		PAYABLES (Amount)		SHARES HELD BY SUCH COMPANY * (in Nos.)		OTHER OUTSTANDING: UNPAID DIVIDEND (Amount Rupees in Lakhs)		
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	
1	Colocar Leasing & Finance P Ltd	-	-	-	-	-	-	600	600	0.04	0.03	NIL
2	Guru Rakha Inveshment Pvt Ltd	-	-	-	-	-	-	100	100	0.01	0.01	NIL
3	Lakshmi Fintrade Pvt Ltd (Shri Lakshmi Fintrade Private Limited)	-	-	-	-	-	-	600	600	0.04	0.03	NIL
4	Maneela Finance Investment Pvt Ltd (Maneela Finance And Investments Private Ltd)	-	-	-	-	-	-	600	600	0.04	0.03	NIL
5	Money Tree Plantation Pvt Ltd	-	-	-	-	-	-	1,200	1,200	0.08	0.06	NIL
6	Nav Trading And Investments Private Limited	-	-	-	-	-	-	3,600	3,600	0.24	0.19	NIL

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

SI. No.	NAME OF THE COMPANY	NATURE OF TRANSACTION										RELATIONSHIP (IF ANY)
		INVESTMENT IN SECURITIES OF SUCH COMPANY (Nos.)		RECEIVABLES (Amount)		PAYABLES (Amount)		SHARES HELD BY SUCH COMPANY * (in Nos.)		OTHER OUTSTANDING: UNPAID DIVIDEND (Amount Rupees in Lakhs)		
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	
7	Options Financial Services Ltd	-	-	-	-	-	-	600	600	0.04	0.03	NIL
8	Paavan Securities Pvt Ltd	-	-	-	-	-	-	400	400	0.03	0.02	NIL
9	Paradise Finstock Service Pvt Ltd	-	-	-	-	-	-	600	600	0.04	0.03	NIL
10	Rahat Holdings & Estates P Ltd	-	-	-	-	-	-	600	600	0.04	0.03	NIL
11	Siddhi Commedeal Private Limited	-	-	-	-	-	-	400	400	0.03	0.02	NIL
12	Sis Share & Stock Br. Pvt Ltd (Guardian Share And Stock Brokers Private Ltd)	-	-	-	-	-	-	200	200	0.01	0.01	NIL
13	Sunshine Holdings P Ltd	-	-	-	-	-	-	9,300	9,300	0.52	0.41	NIL
14	Yashika Finlease And Holdings P Ltd	-	-	-	-	-	-	2,400	2,400	0.16	0.13	NIL
	<b>Total</b>	-	-	-	-	-	-	<b>21,200</b>	<b>21,200</b>	<b>1.31</b>	<b>1.05</b>	-

\* In the financial years ended March 31, 2023 and March 31, 2022, the Company did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Our Company has not allotted any Equity share to the said companies. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to us for the purpose of this disclosure.

**Note No 50: Key Ratios**
**Part A**

S No	Particulars	As at 31st Mar 2023	As at 31st Mar 2022
1	Capital to risk-weighted assets ratio	NA *	NA *
2	Tier I CRAR	NA *	NA *
3	Tier II CRAR	NA *	NA *
4	Liquidity Coverage Ratio	NA *	NA *

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

**Part B**

S No	Particulars	As at 31st Mar 2023		Ratio		% Change from previous period in Current Year	Reason for Change in Current Year (if Change > 25 %)
		Numerator (Rs. in Lakhs)	Denominator (Rs. in Lakhs)	As at 31st Mar 2023	As at 31st Mar 2022		
1	2	3	4	5 = 3 / 4	6	7 = (5 - 6) / 6	8
1	Return on equity (PAT / Equity) (%)	5,244.00	1,49,332.78	3.51	14.88	(76.40)	There is decline in the ratio due to reduction in the Profit during the current year.
2	Return on Assets (PAT / Total Assets) (%)	5,244.00	1,72,382.17	3.04	12.67	(75.98)	There is decline in the ratio due to reduction in the Profit during the current year.
3	Current Ratio (Cash, Bank, Receivables & Other Fin. Assets) / (Financial Liabilities) (times)	18,496.58	423.02	43.73	48.58	(10.00)	Within Limit

**Note No 51: Investment Property**

(Rupees in Lakhs)

PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022
(i) <b>Investment in Property</b>		
a) Balance at the beginning of the year	70.94	70.94
b) Addition during the year <sup>§</sup>	6,580.52	-
c) Deduction during the year	-	-
d) Depreciation/Impairment for the year	-	-
e) Balance at the end of the year	<b>6,651.46</b>	<b>70.94</b>

§ Including Stamp Duty & Registration charges of Rs 430.52 Lakhs

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022
(ii) <b>Fair value of Investment property *</b>		
a) Building	852.76	23.85
b) Freehold Land	5,761.29	190.15
<b>Total</b>	<b>6,614.05</b>	<b>214.00</b>
* Pl. refer below mentioned foot note (iv) for Fair Value Hierarchy:		
(iii) <b>Amounts recognised in the statement of profit and loss in relation to investment Property:</b>		
a) Rental Income from investment property (#, @)	4.23	-
b) Direct operating expenses rising from investment property that generated rental income during the year	(0.07)	-
c) Direct operating expenses arising from investment property that did not generate rental income during the year	(0.21)	(0.21)
d) <b>Profit from investment property before depreciation</b>	3.95	(0.21)
e) Depreciation charge for the year	-	-
f) <b>Profit from investment property after depreciation</b>	3.95	(0.21)

# Rental income recognised by the Company is included in, "Other income" as Rental income from Investment properties Pl. refer Note no: 25 - Other Income.

@ Rental Income from investment property includes Rs 0.08 lakhs as income, recognised on interest free security deposit received from lessee, as per relevant accounting standard.

**(iv) Fair Value Hierarchy:**

The fair values of the investment properties as mentioned in (ii) above is based on valuations performed by valuer Er. B. P. Singh, an approved valuer from government of India (Income Tax- CBDT). The valuation of land has been done by the valuer on the basis of market value of property considering the location, size of plot, civic amenities available near the land. Further valuation of building has been done by applying the rate for market plinth area for industrial property/ construction rate of CPWD as far as possible for similar property in Delhi & around Delhi.

**(v) Leasing arrangements**

Investment properties are leased out to tenants under operating lease. Disclosure of future rent receivable is included in Note No 52: Disclosure under Ind As 116 Lease.

**(vi) Contractual obligations**

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop the investment property. However, the responsibility for its repairs and maintenance is with the Company.

**Note No 52: Disclosure under Ind As 116 Lease:**
**Leases**
**1 Company as a lessee:**

The Company has taken premises on operating lease for the period which ranges from 11 months to 36 months with an option to renew the lease by mutual consent on mutually agreeable terms.

- The Company has applied the exemptions not to recognise right-of-use assets and liabilities for lease with less than 12 months of term lease.

Information about leases for which the company is a lessee for more than 12 months are presented below:

(A) Right of use assets: #	(Rupees in Lakhs)	
Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Opening balance	58.22	0.00
Movement during the year	3.23	61.53
Amortisation of Right-Of-Use (ROU) assets	(20.75)	(3.31)
<b>Closing balance</b>	<b>40.70</b>	<b>58.22</b>
# Pl. refer note 11a.		
(B) The movement in lease liabilities are as follows:		
Particulars	As at 31st Mar 2023	As at 31st Mar 2022
<b>Opening balance</b>	58.60	0.00
Additions	-	61.53
Amounts recognised in statement of profit & loss as Interest on lease liabilities in Finance Costs	5.32	1.06
Payment of lease liabilities	(24.20)	(4.00)
Adjustment on account of termination	-	-
Adjustment on account of modification	3.23	-
<b>Closing balance</b>	<b>42.95</b>	<b>58.60</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

(Rupees in Lakhs)

**(C) Maturity analysis - Cashflows of Contractual maturities of lease liabilities:**

Particulars	As at 31st Mar 2023		
	Lease payments	Finance cost	Net present Value
Not later than one year	21.93	3.48	25.41
Later than one year and not later than five years	21.02	1.03	22.05
Later than five years	-	-	-
<b>Total</b>	<b>42.95</b>	<b>4.51</b>	<b>47.46</b>

Particulars	As at 31st Mar 2022		
	Lease payments	Finance cost	Net present Value
Not later than one year	18.73	5.27	24.00
Later than one year and not later than five years	39.87	4.13	44.00
Later than five years	-	-	-
<b>Total</b>	<b>58.60</b>	<b>9.40</b>	<b>68.00</b>

**(D) Amount recognised in statement of profit & loss:**

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest cost on lease liabilities.	5.32	1.06
Amortization of Right of Use Assets.	20.75	3.31
Rental Expenses recorded for short-term lease payments and payments for leases of low-value assets not included in the measurement of the lease liabilities (included in other expense).	25.07	55.99

**2 Company as a lessor:**
**(A) Lessor - Operating Lease:**

The Company has leasing arrangements in respect of operating leases for its premises. The Company has entered into operating leases for its Investment property and for other assets. These have lease terms of between 11 months to 36 months.

**(B) Rental Income as operating lease recognised in the statement of profit and loss is as follows:**

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Rental income from other assets *	37.97	7.20
Rental income from Investment properties *	4.23	-
<b>Total</b>	<b>42.20</b>	<b>7.20</b>

\* Rental income recognised by the Company is included in "Other income" (Pl. refer Note 25).

**(C) Future minimum rentals receivable under operating leases are, as follows:**

Particulars	As at	
	31st Mar 2023	31st Mar 2022
Not later than one year	539.00	-
Later than one year and not later than five years	751.00	-
Later than five years	-	-
<b>Total</b>	<b>1,290.00</b>	<b>-</b>

**Note No: 53: Intangible Assets under Development Ageing Schedule**

There are no intangible assets under development as on 31<sup>st</sup> March 2023 as well as 31<sup>st</sup> March 2022.

**Note No 54: Subsequent events:**

There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statements other than as stated below:

- i) The Board of Directors at its meeting held on 27<sup>th</sup> May 2023 has proposed a Dividend of Rs. 1.50 per equity share i.e., 15% on face value of Rs.10/- per equity share, for the financial year ended 31-March 2023, subject to approval of the members of the Company at the forthcoming Annual General Meeting.

Pursuant to the Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the listing regulations, the Book Closure period for the purpose of payment of the dividend to be declared at the 36<sup>th</sup> AGM will be from September 23<sup>rd</sup>, 2023, to September 29<sup>th</sup>, 2023 (both days inclusive).

The dividend, if approved, will be paid on or before 29-October-2023 subject to deduction of tax at source as per the applicable rate(s), to the members whose name stand in the register of members on the cutoff date ratified for this purpose.

- ii) The Board of Directors at its meeting held on 27<sup>th</sup> May 2023 has approved the closure of the Buyback pursuant to the terms of the Public Announcement, with effect from Monday, 29<sup>th</sup> May 2023.

**Note No 55: Segment reporting:**

The Company is primarily engaged in the single segment i.e., in the business of investment & Sale/Purchase of Shares/Securities & Derivatives. As such the Company's financial statements are largely reflective of the investment business. There are no separate reportable segments identified as per the Ind AS 108 - Operating segments. Further the Company does not have any reportable geographical segment. Hence segment-wise reporting has not been made.

**Note No 56: Additional Regulatory disclosures.**

- i) During the financial years ended March 31, 2023, and March 31, 2022, the company has not revalued its Property, Plant and Equipment.
- ii) All the lease agreements are duly executed in favor of the Company for properties where the Company is the lessee.
- iii) During the financial years ended March 31, 2023, and March 31, 2022, the company has not revalued its intangible assets.
- iv) The Company has been sanctioned working capital limits from Banks/financial institutions on the basis of security of Company's own fixed deposits. Therefore, during the financial years ending March 31, 2023, and March 31, 2022, the company is not required to file the Quarterly return/ statements of current assets with banks and financial institutions.
- v) The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of layers) rule 2017.
- vi) During the financial years ended March 31, 2023, and March 31, 2022, no Scheme of Arrangements related to the company has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- vii) Utilisation of Borrowed funds and share premium: -
  - a. The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
    - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b. The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - i. directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.
- ix) The Company has not been declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.
- x) There is no creation or satisfaction of charges which are pending to be filed with ROC as at 31 March 2023 and 31 March 2022.
- xi) The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023, and March 31, 2022.
- xii) The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). No previously unrecorded income and related assets have been recorded in the books of account during the year.
- xiii) The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2023, and March 31, 2022.
- xiv) There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2023, and March 31, 2022.
- xv) The corporate governance report containing composition and category of directors, shareholding of non-executive directors is part of the annual report for the financial year ended March 31, 2023.

**Note No 57:** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure and rounding off errors have been ignored.

**Note No 58:** The amounts reflected as "0" or "-" in the financial information are values with less than rupees five hundred.

As per our report of even date attached

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

CA P. C. Agiwal  
Partner  
Membership No.080475

New Delhi  
27th May 2023  
UDIN : 23080475BGWKSU1549

For and on behalf of the Board

S.K. Agarwal  
Managing Director  
DIN: 00106763

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

M.P. Mehrotra  
Executive Vice Chairman  
DIN: 00016768

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

**VLS Securities Ltd.**

Regd. Off: Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi–110020,  
CIN: U74899DL1994PLC062123  
Ph: 011-4665 6666

E-mail: [vlsec@vlssecurities.com](mailto:vlsec@vlssecurities.com), Website: [www.vlssecurities.com](http://www.vlssecurities.com)

**Directors' Report**

The Members,

**VLS Securities Limited,**

Your Directors are pleased to present the 29<sup>th</sup> Annual Report of your Company together with audited annual accounts for the year ended on 31<sup>st</sup> March, 2023.

**Financial Summary**

₹ in lakhs

Particulars	For the Financial Year ended	
	2022-23	2021-2022*
Revenue from Operations	635.69	3,501.99
Other Income	---	---
Less: Finance Cost	8.01	1.03
Less: Depreciation	0.38	0.89
Less: Other Expenses	286.45	274.26
Profit/ (loss) before tax	340.85	3,225.81
Total Tax expenses / (credit)	91.44	(1,246.70)
Net Profit / (loss)	249.41	4,472.51
Total Comprehensive Income	(24,935.69)	26,668.85
Paid-up Equity Share Capital	3,000	3,000
Earnings per equity share (Rs.)	0.83	14.91

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

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 ('Act'), 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 the 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. 229.47 lakhs during the year under review, as compared to Rs. 695.92 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.

During the year under review, the Company did not absorb any new technology nor has carried out any R&D activity including conservation of Energy. The relevant disclosures are contained in **Annexure-I** to this report.

**Future Outlook**

The stock markets have been generally upbeat during the year under review excepting the closing quarter in spite of the global turmoil, which had adversely affected many sectors globally. The Company is optimistic that the markets will continue to show a 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**

The Board presently comprises of 6 (Six) Directors with one Executive and One Independent Director. During the year under review, the Company has complied with the relevant provisions with respect to the constitution of the Board.

The following changes took place during the year under review.

**Directors/ KMP**

- Shri Anoop Mishra (DIN: 02849054) was appointed by the Board as an Additional Director of the Company in the category of Non-Executive,

Non-Designated, Independent Director for a period of five years commencing from 12/08/2022 till 11/08/2027 which was approved in 28th Annual General Meeting of the Company.

- Dr. R. L. Bishnoi (DIN: 00130335), who was appointed as an Independent Director of the Company for a term of five years w.e.f. 29/12/2017 by the members on 17/09/2018, in terms of Section 149 of the Act, completed his first tenure on 28/12/2022 and was eligible for appointment as Independent Director for the second tenure. Consequently, the Board of Directors at its meeting held on 28/12/2022 re-appointed Dr. Bishnoi for a second term commencing from 29/12/2022 up to 28/12/2027, not liable to retire by rotation subject to requisite approvals. Subsequently, Dr. Bishnoi resigned from the Board of the Company w.e.f. closing hours of 01/03/2023 citing his expanding role and responsibilities on being appointed on the Audit Advisory Board of Comptroller and Auditor General of India and other commitments as reason for resignation. Accordingly, he ceased to be Director of the Company and from the Committees of the Board w.e.f. same date.
- Shri R. K. Goswami (DIN: 00106911) - Independent Director of the Company left for his heavenly abode on 07/01/2023. Accordingly, he ceased to be Director of the Company and from the Committees of the Board w.e.f. same date.
- Key Managerial Personnel ('KMP')
  - Shri Anurag Bhatnagar resigned as Chief Financial Officer ('CFO') of the Company w.e.f. 31/08/2022.
  - Shri Mohit Goel (PAN: AANPG3806F) was appointed as Chief Financial Officer ('CFO') of the Company w.e.f. 01/11/2022 and resigned w.e.f. 17/12/2022.
  - Ms. Unnati Jani (M. No. A62834) resigned as Company Secretary of the Company w.e.f. 17/12/2022.
  - Shri Vishesh Jain (M. No. A68586) was appointed as Company Secretary w.e.f. 28/12/2022.
- At the 28<sup>th</sup> Annual General Meeting ('AGM') of the Company held on 17<sup>th</sup> September, 2022 (Post Adjournment on 10/09/2022), following appointment/re-appointment were approved by the members:
  - Re-appointment of Shri Suresh Kumar Agarwal (DIN: 00106763) and Shri Vikas Mehrotra (DIN: 06476150) as Director liable to retire by rotation.
  - Re-appointment of Shri Suresh Kumar Agarwal as Managing Director of the Company for a period of 3 (three) years w.e.f. 1st July 2022 (i.e. from 01/07/2022 to 30/06/2025).
  - Appointment of Shri Anoop Mishra as a Non-Executive Independent Director of the Company for a period of five years commencing from 12/08/2022 till 11/08/2027.

The Board places on record its appreciation for Dr. R. L. Bishnoi and Shri R. K. Goswami besides the KMPs who had ceased association with the Company, for their valuable contribution during their respective tenure with the Company.

Pursuant to the provisions of Section 152 of the Act and the Articles of Association of the Company Shri Kishan Kumar Soni (DIN: 00106037) and Ms. Divya Mehrotra (DIN: 00006494) shall be retiring by rotation at the ensuing 29<sup>th</sup> Annual General Meeting ('AGM') of your Company and being eligible, offer themselves for re-appointment. Concurring to the recommendation of Nomination and Remuneration Committee of the Company, your directors recommend their re-appointment.

**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 the preparation of annual accounts for the Financial Year ended 31<sup>st</sup> March 2023, the applicable accounting standards had been followed;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- the Directors had taken proper and sufficient care for the maintenance of proper accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors had prepared the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2023 on a going concern basis;

5. 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 the 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.

#### Corporate Social Responsibility ('CSR')

The Company was covered under the threshold prescribed under the Act for CSR for the Financial Year 2022-23. During the year under review the Company allocated total amount of Rs. 21,11,127/- for spending in the F. Y. 2022-2023. The utilization statement is appended below:

Financial Year	Allocated Amount (in Rs.)	Amount Spent (in Rs.)	Recipient entity and project	Amount Unspent (cumulative) (in Rs.)
Opening Balance				Nil
2022-23	21,11,127/-	21,11,127/-	Smt. Sunderdevi Memorial Charitable Trust (PAN: AAATS4035P) for establishment of the Girl's School in Karnal District of Haryana categorized as ongoing project.	21,11,127/- Transferred to ongoing/ unspent Account No. 50200080148462 with HDFC Bank.
Total		21,11,127/-		Nil

The amendment in CSR Rules effective from 22/01/2021 issued by Ministry of Corporate Affairs, mandates under Rule 10 thereof that the amount which remains unspent till the 31<sup>st</sup> March of every financial year, must be transferred to designated fund by the Government ("fund") within 6 months from the end of financial year and the Company would no longer be able to use or disburse under the CSR activities or carry over to next year or spend in future the allocated amount for CSR which remained unspent on 31<sup>st</sup> March of every financial year except where earmarked for ongoing projects identified by the Company. For the financial year 2022-23, the entire amount available on CSR initiative by the Company of Rs. 21,11,127/- had been transferred on 19/04/2023 to CSR unspent account No. 50200080148462 with HDFC Bank for the ongoing project approved for Smt. Sunderdevi Memorial Charitable Trust enumerated in the table above. Accordingly, no amount would be required to be transferred to the fund under second proviso to sub-section 5 of Section 135 of the Companies Act, 2013 read with Rule 10 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

The report on CSR in prescribed format is enclosed as **Annexure-II**.

Based on the computation of profit for the year under review with respect to the applicability of CSR provisions for the financial year 2023-24, the profit for the year 2022-23 is below the threshold requirement mentioned under Section 135(1) of the Act and the Company also does not meet other criteria for applicability of CSR provisions. Accordingly, compliance of CSR provisions is not mandatory on the Company for financial year 2023-24.

#### Meetings of Board of Directors

During the year under review, 5 Board meetings were held on 14/05/2022, 12/08/2022, 31/10/2022, 28/12/2022 and 20/01/2023 respectively.

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

S. No.	Name of the Director	No. of meetings attended during the period i.e. 01/04/2022 to 31/03/2023
1.	Dr. Rajeev Lochan Bishnoi*	5 14/05/2022 12/08/2022 31/10/2022 28/12/2022 20/01/2023
2.	Shri Rajendra Kumar Goswami**	4 14/05/2022 12/08/2022 31/10/2022 28/12/2022
3.	Shri Anoop Mishra#	4 12/08/2022 31/10/2022 28/12/2022 20/01/2023
4.	Shri Suresh Kumar Agarwal	5 14/05/2022 12/08/2022 31/10/2022 28/12/2022 20/01/2023

S. No.	Name of the Director	No. of meetings attended during the period i.e. 01/04/2022 to 31/03/2023
5.	Shri Kishan Kumar Soni	5 14/05/2022 12/08/2022 31/10/2022 28/12/2022 20/01/2023
6.	Shri Tej Bhan Gupta	5 14/05/2022 12/08/2022 31/10/2022 28/12/2022 20/01/2023
7.	Shri Vikas Mehrotra	2 31/10/2022 20/01/2023
8.	Ms. Divya Mehrotra	4 14/05/2022 12/08/2022 31/10/2022 28/12/2022

\* Dr. Rajeev Lochan Bishnoi – Independent Director of the Company has resigned from the Board w.e.f. closing hours of 01/03/2023.

\*\* Shri R. K. Goswami - Independent Director of the Company left for his heavenly abode on 07/01/2023. Accordingly, he ceased to be Director of the Company from the same date.

# Shri Anoop Mishra - Independent Director of the Company appointed as member of the Board w.e.f. 12/08/2022.

#### Audit Committee

During the year under review, 4 meetings of the Audit Committee were held on 14/05/2022, 12/08/2022, 31/10/2022 and 20/01/2023. Dr. Rajeev Lochan Bishnoi and Shri Rajendra Kumar Goswami – Independent Directors of the Company had ceased to be Directors of the Company during the year under review. Shri Rajendra Kumar Goswami was the Chairman of the Committee till 07/01/2023 and later on Dr. Rajeev Lochan Bishnoi was elected as Chairman of the Committee. Shri Anoop Mishra was nominated in the Committee on 20/01/2023. The Audit Committee in its meeting held on 11/05/2023 has elected Shri Anoop Mishra as Chairman of Committee post resignation of Dr. R. L. Bishnoi. Further, the Board nominated Shri Vikas Mehrotra as member of the Committee in its meeting held on 11/05/2023. At present, the Audit Committee consists of Shri Anoop Mishra - Independent Director, Shri Kishan Kumar Soni and Shri Vikas Mehrotra – Directors of the Company. 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 the year i.e. 01/04/2022 to 31/03/2023
1.	Shri Rajendra Kumar Goswami*	Chairman	3 14/05/2022 12/08/2022 31/10/2022
2.	Shri Kishan Kumar Soni	Member	4 14/05/2022 12/08/2022 31/10/2022 20/01/2023
3.	Dr. Rajeev Lochan Bishnoi**	Member Chairman	4 14/05/2022 12/08/2022 31/10/2022 20/01/2023
4.	Shri Anoop Mishra#	Member	1 20/01/2023
5.	Shri Vikas Mehrotra##	Member	-- --

\* Shri R. K. Goswami - Independent Director of the Company left for his heavenly abode on 07/01/2023. Accordingly, he ceased to be Director of the Company, Chairman and Member of the Committee from the same date.

\*\* Dr. Rajeev Lochan Bishnoi – Independent Director of the Company has resigned from the Board w.e.f. closing hours of 01/03/2023. Accordingly, he ceased to be Director of the Company, Chairman and Member of Committee from the same date.

# Shri Anoop Mishra - Independent Director of the Company nominated in the Committee by the Board in its meeting held on 20/01/2023.

## Shri Vikas Mehrotra - Director of the Company nominated in the Committee by the Board in its meeting held on 11/05/2023.

#### Nomination and Remuneration Committee ('NRC')

During the year under review, 3 meetings of the Nomination and Remuneration Committee were held on 14/05/2022, 31/10/2022 and 28/12/2022. The present constitution of the Nomination and Remuneration Committee consists of Shri Anoop Mishra - Independent Director, Shri Kishan Kumar Soni and Shri Vikas Mehrotra – Directors. Dr. Rajeev Lochan Bishnoi and Shri Rajendra Kumar Goswami – Independent Directors of the Company had ceased as constituents of Committee upon their respective cessation as Directors of the Company during the year under review. Shri Kishan Kumar Soni is the Chairman of the Committee. All the recommendations of the Committee were accepted by the Board in entirety during the year under review.

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

S. No.	Name	Chairman / Member	No. of meetings attended during the year i.e. 01/04/2022 to 31/03/2023
1.	Shri Kishan Kumar Soni	Chairman	3 14/05/2022 31/10/2022 28/12/2022
2.	Dr. Rajeev Lochan Bishnoi*	Member	3 14/05/2022 31/10/2022 28/12/2022
3.	Shri Rajendra Kumar Goswami**	Member	3 14/05/2022 31/10/2022 28/12/2022
4.	Shri Anoop Mishra#	Member	--
5.	Shri Vikas Mehrotra#	Member	--

\* Dr. Rajeev Lochan Bishnoi – Independent Director of the Company has resigned from the Board w.e.f. closing hours of 01/03/2023. Accordingly, he ceased to be Director of the Company and Member of Committee from the same date.

\*\* Shri R. K. Goswami - Independent Director of the Company left for his heavenly abode on 07/01/2023. Accordingly, he ceased to be Director of the Company and Member of the Committee from the same date.

# Shri Anoop Mishra - Independent Director and Shri Vikas Mehrotra - Director of the Company were nominated by the Board in its meeting held on 20/01/2023.

#### **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 including of Chairman of the Board, the Board as a whole and its committees, in its meeting held on 11/05/2023.

The evaluation concluded that in overall, the Directors, Board and its Committees were effective in governance of the Company. 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 have considered the recommendations for appropriate implementation.

#### **Independent Directors**

Your Company has one Independent Director, namely Shri Anoop Mishra. He has confirmed to the Company that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

Further, due to the resignation of Dr. Bishnoi as Independent Director on 01/03/2023 the meeting of Independent Directors was not convened in the last financial year i.e. 2022-23 because of only one Independent Director remaining on the Board after 01/03/2023. The evaluation of the Chairman of the Company was, however, carried out in the meeting of Board of Directors held on 11/05/2023.

#### **Anti-sexual harassment mechanism**

The detailed mechanism may be accessed at [www.vlssecurities.com](http://www.vlssecurities.com).

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

The Internal Complaints Committee was headed by a Woman Director on the Board of the Holding Company during the year under review. There were no complaints received from any employee or otherwise during the year under review and no complaints were pending as on 31/03/2023.

#### **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 the link thereof is required to be given in the Board's Report.

The Annual Return for the F. Y. 2021-22 is available on the website of the Company at <https://www.vlssecurities.com/Annual%20Report%202021-22.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 to note no. 29 of Annual Report for the year 2022-23 for disclosures under 'Related Party'.

#### **Risk Management Policy**

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

#### **Nomination and Remuneration Policy**

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

#### **Auditors**

In terms of Section 139 of the Companies Act, 2013 ('the Act') read with Companies (Audit and Auditors) Rules, 2014 M/s. Anil Pariek & Garg- Chartered Accountants,

(FRN: 001676C) had been appointed for the second term as Statutory Auditors for a period of 5 years i.e. till the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2027. The remuneration of the Auditors is determined by the Board of Directors of the Company in consultation with the Audit Committee, according to the resolution passed in the 28<sup>th</sup> Annual General Meeting authorizing the Board of Directors to determine the same on yearly basis for the remaining tenure of Auditors. The Statutory Auditors have given their consent and confirmation about their eligibility for continuing as Statutory Auditors of the Company.

In terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which was applicable on VLS Finance Ltd. ('the holding Company'), VLS Securities Ltd. ('the Company') was identified as material subsidiary of the holding Company for the financial year 2022-23 on the basis of its financial statement for the year ended 31st March 2022 because both the income and net worth of the Company exceeded 10% of the consolidated income and net worth respectively of VLS Finance Ltd. for that period.

Accordingly, the Secretarial Audit Report for the year under review was mandated in terms of the aforesaid regulation. The Board in its meeting held on 31/10/2022 had appointed M/s. A. Aggarwal and Associates, Company Secretaries (COP: 7467) as Secretarial Auditor of the Company for the financial year 2022-23.

#### **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.

The Secretarial Audit Report for the year 2022-23 submitted by Secretarial Auditor in terms of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure-III**. The said report does not contain any adverse remark or observation by the Secretarial Auditor.

#### **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. 1<sup>st</sup> September 2021.

The financial statement of VLS Capital Ltd. which became an Associate in terms of Section 2(6) of the Companies Act, 2013 will 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 with respect to consolidation of annual accounts of the associate with the Company.

- 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**

- 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 year under review.
- Further, with 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(11)(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 the 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 has 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 the 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 the financial position of the Company, occurred between the year under review and date of this report.
- During the year under review, there was no one-time settlement with Bank/ Financial Institutions and the provisions relating to Secretarial Audit and Cost Audit are not applicable to the Company.
- Neither any application has been made nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review. Further, no loan from Bank or Financial Institution was obtained in the said period and therefore, the provision relating to disclosure of variation in valuation in terms of Rule 8 (5) (XII) of Companies (Accounts) Rules, 2014 is not applicable to the Company for 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 First Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 to Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 w.e.f. 01/11/2022 pursuant to Board's decision to this effect on 31/10/2022.

#### **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 8 (Eight) as on 31/03/2023.

#### **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 : 11/05/2023	Managing Director	Director
	DIN: 00106763	DIN: 00106037

#### **Annexure-I**

#### **Annexure to Directors' Report**

**Information as per Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2023.**

#### **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 : 11/05/2023	Managing Director	Director
	DIN: 00106763	DIN: 00106037

**ANNUAL REPORT ON CSR ACTIVITIES**

**ANNEXURE-II**

1.	Brief outline on CSR Policy of the Company:	The CSR policy of the Company has been formulated and adopted in accordance with Section 135 and Schedule VII of the Companies Act, 2013 and rules made thereunder. The Company may undertake any CSR project in accordance with the CSR policy of the Company subject to requisite approvals. The majority of CSR projects undertaken by Company in the past were for promoting education and healthcare.
2.	Composition of CSR Committee	Not applicable
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	www.vlssecurities.com
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not applicable
5.	(a) Average net profit of the Company as per Section 135 (5). (b) Two percent of average net profit of the Company as per section 135(5). (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. (d) Amount required to be set off for the financial year if any (e) Total CSR obligation for the financial year (b+c-e)	Rs.10,55,56,320.58 Rs.21,11,126.41  Nil Nil Rs.21,11,126.41
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). (b) Amount spent in Administrative Overheads. (c) Amount spent on Impact Assessment, if applicable. (d) Total amount spent for the Financial Year [(a)+(b)+(c)] (e) CSR amount spent or unspent for the Financial Year:	Nil Nil NA Nil Rs. 21,11,127.00

Total Amount Spent for the Financial Year. (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	Rs. 21,11,127.00	19/04/2023	Nil	Nil	--

(f) Excess amount for set off, if any:

Sl.No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the company as per Section 135(5) (Net)	Rs. 21,11,126.41
(ii)	Total amounts spent for the financial year	Nil
(iii)	Excess amounts spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for setoff in succeeding financial years [(iii)-(iv)]	Nil

**7. Details of Unspent CSR amount for the preceding three financial years**

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Balance Amount in Unspent CSR Account under Section 135(6)	Amounts spent in the Financial Year (in Rs.)	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5), if any.		Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
--	--	--	--	--	--	--	--	--

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year No  
*If yes, enter the number of Capital assets created/ acquired* Not Applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent - (in Rs.)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) NA

**Annexure-III**

**Form MR – 3  
SECRETARIAL AUDIT REPORT  
For the Financial Year ended March 31, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members  
VLS Securities Limited  
Ground Floor, 90, Okhla Industrial Estate  
Phase -III, New Delhi-110020

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by it and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit period covering the Financial Year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter: -

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2023 according to the provisions of: -

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (No transaction during the year under review).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;  
(Not applicable during the financial year under review).
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;  
(Applicable to the extent of being insider since holding company is client in Stock Broking operation).
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the year under review).
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations 2021; (Not applicable during the year under review).
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the year under review).
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;  
(Not applicable during the year under review).
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;  
(Not applicable to the Company during the financial year under review.)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the financial year under review).
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (j) The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992.
  - (k) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
- (vi) The Company had properly complied the other laws viz. Income tax Act 1961, Prevention of Money Laundering Act, 2002 and Rules made thereunder, other applicable Tax Laws, Labour Laws, Local Revenue Laws, Insurance Act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder, Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder, Environment (Protection) Act, 1986, as applicable to it.

I have also examined compliance with the applicable clauses of the following: -  
i) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The

Company has been filing requisite forms and returns with Registrar of Companies generally in time. Further, no action was initiated against the entity / its promoters / Directors either by SEBI or by Stock Exchanges or Registrar of Companies under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder.

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

Adequate notices were given to all the Directors of the Company to schedule the Board Meetings. Agenda and detailed Notes on Agenda were sent at least seven days in advance except when Meeting was called at shorter notice, the fact of calling Meeting at short Notice and consent of Directors for the same was duly recorded in the Minutes. A system exists for seeking and obtaining further information and clarifications on the Agenda Items before the Meeting for meaningful participation of the Directors at the Meetings.

Majority decision is carried through while dissenting Members' view are captured and recorded as part of the Minutes.

**I further report that** the Company is an unlisted Company having Membership of The National Stock Exchange of India Limited and Registered as Category – I Merchant Banker with SEBI.

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

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

**I further report that** during the audit period, the Company has not taken any actions having major bearing on affairs of the Company pursuant to above referred Laws, Rules, Regulations, Guidelines and Standards.

Ashutosh Aggarwal  
A Aggarwal and Associates  
Company Secretaries  
ACS 9972 CP No. 7467  
P.R. CERTIFICATE NO. 1097/2021  
UDIN: A009972E000265997

Place: New Delhi  
Date: 06.05.2023

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

**Annexure 1**

To  
The Members  
VLS Securities Limited  
Ground Floor, 90, Okhla Industrial Estate,  
Phase -III, New Delhi-110020

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

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

Ashutosh Aggarwal  
A Aggarwal and Associates  
Company Secretaries  
ACS 9972 CP No. 7467  
P.R. CERTIFICATE NO. 1097/2021  
UDIN: A009972E000265997

Place: New Delhi  
Date: 06.05.2023

**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, 2023, 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, 2023 and its profit, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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) 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;
- i) 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.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.
  - 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.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For ANIL PARIK & GARG  
CHARTERED ACCOUNTANTS  
FRN: 01676C

PLACE: KANPUR  
DATE: 11/05/2023  
UDIN: 23070250BGRIVT5529

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

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

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

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 has maintained proper records showing full particulars of intangible assets. All the Property, Plant & Equipment have been physically verified by the management at reasonable intervals of time.
  - b) 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.
  - c) The Company has not revalued any of its Property, Plant and Equipment during the year.
  - d) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 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. During the year, the Company has made investments in, provided security to Companies, and granted unsecured loans to its employees. The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. With respect to such investments, security, and loans:
    - 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.2,40,875/- has been paid to employees out of which Rs.1,25,125/- 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) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest has been regular as per stipulation.
- d) According to the information and explanations given to us in respect of loans granted during the year, there is no overdue amount for more than ninety days as at the Balance Sheet date.
- 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) In our opinion and according to the information and explanations given to us, Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable. 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.
- 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 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 not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities.
- (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. a) As per the information given and records presented by the management of the Company, the provisions of section 135 of the Act are applicable to the Company. The Company has no unspent amounts in respect of other than ongoing projects, which is required to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months from the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. This matter has been disclosed in note 41 to the Financial Statements.
- b) As per the information given and records presented by the management of the Company, all the amounts that are unspent under Sub Section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special bank account in compliance of with provisions of sub section (6) of Section 135 of the said Act. This matter has been disclosed in note 41 to the Financial Statements.

xxi The reporting under clause 3(xxi) of the order is not applicable in respect of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For ANIL PARIK & GARG  
CHARTERED ACCOUNTANTS  
FRN: 01676C

PLACE: KANPUR  
DATE: 11/05/2023  
UDIN: 23070250BGRIVT5529

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

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## **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, 2023, 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, 2023, 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: 11/05/2023  
UDIN: 23070250BGRIVT5529

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

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**Balance Sheet as at 31st March, 2023**

		(₹ in lakhs)	
Particulars	Note No.	As at 31st March 2023 (Audited)	As at 31st March 2022 (Audited)
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	4	445.29	451.61
(b) Bank Balance other than (a) above		-	-
<b>(c) Receivables</b>			
(i) Trade Receivables	5	-	-
(ii) Other Receivables		-	-
(d) Loans	6	1.81	4.68
(e) Investments	7	1,44,437.24	1,78,086.65
(f) Other Financial assets	8	482.81	702.45
Sub - total financial assets (A)		<b>1,45,367.15</b>	<b>1,79,245.39</b>
<b>(2) Non-financial Assets</b>			
(a) Current tax assets	9	11.01	38.22
(b) Property, Plant and Equipment	10	0.58	1.26
(c) Other Intangible assets		0.00	0.00
(d) Other non-financial assets	11	11.47	17.30
Sub - total non - financial assets (B)		<b>23.06</b>	<b>56.78</b>
<b>Total Assets (A+B)</b>		<b>1,45,390.21</b>	<b>1,79,302.17</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
<b>(a) Payables</b>			
<b>(i) Trade Payables</b>			
(i) total outstanding dues of micro enterprises and small enterprises	12	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		106.86	637.37
<b>(ii) Other Payables</b>			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		14.37	15.99
(b) Other financial liabilities		-	-
<b>Sub - total financial liabilities (A)</b>		<b>121.23</b>	<b>653.36</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (net)		-	-
(b) Provisions	13	48.39	23.16
(c) Deferred tax liabilities (Net)	14	33,091.83	41,561.42
(d) Other non-financial liabilities	15	12.42	12.16
<b>Sub - total non - financial liabilities (B)</b>		<b>33,152.64</b>	<b>41,596.74</b>
<b>(3) EQUITY</b>			
(a) Equity Share capital	16	3,000.00	3,000.00
(b) Other Equity	17	1,09,116.34	1,34,052.07
Sub - total equity (C)		<b>1,12,116.34</b>	<b>1,37,052.07</b>
<b>Total Liabilities and Equity (A+B+C)</b>		<b>1,45,390.21</b>	<b>1,79,302.17</b>

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

1 to 42

As per our report of even date attached

**For Anil Pariek and Garg**

(F.R.N.001676C)

Chartered Accountants

**H. K. Pariek**

(Partner)

Membership No. 070250

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

Managing Director

DIN:00106763

**K. K. Soni**

Director

DIN:00106037

**Vishesh Jain**

Company Secretary

M.No.: A68586

Place: Kanpur

Date: 11/05/2023

Place: New Delhi

Date: 11/05/2023

**Statement of Profit and Loss for the year ended 31st March, 2023**

		(₹ in lakhs)		
	Particulars	Note No.	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
1	<b>Revenue from operations</b>			
(i)	Interest Income	18	7.16	19.01
(ii)	Dividend Income	19	389.86	406.23
(iii)	Fees and commission Income			
	Brokerage and fees income	20	229.47	695.92
(iv)	Net gain on fair value changes	21	8.30	2,380.27
(1)	<b>Total Revenue from operations</b>		<b>634.79</b>	<b>3,501.43</b>
(2)	Other Income		0.90	0.56
(3)	<b>Total Income (1+2)</b>		<b>635.69</b>	<b>3,501.99</b>
	<b>Expenses</b>			
(i)	Finance Costs	23	8.01	1.03
(ii)	Fees and commission expense	24	83.77	91.55
(iii)	Employee benefits expense	25	128.21	140.31
(iv)	Depreciation, amortization and impairment	26	0.38	0.89
(v)	Others expenses	27	74.47	42.40
(4)	<b>Total Expenses (4)</b>		<b>294.84</b>	<b>276.18</b>
(5)	<b>Profit / (loss) before exceptional items and tax (3-4)</b>		<b>340.85</b>	<b>3,225.81</b>
(6)	<b>Exceptional items</b>		-	-
(7)	<b>Profit / (loss) before tax (5-6)</b>		<b>340.85</b>	<b>3,225.81</b>
(8)	<b>Tax expense / (credit):</b>			
(i)	Current tax		90.60	245.18
(ii)	Deferred tax expense / (credit)		0.84	(1,491.88)
	<b>Total tax expenses</b>		<b>91.44</b>	<b>(1,246.70)</b>
(9)	<b>Profit / (loss) for the period from continuing operations (7-8)</b>		<b>249.41</b>	<b>4,472.51</b>
(10)	<b>Profit/(loss) for the period (9)</b>		<b>249.41</b>	<b>4,472.51</b>
(11)	<b>Other comprehensive income / (loss)</b>			
A	(i) Items that will not be reclassified subsequently to the profit or loss			
	(a) Remeasurement of defined employee benefit plans		(6.14)	3.29
	(b) Net changes in fair values of investments in equity shares carried at fair value through OCI		(33,649.43)	29,653.90
	(ii) Income tax on items that will not be reclassified subsequently to the profit or loss		8,470.43	(7,460.84)
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		-	-
(12)	<b>Other comprehensive income / (loss) (A+B)</b>		<b>(25,185.14)</b>	<b>22,196.34</b>
(13)	<b>Total comprehensive income for the period (10 +11)</b>		<b>(24,935.73)</b>	<b>26,668.85</b>
	<b>Earnings per equity share (for continuing operations)</b>			
	Basic (Rs.)	28	0.83	14.91
	Diluted (Rs.)		0.83	14.91

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

1 to 42

As per our report of even date attached

**For Anil Pariek and Garg**

(F.R.N.001676C)

Chartered Accountants

**H. K. Pariek**

(Partner)

Membership No. 070250

**For and on behalf of the Board**

**S. K. Agarwal**

Managing Director

DIN:00106763

**K. K. Soni**

Director

DIN:00106037

**Vishesh Jain**

Company Secretary

M.No.: A68586

Place:Kanpur

Date: 11/05/2023

Place: New Delhi

Date: 11/05/2023

**Cash Flow Statement for the year ended 31st March, 2023**

Particulars	(₹ in lakhs)	
	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	340.85	3,225.81
Adjustment for:		
Depreciation	0.38	0.89
Interest Income	(7.16)	(19.01)
Dividend Income	(389.86)	(406.23)
Actuarial gain / (loss) on Defined Employee Benefits	(6.14)	3.29
Provision for Employee Benefits	4.12	1.58
Provision for unspent expenditure on Corporate Social Responsibility	21.11	-
	<b>(377.55)</b>	<b>(419.49)</b>
<b>Operating profit</b>	<b>(36.70)</b>	<b>2,806.32</b>
Adjustment for working capital changes		
1) Increase / (decrease) in borrowings	-	-
2) Increase / (decrease) in other financial liabilities	-	-
3) Increase / (decrease) in trade payables	(532.12)	590.70
4) (Increase) / decrease in loans	2.87	4.02
5) Increase / (decrease) in debt securities	-	-
6) (Increase) / decrease in other non financial liabilities	0.26	(3.96)
7) (Increase) / decrease in other financial assets	219.63	437.96
8) (Increase) / decrease in other non financial assets	5.83	(14.04)
9) (Increase) / decrease in trade receivables	-	-
10) (Increase) / decrease in current tax assets	(18.60)	(4.91)
<b>Cash generated / (used) from operations</b>	<b>(358.83)</b>	<b>3,816.09</b>
Direct taxes paid net	44.80	266.19
<b>Net cash generated / (used) from operating activities (A)</b>	<b>(403.63)</b>	<b>3,549.90</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase / (decrease) on Investments (Net)	-	(4,521.07)
Purchase of Property, plant and equipment	-	(0.58)
Sale of Property, plant and equipment	0.30	-
Interest received on fixed deposits	7.16	19.01
Dividend Income	389.86	406.23
<b>Net cash generated / (used) from investing activities (B)</b>	<b>397.32</b>	<b>(4,096.41)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest expense	-	-
<b>Net cash generated / (used) from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (A + B + C)</b>	<b>(6.31)</b>	<b>(546.51)</b>
<b>cash and cash equivalents as at beginning of the year</b>	<b>451.60</b>	<b>998.12</b>
<b>Cash and cash equivalents as at end of the year :</b>	<b>445.29</b>	<b>451.61</b>
Cash in hand	0.14	0.20
Scheduled bank - In current account	90.15	71.41
Liquid Funds	355.00	380.00
<b>Total</b>	<b>445.29</b>	<b>451.61</b>
<b>Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 )</b>		
Cash and cash equivalents as at end of the year as per above	445.29	451.61
<b>Total cash and bank balances equivalents as at end of the year</b>	<b>445.29</b>	<b>451.61</b>

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

**1 to 42**

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

**For and on behalf of the Board**
**H. K. Pariek**  
(Partner)  
Membership No. 070250

**S. K. Agarwal**  
Managing Director  
DIN:00106763

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

**Vishesh Jain**  
Company Secretary  
M.No.: A68586

Place: Kanpur  
Date: 11/05/2023

Place: New Delhi  
Date: 11/05/2023

**Statement of Changes in Equity for the year ended 31st March, 2023**
**A. Equity Share Capital**
**(1) Current reporting period**
**(₹ in lakhs)**

Balance as at 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2022	Changes in equity share capital during the current year	Balance as at 31st March, 2023
3,000	-	3,000	-	3,000

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

Balance 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 previous year	Balance as at 31st March, 2022
3,000	-	3,000	-	3,000

**B. Other Equity**
**(1) Current reporting period**
**(₹ in lakhs)**

	Reserves and Surplus Retained Earnings	Other Comprehensive Income		
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
Balance as at 1st April, 2022	10,459.07	1,23,593.04	(0.04)	1,34,052.07
Changes in accounting policy/ prior period errors	-	-	-	-
Restated balance as at 1st April, 2022	10,459.07	1,23,593.04	(0.04)	1,34,052.07
Profit for the year	249.41	-	-	249.41
Other Comprehensive Income (net of tax)	-	(25,180.54)	(4.60)	(25,185.14)
Total comprehensive income for the current year	249.41	(25,180.54)	(4.60)	(24,935.73)
Transfer to/ from retained earnings	-	-	-	-
Balance as at 31st March, 2023	10,708.48	98,412.50	(4.64)	1,09,116.34

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

Particulars	Retained Earnings	Other Comprehensive Income		
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
Balance as at 1st April, 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	22,196.34
Total comprehensive income for the previous year	4,472.51	22,193.87	2.47	26,668.85
Transfer to/ from retained earnings	5,014.87	(5,014.87)	-	-
Balance as at 31st March, 2022	10,459.07	1,23,593.04	(0.04)	1,34,052.07

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

**For and on behalf of the Board**

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

**S. K. Agarwal**  
Managing Director  
DIN:00106763

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

**Vishesh Jain**  
Company Secretary  
M.No.: A68586

Place: Kanpur  
Date: 11/05/2023

Place: New Delhi  
Date: 11/05/2023

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2023**

(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.

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 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):  
Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit and loss statement. The gain or loss on disposal is recognised in the profit and loss statement. Interest income is recognised in the profit and loss statement for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognised when the Company's right to receive dividend is established.
- Fair value through other comprehensive income (FVTOCI):  
Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)
  - the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
  - the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in FVTOCI is transferred from FVTOCI to Retained Earnings.
- Amortised cost:  
Financial asset is measured at the amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

##### (ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2023**

(Currency: Indian Rupees)

not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

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

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

**(iii) Investments in mutual funds**

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

**(iv) Impairment**

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

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

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

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

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

**(v) Derecognition**

A financial asset is derecognised only when:

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

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

**2.7 Financial liabilities**

**(i) Initial recognition and measurement**

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

**(ii) Subsequent measurement**

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

**(iii) Derecognition**

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

**Offsetting financial instruments**

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

**2.8 Property, plant and equipment**

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

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

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

**(iii) Assets Useful life**

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

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

**(iv) Derecognition:**

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

**2.9 Intangible Assets**

Intangible assets acquired separately are measured on initial

recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

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

#### Amortisation

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

Intangible asset	Useful life / amortization period
Computer Software	5 Years

### 2.10 Investment Property

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

### 2.11 Impairment of non-financial assets

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

### 2.12 Provisions and contingencies:

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

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for. Contingent

liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### 2.13 Earnings per share

#### a) Basic earnings per share

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

#### b) Diluted earnings per share

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

### 2.14 Leases

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

#### As a lessor

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

### 2.15 Foreign exchange transactions

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

### 2.16 Borrowing costs

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

The difference between the discounted amount mobilized and redemption value of securities is recognized in the statement of

profit and loss over the life of the instrument using the EIR.

## 2.17 Impairment of non-financial assets

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.

## 2.18 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 2023	As at 31st March 2022
<b>1. Cash and cash equivalents</b>		
Cash on hand	0.14	0.20
<b>2. Balance with banks</b>		
– In current accounts	90.15	71.41
– Liquid Funds	355.00	380.00
– Fixed deposit with banks		
<b>Total (1+2)</b>	<b>445.29</b>	<b>451.61</b>

**Note 5: Receivables**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
<b>Trade receivables</b>		
Considered good - secured*	-	-
Considered good - unsecured	-	-
Less: Allowances for impairment losses	-	-
	-	-
<b>Other receivables</b>		
Other receivables	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 6 : Loans**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
Staff Loan & Advances	1.81	4.68
<b>Total</b>	<b>1.81</b>	<b>4.68</b>

**Note No. 7: Investments**

(₹ in lakhs)

S No	Investments	As at 31st March 2023			As at 31st March 2022		
		Amortised cost	At Fair Value		Amortised cost	At Fair Value	
			Through Other Comprehensive Income	Total		Through Other Comprehensive Income	Total
(1)	(2)	(3)=(1)+ (2)	(1)	(2)	(3)=(1)+ (2)		
1	Equity instruments	-	1,32,775.03	1,32,775.03	-	1,66,424.44	1,66,424.44
2	Equity instruments in Subsidiaries	-	-	-	-	-	-
3	Equity instruments in Associates ( Refer Note No.7.1)	11,662.21	-	11,662.21	11,662.21	-	11,662.21
4	<b>Total - Gross (A)</b>	<b>11,662.21</b>	<b>1,32,775.03</b>	<b>1,44,437.24</b>	<b>11,662.21</b>	<b>1,66,424.44</b>	<b>1,78,086.65</b>
5	(i) Investments in India	11,662.21	1,32,775.03	1,44,437.24	11,662.21	1,66,424.44	1,78,086.65
6	(ii) Investments outside India	-	-	-	-	-	-
7	<b>Total (B)</b>	<b>11,662.21</b>	<b>1,32,775.03</b>	<b>1,44,437.24</b>	<b>11,662.21</b>	<b>1,66,424.44</b>	<b>1,78,086.65</b>
8	Less: Aggregate amount of provision for impairment in the value of investments (Expected credit losses on Investment) (C)	-	-	-	-	-	-
9	<b>Total - Net D= (A)-(C)</b>	<b>11,662.21</b>	<b>1,32,775.03</b>	<b>1,44,437.24</b>	<b>11,662.21</b>	<b>1,66,424.44</b>	<b>1,78,086.65</b>

**Notes to the Standalone Financial Statements**
**Note No. 7.1: Investments in Equity instruments of Associate**

(₹ in lakhs)

S.No.	Particulars	As at 31st Mar 2023				As At 31st Mar 2022			
		Proportion of ownership Interest / Voting Right	Face Value	Holding	Value	Proportion of ownership Interest / Voting Right	Face Value	Holding	Value
		%	(in Rs.)	No. of shares	(Rs. in Lakhs)	%	(in Rs.)	No. of shares	(Rs. in Lakhs)
	1	2	3	4	5	6	7	8	9
	Investments in Equity shares of Subsidiaries: (Unquoted & Fully paid up) (Measured at amortized cost)	-	-	-	-	-	-	-	-
	<b>Total - (A)</b>	-	-	-	-	-	-	-	-
	<b>Investments in Equity shares of Associate: (Unquoted &amp; Fully paid up) (Measured at amortized cost)</b>								
1	VLS Capital Ltd.	42.40%	10	98,20,833	11,662.21	42.40%	10	98,20,833	11,662.21
	<b>Total</b>				<b>11,662.21</b>				<b>11,662.21</b>
	<b>Total - C = (A)+(B)</b>				<b>11,662.21</b>				<b>11,662.21</b>

Principal place of business of Associate is in India.

**Note 8 : Other Financial Assets**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
Margin Deposit with F&O Clearing Member (Globe Capital Market Ltd.)	308.00	8.00
Interest Accrued on FDR	40.62	-
Others	7.07	17.33
Deposit with NSEIL	127.00	677.00
VLS Securities Ltd. Group Gratuity Scheme	0.12	0.12
<b>Total</b>	<b>482.81</b>	<b>702.45</b>

**Note 9 : Current Tax Assets (Net)**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance tax and tax deducted at source	107.94	342.68
Less: Provision for Taxation	(96.93)	(304.46)
<b>Total</b>	<b>11.01</b>	<b>38.22</b>

**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, 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					
<b>Gross Carrying value as at March 31, 2022</b>	<b>42.31</b>	<b>3.10</b>	<b>0.71</b>	<b>5.79</b>	<b>51.91</b>
Gross Carrying Value as at April 1, 2022	42.31	3.10	0.71	5.79	51.91
Additions during the year	-	-	-	-	-
Sale during the year	-	-	-	5.79	5.79
Addition through business transfer	-	-	-	-	-
<b>Gross Carrying value as at March 31, 2023</b>	<b>42.31</b>	<b>3.10</b>	<b>0.71</b>	<b>-</b>	<b>46.12</b>
<b>Accumulated Depreciation</b>					
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
<b>Accumulated depreciation as at March 31, 2022</b>	<b>41.54</b>	<b>2.95</b>	<b>0.71</b>	<b>5.45</b>	<b>50.65</b>
Accumulated depreciation as at April 1, 2022	41.54	2.95	0.71	5.45	50.65
Depreciation for the year	0.24	0.10	-	0.04	0.38
Sale/ Adjustments during the year	-	-	-	5.49	5.49
<b>Gross Carrying value as at March 31, 2023</b>	<b>41.78</b>	<b>3.05</b>	<b>0.71</b>	<b>-</b>	<b>45.54</b>

**Notes to the Standalone Financial Statements**

Property, Plant and Equipment					
Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
<b>Net Carrying Value</b>					
As at 31st March 2022	0.77	0.15	-	0.34	1.26
As at 31st March 2023	0.53	0.05	-	-	0.58

**Intangible Assets**

Description	Software				Total
Gross Carrying value as at April 1, 2021	1.04	-	-	-	1.04
Addition through business transfer					
<b>Gross Carrying value as at March 31, 2022</b>	<b>1.04</b>	-	-	-	<b>1.04</b>
Gross Carrying Value as at April 1, 2022	1.04	-	-	-	1.04
Addition through business transfer					
<b>Gross Carrying value as at March 31, 2023</b>	<b>1.04</b>	-	-	-	<b>1.04</b>
<b>Accumulated Depreciation</b>					
Accumulated depreciation as at April 1, 2021	1.04	-	-	-	1.04
<b>Accumulated depreciation as at March 31, 2022</b>	<b>1.04</b>	-	-	-	<b>1.04</b>
Accumulated depreciation as at April 1, 2022	1.04	-	-	-	1.04
<b>Accumulated depreciation as at March 31, 2023</b>	<b>1.04</b>	-	-	-	<b>1.04</b>
<b>Intangible Assets</b>					
<b>Description</b>	<b>Software</b>				<b>Total</b>
<b>Net Carrying Value</b>					
As at 31st March 2022	-	-	-	-	-
As at 31st March 2023	-	-	-	-	-

**Note 11 : Other Non-Financial Asset**

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured, considered good</b>		
Prepaid Expenses	6.54	9.63
Other Recoverable	4.93	7.67
Total	<b>11.47</b>	<b>17.30</b>

**Note 12 (a) (I) Trade Payables**

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	106.86	637.37
Total	<b>106.86</b>	<b>637.37</b>

**Trade Payables ageing schedule**

Particulars	As at 31st March, 2023					As at 31st March, 2022				
	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	106.86	-	-	-	<b>106.86</b>	637.37	-	-	-	<b>637.37</b>
(iii) Disputed dues-MSME	-	-	-	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-	-	-	-

**Note 12 (a) (II) Other Payables**

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	14.37	15.99
Total	<b>14.37</b>	<b>15.99</b>

**Other Payables ageing schedule**

Particulars	As at 31st March, 2023					As at 31st March, 2022				
	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	14.37	-	-	-	<b>14.37</b>	15.99	-	-	-	<b>15.99</b>
(iii) Disputed dues-MSME	-	-	-	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-	-	-	-

**Notes to the Standalone Financial Statements**
**Note 13 : Provisions**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Provision for employee benefits	27.28	23.16
Provision for unspent expenditure on Corporate Social Responsibility	21.11	-
<b>Total</b>	<b>48.39</b>	<b>23.16</b>

i) Pl. refer Note No.41 on Corporate Social Responsibility

ii) Pl. refer Note No.37 on Employee Benefits

**Note 14 : Tax Expense & Deferred Tax Assets / Liabilities**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Deferred tax liability on account of :</b>		
Deferred tax on IND AS adjustments	33,098.75	41,567.64
<b>Total deferred tax liabilities (A)</b>	<b>33,098.75</b>	<b>41,567.64</b>
<b>Deferred tax assets on account of:</b>		
Employee Benefits	6.86	5.83
Depreciation	0.06	0.39
<b>Total deferred tax assets (B)</b>	<b>6.92</b>	<b>6.22</b>
<b>Net deferred tax liability / (assets) (A-B)</b>	<b>33,091.83</b>	<b>41,561.42</b>

(₹ in lakhs)

Particulars	As at 31st March 2023	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31st March 2022	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31st March 2021
<b>Deferred tax liabilities on account of:</b>							
Deferred tax on IND AS adjustments	33,098.75	-	(8,468.89)	41,567.64	(1,490.67)	7,460.01	35,598.30
<b>Total deferred tax liabilities</b>	<b>33,098.75</b>	<b>-</b>	<b>(8,468.89)</b>	<b>41,567.64</b>	<b>(1,490.67)</b>	<b>7,460.01</b>	<b>35,598.30</b>
<b>Deferred tax assets on account of:</b>							
Depreciation	0.06	(0.33)	-	0.39	(0.02)	-	0.41
Employee Benefits	6.86	(0.51)	1.55	5.83	1.23	(0.83)	5.43
<b>Total deferred tax assets</b>	<b>6.92</b>	<b>(0.84)</b>	<b>1.55</b>	<b>6.22</b>	<b>1.21</b>	<b>(0.83)</b>	<b>5.84</b>
<b>Total deferred tax Assets/ liability (net)</b>	<b>(33,091.83)</b>	<b>(0.84)</b>	<b>8,470.43</b>	<b>(41,561.42)</b>	<b>1,491.89</b>	<b>(7,460.84)</b>	<b>(35,592.46)</b>

**Note 15 : Other non-financial liabilities**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues	12.42	12.16
<b>Total</b>	<b>12.42</b>	<b>12.16</b>

**Note 16 : Equity share capital**

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs.10/- each	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
<b>Total</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>
<b>Issued, subscribed and paid up</b>				
Equity shares of Rs.10/- each, fully paid up in cash	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
<b>Total</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>

**Terms / rights attached to shares**

The Company has one class of equity shares having a par value of Rs.10 each (previous year: having 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	For the year ended 31st March 2023		For the year ended 31st March 2022	
	Number	Amount	Number	Amount
<b>Issued, subscribed and paid up equity share capital</b>				
At beginning of the year	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
Changes in equity share capital during the year	-	-	-	-
At the end of the year	<b>3,00,00,000.00</b>	<b>3,000.00</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>

**Notes to the Standalone Financial Statements**
**Shares held by holding Company**

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Name of shareholder				
VLS Finance Ltd.	3,00,00,000.00	100.00	3,00,00,000.00	100.00
At the end of the year	<b>3,00,00,000.00</b>	<b>100.00</b>	<b>3,00,00,000.00</b>	<b>100.00</b>

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

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Name of shareholder				
VLS Finance Ltd.	3,00,00,000.00	100.00	3,00,00,000.00	100.00
At the end of the year	<b>3,00,00,000.00</b>	<b>100.00</b>	<b>3,00,00,000.00</b>	<b>100.00</b>

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

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022		% Change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Promoter Name					
VLS Finance Ltd.	30,00,000.00	100.00	30,00,000.00	100.00	-
<b>Total</b>	<b>30,00,000.00</b>	<b>100.00</b>	<b>30,00,000.00</b>	<b>100.00</b>	<b>-</b>

**Shareholding of promoters as at 31st March, 2022**

Particulars	For the year ended 31st March 2022		As at 31st March 2021		% Change during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
Promoter Name					
VLS Finance Ltd.	3,00,00,000.00	100.00	2,99,00,000.00	99.67	(0.33)
<b>Total</b>	<b>3,00,00,000.00</b>	<b>100.00</b>	<b>2,99,00,000.00</b>	<b>99.67</b>	<b>(0.33)</b>

**Note 17 : Other Equity (i)**

Particulars	As at	
	31st March 2023	31st March 2022
(₹ in lakhs)		
<b>Retained earnings</b>		
Balance at the beginning of the year	10,459.07	971.69
Add: Profit/(loss) during the year	249.41	4,472.51
Transfer from/to FVTOCI to Retained Earnings	-	5,014.87
<b>Balance as at end of the year</b>	<b>10,708.48</b>	<b>10,459.07</b>
<b>Fair value gain on equity instruments carried through other comprehensive income</b>		
Balance at the beginning of the year	1,23,593.04	1,06,414.04
Add: Other Comprehensive Income during the year (net of tax)	(25,180.54)	22,193.87
Transfer from/to FVTOCI from/to Retained Earnings	-	(5,014.87)
<b>Balance as at end of the year</b>	<b>98,412.50</b>	<b>1,23,593.04</b>
<b>Remeasurement of Defined Benefit Plans</b>		
Balance at the beginning of the year	(0.04)	(2.51)
Add: Other comprehensive income (net of tax)	(4.60)	2.47
<b>Balance as at end of the year</b>	<b>(4.64)</b>	<b>(0.04)</b>
<b>TOTAL</b>	<b>1,09,116.34</b>	<b>1,34,052.07</b>

**Retained earnings:**

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

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

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

**ii) Other comprehensive income (OCI):**

The Company has elected to recognise changes in the fair value of certain investments in equity securities and other instruments in other comprehensive income. These changes are accumulated within the FVTOCI reserve under the head "other equity". The Company transfers amounts from this reserve to retained earnings when those investments have been disposed off. Further this also represents the gain/(loss) on remeasurement of defined benefit obligations and of plan assets.

**Notes to the Standalone Financial Statements**
**Note 18 : Interest Income**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest on deposits with banks	7.16	19.01
Other Interest Income	-	-
<b>Total</b>	<b>7.16</b>	<b>19.01</b>

**Note 19 : Dividend Income**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Dividend on Investments	389.86	406.23
<b>Total</b>	<b>389.86</b>	<b>406.23</b>

**Note 20 : Fees and Commission Income**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Brokerage and fees income</b>		
Brokerage income	229.47	695.92
<b>Total</b>	<b>229.47</b>	<b>695.92</b>

**Note 21 : Net gain on fair value changes**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Net gain (loss) on financial instruments at fair value through Profit and loss account</b>		
<b>(a) Investment</b>		
- On Investment	-	2,320.92
<b>(b) Trading</b>		
- On Securities	0.12	0.33
- On Liquid Mutual Fund	8.18	59.02
<b>Total</b>	<b>8.30</b>	<b>2,380.27</b>
Fair Value Changes:		
- Realised	8.30	2,380.27
- Unrealised	-	-
<b>Total</b>	<b>8.30</b>	<b>2,380.27</b>

**Note 22 : Other Income**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest on staff loans and advances	0.14	0.56
Interest on Income Tax Refund	0.76	-
<b>Total</b>	<b>0.90</b>	<b>0.56</b>

**Note 23 : Finance Cost**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest	8.01	1.03
<b>Total</b>	<b>8.01</b>	<b>1.03</b>

**Note 24 : Fees and Commission expense**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
SEBI Fees	3.00	3.00
Transaction and Other NSE Charges	80.77	88.55
<b>Total</b>	<b>83.77</b>	<b>91.55</b>

**Note 25 : Employee benefits expense**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries and Wages	116.59	127.34
Staff Welfare Expenses	0.34	0.07
Employer's Contribution to EPF, ESI, Gratuity Fund etc.	11.28	12.90
<b>Total</b>	<b>128.21</b>	<b>140.31</b>

**Notes to the Standalone Financial Statements**
**Note 26 : Depreciation and Amortization expense**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation on Property, plant & equipment	0.38	0.89
<b>Total</b>	<b>0.38</b>	<b>0.89</b>

**Note 27 : Other expenses**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Short Term Lease	24.30	7.20
Rates & Taxes	0.14	0.06
Legal and professional Charges	9.35	10.91
Repair & Maintenance	0.21	0.05
Travelling and Conveyance	7.10	6.36
Insurance	0.21	0.17
Miscellaneous Expenses	2.43	6.85
Business Promotion	3.10	5.23
News Papers, Books & Periodicals	1.96	2.19
Communication Expenses	0.23	0.31
Printing & Stationery	0.07	0.02
CSR Expenses*	21.11	-
Directors Sitting Fee	3.10	2.00
Auditors Remuneration		
- Statutory Audit fees	0.40	0.40
- Tax audit fees	0.15	0.15
- Out of pocket expenses	0.20	0.20
- Certification Charges	0.30	0.30
- Reimbursement of expenses	0.11	-
<b>Total</b>	<b>74.47</b>	<b>42.40</b>

\*Pl. refer Note No.41 on Corporate Social Responsibility

**Note 28 : Earnings per equity share**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Net profit attributable to equity shareholders [A] (₹ in lakhs)	249.41	4,472.51
Weighted average number of equity shares issued [B] (face value of Rs. 10 each) ( Numbers in Lakh)	300.00	300.00
<b>Basic earnings per share [A/B] (Rs.)</b>	<b>0.83</b>	<b>14.91</b>
<b>Net Profit attributable to equity shareholders [C] (₹ in lakhs)</b>	<b>249.41</b>	<b>4,472.52</b>
Less : Impact on net profit due to exercise of diluted potential equity shares [D]	-	-
<b>Net profit attributable to equity shareholders for calculation of diluted EPS [C-D] (₹ in lakhs)</b>	<b>249.41</b>	<b>4,472.52</b>
Weighted average of equity shares issued (face value of Rs. 10 each) (Numbers in Lakhs) [E]	300.00	300.00
Weighted number of additional equity shares outstanding for diluted EPS ( Numbers in Lakhs) [F]	-	-
<b>Weighted number of equity shares outstanding for diluted EPS (Numbers in Lakhs) [E+F]</b>	<b>300.00</b>	<b>300.00</b>
<b>Diluted earnings per share {C-D/E+F} (In Rupees)</b>	<b>0.83</b>	<b>14.91</b>

**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) Cessation (due to demise) on 07/01/2023
- [iv] Dr. Rajeev Lochan Bishnoi (Independent Director) Resigned w.e.f 01/03/2023
- [v] Mr. Anoop Mishra (Independent Director) appointment date 12/08/2022
- [vi] Mr. Anurag Bhatnagar (Chief Financial Officer) Resigned w.e.f 31.08.2022

**(c) Other:**

- VLS Capital Ltd. (Associate Company)
- South Asian Enterprises Ltd.: Subsidiary of VLS Capital Ltd. (Associate Company)

**Notes to the Standalone Financial Statements**

(₹ in lakhs)

Sl. no.	Nature of transaction	Related Party type	2022-2023 (#)	2021-2022 (#)
1	<b>Brokerage Earned</b>			
-	VLS Finance Limited	Holding Company	223.30	692.80
-	Ms. Divya Mehrotra	Director	6.12	3.06
-	VLS Capital Ltd.	Associate Company	0.02	0.06
2	<b>Other Charges received [STT, GST &amp; Stamp Duty] [ As Share Broker]</b>			
-	VLS Finance Limited	Holding Company	385.73	618.83
-	Ms. Divya Mehrotra	Director	4.18	2.36
-	VLS Capital Ltd.	Associate Company	0.03	0.08
3	<b>Rent paid</b>			
-	VLS Finance Limited	Holding Company	24.30	7.20
4	<b>Interest (Reimbursed) Paid on Margin Money Deposits</b>			
-	VLS Finance Limited	Holding Company	391.14	336.50
-	Ms. Divya Mehrotra	Director	8.64	0.95
5	<b>Salary</b>			
-	Mr. Anurag Bhatnagar	Chief Financial Officer	17.10	26.36
6	<b>Sale of Property, Plant and Equipment</b>			
-	Mr. Anurag Bhatnagar	Chief Financial Officer	0.30	-
7	<b>Sitting fees paid</b>			
-	Mr. Vikas Mehrotra	Director	0.00	0.30
-	Ms. Divya Mehrotra	Director	0.50	0.20
-	Mr. R. K. Goswami	Director	0.88	0.75
-	Dr. Rajeev Lochan Bishnoi	Director	1.10	0.75
-	Mr. Anoop Mishra	Director	0.63	0.00

Sl. no.	Nature of transaction	Related Party type	2022-2023	2021-2022
1	<b>Purchase of securities</b>			
-	VLS Finance Limited	Holding Company	-	11,062.21

**Outstanding Balances at the year end**

Sl. no.	Nature of transaction	Related Party type	2022-2023	2021-2022
1	<b>Payable</b>			
-	VLS Finance Limited	Holding Company	99.35	148.58
-	Ms. Divya Mehrotra	Director	1.81	2.39

**# Notes:**

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

**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 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 2023	31st March 2022
Borrowings	-	-
Less: cash and cash equivalents	445.29	451.61
<b>Net debt</b>	-	-
Equity	3,000.00	3,000.00
Other Equity	1,09,116.34	1,34,052.07
<b>Total capital</b>	<b>1,12,216.34</b>	<b>1,37,052.07</b>
<b>Capital and net debt</b>	<b>1,12,216.34</b>	<b>1,37,052.07</b>
<b>Gearing ratio</b>	NA	NA

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2023 and 31st March 2022.

## Notes to the Standalone Financial Statements

### Note 31: Other Financial Information

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

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

Particulars	31 March 2023	31 March 2022
Principal amount remaining unpaid to any supplier as at the period end.	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

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

### Note 32: Commitments and contingencies

#### a. Commitments:

Particulars	31 March 2023	31 March 2022
(a) Estimated amount of contracts remaining to be executed on Capital Account.	Nil	Nil
(b) Uncalled liability on shares and other investments partly paid	Nil	Nil

#### b. Contingent liabilities

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

#### c. Leases

##### Operating lease - company as lessee

The company has taken a property on cancellable operating lease. Short term lease expense recognized for the year is Rs.24.30 Lakh (lease agreement is for the period less than one year only) (31st March 2022 Rs.7.20 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 2023	31st March 2022	31st March 2023	31st March 2022
<b>Financial assets</b>				
Other financial assets	482.81	702.45	-	-
Trade receivables	-	-	-	-
Other receivables	-	-	-	-
Loans	1.81	4.68	-	-
FVTOCI financial investments	1,32,775.03	1,66,424.44	1,32,775.03	1,66,424.44
Foreign exchange forward contracts	-	-	-	-
<b>Total</b>	<b>1,33,259.65</b>	<b>1,67,131.57</b>	<b>1,32,775.03</b>	<b>1,66,424.44</b>
<b>Financial liabilities</b>				
Borrowings	-	-	-	-
Obligations under finance leases and hire purchase contracts	-	-	-	-
Fixed rate borrowings	-	-	-	-
Contingent consideration	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

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

## Notes to the Standalone Financial Statements

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

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2022 was assessed to be insignificant.

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

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

### Note 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	29/04/2023
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 27<sup>th</sup> 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

### For Anil Pariek and Garg

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

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

### For and on behalf of the Board

S. K. Agarwal  
Managing Director  
DIN:00106763

K. K. Soni  
Director  
DIN:00106037

Vishesh Jain  
Company Secretary  
M.No.: A68586

Place: Kanpur (U.P.)  
Date: 11/05/2023

Place: New Delhi  
Date: 11/05/2023

## 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 2023	31st March 2022
Other Receivables (net of impairment)	-	-
Loans (net of impairment)	1.81	4.68
Total	1.81	4.68

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

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

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks 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 2023

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying amount
<b>Assets</b>					
Cash and bank balances	445.29	-	-	-	445.29
Securities for trade	-	-	-	-	-
Other receivables	-	-	-	-	-
Loans	1.06	0.60	0.15	-	1.81
Investments	-	-	1,44,437.24	-	1,44,437.24
Other financial assets	96.15	-	386.66	-	482.81
<b>Total</b>	<b>542.50</b>	<b>0.60</b>	<b>1,44,824.05</b>	-	<b>1,45,367.15</b>

## 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
<b>Liabilities</b>	-	-	-	-	-
Trade payables	106.86	-	-	-	106.86
Other payables	14.37	-	-	-	14.37
Debt securities	-	-	-	-	-
Deposits	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>121.23</b>	-	-	-	<b>121.23</b>
Net Excess / (shortfall)	421.27	0.60	1,44,824.05	-	1,45,245.92

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
<b>Assets</b>					
Cash and bank balances	451.61	-	-	-	451.61
Securities for trade	-	-	-	-	-
Trade 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
<b>Total</b>	<b>1069.08</b>	-	<b>1,78,176.31</b>	-	<b>1,79,245.39</b>
<b>Liabilities</b>					
Trade payables	637.37	-	-	-	637.37
Other payables	15.99	-	-	-	15.99
Debt securities	-	-	-	-	-
Deposits	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>653.36</b>	-	-	-	<b>653.36</b>
Net Excess / (shortfall)	415.72	-	1,78,176.31	-	1,78,592.03

### 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

#### i) Defined Contribution Plans:

Amount of Lakh 7.68 (Previous Year - 2022 Lakh 8.48 ) contributed to provident fund is recognized as an expense and included in Employer's Contribution to EPF, ESI, Gratuity Fund etc.' under 'Employee benefits expense 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.

## Notes to the Standalone Financial Statements

Actuarial valuation was done in respect of gratuity and leave encashment defined benefits plans and details of the same are given below:

(₹ in lakhs)

Actuarial Assumptions	Gratuity As at 31st March 2023	Gratuity As at 31st March 2022	Leave Encashment As at 31st March 2023	Leave Encashment As at 31st March 2022
Discount rate (per annum)	7.25%	6.50%	7.25%	6.50%
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	2.87	3.20	0.31	0.34
Interest cost	5.64	5.26	0.55	0.53
Past Service cost	-	-	-	-
Expected return on plan assets	(5.23)	(4.39)	-	-
<b>Net expenses recognized</b>	<b>3.28</b>	<b>4.07</b>	<b>0.86</b>	<b>0.86</b>

### II. Other comprehensive (income)/ expenses (Premeasurement)

Cumulative unrecognized actuarial (gain)/loss opening. B/F	(0.16)	2.63	0.18	0.68
Actuarial (gain)/loss –obligation	6.31	(2.64)	(1.02)	(0.50)
Actuarial (gain)/loss – plan assets	0.84	(0.15)	-	-
Total Actuarial (gain)/loss	7.16	(2.79)	(1.02)	(0.50)
<b>Cumulative total actuarial (gain)/loss. C/F</b>	<b>7.00</b>	<b>(0.16)</b>	<b>(0.84)</b>	<b>0.18</b>

### III. Net liability/(assets) recognized in the balance sheet at the year end

Present value of obligation at the end of period	76.22	86.79	7.66	8.52
Fair value of the plan asset at the end of period	56.60	72.15	-	-
Funded status [(surplus/(deficit))]	19.62	14.64	7.66	8.52
<b>Net asset/(liability) as at 31st March, 2023</b>	<b>(19.62)</b>	<b>(14.64)</b>	<b>(7.66)</b>	<b>(8.52)</b>

### IV. Change in present value of obligation during the year

Present value of obligation at the beginning of period	86.79	80.96	8.52	8.16
Current service cost	2.87	3.20	0.31	0.34
Interest cost	5.64	5.26	0.55	0.53
Past Service cost	-	-	-	-
Benefits paid	(25.39)	-	(0.71)	-
Actuarial loss/ (gain) on obligations	6.31	(2.64)	(1.02)	(0.50)
<b>Present value of obligation at the year end*</b>	<b>76.22</b>	<b>86.79</b>	<b>7.66</b>	<b>8.52</b>

### V. Change in present value of fair value of plan assets

Fair value of plan assets as at the beginning of period	72.15	67.54	-	-
Expected return on plan assets	5.23	4.39	-	-
Contributions	0.06	0.07	-	-
Benefits paid	(20.00)	-	-	-
Actuarial loss/ (gain)	(0.84)	0.15	-	-
<b>Fair value of plan assets at the year end</b>	<b>56.60</b>	<b>72.15</b>	<b>-</b>	<b>-</b>

### VI. Present Benefit Obligation at the end of the year

Current Liability (Amount due within one year)	13.70	35.76	1.33	3.16
Non-Current Liability (Amount due over one year)	62.53	51.03	6.33	5.36
<b>Total Liability</b>	<b>76.22</b>	<b>86.79</b>	<b>7.66</b>	<b>8.52</b>

\*Gratuity: LIC of India

### Maturity profile of defined benefit obligation

Particulars	31st March 2023	31st March 2022
Weighted average duration (based on discounted cash flows) in years	4	3

**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:

## Notes to the Standalone Financial Statements

Period	GRATUITY	LEAVE ENCASHMENT
	As on: 31st March 2023	As on: 31st March 2023
Defined Benefit Obligation (Base)	76.22 @ Salary Increase Rate: 5%, and discount rate :7.25%	7.66
Liability with x% increase in Discount Rate	73.91; x=1.00% [Change (3)% ]	7.40; x=1.00% [Change (3)% ]
Liability with x% decrease in Discount Rate	78.69; x=1.00% [Change 3% ]	7.94; x=1.00% [Change 4% ]
Liability with x% increase in Salary Growth Rate	78.72; x=1.00% [Change 3% ]	7.94; x=1.00% [Change 4% ]
Liability with x% decrease in Salary Growth Rate	73.83; x=1.00% [Change (3)% ]	7.39; x=1.00% [Change (4)% ]
Liability with x% increase in Withdrawal Rate	76.37; x=1.00% [Change0% ]	7.68; x=1.00% [Change0% ]
Liability with x% decrease in Withdrawal Rate	76.06; x=1.00% [Change0% ]	7.64; 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 2023			31st March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	445.29	-	445.29	451.61	-	451.61
Trade receivables	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Loans	1.66	0.15	1.81	1.69	2.99	4.68
Investments	-	1,44,437.24	1,44,437.24	-	1,78,086.65	1,78,086.65
Other financial assets	96.15	386.66	482.81	615.78	86.67	702.45
<b>Total</b>	<b>543.10</b>	<b>1,44,824.05</b>	<b>1,45,367.15</b>	<b>1,069.08</b>	<b>1,78,176.31</b>	<b>1,79,245.39</b>
<b>Non-Financial assets</b>						
Inventories	-	-	-	-	-	-
Current Tax assets	11.01	-	11.01	38.22	-	38.22
Investment Property	-	-	-	-	-	-
Property, plant and equipment	-	0.58	0.58	-	1.26	1.26
Deferred Tax Assets	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	-	-
Other Intangible assets	-	0.00	0.00	-	0.00	0.00
Other non-financial assets	8.67	2.80	11.47	11.50	5.80	17.31
<b>Total</b>	<b>19.67</b>	<b>3.38</b>	<b>23.06</b>	<b>49.72</b>	<b>7.06</b>	<b>56.78</b>
<b>Assets held for sale</b>						
<b>Total Assets</b>	<b>562.77</b>	<b>1,44,827.43</b>	<b>1,45,390.21</b>	<b>1,118.80</b>	<b>1,78,183.37</b>	<b>1,79,302.17</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	106.86	-	106.86	637.37	-	637.37
Other payables	14.37	-	14.37	15.99	-	15.99
Debts	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
<b>Total</b>	<b>121.23</b>	<b>-</b>	<b>121.23</b>	<b>653.37</b>	<b>-</b>	<b>653.37</b>
<b>Non Financial Liabilities</b>						
Current tax liabilities	-	-	-	-	-	-
Provisions	48.39	-	48.39	23.16	-	23.16
Deferred tax liabilities	-	33,091.83	33,091.83	-	41,561.42	41,561.41
Other non financial liabilities	12.42	-	12.42	12.16	-	12.16
<b>Total</b>	<b>60.81</b>	<b>33,091.83</b>	<b>33,152.64</b>	<b>35.32</b>	<b>41,561.42</b>	<b>41,596.73</b>
<b>Liabilities held for sale</b>						
<b>Total Liabilities</b>	<b>182.04</b>	<b>33,091.83</b>	<b>33,273.88</b>	<b>688.68</b>	<b>41,561.42</b>	<b>42,250.10</b>

## Notes to the Standalone Financial Statements

### 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

Particulars	(₹ in lakhs)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Current tax Expense/(credit):</b>		
1 Current tax for the year	90.60	245.18
2 Minimum alternate tax		
3 Tax adjustment in respect of earlier years	-	-
<b>Total current tax expense/(Credit) (A)</b>	<b>90.60</b>	<b>245.18</b>
<b>Deferred tax Expense/(credit):</b>	<b>0.84</b>	<b>(1,491.88)</b>
<b>Net deferred tax expense/(credit) (B)</b>	<b>0.84</b>	<b>(1,491.88)</b>
<b>Income tax Tax expense/(credit) (net): (C = A+B)</b>	<b>91.44</b>	<b>(1,246.70)</b>

#### (b) Income Tax expense/(credit) recognised through other comprehensive income:

Particulars	(₹ in lakhs)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
1 Remeasurement of defined benefit plan	1.55	(0.83)
2 Equity instruments through other comprehensive income	(8,468.89)	7,460.01
<b>Total</b>	<b>(8,470.43)</b>	<b>7,460.84</b>

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

Particulars	(₹ in lakhs)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Profit / (loss) before tax</b>	<b>340.85</b>	<b>3,225.81</b>
1 Expected income tax expense/(credit) at the applicable tax rates	85.78	811.87
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	5.31	-
3 Effect of differential tax rates and carried/brought forward losses	-	(2,058.57)
4 Effect of income exempt from tax	-	-
5 Others	0.35	-
<b>Income Tax expenses/(credit) reported in statement of profit and loss (1+2+3+4+5)</b>	<b>91.44</b>	<b>(1,246.70)</b>

### 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:

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>31st March 2023</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	445.29	445.29	-	-	-	-
Receivables			-	-	-	-	-	-
(I) Trade receivables	-	-	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	1.81	1.81	-	-	-	-

## Notes to the Standalone Financial Statements

Investments	-	1,32,775.03	11,662.21	1,44,437.24	1,32,775.03	-	-	1,32,775.03
Other financial assets	-	-	482.81	482.81	-	-	-	-
<b>Total financial assets</b>	-	<b>1,32,775.03</b>	<b>12,592.12</b>	<b>1,45,367.15</b>	<b>1,32,775.03</b>	-	-	<b>1,32,775.03</b>
<b>Financial liabilities</b>								
Payables								
(I) Trade payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	106.86	106.86	-	-	-	-
(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	-	-	14.37	14.37	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>121.23</b>	<b>121.23</b>	-	-	-	-

The carrying value and fair value of financial instruments by categories as of 31st March 2022 are as follows:

Particulars	Carrying amount				Fair value				
	31st March 2022	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>									
Cash and cash equivalents	-	-	451.61	451.61	-	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	-	-	-	-	-	-	-
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	-	-	-	1,66,424.44
Other financial assets	-	-	702.45	702.45	-	-	-	-	-
<b>Total financial assets</b>		<b>1,66,424.44</b>	<b>12,820.95</b>	<b>1,79,245.39</b>	<b>1,66,424.44</b>	-	-	-	<b>1,66,424.44</b>
<b>Financial liabilities</b>									
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	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	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>653.36</b>	<b>653.36</b>	-	-	-	-	-

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

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

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

**Notes to the Standalone Financial Statements**
**ii. Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include :

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

**iii. Financial instruments not measured at fair value**

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

**Note No: 41 Corporate Social Responsibility**

- 1) The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2022-23.

- a) Amount required to be spent by the company during the year 2022-23 Rs.21.11 Lakhs (Previous year Rs.Nil Lakhs) computed in accordance with applicable regulations.

Amount spent during the year ended 31 March 2023 and 31st March 2022 as under:

(₹ in lakhs)

Particulars	As at	
	31st March 2023	31st March 2022#
(i) Amount required to be spent by the company during the year	21.11	-
(ii) Excess amount spent in previous year(s) (set off)	-	-
(iii) Amount available for spending under CSR for the year, after set off	21.11	-
(iv) Amount of expenditure incurred	-	-
a) Construction/acquisition of any asset	-	-
b) on purposes other than (i) above	-	-
(v) Details related to spent / unspent obligations:		
a) Directly by the Company	-	-
b) Contribution to eligible entity	-	-
c) Unspent amount in relation to:		
- Ongoing project	21.11	-
- Other than ongoing project	-	-
(vi) Shortfall/(Excess #) at the end of the year*	21.11	-
(vii) Total of previous years shortfall	-	-
(viii) Reason for shortfall*	Allocated to ongoing projects	-
(ix) Nature of CSR activities	CSR initiatives Promoting education besides other objectives permitted under Schedule VII of the Companies Act, 2013.	-
(x) Details of related party transactions as per relevant Accounting Standard	N.A.	-
(xi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision.	As given below	-

- 2) **Movements in the provision with respect to a liability incurred by entering into a contractual obligation during the year.**

(₹ in lakhs)

Particulars	For the year ended	
	31st March 2023	31st March 2022#
Opening provision balance	-	-
Provision created during the year (for ongoing projects, in case of S. 135(6))	21.11	-
Provision created during the year (for other than ongoing project, In case of S. 135(5))	-	-
Amount spent during the year	-	-
Closing Provision balance*	21.11	-

**Notes to the Standalone Financial Statements**
**3) Details of other than ongoing project, In case of S. 135(5)**

(₹ in lakhs)

Particulars	For the year ended	
	31st March 2023	31st March 2022#
Opening Balance	-	-
Amount required to be spent during the year (after set off of Excess amount spent in previous year)	-	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount spent during the year	-	-
Closing Balance	-	-

**4) Details of ongoing projects, in case of S. 135(6)**

(₹ in lakhs)

Particulars	For the year ended	
	31st March 2023	31st March 2022#
Opening Balance	With Company	-
	In Separate CSR Unspent A/c	-
Transfer to Separate CSR unspent A/c	-	-
Amount required to be spent during the year	21.11	-
Amount spent during the year	From Company's Bank A/c	-
	From Separate CSR Unspent A/c	-
Closing balance *	With Company	21.11
	In Separate CSR Unspent A/c	-

**Notes**

\* The entire corpus / allocation under CSR for the year 2022-2023 has been earmarked for ongoing project the disbursement of which has been requested by the concerned entity in financial year 2023-2024 onwards. Hence, though allocated, no amount was disbursed in the year 2022-2023. Accordingly, the same has not been considered as spent and shown in the shortfall Column. The entire amount has already been transferred within 30 days of close of the financial year 2022-2023 into the bank account maintained for unspent CSR and will be disbursed in accordance with the applicable regulations.

# The Company was not covered in any of the criteria prescribed in Section 135 of The Companies Act, 2013 in the year 2021-2022, hence no allocation under CSR was required to be made.

**42 a) Key Ratio**
**Part A**

S No	Particulars	As At 31st Mar 2023	As At 31st Mar 2022
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	Numerator (Rs. in Lakhs)	Denominator (Rs. in Lakhs)	As at 31st Mar 2023 Ratio	As at 31st Mar 2022 Ratio	% Change from previous period in Current Year 7= (6 - 5) / 6	Reason for Change in Current Year (if Change > 25 %)
1	2	3	4	5 = 3 / 4	6	7= (6 - 5) / 6	8
1	Return on equity (PAT / Equity) (%)	249.41	1,12,116.34	0.22	3.26	(93.18)	There is decline in the ratio due to reduction in the income from brokerage and net gain on fair value changes during the current year.
2	Return on Assets (PAT / Total Assets) (%)	249.41	1,45,390.21	0.17	2.49	(93.12)	There is decline in the ratio due to reduction in the income from brokerage and net gain on fair value changes during the current year.
3	Current Ratio (Cash, Bank, Receivables & Other Fin. Assets) / (Financial Liabilities) (times)	928.11	121.23	7.66	1.77	333.43	There is positive increase in the ratio due to reduction in the financial liabilities during the current year.

b) Since, the Company does not have any trade receivables as on March 31, 2023, and March 31, 2022, the disclosure relating to trade receivables ageing schedule has been dispensed with.

c) No loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either severally or jointly with any other person during the financial years ended March 31, 2023, and March 31, 2022.

## Notes to the Standalone Financial Statements

- d) The Company did not have any transactions with the Companies struck-off under Section 248 of the Companies Act, 2013 during the financial years ended March 31, 2023, and March 31, 2022.
- e) The Company does not have any subsidiaries, hence provisions of section 2(87) of the Companies Act, 2013 are not applicable on the Company.
- f) There are no intangible assets under development as on 31<sup>st</sup> March 2023 as well as 31<sup>st</sup> March 2022.
- g) There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statements.
- h) The Company is primarily engaged in the single segment i.e., in the business of stock broking including investment & Sale/Purchase of Shares/ Securities & Derivatives. There are no separate reportable segments identified as per the Ind AS 108 - Operating segments. Further the Company does not have any reportable geographical segment. Hence segment-wise reporting has not been made.
- i) During the financial years ended March 31, 2023, and March 31, 2022, the company has not revalued its property, plant and Equipment.
- j) All the lease agreements are duly executed in favor of the Company for properties where the Company is the lessee.
- k) The Company has not been sanctioned working capital limits from Banks/financial Institutions during the financial years ending March 31, 2023, and March 31, 2022. Therefore, during the financial years ending March 31, 2023, and March 31, 2022, the company is not required to file the Quarterly return/ statements of current assets with banks and financial institutions.
- l) During the financial years ended March 31, 2023, and March 31, 2022, no Scheme of Arrangements related to the company has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- m) Utilisation of Borrowed funds and share premium: -
- a) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
    - ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b. The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - i. Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- n. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.
- o. The Company has not been declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.
- p. There is no creation or satisfaction of charges which are pending to be filed with ROC as at 31 March 2023 and 31 March 2022.
- q. The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023, and March 31, 2022.
- r. The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). No previously unrecorded income and related assets have been recorded in the books of account during the year.
- s. The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2023, and March 31, 2022.
- t. There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2023, and March 31, 2022.
- u. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure and rounding off errors have been ignored further Previous year figures have been shown in brackets.
- v. The amounts reflected as "0" or "-" in the financial information are values with less than rupees five hundred. All amounts have been rounded to the nearest lakhs up to two decimal places, unless otherwise stated.

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

**For and on behalf of the Board**

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

**S. K. Agarwal**  
 Managing Director  
 DIN:00106763

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

**Vishesh Jain**  
 Company Secretary  
 M.No.: A68586

Place: Kanpur (U.P.)  
 Date: 11/05/2023

Place: New Delhi  
 Date: 11/05/2023

**VLS ASSET MANAGEMENT LTD.**

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

CIN: U74899DL1995PLC065812,

Email: [yam@vlsfinance.com](mailto:yam@vlsfinance.com), Phone: 011-46656666

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the 28<sup>th</sup> Annual Report of your Company together with the Balance Sheet as at 31<sup>st</sup> March, 2023 and the Statement of Profit & Loss for the year ended on that date.

**Financial Results**

The period comprises the Financial Year from 01/04/2022 to 31/03/2023. The Company has incurred a loss of Rs. 5,559/- (Rupees Five Thousand Five Hundred Fifty-Nine only) on account of administrative expenses incurred. No income was generated during the year under review. The accumulated losses of the Company, during the year under review, have exceeded 50% of its net worth. The Board has been advised that the Company, not being an Industrial Company, no reference to any authority is required to be made. The Board is continuing efforts to identify suitable activity for operations keeping in view the means available. Accordingly, the Company is being viewed as a going concern and the accounts have been prepared on the basis of the going concern assumption. There were no material changes or commitments affecting the financial position of the Company from the end of the financial year under review and date of this report.

**Board Meetings**

During the Financial Year ended 31/03/2023, 4 (Four) Board Meetings were held with one meeting in every quarter on 07/05/2022, 09/08/2022, 28/10/2022 and 20/01/2023.

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

S. No.	Name of the Director	No. of meetings attended during F. Y. 2022-23
1	Shri S. K. Agarwal	07/05/2022
		09/08/2022
		28/10/2022
		20/01/2023
2	Shri K. K. Soni	07/05/2022
		09/08/2022
		28/10/2022
		20/01/2023
3	Shri Rajesh Jhalani	07/05/2022
		09/08/2022
		28/10/2022
		20/01/2023

**Internal Financial Control Systems**

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

**Risk Management**

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

**Dividend/Reserves**

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

**Directors**

During the year under review, there is no change in directorship of the Company. Shri S. K. Agarwal (DIN: 00106763) shall be retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment. Your Directors recommend his reappointment in order to have his continued valuable direction, guidance and assistance in the conduct of the affairs of your Company.

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

The reporting of extract of Annual Return in Form No. MGT-9 had been done away with pursuant to amendment in Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 w.e.f. 28/08/2020. Hence, the reporting of extract of Annual Return has not been made in this report. The Annual Return is now required to be placed on the website of the Company, in terms of Section 92(3) read with Section 134(3)(a) of the Act and link thereof is required to be given in the Board's Report. The Company does not have a website at present; hence, relevant link is not given herein. The copy of Annual Return upon filing would be available for inspection of members at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days.

**Contracts With Related Party**

Relevant disclosures have been made under Clause 13 of note forming part of financial statements. The details of the related party transactions have been provided in form AOC-2 as under:

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

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	VLS Finance Ltd.- Holding Company
b)	Nature of contracts/ arrangements/ transactions	Unsecured Long-term borrowings
c)	Duration of the contracts / arrangements/ transactions	Until rescinded
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Non - Interest bearing borrowings
e)	Justification for entering into such contracts or arrangements or transactions	The financial condition of the Company i.e. VLS Asset Management Ltd.
f)	Date(s) of approval by the Board	NA#
g)	Amount paid as advances, if any:	NA#
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NA#

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

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

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

**Directors Responsibility Statement**

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

- that in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the loss of the Company for that year;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they have prepared the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2023 on a 'going concern' basis;
- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were

adequate and operating.

**Auditors**

The Members of the Company had appointed M/s. Agiwal & Associates-Chartered Accountants, (FRN: 00181N) as Statutory Auditors, in the 25<sup>th</sup> Annual General Meeting held on 25/09/2020 for the 2<sup>nd</sup> term for a period of 5 years i.e. upto conclusion of 30<sup>th</sup> Annual General Meeting of the Company to be held in 2025. The provisions relating to rotation of Statutory Auditors of Company in terms of Section 139(2) of the Companies Act, 2013 are not applicable since the Company does not fall in categories prescribed in Rule 5 of Companies (Audit and Auditors) Rules, 2014 as in force on date. The Auditors have confirmed their eligibility for continuing as Statutory Auditors for the Financial Year 2023-24 to the Company.

**Auditors Report**

The observations made by Auditors, M/s Agiwal & Associates, Chartered Accountants in their report have been adequately dealt with in relevant Notes on Accounts and in this report under the head – Financial Results. No further comments or explanations are required from Directors as there is no qualification in the Auditor’s report for the year under review. Further, the Auditors have not reported any fraud in terms of Section 143(12) of the Companies Act, 2013 to the Board.

**Fixed Deposits**

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

**Statutory Disclosures**

- During the year under review, the Company did not absorb any new technology nor has carried out any R&D activity including conservation of Energy. The relevant disclosures are contained in **Annexure-1** to this report.
- The Company did not have any employee during the relevant Financial Year hence the limits specified in Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended are not applicable and there are no disclosures which are required to be made in this report, in terms of the aforesaid regulations. Further, disclosure relating to ratio of the remuneration of each director to the median employee’s remuneration is also not applicable. The disclosures relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are accordingly not applicable. Even otherwise, no complaint was received in this regard during the year under review.
- The Company has not given any loan, guarantees or made investments during the year under review reportable in terms of Section 186 of the Companies Act, 2013.

- Your Company has not issued equity shares with differential voting rights or under ESOP in terms of Sections 43(a) and 62(1) (b) of Companies Act, 2013 during the year under review.
- Your Company has not approved any scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of Section 67(3) (b) of Companies Act, 2013 during the year under review.
- No revision of financial statements or Board’s Report has been made in terms of Section 131(1) of the Companies Act, 2013. Further, no orders by any regulator/court/tribunal etc. had been passed during the year under review which would adversely affect the operations or going concern status of the Company.
- Your Company has not undertaken any Corporate Social Responsibility initiative as the relevant provisions are not applicable to the Company as per Section 135 of the Companies Act, 2013.
- Provisions for appointment of Independent Directors are not applicable to your Company nor it is covered under clause no. (d), (e) and (p) of subsection (3) of Section 134 and Sections 177, 178, 203 and 204 of the Companies Act, 2013.
- The Company had no subsidiaries and associates as defined under the Companies Act, 2013 during the year under review. Further, provision relating to maintenance of cost records in terms of Section 148(1) of the Companies Act, 2013 are not applicable to the Company.
- During the year under review, neither any application has been made nor any proceeding was pending against the Company under Insolvency and Bankruptcy Code, 2016. Further, no loan from Bank or financial institution was obtained in the said year and therefore, the provision relating to disclosure of variation in valuation in terms Rule 8 (5) (XII) of Companies (Accounts) Rules, 2014 is not applicable for the said Financial Year.
- The registered office of the Company has been shifted from First Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 to Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 w.e.f. 29/10/2022 pursuant to Board’s decision to this effect on 28/10/2022.

**Acknowledgement**

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

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

<b>Place : New Delhi</b>	<b>S. K. Agarwal</b>	<b>K. K. Soni</b>
<b>Date : 17/05/2023</b>	<b>Director</b>	<b>Director</b>
	<b>DIN: 00106763</b>	<b>DIN: 00106037</b>

**Annexure-1**

**Annexure to Directors’ Report**

**Information as per Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of Directors’ Report for the year ended 31<sup>st</sup> March, 2023.**

**CONSERVATION OF ENERGY**

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

**TECHNOLOGY ABSORPTION**

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

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

<b>Place : New Delhi</b>	<b>S. K. Agarwal</b>	<b>K. K. Soni</b>
<b>Date : 17/05/2023</b>	<b>Director</b>	<b>Director</b>
	<b>DIN: 00106763</b>	<b>DIN: 00106037</b>

## INDEPENDENT AUDITOR'S REPORT

To the Members of VLS Asset Management Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **VLS Asset Management Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

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

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

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

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

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

#### Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters

stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**CAP.C. Agawal**  
Partner  
Membership Number: 080475  
UDIN: 23080475BGWKS3208

Place: Delhi  
Date: May 17, 2023

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

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

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(a)(A) of the Order is not Applicable.
  - (B) The Company does not have any Intangible Assets, hence reporting under clause 3(i)(a)(B) of the Order is not Applicable.
  - (b) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(b) of the Order is not Applicable.
  - (c) The Company does not have any immovable property hence reporting under clause 3(i)(c) of the Order is not Applicable.
  - (d) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(d) of the Order is not Applicable.
  - (e) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(e) of the Order is not Applicable.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not Applicable.
- (b) The Company has not been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has not made any investment in or provided any loan or advances to, companies, firms, Limited Liability Partnerships and granted unsecured loans to other parties, during the year, hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable to the Company.
- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
  - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees'

State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a) No frauds by the Company and no fraud on the Company has been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and based our examination, the Company does not require to comply with provision of section 138 of the Companies Act. Hence, the provision stated in paragraph 3(xiv) (a) to (b) of the Order is not applicable to the Company.

- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- xvii. The Company has incurred cash losses of Rs. 5,559/- during the financial year covered under our audit and cash losses of Rs. 3,300/- during the immediately preceding the financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. As per our information and explanation given, the company does not fall under the criteria of Section 135 of Companies Act, 2013 for CSR activities. Hence, this clause of report is not applicable to the company.

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

**CA P.C. Agiwal**  
Partner  
Membership Number: 080475  
UDIN: 23080475BGWKS3208

Place: Delhi  
Date: May 17, 2023

#### **Annexure '2' to the Independent Auditor's Report**

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

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

We have audited the internal financial controls over financial reporting of **VLS Asset Management Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind As financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company

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

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

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

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

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of

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

### Opinion

In our opinion, to the best of our information and according to the explanations to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### For Agiwal & Associates

Chartered Accountants  
ICAI Firm Registration Number: 000181N

### CA P.C. Agiwal

Partner  
Membership Number: 080475  
UDIN: 23080475BGWKS3208

Place: Delhi  
Date: May 17, 2023

### Balance Sheet as at 31st March, 2023

(₹ in lakhs)				
	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>				
(1)	<b>FINANCIAL ASSETS</b>			
	(a) Cash and cash equivalents	4	0.16	0.16
			<b>0.16</b>	<b>0.16</b>
(2)	<b>NON-FINANCIAL ASSETS</b>			
	(a) Property, Plant and Equipment		-	-
			-	-
	<b>Total Assets</b>		<b>0.16</b>	<b>0.16</b>
<b>LIABILITIES AND EQUITY</b>				
(1)	<b>FINANCIAL LIABILITIES</b>			
	(a) Other financial liabilities	5	-	-
			-	-
(2)	<b>NON-FINANCIAL LIABILITIES</b>			
	(a) Other non-financial liabilities	6	9.60	9.55
			<b>9.60</b>	<b>9.55</b>
	<b>EQUITY</b>			
	(a) Equity Share capital	7	7.07	7.07
	(b) Other Equity	8	(16.51)	(16.46)
			<b>(9.44)</b>	<b>(9.39)</b>
	<b>Total Liabilities and Equity</b>		<b>0.16</b>	<b>0.16</b>

Significant Accounting Policies and Notes forming part of Financial Statement 1 to 18

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

**For and on behalf of the Board**

**P.C.Agiwal**  
Partner  
Membership No. 080475

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

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

Place : New Delhi  
Date : 17/05/2023

### Statement of Profit and Loss for the year ended 31st March, 2023

(₹ in lakhs)

	Particulars	Note No	For the year ended 31st March 2023	For the year ended 31st March 2022
I	<b>Revenue From Operations</b>	9		
(i)	Interest Income		-	-
	Total Revenue From Operations (I)		-	-
II	<b>Other Income</b>	10		
	Total Other Income (II)		-	-
III	Total Income (I+II)		-	-
IV	<b>Expenses</b>			
(i)	Employee benefits expense		-	-
(ii)	Depreciation and amortization expense		-	-
(iii)	Other expenses	11	0.05	0.04
	Total expenses (IV)		<b>0.05</b>	<b>0.04</b>
V	Profit/(loss) before exceptional items and tax (III- IV)		(0.05)	(0.04)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		(0.05)	(0.04)
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit (Loss) for the period (VII-VIII)		(0.05)	(0.04)
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Gain / (Loss) arising on Defined Employee Benefits		-	-
	Gain / (Loss) arising on fair valuation of Investment		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XI	Other comprehensive income / (loss) (i+ii)		-	-
XII	Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(0.05)	(0.04)
XIII	Earnings per equity share	14		
	(1) Basic Rs.		(0.06)	(0.06)
	(2) Diluted Rs.		(0.06)	(0.06)

Significant Accounting Policies and Notes 1 to 18 forming part of Financial Statement

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

**For and on behalf of the Board**

**P.C.Agiwal**  
Partner  
Membership No. 080475

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

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

Place : New Delhi  
Date : 17/05/2023

**Cash Flow Statement for the year ended 31st March, 2023**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(0.05)	(0.03)
Adjustment for:		
	-	-
Operating profit	(0.05)	(0.03)
Adjustment for working capital changes		
Other non-financial liabilities	0.05	0.03
Cash generated / (used) from operations	-	-
Direct taxes paid net	-	-
Net cash generated / (used) from operating activities (A)	-	-
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net cash generated / (used) from investing activities (B)	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net cash generated / (used) from financing activities (c)	-	-
Net increase / (decrease) in cash and cash equivalents during the year (A + B + C)	-	-
Cash and cash equivalents as at beginning of the year	0.16	0.16
Cash and cash equivalents as at end of the year :	0.16	0.16
Cash in hand	-	-
Scheduled bank - In current account	0.16	0.16
<b>Total</b>	<b>0.16</b>	<b>0.16</b>
<b>Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 and 5)</b>		
Cash and cash equivalents as at end of the year as per above	0.16	0.16
<b>Total cash and bank balances equivalents as at end of the year</b>	<b>0.16</b>	<b>0.16</b>

Significant Accounting Policies and Notes forming part of accounts 1-18

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

<b>P.C.Agiwal</b>	<b>S. K. Agarwal</b>	<b>K. K. Soni</b>
Partner	Director	Director
Membership No. 080475	DIN:00106763	DIN:00106037

 Place : New Delhi  
 Date : 17/05/2023

**Statement of Changes in Equity for the year ended 31st March, 2023**
**A. Equity Share Capital**
**(1) Current reporting period**

(₹ in lakhs)

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

**(2) Previous reporting period**

(₹ in lakhs)

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

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

(₹ in lakhs)

Particulars	Retained Earnings	Other Comprehensive Income		
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
Balance as at 1st April, 2022	(16.46)	-	-	(16.46)
Changes in accounting policy/ prior period errors	-	-	-	-
Restated balance as at 1st April, 2022	(16.46)	-	-	(16.46)
Profit for the year	(0.05)	-	-	(0.05)
Other Comprehensive Income (net of tax)	-	-	-	-
<b>Total comprehensive income for the current year</b>	<b>(0.05)</b>	<b>-</b>	<b>-</b>	<b>(0.05)</b>
Balance as at 31st March, 2023	(16.51)	-	-	(16.51)

**(2) Previous reporting period**

(₹ in lakhs)

Particulars	Retained Earnings	Other Comprehensive Income		
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
Balance as at 1st April, 2021	(16.42)	-	-	(16.43)
Changes in accounting policy/ prior period errors	-	-	-	-
Restated balance as at 1st April, 2021	(16.42)	-	-	(16.42)
Profit for the year	(0.04)	-	-	(0.04)
Other Comprehensive Income (net of tax)	-	-	-	-

Total comprehensive income for the previous year	(0.04)	-	-	(0.04)
Any other change (to be specified)	-	-	-	-
Balance as at 31st March, 2022	(16.46)	-	-	(16.46)

As per our report of even date attached

For and on behalf of the Board

For Agiwal & Associates

(F.R.N.000181N)

Chartered Accountants

P.C.Agiwal

Partner

Membership No. 080475

S. K. Agarwal

Director

DIN:00106763

K. K. Soni

Director

DIN:00106037

Place : New Delhi

Date : 17/05/2023

#### Note 1: Corporate information

The Company was incorporated to function as Asset Management Company of the Mutual Fund proposed to be floated by VLS Finance Ltd., the Holding Company. However, it could not take up business because the said proposal was shelved due to adverse market conditions. The Company is exploring business avenues available to it; however, no business activity could be taken up in past.

#### Note 2: Significant accounting policies

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

#### 2.1 Basis of preparation

##### (i) Compliance with Ind AS

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

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

##### (ii) Historical cost convention

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

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

##### (iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2018, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity.

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

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

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

#### 2.2 Revenue Recognition

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

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

##### (i) Brokerage fee income

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

##### (ii) Interest income

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

##### (iii) Dividend income

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

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

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

#### 2.3 Income Tax

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

##### 2.3.1 Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

##### 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

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023**

unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**2.4 Cash and cash equivalents**

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

**2.5 Cash flow statement**

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

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

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

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

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

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

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

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

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

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

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

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

Financial assets carried at amortised cost

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

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

**(ii) Equity instruments**

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

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

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

**(iii) Investments in mutual funds**

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

**(iv) Impairment**

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

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

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
  - Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
  - Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.
- Financial assets are written off / fully provided for when there is no reasonable of recovering a financial asset in its entirety or a portion thereof.

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

**(v) Derecognition**

A financial asset is derecognised only when:

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

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

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

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

Financial liabilities are classified at amortised cost or FVTPL. A financial

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023**

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

**(ii) Subsequent measurement**

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

**(iii) Derecognition**

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

**Offsetting financial instruments**

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

**2.8 Property, plant and equipment**

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

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

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

**(iii) Assets Useful life**

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

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

Furniture and Fixtures 10 years

Office Equipments 5 years

Computers 3 years

Vehicles 8 years

**(iv) Derecognition:**

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

**2.9 Intangible Assets**

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

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

**Amortisation**

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

statement of profit and loss.

Intangible asset	Useful life / amortization period
Computer Software	4 Years

**2.10 Investment Property**

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

**2.11 Impairment of non-financial assets**

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

**2.12 Provisions and contingencies:**

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

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

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

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

**b) Diluted earnings per share**

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

**2.14 Leases**

The Company lease asset classes primarily consist of leases for buildings taken on lease for operating its office. The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the company recognizes a right-

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

**As a lessor**

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

**2.15 Foreign exchange transactions**

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

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

**2.16 Borrowing costs**

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

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

**2.17 Impairment of non-financial assets**

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

**2.18 Retirement and other employee benefits**

**(i) Short-term employee benefits**

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

**(ii) Post-employment benefits**

**(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.

**(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.

**(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.

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023**

- (d) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (e) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions

that are mainly based on market conditions existing at the end of each reporting period.

- f) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

PARTICULARS	₹ in lakhs	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 4 Cash &amp; Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	-	-
<b>Balance with Bank</b>		
In current account	0.16	0.16
<b>Total</b>	<b>0.16</b>	<b>0.16</b>

PARTICULARS	₹ in lakhs	
	As at 31st March, 2023	As at 31st March, 2022
<b>Note - 5 Other financial Liabilities</b>		
Expenses Payable	-	-
<b>Note - 6 Other non-financial liabilities</b>		
Dues to Holding Company i.e. VLS Finance Limited	9.60	9.55
<b>Total</b>	<b>9.60</b>	<b>9.55</b>

**NOTE - 7**
**Share Capital**

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

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

₹ in lakhs	
As at 31st March, 2023	As at 31st March, 2022
1,000.00	1,000.00
<b>1,000.00</b>	<b>1,000.00</b>
7.07	7.07
<b>7.07</b>	<b>7.07</b>

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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of Shares	Amount
At the beginning of the year	70,700	7.07	70,700	7.07
Changes during the year	-	-	-	-
Outstanding at the end of the year	<b>70,700</b>	<b>7.07</b>	<b>70,700</b>	<b>7.07</b>

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

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

**c. Shares held by holding company**

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
VLS Finance Ltd.	70,100.00	70,100.00

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

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

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

**Shareholding of promoters as at 31st March, 2022**

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

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023**
**Note 8 : Other Equity (i)**

(₹ in lakhs)

Particulars	(₹ in lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Retained earnings</b>		
Balance at the beginning of the year	(16.46)	(16.42)
Add: Profit/(loss) during the year	(0.05)	(0.04)
<b>Balance as at end of the year</b>	<b>(16.51)</b>	<b>(16.46)</b>
<b>TOTAL</b>	<b>(16.51)</b>	<b>(16.46)</b>

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

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

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

**Note No. 12: Deferred Tax Liability/ Deferred Tax Asset**

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

**Note No. 13: Related Party Disclosures:**

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

- I. Subsidiaries where control exist
  - Fellow Subsidiaries

Transaction during the year with the related party:-

(₹ in lakhs)

Name of Related Party	Relationship	Nature of Transaction	For the year ended 31 <sup>st</sup> March 2023 #	For the year ended 31 <sup>st</sup> March 2022 #
VLS Finance Limited	Holding Company	<b>Dues to Holding Company</b>		
		Opening Balance	9.55	9.51
		Filling fee & related expenses paid on our behalf	0.05	0.04
		Closing Balance	9.60	9.55

**# Notes:**

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

**Note No. 14: Earnings per Share (Ind AS 33)**

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

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

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

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

(₹ in lakhs)

Profit attributable to equity holders of the Company:	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Continuing operations	(0.05)	(0.04)
Profit attributable to equity holders for basic earnings	-	-
Dilution effect	-	-
Profit attributable to equity holders adjusted for dilution effect	(0.05)	(0.04)
Weighted Average number of equity shares used for computing Earning Per Share	0.71	0.71
(Basic & Diluted) *		
<b>Earnings Per Share (Basic &amp; Diluted) (in Rs.)</b>	<b>(0.06)</b>	<b>(0.06)</b>

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023

**Note 15: Other Financial Information**

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'.

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
Principal amount remaining unpaid to any supplier as at the period end.	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

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

**Note 16: Commitments and contingencies**

**a. Commitments:**

Particulars	31 March 2023	31 March 2022
(a) Estimated amount of contracts remaining to be executed on Capital Account.	Nil	Nil
(b) Uncalled liability on shares and other investments partly paid	Nil	Nil

**b. Contingent liabilities**

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

**Note 17: Impact of COVID-19 on Going Concern Assumption**

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

**18 a) Key Ratio**

**Part A**

S No	Particulars	As At 31st Mar 2023	As At 31st Mar 2022
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	Numerator (Rs. in Lakhs)	Denominator (Rs. in Lakhs)	As at 31st Mar 2023 Ratio	As at 31st Mar 2022 Ratio	% Change from previous period in Current Year	Reason for Change in Current Year (if Change > 25 %)
1	2	3	4	5 = 3 / 4	6	7 = (6 - 5) / 6	8
1	Return on equity (PAT / Equity) (%)	(0.05)	7.07	(0.64)	(0.61)	4.92	Within Limit
2	Return on Assets (PAT / Total Assets) (%)	(0.05)	0.16	(28.10)	(26.51)	6.00	Within Limit
3	Current Ratio (Cash, Bank, Receivables & Other Fin. Assets) / (Financial Liabilities) (times)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2023**

- b) Since, the Company does not have any trade receivables/ trade payable as on March 31, 2023, and March 31, 2022, the disclosure relating to trade receivables ageing schedule has been dispensed with.
- c) No loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either severally or jointly with any other person during the financial years ended March 31, 2023, and March 31, 2022.
- d) The Company did not have any transactions with the Companies struck-off under Section 248 of the Companies Act, 2013 during the financial years ended March 31, 2023, and March 31, 2022.
- e) The Company does not have any subsidiaries, hence provisions of section 2(87) of the Companies Act, 2013 are not applicable on the Company.
- f) There are no intangible assets under development as on 31<sup>st</sup> March 2023 as well as 31<sup>st</sup> March 2022.
- g) There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statements.
- h) No business activity could be taken up during the financial years ended March 31, 2023, and March 31, 2022. The Company is still exploring the business avenues available to it. Hence there is no separate reportable segments identified as per the Ind AS 108 - Operating segments. Further the Company does not have any reportable geographical segment. Hence segment-wise reporting has not been made.
- i) During the financial years ended March 31, 2023, and March 31, 2022, the company does not have any its property, plant and Equipment.
- j) During the financial years ended March 31, 2023, and March 31, 2022, the company does not have any property where the Company is a lessee.
- k) The Company has not been sanctioned working capital limits from Banks/financial Institutions during the financial years ending March 31, 2023, and March 31, 2022. Therefore, during the financial years ending March 31, 2023, and March 31, 2022, the company is not required to file the Quarterly return/ statements of current assets with banks and financial institutions.
- l) During the financial years ended March 31, 2023, and March 31, 2022, no Scheme of Arrangements related to the company has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- m) Utilisation of Borrowed funds and share premium: -
- a) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- i. Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- n. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.
- o. The Company has not been declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.
- p. There is no creation or satisfaction of charges which are pending to be filed with ROC as at 31 March 2023 and 31 March 2022.
- q. The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023, and March 31, 2022.
- r. The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). No previously unrecorded income and related assets have been recorded in the books of account during the year.
- s. The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2023, and March 31, 2022.
- t. The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April 2014. The provisions of the said section is not applicable to the Company during the financial year 2021-22 & 2022-23.
- u. There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2023, and March 31, 2022.
- v. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure and rounding off errors have been ignored further Previous year figures have been shown in brackets.
- w. The amounts reflected as "0" or "-" in the financial information are values with less than rupees five hundred. All amounts have been rounded to the nearest lakhs up to two decimal places, unless otherwise stated.

As per our report of even date

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

For and on behalf of the Board

**P.C. Agiwal**  
Partner  
Membership No.080475

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

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

Place: New Delhi  
Date: 17/05/2023

**VLS REAL ESTATE LIMITED**

**Registered office: Ground Floor, 90, Okhla Industrial Estate, Phase-III,  
New Delhi 110020.**

**CIN: U70109DL2021PLC376479,**

**Email: vrel@vlsfinance.com, Phone: 011-46656666**

**DIRECTORS' REPORT**

To the Members,

Your Directors' are pleased to present the 2<sup>nd</sup> Annual Report of your Company together with the Balance Sheet as at 31<sup>st</sup> March, 2023 and the Statement of Profit & Loss for the year ended on that date.

**Financial Summary**

Your Company was incorporated on 3<sup>rd</sup> day of February 2021 inter-alia for doing the business in various streams of Real Estate Sector. However, due to post-effects of COVID-19 pandemic, the overall scenario in real estate sector was not perceived to be encouraging during the financial year under review. The Board is nevertheless optimistic about the future scenario.

The Company has incurred a Loss of Rs. 5,807/- (Rupees Five Thousand Eight hundred and Seven Only) during the financial year under review. The Board is continuing efforts to identify suitable activity for operation keeping in view the means available. Accordingly, the Company is being viewed as a going concern.

Further, the Financial Statements of the Company have been prepared on the basis of the going concern assumption 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.

There were no material changes or commitments affecting the financial position of the Company from the end of financial year under review and date of this report.

**Dividend/Reserves**

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

**Directors**

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

Shri Suresh Kumar Agarwal (DIN: 00106763) shall be retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment. Your Directors' recommend his reappointment in order to have his continued valuable direction, guidance and assistance in the conduct of the affairs of your Company.

**Board Meetings**

During the year under review, 5 (Five) Board Meeting were held with one meeting in every quarter on 07/05/2022, 09/08/2022 and 28/10/2022 and two meeting in last quarter on 20/01/2023 and 01/03/2023.

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

S. No.	Name of the Director	No. of meetings attended during the period i.e. 01/04/2022 – 31/03/2023	
1.	Shri S. K. Agarwal	5	07/05/2022
			09/08/2022
			28/10/2022
			20/01/2023
			01/03/2023
2.	Shri K. K. Soni	5	07/05/2022
			09/08/2022
			28/10/2022
			20/01/2023
			01/03/2023
3.	Shri Mahesh Prasad Mehrotra	2	07/05/2022
			01/03/2023
4.	Ms. Divya Mehrotra	2	07/05/2022
			01/03/2023

**Internal Financial Control Systems**

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

**Risk Management**

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

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

The reporting of extract of Annual Return in Form No. MGT-9 had been done away with pursuant to amendment in Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 w.e.f. 28/08/2020. Hence, the reporting of extract of Annual Return has not been made in this report. The Annual Return is now required to be placed on the website of the Company, in terms of Section 92(3) read with Section 134(3)(a) of the Act and link thereof is required to be given in the Board's Report. The Company does not have a website at present; hence, relevant link is not given herein. The copy of Annual Return upon filing would be available for inspection of members at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days.

**Directors Responsibility Statement**

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

- That in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed.
- That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year under review and of the loss of the Company for that period.
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That they have prepared the Annual Accounts for the Financial Year ended 31<sup>st</sup> March 2023 on a 'going concern' basis.
- That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

**Fixed Deposits**

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

**Auditors**

The Members of the Company had appointed M/s. Agiwal & Associates-Chartered Accountants (FRN: 00181N) as Statutory Auditors in its First Annual General Meeting held on 09/09/2022 for the 1<sup>st</sup> term for a period of 5 years i.e. upto conclusion of 6<sup>th</sup> Annual General Meeting of the Company to be held in the Calendar Year 2027. The provisions relating to rotation of Statutory Auditors of Company in terms of Section 139(2) of the Companies Act, 2013 are not applicable since the Company does not fall in categories prescribed in Rule 5 of Companies (Audit and Auditors) Rules, 2014 as in force on date. The Auditors have confirmed their eligibility for continuing as Statutory Auditors for the year 2023-24 to the Company.

**Contracts With Related Party**

The Company for its financial requirements may approach VLS Finance Ltd., the holding Company inter-alia for securing funds for intended activities to be undertaken by it from time to time. Though the transaction of reimbursement of filing fee etc. to VLS Finance Ltd. the Holding Company and related party has been made during the year, the same being at arm's length basis is outside the purview of Section 188 of the Companies Act, 2013 and does not require disclosure under the same. Further, no outstanding balance is there as on the date. The details mentioned in Note No. 8 of Annual Accounts are in terms of applicable Ind AS.

The details of the related party transaction provided in form AOC-2 annexed hereto has been Nil.

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

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

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



Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts / arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions	-
f)	Date(s) of approval by the Board	-
g)	Amount paid as advances, if any:	-
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	-

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

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

**Auditors Report**

The observations made by Auditors, M/s Agiwal & Associates, Chartered Accountants in their report have been adequately dealt with in relevant Notes on Accounts and in this report under the head – Financial Results. No further comments or explanations are required from Directors as there is no qualification in the Auditor's report for the Financial Year under review. Further, the Auditors have not reported any fraud in terms of Section 143(12) of the Companies Act, 2013 to the Board.

**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.
- There was no employee on the roll of the Company during the year under review. Hence, the limits specified in Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended are not applicable and there are no disclosures which are required to be made in this report, in terms of the aforesaid regulations. Further, disclosure relating to the ratio of the remuneration of each director to the median employee's remuneration is also not applicable. The disclosures relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are accordingly not applicable. Even otherwise, no complaint was received in this regard during the year under review.
- The Company has not given any loan, guarantees or made investments during the year under review reportable in terms of Section 186 of the Companies Act, 2013.
- Your Company has not issued equity shares with differential voting rights or under ESOP in terms of Sections 43(a) and 62(1) (b) of the Companies Act, 2013 during the year under review.
- There was no scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of Sec 67(3)(b) of the Companies Act, 2013 during the year under review, as there is no employee on the rolls of the Company.
- No revision of financial statements or Board's Report has been made in terms of Section 131(1) of the Companies Act, 2013. Further, no orders by any regulator/court/tribunal etc. had been passed during the year under review which would adversely affect the operations or going concern status of the Company.

- Your Company has not undertaken any Corporate Social Responsibility initiative as the relevant provisions are not applicable to the Company as per Section 135 of the Companies Act, 2013.
- Provisions for appointment of Independent Directors are not applicable to your Company nor it is covered under clause no. (d), (e) and (p) of sub-section (3) of Sections 134 and Sections 177, 178, 203 and 204 of the Companies Act, 2013.
- The Company does not have or had subsidiaries and associates as defined under the Companies Act, 2013 during the year under review. Further, provision relating to maintenance of cost records in terms of Section 148(1) of the Companies Act, 2013 are not applicable to the Company.
- Neither any application has been made nor any proceeding is pending under Insolvency and Bankruptcy Code, 2016 during the year under review. Further no loan from Bank or financial institution was obtained in the said year and therefore, the provision relating to disclosure of variation in valuation in terms Rule 8 (5) (XII) of the Companies (Accounts) Rules, 2014 is not applicable for the year under review.
- The registered office of the Company has been shifted from First Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 to Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 w.e.f. 29/10/2022 pursuant to Board's decision to this effect on 28/10/2022.

**Acknowledgement**

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

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

Place : New Delhi  
Date : 17/05/2023

S. K. Agarwal  
Director  
DIN: 00106763

K. K. Soni  
Director  
DIN: 00106037

**Annexure-1**

**Annexure to Directors' Report**

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the period ended 31st March 2023.

**CONSERVATION OF ENERGY**

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

**TECHNOLOGY ABSORPTION**

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

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

Place : New Delhi  
Date : 17/05/2023

S. K. Agarwal  
Director  
DIN: 00106763

K.K. Soni  
Director  
DIN: 00106037

**INDEPENDENT AUDITOR'S REPORT**

To the Members of VLS Real Estate Limited

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **VLS Real Estate Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

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

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

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

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

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

**Management's Responsibilities for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and

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

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

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

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv.
      - a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      - b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities

identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For Agiwal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 000181N

**CA P.C. Agiwal**

Partner

Membership Number: 080475

UDIN: 23080475BGWKSF6126

Place: New Delhi

Date: May 17, 2023

**Annexure '1' to the Independent Auditor's Report**

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

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

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(a)(A) of the Order is not Applicable.
  - (B) The Company does not have any Intangible Assets, hence reporting under clause 3(i)(a)(B) of the Order is not Applicable.
  - (b) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(b) of the Order is not Applicable.
  - (c) The Company does not have any immovable property hence reporting under clause 3(i)(c) of the Order is not Applicable.
  - (d) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(d) of the Order is not Applicable.
  - (e) The Company does not have any Property, Plant and Equipment, hence reporting under clause 3(i)(e) of the Order is not Applicable.
- ii.
  - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not Applicable.
  - (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has not made any investment in or provided any loan or advances to, companies, firms, Limited Liability Partnerships and granted unsecured loans to other parties, during the year, hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable to the Company.



- iv. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a) No frauds by the Company and no fraud on the Company has been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Companies Act, 2013. Hence, the provision stated in paragraph 3(xiv) (a) to (b) of the Order is not applicable to the Company.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- xvii. The Company has incurred cash losses of Rs. 5,807/- during the financial year covered under our audit whereas cash loss of Rs. 6,05,559/- in 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. As per our information and explanation given, the company does not fall under the criteria of Section 135 of Companies Act, 2013 for CSR activities. Hence, this clause of report is not applicable to the company.

**For Agiwal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 000181N

**CA P.C. Agiwal**

Partner

Membership Number: 080475

UDIN: 23080475BGWKSF6126

Place: New Delhi

Date: May 17, 2023

**Annexure '2' to the Independent Auditor's Report**

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

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

We have audited the internal financial controls over financial reporting of **VLS Real Estate Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind As financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

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

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

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Agawal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 000181N

**CA P.C. Agawal**

Partner

Membership Number: 080475

UDIN: 23080475BGWKSF6126

Place: New Delhi

Date: May 17, 2023

**Balance Sheet as at 31st March, 2023**

(₹ in lakhs)

	Particulars	Note No.	As at	As at
			31st March, 2023	31st March, 2022
	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>		-	-
			-	-
(2)	<b>Current assets</b>			
	<b>(a) Financial Assets</b>			
	(i) Cash and cash equivalents	3	3.89	3.94
			<b>3.89</b>	<b>3.94</b>
	<b>Total Assets</b>		<b>3.89</b>	<b>3.94</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share capital	4	10.00	10.00
	(b) Other Equity	5	(6.11)	(6.06)
			<b>3.89</b>	<b>3.94</b>
	<b>LIABILITIES</b>			
(1)	(a) Non-current liabilities		-	-
			-	-
(2)	(b) Current Liabilities		-	-
			-	-
	<b>Total Equity and Liabilities</b>		<b>3.89</b>	<b>3.94</b>

Significant Accounting Policies and Notes forming part of Financial Statement

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

For and on behalf of the Board

**P.C. Agawal**  
Partner  
Membership No. 080475

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

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

Place : New Delhi  
Date : 17/05/2023


**Statement of Profit and Loss for the year ended 31st March, 2023**
**Cash Flow Statement for the year ended 31st March, 2023**

		(₹ in lakhs)		
	Particulars	Note No	For the year ended 31st March 2023	For the period ended 31st March 2022
I	Revenue From Operations Total Revenue From Operations (I)		-	-
II	Other Income Total Other Income (II)		-	-
III	Total Income (I+II)		-	-
IV	<b>EXPENSES</b>			
	(i) Other expenses	6	0.05	6.06
	Total expenses (IV)		<b>0.05</b>	<b>6.06</b>
V	Profit/(loss) before exceptional items and tax (I- IV)		(0.05)	(6.06)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		(0.05)	(6.06)
VIII	Tax expense:		-	-
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(0.05)	(6.06)
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	Gain / (Loss) arising on Defined Employee Benefits		-	-
	Gain / (Loss) arising on fair valuation of Investment		-	-
	(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		-	-
	Total (A)		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	Total (B)		-	-
	Total Other Comprehensive Income (A+B)		-	-
XI	Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(0.05)	(6.06)
XII	Earnings per equity share	9		
	(1) Basic		(0.05)	(6.06)
	(2) Diluted		(0.05)	(6.06)

Significant Accounting Policies and Notes forming part of Financial Statement 1-13

As per our report of even date attached

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

**For and on behalf of the Board**

**P.C. Agiwal**  
Partner  
Membership No. 080475

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

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

Place : New Delhi  
Date : 17/05/2023

		(₹ in lakhs)	
	Particulars	For the year ended 31st March 2023	For the period ended 31st March 2022
	<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before taxation	(0.05)	(6.06)
	Adjustment for:		
	Operating profit	(0.05)	(6.06)
	Adjustment for working capital changes		
	Cash generated / (used) from operations	(0.05)	(6.06)
	Direct taxes paid net	-	-
	Net cash generated / (used) from operating activities (A)	(0.05)	(6.06)
	<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Net cash generated / (used) from investing activities (B)	-	-
	<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issued of equity shares	-	(10.00)
	Net cash generated / (used) from financing activities (c)	-	(10.00)
	Net increase / (decrease) in cash and cash equivalents during the year (A + B + C)	0.05	(3.94)
	cash and cash equivalents as at beginning of the year	3.94	(3.94)
	Cash and cash equivalents as at end of the year :	3.89	3.94
	Cash in hand	-	-
	Scheduled bank - In current account	3.89	3.94
	<b>Total</b>	<b>3.89</b>	<b>3.94</b>
	<b>Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no.2.13)</b>		
	Cash and cash equivalents as at end of the year as per above	3.89	3.94
	<b>Total cash and bank balances equivalents as at end of the year</b>	<b>3.89</b>	<b>3.94</b>

Significant Accounting Policies and Notes forming part of Financial Statement 1 to 13

As per our report of even date attached

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

**For and on behalf of the Board**

**P.C. Agiwal**  
Partner  
Membership No. 080475

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

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

Place : New Delhi  
Date : 17/05/2023

**Statement of Changes in Equity for the year ended 31st March, 2023**
**A. Equity Share Capital**  
**Current reporting period**

(₹ in lakhs)

Balance as at 31st March, 2022	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2022	Changes in equity share capital during the current year	Balance as at 31st March, 2023
10.00	-	-	-	10.00

**(2) Previous reporting period\***

(₹ in lakhs)

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

**B. Other Equity**
**Current reporting period**

(₹ in lakhs)

Particulars	Retained Earnings	Other Comprehensive Income		Total
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 1st April, 2022	(6.06)	-	-	(6.06)
Changes in accounting policy/ prior period errors	-	-	-	-
Balance as at 1st April, 2022	(6.06)	-	-	(6.06)
Profit for the year	(0.05)	-	-	(0.05)
Other Comprehensive Income (net of tax)	-	-	-	-
Total comprehensive income for the current year	(0.05)	-	-	(0.05)
Balance as at 31st March, 2023	(6.11)	-	-	(6.11)

**(2) Previous reporting period\***

(₹ in lakhs)

Particulars	Retained Earnings	Other Comprehensive Income		Total
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	
Balance as at 3rd February, 2021	-	-	-	-
Changes in accounting policy/ prior period errors	-	-	-	-
Balance as at 3rd February, 2021	(6.06)	-	-	(6.06)
Profit for the year	-	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	-
Total comprehensive income for the previous year	(6.06)	-	-	(6.06)
Balance as at 31st March, 2022	(6.06)	-	-	(6.06)

\* Company incorporated on 03/02/2021

As per our report of even date attached

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

**For and on behalf of the Board**
**P.C. Agiwal**  
 Partner  
 Membership No. 080475

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

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

 Place : New Delhi  
 Date : 17/05/2023

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**
**1. Corporate Information**

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

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

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

**2.2 Basis of Preparation of Financial Statements**

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

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained

its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The Company is covered in the definition of Real Estate activities AS defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division II of Schedule II to the Companies Act, 2013. The company presents the Balance Sheet. The statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity.

**2.3 Use of Estimates**

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

**2.4 Revenue Recognition and Expenses**

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

**2.5 Expenses**

All expenses are accounted for on accrual basis.

**2.6 Fair value measurement**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

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

**2.7 Financial instruments**

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

**Financial assets**

Initial recognition and measurement

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

**Subsequent measurement**

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

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

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

**Equity investments**

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

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

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

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

**De-recognition**

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

**2.8 Taxes on Income****(a) Current Tax**

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

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

**(b) Deferred Tax**

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

**(₹ in lakhs)**

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

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

**2.9 Impairment of Non-financial Assets**

- No financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
- An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount, costs of disposal and value in use.
- For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash generating units).
- Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**2.10 Provisions, Contingent Liabilities and Contingent Assets**

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

**2.11 Earnings Per Share**

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

**NOTE - 4**
**Share Capital**

Authorised  
50,00,000 Equity Shares of Rs.10/- each

Issued, Subscribed & Paid up  
1,00,000 Equity Shares of Rs.10/- each

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

At the beginning of the year  
Change during the year  
Outstanding at the end of the year

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

**2.12 Cash and Cash Equivalents**

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

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

**2.13 Cash Flow Statement**

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

**2.14 Estimated fair value of unlisted securities**

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

**2.15 Insurance claims and liquidated damages**

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

**2.16 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.

PARTICULARS	(₹ in lakhs)	
	As at 31st March, 2023	As at 31st March, 2022

**Note - 3 Cash and Cash Equivalents**
**Cash & Bank Balances**

Cash on hand	-	-
<b>Balance with Bank</b>		
In current account	3.89	3.94
<b>Total</b>	<b>3.89</b>	<b>3.94</b>

(Shares in Nos. and ₹ in lakhs)		
	As at 31st March, 2023	As at 31st March, 2022
	500.00	500.00
	<b>500.00</b>	<b>500.00</b>
	10.00	10.00
	<b>10.00</b>	<b>10.00</b>

As at 31st March, 2023		As at 31st March, 2022	
No. of shares	₹ in lakhs	No. of Shares	Rupees
100,000	10.00	-	-
-	-	100,000	10.00
<b>100,000</b>	<b>10.00</b>	<b>100,000</b>	<b>10.00</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 Contd...**

(₹ in lakhs)

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

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

**c. Shares held by holding company**

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
VLS Finance Ltd. (including 6 shares held through its 6 nominees)	100,000	100,000

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

Particulars	No. of shares	% of holding	No. of shares	% of holding
VLS Finance Ltd. (including 6 shares held through its 6 nominees)	100,000	100.00	100,000	100.00
Outstanding at the end of the year	<b>100,000</b>	<b>100.00</b>	<b>100,000</b>	<b>100.00</b>

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

Particulars	As at 31st March, 2023		% Change during the year
	No. of shares held	% of holding	
VLS Finance Ltd. (including 6 shares held through its 6 nominees)	1,00,000	100.00	-
<b>Total</b>	<b>1,00,000</b>	<b>100.00</b>	-

**Shareholding of promoters as at 31st March, 2022**

Particulars	As at 31st March, 2022		% Change during the year
	No. of shares held	% of holding	
VLS Finance Ltd. (including 6 shares held through its 6 nominees)	1,00,000	100.00	-
<b>Total</b>	<b>1,00,000</b>	<b>100.00</b>	-

\* Company incorporated on 03/02/2021

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**
**Note 5 : Other Equity** (₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Retained earnings</b>		
Balance at the beginning of the period	(6.06)	-
Add: Profit/(loss) during the period	(0.05)	(6.06)
<b>Balance as at end of the period</b>	<b>(6.11)</b>	<b>(6.06)</b>
<b>TOTAL</b>	<b>(6.11)</b>	<b>(6.06)</b>

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

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

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

(₹ in lakhs)

PARTICULARS	For the year ended 31st March, 2023	For the period ended 31st March, 2022
<b>Note - 6 Other Expenses</b>		
Filing Charges	0.05	0.01
Preliminary Expense	-	6.02
Miscellaneous expense	0.00	0.03
<b>Total</b>	<b>0.05</b>	<b>6.06</b>

**Note 7 Deferred Tax Liability/ Deferred Tax Asset**

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

**Note 8 Related Party Disclosures:**

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

- I. Subsidiaries where control exist
  - Fellow Subsidiaries
    - 1) VLS Securities Limited
    - 2) VLS Asset Management Limited

- II. Others - VLS Capital Ltd. (Associate of fellow subsidiary viz. VLS Securities Ltd.)
- III. Related Parties with whom there were transactions during the year.
  - a) Related party where control exist
    - Holding Company - VLS Finance Ltd.

(₹ in lakhs)

Name of Related Party	Relationship	Nature of Transaction	For the year ended 31st March 2023 #	For the year ended 31st March 2022 #
VLS Finance Limited	Holding Company	Subscription of capital	-	10.00
		<b>Dues to Holding Company</b>		
		Opening Balance	-	-
		Reimbursement of Expenses	0.05	-
		Closing Balance	-	-

**# Notes:**

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

i) Key Managerial Personnel – N.A.

**Note 9 Earnings per Share (Ind AS 33)**

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

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

**Statement of Profit and Loss for the period ended 31st March, 2023**
**(₹ in lakhs)**

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

**(₹ in lakhs)**

Profit attributable to equity holders of the Company:	For the year ended 31/03/2023	For the period ended 31/03/2022
Continuing operations (₹ in lakhs)	(0.05)	(6.06)
Profit attributable to equity holders for basic earnings	-	-
Dilution effect	-	-
Profit attributable to equity holders adjusted for dilution effect (₹ in lakhs)	(0.05)	(6.06)
Weighted Average number of equity shares (in lakhs) used for computing Earning Per Share (Basic & Diluted) *	1.00	1.00
<b>Earnings Per Share (Basic &amp; Diluted) (in Rs.)</b>	<b>(0.05)</b>	<b>(6.06)</b>

**Note 10: Other Financial Information**

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

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

Particulars	31 March 2023	31 March 2022
Principal amount remaining unpaid to any supplier as at the period end.	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

**Part B**

S No	Particulars	Numerator (Rs. in Lakhs)	Denominator (Rs. in Lakhs)	As at 31st Mar 2023 Ratio	As at 31st Mar 2022 Ratio	% Change from previous period in Current Year	Reason for Change in Current Year (if Change > 25 %)
1	2	3	4	5 = 3 / 4	6	7 = (6 - 5) / 6	8
1	Return on equity (PAT / Equity) (%)	(0.05)	10.00	(0.48)	(60.56)	99.21	There is favourable increase in the ratio due to reduction in the expenses during the current year. In the previous year company incorporation expenses has been incurred, being the first year of the company.
2	Return on Assets (PAT / Total Assets) (%)	(0.05)	3.89	(1.24)	(153.52)	99.19	Same as above
3	Current Ratio (Cash, Bank, Receivables & Other Fin. Assets) / (Financial Liabilities) (times)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

**Note 11: Commitments and contingencies**
**a. Commitments:**

Particulars	31 March 2023	31 March 2022
(a) Estimated amount of contracts remaining to be executed on Capital Account.	Nil	Nil
(b) Uncalled liability on shares and other investments partly paid	Nil	Nil

**b. Contingent liabilities**

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

**Note 12: Impact of COVID-19 on Going Concern Assumption**

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

**13 a) Key Ratio**
**Part A**

S No	Particulars	As At 31st Mar 2023	As At 31st Mar 2022
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.



- b) Since, the Company does not have any trade receivables/ trade payable as on March 31, 2023, and March 31, 2022, the disclosure relating to trade receivables ageing schedule has been dispensed with.
- c) No loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either severally or jointly with any other person during the financial years ended March 31, 2023, and March 31, 2022.
- d) The Company did not have any transactions with the Companies struck-off under Section 248 of the Companies Act, 2013 during the financial years ended March 31, 2023, and March 31, 2022.
- e) The Company does not have any subsidiaries, hence provisions of section 2(87) of the Companies Act, 2013 are not applicable on the Company.
- f) There are no intangible assets under development as on 31<sup>st</sup> March 2023 as well as 31<sup>st</sup> March 2022.
- g) There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statements.
- h) No business activity could be taken up during the financial years ended March 31, 2023, and March 31, 2022. The Company is still exploring the business avenues available to it. Hence there is no separate reportable segments identified as per the Ind AS 108 - Operating segments. Further the Company does not have any reportable geographical segment. Hence segment-wise reporting has not been made.
- i) During the financial years ended March 31, 2023, and March 31, 2022, the company does not have any its property, plant and Equipment.
- j) During the financial years ended March 31, 2023, and March 31, 2022, the company does not have any property where the Company is a lessee.
- k) The Company has not been sanctioned working capital limits from Banks/financial Institutions during the financial years ending March 31, 2023, and March 31, 2022. Therefore, during the financial years ending March 31, 2023, and March 31, 2022, the company is not required to file the Quarterly return/ statements of current assets with banks and financial institutions.
- l) During the financial years ended March 31, 2023, and March 31, 2022, no Scheme of Arrangements related to the company has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- m) Utilisation of Borrowed funds and share premium: -
- a) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- i. Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- n. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.
- o. The Company has not been declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.
- p. There is no creation or satisfaction of charges which are pending to be filed with ROC as at 31 March 2023 and 31 March 2022.
- q. The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023 and March 31, 2022.
- r. The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). No previously unrecorded income and related assets have been recorded in the books of account during the year.
- s. The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2023 and March 31, 2022.
- t. The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April 2014. The provisions of the said section in not applicable the Company during the financial year 2021-22 & 2022-23.
- u. There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2023 and March 31, 2022.
- v. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure and rounding off errors have been ignored further Previous year figures have been shown in brackets.
- w. The amounts reflected as "0" or "-" in the financial information are values with less than rupees five hundred. All amounts have been rounded to the nearest lakhs up to two decimal places, unless otherwise stated.

As per our report of even date attached

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

For and on behalf of the Board

**P. C. Agiwal**  
Partner  
Membership No.080475

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

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

Place: New Delhi  
Date: 17/05/2023

**INDEPENDENT AUDITOR'S REPORT**
**To The Members of VLS Finance Limited**
**Report on the Consolidated Financial Statements**
**Opinion**

We have audited the accompanying consolidated financial statements of VLS Finance Limited ("the Company") and its subsidiaries and associate (the Company and its subsidiaries and associate company together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, consolidated profit, consolidated total comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

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

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information

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

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

**Management's Responsibility for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the company's financial reporting process of the group.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that

## CONSOLIDATED FINANCIAL STATEMENTS

is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

1. We did not audit the financial statements/financial information of the subsidiary company (namely VLS Securities Limited) whose financial statements reflect total assets of Rs. 1,45,390.21 lakh and net assets of Rs. 1,12,116.34 Lakhs at 31st March 2023, total revenues of Rs. 635.69 lakh, total net profit after tax of Rs. 249.40 lakh and total comprehensive income of Rs. 24,935.73 lakh and net cash flows amounting to Rs. (6.31) lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax and total comprehensive income of Rs. 103.80 lakh and Rs. 106.33 lakh for the year ended 31.03.2023 as considered in the consolidated financial statements, in respect of one associate viz. VLS Capital Limited, whose financial statements/financial information have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub section 3 of section 143 of the Act, including report on other information in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.
2. There have been no qualification or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statement. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to Holding Company.

Our opinion on the consolidated financial statements and on our report on the Other Legal and Regularity Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that to the extent applicable:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other Auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Change in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose

**CONSOLIDATED FINANCIAL STATEMENTS**

- of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors of the Holding Company as on 31 March, 2023, taken on record by the Board of Directors of the Holding Company and the reports of the statutory Auditors of its subsidiary companies and its associate company namely VLS Capital Ltd. incorporated in India, none of the directors of the Holding Company, its subsidiary companies and the associate company incorporated in India is disqualified as on 31 March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- g) With respect to the adequacy of the Internal Financial Controls over the Financial Reporting of the company and operating effectiveness of such controls, refer to our Report in Annexure A, which is based on the auditor's report of the Holding Company, the two subsidiary companies and one associate company incorporated in India. Our report express an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of Holding company, both subsidiary companies and VLS Capital Ltd., as associate company incorporated in India.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- (i) The Group has informed & explained to us that pending litigations has no adverse effect on its financial position in its standalone financial statements as at 31st March, 2023.
- (ii) The Group has made provisions as at 31st March, 2023, as required under the applicable law or accounting standards, for foreseeable losses, if any, on long term contracts including derivative contracts.
- (iii) There were no amounts, which were required to be transferred, to the Investors Education and Protection Fund by the Holding Company, its subsidiary companies and associate company namely VLS Capital Ltd., incorporated in India.
- (iv) (a) The respective Managements of the Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective Managements of the Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The final dividend paid by the Company during the year declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

**For Agiwal & Associates**

Chartered Accountants  
(FRN: 000181N)

**CA P. C. Agiwal**

Partner  
M. No. 080475  
Place: New Delhi  
Date: May 27, 2023  
UDIN: 23080475BGWKS1163

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of **VLS Finance Limited** ("the Company"), its subsidiary companies and associate, which are companies

## CONSOLIDATED FINANCIAL STATEMENTS

incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Consolidated financial statements.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with

generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanation given to us, the Company, its subsidiary companies and associate company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For Agiwal & Associates

Chartered Accountants  
(FRN: 000181N)

### CA P. C. Agiwal

Partner  
M. No. 080475  
Place: New Delhi  
Date: May 27, 2023  
UDIN: 23080475BGWKS1163

**CONSOLIDATED FINANCIAL STATEMENTS****VLS FINANCE LTD.****Consolidated Balance sheet as at 31st March, 2023**

(Rupees in Lakhs)

Particulars	Note No.	As at 31st Mar 2023	As at 31st Mar 2022
<b>ASSETS</b>			
<b>1 Financial Assets</b>			
(a) Cash and cash equivalents	4	4,451.91	7,363.88
(b) Bank Balance other than (a) above	5	1,518.74	444.81
(c) Receivables	6		
(I) Trade Receivables		1,834.47	119.94
(II) Other Receivables		349.58	348.93
(d) Loans	7	814.42	807.29
(e) Investments	10	2,75,051.99	3,43,393.72
(f) Other Financial assets	8	11,274.02	11,878.71
<b>Total (1)</b>		<b>2,95,295.13</b>	<b>3,64,357.28</b>
<b>2 Non-financial Assets</b>			
(a) Current tax assets (Net)	9	1,390.82	813.57
(b) Investment Property	51	6,651.46	70.94
(c) Property, Plant and Equipment	11a	2,528.73	2,724.12
(d) Capital work-in-progress	11b	-	6.98
(e) Other Intangible assets	11c	0.18	0.68
(f) Other non-financial assets	12	417.00	525.65
<b>Total (2)</b>		<b>10,988.19</b>	<b>4,141.94</b>
<b>Total Assets (1+2)</b>		<b>3,06,283.32</b>	<b>3,68,499.22</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
(a) Payables			
(I) Trade Payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		10.14	488.94
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		33.51	59.74
(b) Borrowings (Other than Debt Securities)	14	68.75	91.33
(c) Other financial liabilities	15	332.50	255.84
<b>Total (1)</b>		<b>444.90</b>	<b>895.85</b>
<b>2 Non-financial Liabilities</b>			
(a) Current tax liabilities (Net)		-	-
(b) Provisions	16	339.76	100.06
(c) Deferred tax liabilities (Net)	18	55,300.38	70,926.60
(d) Other non-financial liabilities	17	138.87	44.61
<b>Total (2)</b>		<b>55,779.01</b>	<b>71,071.27</b>
<b>3 EQUITY</b>			
(a) Equity Share capital	19	3,535.00	3,878.42
Non Controlling Interest		0.06	0.06
(b) Other Equity	20	2,46,524.49	2,92,653.76
Non Controlling Interest		(0.14)	(0.14)
<b>Total (3)</b>		<b>2,50,059.41</b>	<b>2,96,532.10</b>
<b>Total Liabilities and Equity (1+2+3)</b>		<b>3,06,283.32</b>	<b>3,68,499.22</b>
Accompanying Notes are an integral part of the Financial statements.		1-60	

As per our report of even date attached  
For Agiwal & Associates  
Chartered Accountants  
(Firm's Registration Number: 000181N)

CA P. C. Agiwal  
Partner  
Membership No.080475  
New Delhi  
Date: 27th May 2023  
UDIN: 23080475BGWKS1163

For and behalf of the Board

S.K.Agarwal  
Managing Director  
DIN: 00106763

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

M.P.Mehrotra  
Executive Vice Chairman  
DIN: 00016768

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

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2023**

(Rupees in Lakhs)

	Particulars	Note No	Year ended 31.03.2023	Year ended 31.03.2022
I	<b>Revenue From Operations</b>			
	(i) Interest Income	21	1,091.28	944.58
	(ii) Dividend Income	22	1,390.72	1,200.08
	(iii) Net gain/(loss) on fair value changes	23	5,430.16	20,069.36
	(iv) Other Operating Income	24	293.97	719.13
	<b>Total Income from operations (Total I)</b>		<b>8,206.13</b>	<b>22,933.15</b>
II	Other Income	25	234.17	301.30
	<b>Total Other Income (Total II)</b>		<b>234.17</b>	<b>301.30</b>
III	<b>Total Income (I+II)</b>		<b>8,440.30</b>	<b>23,234.45</b>
IV	<b>EXPENSES</b>			
	Employee benefits expense	26	666.00	581.22
	Finance costs	27	15.21	3.24
	Depreciation and amortization expense	28	426.20	147.58
	Other expenses	29	1,530.21	1,500.47
	<b>Total expenses (IV)</b>		<b>2,637.62</b>	<b>2,232.51</b>
V	<b>Profit/(Loss) before exceptional items and tax (III- IV)</b>		<b>5,802.68</b>	<b>21,001.94</b>
VI	Exceptional Items		-	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>		<b>5,802.68</b>	<b>21,001.94</b>
VIII	Tax (expense)/credit (net):	42		
	(1) Current tax		(658.60)	(3,182.18)
	(2) Tax adjustment for earlier Year		60.09	-
	(3) Deferred tax		392.91	3,202.69
	<b>Total Tax expenses (VIII)</b>		<b>(205.60)</b>	<b>20.51</b>
IX	<b>Profit / (Loss) for the period (VII+VIII)</b>		<b>5,597.08</b>	<b>21,022.45</b>
X	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	Gain / (Loss) arising on Defined Employee Benefits			
	- Remeasurement of Defined Employee Benefits		(29.21)	14.91
	Gain / (Loss) arising on fair valuation of Investment		(60,494.76)	44,184.61
	(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		15,233.31	(11,120.89)
	Total (A)		<b>(45,290.66)</b>	<b>33,078.63</b>
	B (i) Items that will be reclassified to profit or loss			
	Total (B)		-	-
	<b>Total Other Comprehensive Income (A+B)</b>		<b>(45,290.66)</b>	<b>33,078.63</b>
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		<b>(39,693.58)</b>	<b>54,101.07</b>
	<b>Profit for the year attributable to:</b>			
	Owners of parent		<b>5,597.08</b>	<b>21,020.52</b>
	Non-Controlling interest		<b>(0.00)</b>	<b>1.93</b>
	<b>Other Comprehensive Income for the year attributable to:</b>			
	Owners of parent		<b>(45,290.66)</b>	<b>32,956.58</b>
	Non-Controlling interest		-	<b>122.05</b>
	<b>Total Comprehensive Income for the year attributable to:</b>			
	Owners of parent		<b>(39,693.58)</b>	<b>53,977.10</b>
	Non-Controlling interest		<b>(0.00)</b>	<b>123.97</b>
XII	<b>Earnings per equity share (Face value Rs.10/-per equity share)</b>	30		
	(1) Basic (in Rupees)		<b>14.49</b>	<b>54.37</b>
	(2) Diluted (in Rupees)		<b>14.49</b>	<b>54.37</b>
	Accompanying Notes are an integral part of the Financial statements.	1-60		

As per our report of even date attached  
For Agiwal & Associates  
Chartered Accountants  
(Firm's Registration Number: 000181N)

CA P. C. Agiwal  
Partner  
Membership No.080475  
New Delhi  
Date: 27th May 2023  
UDIN: 23080475BGWKS1163

For and behalf of the Board

S.K.Agarwal  
Managing Director  
DIN: 00106763

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

M.P.Mehrotra  
Executive Vice Chairman  
DIN: 00016768

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

**CONSOLIDATED FINANCIAL STATEMENTS**
**Consolidated Statement of Changes in Equity for the year ended 31 March 2023**
**A.1 Equity Share Capital <sup>(\*)</sup>**
**(Rupees in Lakhs)**

Particulars	Equity share capital	
	Number of shares (**)	Amount (**)
As at 31 March 2021	3,86,62,017	3,878.42
Changes in equity share capital during the year	-	-
As at 31 March 2022	3,86,62,017	3,878.42
Shares Extinguished on Buyback of Equity Shares <sup>§</sup>	(3,434,235)	(343.42)
As at 31 March 2023	3,52,27,782	3,535.00

**\*\* Equity share capital amount includes Rs.12.22 Lakhs being the amount forfeited on 4,67,500 equity shares.**
**A.2 Equity Share Capital - Non Controlling Interest <sup>(\*)</sup>**
**(Rupees in Lakhs)**

Particulars	Number of shares	Amount
	As at 31 March 2021	1,00,600
Changes in equity share capital during the year	(1,00,000)	(10.00)
As at 31 March 2022	600	0.06
Changes in equity share capital during the year	-	-
As at 31 March 2023	600	0.06

**(B) Other equity <sup>(\*)</sup>**

PARTICULARS	Owners of parent							Non Controlling Interest		Total
	Reserves and surplus				Other Comprehensive Income			Reserves and surplus	Other Comprehensive Income	
	General Reserve	Securities Premium Account(*)	Capital Redemption Reserve account (#, \$)	Retained Earning	FVTOCI reserve	Re-measurement of Defined Benefits	Total	Non-Controlling Interest	Non-Controlling Interest (Subsidiaries)	
At March 31, 2021	3,573.29	9,627.48	113.30	63,074.52	1,62,878.76	(9.56)	2,39,257.78	3.15	354.70	357.85
Profit for the period	-	-	-	20,785.93	-	-	20,785.93	1.93	-	1.93
Consolidation adjustment for Associates	-	-	-	234.59	0.30	(0.43)	234.46	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	-	32,945.23	11.48	32,956.71	-	122.05	122.05
<b>Total Comprehensive Income for the period</b>	-	-	-	<b>21,020.53</b>	<b>32,945.53</b>	<b>11.05</b>	<b>53,977.11</b>	<b>1.93</b>	<b>122.05</b>	<b>123.97</b>
Transfer from FVTOCI to Retained Earnings	-	-	-	10,668.55	(10,668.55)	-	-	-	-	-
Adjustment for changes in Non Controlling ownership Interests	-	-	-	(1.20)	-	-	(1.20)	(5.21)	(476.75)	(481.96)
Cash Dividend <sup>(%)</sup>	-	-	-	(579.93)	-	-	(579.93)	-	-	-
As at 31st Mar 2022	3,573.29	9,627.48	113.30	94,182.46	1,85,155.74	1.49	2,92,653.76	(0.14)	-	(0.14)

**(Rupees in Lakhs)**

PARTICULARS	Owners of parent							Non Controlling Interest		Total
	Reserves and surplus				Other Comprehensive Income			Reserves and surplus	Other Comprehensive Income	
	General Reserve	Securities Premium Account(*)	Capital Redemption Reserve account (#, \$)	Retained Earning	FVTOCI reserve	Re-measurement of Defined Benefits	Total	Non-Controlling Interest	Non-Controlling Interest (Subsidiaries)	
As at 31st Mar 2022	3,573.29	9,627.48	113.30	94,182.46	1,85,155.74	1.49	2,92,653.76	(0.14)	-	(0.14)
Profit for the period	-	-	-	5,493.28	-	-	5,493.28	(0.00)	-	(0.00)
Consolidation adjustment for Associates	-	-	-	103.80	2.47	0.07	106.34	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	-	(45,271.29)	(21.91)	(45,293.20)	-	-	-
<b>Total Comprehensive Income for the period</b>	-	-	-	<b>5,597.08</b>	<b>(45,268.82)</b>	<b>(21.84)</b>	<b>(39,693.58)</b>	<b>(0.00)</b>	-	<b>(0.00)</b>
Transfer from FVTOCI to Retained Earnings	-	-	-	998.71	(998.71)	-	-	-	-	-
Buyback of Equity Shares <sup>§</sup>	-	(5,855.76)	343.42	(343.42)	-	-	(5,855.76)	-	-	-
Cash Dividend <sup>(%)</sup>	-	-	-	(579.93)	-	-	(579.93)	-	-	-
As at 31st Mar 2023	3,573.29	3,771.72	456.72	99,854.90	1,38,888.21	(20.35)	2,46,524.49	(0.14)	-	(0.14)

**Notes:**

(\*) Of the above amount of ₹ 9627.48 lakh, an amount of ₹ 474.34 lakh is relating to share premium received on forfeited shares.

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

(#) Transfer from the Retained Earning to the Capital Redemption Reserve towards nominal value of 11,32,983 fully paid up Equity Shares of ₹ 10/-each bought back for the first time on 11/02/2014 for cash.

(§) Pursuant to the public announcement dated 07th-Jan-2023 in respect of second time buy back of shares from the open market through stock exchange mechanism as prescribed under SEBI (Buy Back of Securities) Regulations, 2018 and other applicable regulations, the Buy back of shares commenced on 16th Jan 2023 and will remain open till 14-July-2023 unless closed earlier. The Company bought back a total of 34,34,235 equity shares from the open market as at the end of 31-Mar-2023. A total sum of ₹ 6,199.18 lakhs was utilised on the shares bought back till 31st Mar 2023. Consequently the total number of paid up equity shares of the company (of ₹ 10/- nominal value per share) reduced from 3,86,62,017 equity shares to 3,52,27,782 equity shares as at the end of 31-Mar-2023. The consideration of ₹ 6,199.18, lakhs paid towards buy-back of equity shares till 31st Mar 2023 is adjusted against share capital to the extent of ₹ 343.42 lakhs and against the share premium to the extent of ₹ 5,855.76 lakhs. Further consequent to the aforesaid buyback of 34,34,235 fully paid up Equity Shares of ₹ 10/- each as at the end of 31-Mar-2023 for cash, the nominal amount of shares capital bought-back of ₹ 343.42 lakhs has been transferred to the Capital Redemption Reserve from out of the Retained Earning.

(^) Dividends include an amount of ₹ 1.50 per equity share towards the dividend for the year ended March 31, 2021, paid during the year ended March 31, 2022, amounting to ₹ 579.93 lakhs.

(%) Dividends include an amount of ₹ 1.50 per equity share towards the dividend for the year ended March 31, 2022, paid during the year ended March 31, 2023 amounting to ₹ 579.93 lakhs.

Accompanying Notes are an integral part of the Financial statements.

As per our report of even date attached  
For Agiwal & Associates  
Chartered Accountants  
(Firm's Registration Number: 000181N)

CA P. C. Agiwal  
Partner  
Membership No.080475

New Delhi  
Date: 27th May 2023

For and behalf of the Board

S.K.Agarwal  
Managing Director  
DIN: 00106763

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

M.P.Mehrotra  
Executive Vice Chairman  
DIN: 00016768

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

**CONSOLIDATED FINANCIAL STATEMENTS****VLS FINANCE LTD.****Consolidated Cash Flow Statement for the year ended 31.03.2023**

(Rupees in lakhs)

Particulars	Consolidated	
	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,802.68	21,001.94
<b>Adjustment for:</b>		
Depreciation	426.21	147.58
Interest Income	(45.66)	(35.95)
Loss/(Profit) on sale of Property, plant and equipment	3.54	0.36
Share of profit of Associates	(103.80)	(234.59)
Dividend Income	(1,390.72)	(1,200.08)
Actuarial gain / (loss) on Defined Employee Benefits	(29.28)	15.34
Provision for unspent expenditure on Corporate Social Responsibility	200.76	-
Provision for Employee Benefits	38.94	(6.64)
	(900.01)	(1,313.98)
<b>Operating profit</b>	<b>4,902.67</b>	<b>19,687.97</b>
<b>Adjustment for working capital changes</b>		
1) Increase / (decrease) in borrowings	(22.53)	91.36
2) Increase / (decrease) in other financial liabilities	(10.13)	105.72
3) Increase / (decrease) in trade payables	(529.65)	590.76
4) Increase / (decrease) in Other payables	(24.60)	27.86
5) (Increase) / decrease in loans	(7.13)	6.63
6) Increase / (decrease) in other non- financial liabilities	69.44	6.65
7) (Increase) / decrease in other financial assets	604.69	(2,113.71)
8) (Increase) / decrease in other non financial asset	157.84	197.53
9) (Increase) / decrease in trade receivables	(1,714.53)	76.49
10) (Increase) / decrease in other receivables	(0.65)	0.08
11) (Increase) / decrease in Bank Balance other than cash and cash equivalents	(1,518.75)	-
12) Increase / (decrease) in current tax assets/liabilities	(623.04)	990.00
<b>Cash generated / (used) from operations</b>	<b>1,283.63</b>	<b>19,667.34</b>
Direct taxes paid (net)	(552.71)	(3,203.20)
<b>Net cash generated / (used) from operating activities (A)</b>	<b>730.92</b>	<b>16,464.14</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / decrease on investments (net)	7,950.82	(18,663.73)
Sale/(Purchase) of Property, plant and equipment (net)	(233.87)	(2,006.34)
Sale/(Purchase) of Investment Property	(6,580.52)	-
Capital work in progress	6.98	921.43
Interest received on fixed deposits	45.66	35.95
Security Deposit Received	111.62	-
Dividend Income	1,390.72	1,200.08
<b>Net cash generated / (used) from investing activities (B)</b>	<b>2,691.41</b>	<b>(18,512.61)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Acquisition of minority interest	-	(493.16)
Buyback of Equity Shares	(6,199.18)	-
Dividend paid (including Dividend distribution tax)	(579.93)	(579.93)
<b>Net cash generated / (used) from financing activities (C)</b>	<b>(6,779.11)</b>	<b>(1,073.09)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (A + B + C)</b>	<b>(3,356.79)</b>	<b>(3,121.56)</b>
<b>Cash and cash equivalents as at beginning of the year :</b>	<b>7,808.70</b>	<b>10,930.26</b>
<b>Cash and cash equivalents as at end of the year :</b>	<b>4,451.91</b>	<b>7,808.70</b>
Cash in hand	5.85	4.79
Scheduled bank - In current account	113.07	81.81
Fixed Deposit with Banks	-	314.79
In Liquid Funds	4,332.99	7,256.16
Scheduled Bank - Unpaid Dividend Account	-	151.15
<b>Total</b>	<b>4,451.91</b>	<b>7,808.70</b>
<b>Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 and 5)</b>		
Cash and cash equivalents as at end of the year as per above	118.92	86.60
Add:- Fixed deposit with banks	-	314.79
Add:- In Liquid Funds	4,332.99	7,256.16
Add:- Unpaid dividend account	-	151.15
<b>Total cash and bank balances equivalents as at end of the year</b>	<b>4,451.91</b>	<b>7,808.70</b>

Accompanying Notes are an integral part of the Financial Statements.  
As per our report of even date attached

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

CAP. C. Agiwal  
Partner  
Membership No.080475  
New Delhi

Date: 27th May 2023

For and behalf of the Board

S.K.Agarwal  
Managing Director  
DIN: 00106763

M.P.Mehrotra  
Executive Vice Chairman  
DIN: 00016768

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

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

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes forming part of Consolidated Financial Statement for the year ended March 31, 2023**
**Note 1: Corporate information**

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

**Note 2: Significant accounting policies**

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

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

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

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

**ii) Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group and its subsidiaries.

**Subsidiaries**

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group. Inter-Group transactions, balances and unrealised gains on transactions between Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

These financial statements are prepared by applying uniform accounting policies in use at the group.

**Associates**

Associates are the entities over which the Group has significant influence. Investment in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

**The Subsidiaries and Associate considered in the Consolidated Financial Statements are as under:**

Name of the Entity	Proportion of Ownership Interest March 31, 2023	Proportion of Ownership Interest March 31, 2022	Country of Incorporation
<b>(a) Subsidiaries</b>			
VLS Securities Limited	100.00%	100.00%	India
VLS Asset Management Limited	99.15%	99.15%	India
VLS Real Estate Limited *	100.00%	100.00%	India
<b>(b) Associates</b>			
VLS Capital Limited	42.40%	42.40%	India

\*Incorporated on 03-02-2021

The consolidated financial statement includes the audited financials for the year ended on 31.03.2023 of the subsidiaries VLS Securities Limited (100%), VLS Asset Management Limited (99.15%) and VLS Real Estate Limited (100%) which got incorporated on 03.02.2021. The financials of VLS Capital Ltd for the same period have been consolidated as an associate under equity method of accounting. The financials of Sunair Hotels Limited (Sunair) are not included in these consolidated financial statements as it does not fall under the definition of an associate as per Ind AS-28 due to absence of significant influence on account of ongoing disputes between the Company and Sunair, hence excluded from consolidation of financial statement for both the years. Accordingly, not included in other disclosures including related party disclosures.

**iii) Historical cost convention**

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

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

**(iv) Preparation of financial statements**

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity.

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes forming part of Consolidated Financial Statement for the year ended March 31, 2023

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

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

**2.2 Revenue Recognition**

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

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

**(i) Brokerage fee income**

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

**(ii) Interest income**

Interest income from financial assets is recognized on accrual basis.

**(iii) Dividend income**

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

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

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

**2.3 Income Tax**

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

**2.3.1 Current Tax**

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

**2.3.2 Deferred Tax**

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

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

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

**2.4 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly

## CONSOLIDATED FINANCIAL STATEMENTS

### Notes forming part of Consolidated Financial Statement for the year ended March 31, 2023

liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 2.5 Cash flow statement

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

#### 2.6 Financial instruments

##### (i). Initial recognition and measurement:

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

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

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

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

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

##### (ii). Fair value of financial instruments:

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 36.

#### 2.6.1. Financial assets

##### (i). Classification and subsequent measurement

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

- Fair value through profit or loss (FVTPL):

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

- Fair value through other comprehensive income (FVTOCI):

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

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

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

- Amortised cost:

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

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

##### (ii). Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes forming part of Consolidated Financial Statement for the year ended March 31, 2023**

that evidence a residual interest in the issuer's net assets.

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

**(iii). Investments in mutual funds**

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

**(iv). Impairment**

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

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

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

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

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

**(v). Derecognition**

A financial asset is derecognised only when:

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

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

of the financial asset, the financial asset is not derecognised.

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

**7.7 Financial liabilities**
**(i). Initial recognition and measurement**

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

**(ii). Subsequent measurement**

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

**(iii). Derecognition**

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

**Offsetting financial instruments**

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

**2.8 Property, plant and equipment**

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

## CONSOLIDATED FINANCIAL STATEMENTS

Notes forming part of Consolidated Financial Statement for the year ended March 31, 2023

### (ii). Depreciation methods, estimated useful lives and residual value

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

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

### (iii). Assets Useful life

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

Furniture and Fixtures: 10 years

Office Equipment: 5 years

Computers: 3 years/Servers: 6 years

Vehicles: 8 to 10 years

Buildings:60 years

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

### (v). Derecognition:

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

## 2.9 Intangible Assets

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

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

### Amortisation

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

Intangible asset	Useful life / amortization period
Computer Software	5 Years

## 2.10 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the group for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. 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 shareholders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

## CONSOLIDATED FINANCIAL STATEMENTS

Notes forming part of Consolidated Financial Statement for the year ended March 31, 2023

### b) Diluted earnings per share

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

### 2.14 Leases

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

#### As a lessor

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

### 2.15 Foreign exchange transactions

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

### 2.16 Borrowing costs

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

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

### 2.17 Retirement and other employee benefits

#### (i). Short- term employee benefits

Employee benefits payable wholly within twelve months of availing employee services are classified as short-term employee benefits. These benefits include salaries and

wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits such as salaries and wages, bonus and ex-gratia to be paid in exchange of employee services are recognized in the period in which the employee renders the related service.

#### (ii). Post-employment benefits

##### (ii)(a). Defined contribution plans:

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

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

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

##### (ii)(c). Compensated absences

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

### Note 3. Key accounting estimates and Judgments

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

- (a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes forming part of Consolidated Financial Statement for the year ended March 31, 2023**

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

**Notes to the Consolidated Financial Statements for the year ended 31.03.2023**

		(Rupees in Lakhs)	
NOTE NO.	PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022
<b>4</b>	<b>Cash and cash equivalents</b>		
	a) Cash on hand	5.85	4.79
	b) Balances with Banks		
	-In Current Accounts	113.07	81.81
	-In Deposits Accounts	-	20.20
	(Original Maturity of Less than or equal to 3 months)		
	c) Interest accrued on Fixed Deposits	-	0.93
	d) Liquid Funds	4,332.99	7,256.16
	<b>Total</b>	<b>4,451.91</b>	<b>7,363.88</b>
<b>5</b>	<b>Bank Balance other than cash and cash equivalents</b>		
	a) Fixed deposits with bank (Refer note below)	324.54	293.66
	(Original Maturity of more than 3 months and less than or equal to 12 months) **		
	b) Fixed deposits with bank (Maturity more than 12 months) **	502.77	-
	c) Bank balances in Unpaid dividend accounts	184.44	151.15
	d) Bank balances in Buyback Account	1.68	-
	e) Fixed deposits with bank earmarked for Buyback of shares #	505.32	-
	<b>Total</b>	<b>1,518.75</b>	<b>444.81</b>
	<i>Note : * Pledged with banks as security for overdraft facility</i>		
	<i># Balance of fixed deposits also include interest accrued on fixed deposit</i>		
<b>6</b>	<b>Receivables <sup>(1)</sup></b>		
	<b>I) Trade Receivables</b>		
	<b>Unsecured, considered good</b>		
	a) Receivable from share brokers	1,833.55	104.09
	b) Others	0.92	15.85
	<b>Total</b>	<b>1,834.47</b>	<b>119.94</b>
	<b>II) Other Receivables</b>		
	<b>Secured, considered good</b>		
	Interest accrued	374.23	373.66
	Allowance for Expected credit losses on Interest accrued	(25.00)	(25.00)
	<b>Unsecured, considered good</b>		
	a) Interest accrued	0.35	0.27
	<b>Total</b>	<b>349.58</b>	<b>348.93</b>

1) Pl. refer Note No 45: Ageing of Trade & Other Receivables

**CONSOLIDATED FINANCIAL STATEMENTS**

Notes to the Consolidated Financial Statements for the year ended 31.03.2023

(Rupees in Lakhs)

NOTE NO.	PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022
7	<b>Loans</b> (Unsecured and considered good)		
	a) Loan to employees (including deferred cost) <sup>(2)</sup>	14.42	7.29
	b) Others	800.00	800.00
	<b>Total</b>	<b>814.42</b>	<b>807.29</b>
	2) Pl. refer Note No 46:		
8	<b>Other Financial Assets</b> (Unsecured, considered good)		
	a) Margin Money Deposits		
	-Share brokers	10,208.00	10,608.00
	-Others	50.00	5.00
	b) Security deposits	166.85	748.15
	c) Others	808.55	517.56
	d) Interest accrued	40.62	-
	<b>Total</b>	<b>11,274.02</b>	<b>11,878.71</b>
9	<b>Current Tax Assets (Net)</b>		
	Advance Tax and Tax Deducted at source	5,146.54	4,861.54
	Less: Tax Provisions	(3,755.72)	(4,047.97)
	<b>Total</b>	<b>1,390.82</b>	<b>813.57</b>

**Note No 10: Investments**

S No	Investments	As at 31st Mar 2023				As at 31st Mar 2022			
		Amortised cost	At Fair Value Through Other Comprehensive Income	At Equity Method	Total	Amortised cost	At Fair Value Through Other Comprehensive Income	At Equity Method	Total
1	Equity instruments		2,58,830.59		2,58,830.59		3,27,360.25		3,27,360.25
2	Mutual funds/PMS		4,939.31		4,939.31		4,924.93		4,924.93
3	Debt securities*	350.59	7,503.28		7,853.87	350.59	7,436.07		7,786.65
4	Associates (Refer Note 10.1)			3,778.22	3,778.22			3,671.89	3,671.89
5	<b>Total - Gross (A)</b>	<b>350.59</b>	<b>2,71,273.18</b>	<b>3,778.22</b>	<b>2,75,401.99</b>	<b>350.59</b>	<b>3,39,721.24</b>	<b>3,671.89</b>	<b>3,43,743.72</b>
6	(i) Investments in India	350.59	2,71,273.18	3,778.22	2,75,401.99	350.59	3,39,721.24	3,671.89	3,43,743.72
7	(ii) Investments outside India	-	-	-	-	-	-	-	-
8	<b>Total (B)</b>	<b>350.59</b>	<b>2,71,273.18</b>	<b>3,778.22</b>	<b>2,75,401.99</b>	<b>350.59</b>	<b>3,39,721.24</b>	<b>3,671.89</b>	<b>3,43,743.72</b>
9	Less: Aggregate amount of provision for impairment in the value of investments (Expected credit losses on Investment) (C)	(350.00)	-	-	(350.00)	(350.00)	-	-	(350.00)
10	<b>Total - Net D= (A)-(C)</b>	<b>0.59</b>	<b>2,71,273.18</b>	<b>3,778.22</b>	<b>2,75,051.99</b>	<b>0.59</b>	<b>3,39,721.24</b>	<b>3,671.89</b>	<b>3,43,393.72</b>

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

**Note No 10.1: Investments in equity instruments of Associate**

S No	Particulars	As at 31st Mar 2023				As at 31st Mar 2022			
		Proportion of ownership Interest/ Voting Rights	Face Value	Holding	Value	Proportion of ownership Interest/ Voting Rights	Face Value	Holding	Value
		%	(in Rs)	No. of shares	(Rs in Lakhs)	%	(in Rs)	No. of shares	(Rs in Lakhs)
	1	2	3	4	5	6	7	8	9
1	Investments in Equity shares of Associate: (Unquoted & Fully paid up) (Measured on equity method of accounting) VLS Capital Ltd.	42.40%	10.00	98,20,833	3,778.22	42.40%	10.00	98,20,833	3,671.89
	<b>Total</b>				<b>3,778.22</b>				<b>3,671.89</b>

Principal Place of Associate are in India

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2023**

(Rupees in Lakhs)

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

Description	Building	Land	Temporary Structure	Vehicles	Office Equipments	Furniture & fixtures	Air Conditioners	Computers	Electrical Installations	Generator	Assets on Lease	Leasehold Improvement	Right of use Assets (Ind As 116)	Total
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**Gross Carrying Amount**

<b>Balance as at 31.03.2021</b>	1,110.96		6.89	145.97	36.38	13.51	15.16	73.11	2.45	4.31	12,066.67	-	73.95	13,549.37
Additions during the year	867.33	931.65	-	14.89	65.27	225.27	69.72	71.75	191.42	14.12	-	243.74	61.53	2,756.68
Sales/ Adjustments during the year	(931.65)	-	-	(3.76)	(8.26)	-	-	-	-	-	-	-	(73.95)	(1,017.62)
<b>Balance as at 31.03.2022</b>	<b>1,046.64</b>	<b>931.65</b>	<b>6.89</b>	<b>157.10</b>	<b>93.39</b>	<b>238.78</b>	<b>84.88</b>	<b>144.86</b>	<b>193.87</b>	<b>18.43</b>	<b>12,066.67</b>	<b>243.74</b>	<b>61.53</b>	<b>15,288.43</b>

<b>Balance as at 31.03.2022</b>	1,046.64	931.65	6.89	157.10	93.39	238.78	84.88	144.86	193.87	18.43	12,066.67	243.74	61.53	15,288.46
Additions during the year	107.71	-	-	27.77	69.68	10.10	0.45	3.30	13.41	-	-	-	3.23	235.65
Sales/ Adjustments during the year	-	-	(6.89)	(32.30)	(13.59)	(9.05)	(15.16)	(25.59)	(2.45)	(4.31)	-	-	-	(109.34)
<b>Balance as at 31.03.2023</b>	<b>1,154.35</b>	<b>931.65</b>	<b>0.00</b>	<b>152.57</b>	<b>149.48</b>	<b>239.83</b>	<b>70.17</b>	<b>122.57</b>	<b>204.83</b>	<b>14.12</b>	<b>12,066.67</b>	<b>243.74</b>	<b>64.76</b>	<b>15,414.74</b>

**Accumulated Depreciation/Amortization**

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

<b>Balance as at 31.03.2022</b>	151.75		6.89	109.75	35.66	29.75	22.01	85.40	23.42	5.84	12,065.67	24.88	3.31	12,564.34
Depreciation for the year	48.26	-	-	17.34	51.07	55.84	16.21	27.46	47.74	3.20	-	138.23	20.75	426.10
Sales/ Adjustments during the year	-	-	(6.89)	(31.07)	(12.92)	(8.56)	(14.19)	(24.36)	(2.33)	(4.09)	-	-	-	(104.41)
<b>Balance as at 31.03.2023</b>	<b>200.01</b>	<b>-</b>	<b>0.00</b>	<b>96.02</b>	<b>73.81</b>	<b>77.03</b>	<b>24.02</b>	<b>88.50</b>	<b>68.83</b>	<b>4.95</b>	<b>12,065.67</b>	<b>163.11</b>	<b>24.06</b>	<b>12,886.01</b>

**Net Carrying Amount**

<b>As at 31.03.2022</b>	<b>894.89</b>	<b>931.65</b>	<b>-</b>	<b>47.35</b>	<b>57.73</b>	<b>209.03</b>	<b>62.87</b>	<b>59.46</b>	<b>170.45</b>	<b>12.59</b>	<b>1.00</b>	<b>218.85</b>	<b>58.22</b>	<b>2,724.12</b>
<b>As at 31.03.2023</b>	<b>954.34</b>	<b>931.65</b>	<b>-</b>	<b>56.55</b>	<b>75.67</b>	<b>162.80</b>	<b>46.15</b>	<b>34.07</b>	<b>136.00</b>	<b>9.17</b>	<b>1.00</b>	<b>80.63</b>	<b>40.70</b>	<b>2,528.73</b>

(Rupees in Lakhs)

**Note No11b : Capital Work in Progress**
**Capital work-in-progress**

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening carrying value as at April1	6.98	928.41
Additions/adjustments	-	6.98
Transfer to property, plant and equipment	(6.98)	(928.41)
<b>Closing carrying value as at March 31</b>	<b>-</b>	<b>6.98</b>

PI. refer Note No 47:Ageing of Capital Work in Progress

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2023**

(Rupees in Lakhs)

**Note No: 11c. Other Intangible assets**

Description	Computer Software	Total
<b>Gross Carrying Amount</b>		
Balance as at 31.03.2021	11.60	11.60
Additions during the year	-	-
Sales/Adjustments during the year	-	-
<b>Balance as at 31.03.2022</b>	<b>11.60</b>	<b>11.60</b>

Balance as at 31.03.2022	11.60	11.60
Additions during the year	-	-
Sales/Adjustments during the year	(8.52)	(8.52)
<b>Balance as at 31.03.2023</b>	<b>3.08</b>	<b>3.08</b>

**Accumulated Depreciation/Amortization**

Balance as at 31.03.2021	10.74	10.74
Depreciation for the year	0.19	0.19
Sales/Adjustments during the year	-	-
<b>Balance as at 31.03.2022</b>	<b>10.92</b>	<b>10.92</b>

Balance as at 31.03.2022	10.92	10.92
Depreciation for the year	0.10	0.10
Sales/Adjustments during the year	(8.13)	(8.13)
<b>Balance as at 31.03.2023</b>	<b>2.90</b>	<b>2.90</b>

**Net Carrying Amount**

As at 31.03.2022	0.68	0.68
As at 31.03.2023	0.18	0.18

NOTE NO.	PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022
<b>12</b>	<b>Other non-financial assets</b>		
	<b>Unsecured and considered good</b>		
	Capital Advances	4.18	111.05
	Prepaid Expenses	22.83	17.72
	Advances recoverable in cash or kind	386.10	412.92
	Allowance for Expected credit losses	(25.00)	(25.00)
	<b>Secured and considered good</b>		
	Taxes due from Government	28.89	8.96
	<b>Total</b>	<b>417.00</b>	<b>525.65</b>
<b>13</b>	<b>Payables <sup>(3)</sup></b>		
	<b>Trade Payables</b>		
	a) Total outstanding dues of micro enterprises and small enterprises	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
	- Payable to share brokers	-	-
	- other payables	10.14	488.94
	<b>Total</b>	<b>10.14</b>	<b>488.94</b>
	<b>Other Payables</b>		
	a) Total outstanding dues of micro enterprises and small enterprises	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	33.51	59.74
	<b>Total</b>	<b>33.51</b>	<b>59.74</b>
	3) Pl. refer Note No 44: Ageing of Trade & Other Payables		
<b>14</b>	<b>Borrowings (Other than debt securities)</b>		
	<b>(A) Borrowings in India</b>		
	Secured Loans from Banks		
	Overdraft against Deposit with Banks	68.75	91.33
	(Secured against Pledge of Fixed Deposit)		
	<b>Total</b>	<b>68.75</b>	<b>91.33</b>
<b>15</b>	<b>Other financial liabilities</b>		
	a) Unpaid dividends accounts	184.44	151.15
	b) Creditors for capital goods	18.32	46.09
	c) Security deposit (against premises given on lease)	86.79	-
	d) Lease liabilities <sup>(4)</sup>	42.95	58.60
	<b>Total</b>	<b>332.50</b>	<b>255.84</b>
	4) Pl. refer Note No 52: Disclosure Under Ind As 116 Lease		

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2023**

(Rupees in Lakhs)

NOTE NO.	PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022
16	<b>Provisions</b>		
	Provisions for employee benefits <sup>(6)</sup>	139.00	100.06
	Provision for unspent expenditure on Corporate Social Responsibility <sup>(5)</sup>	200.76	-
	<b>Total</b>	<b>339.76</b>	<b>100.06</b>
	5) Pl. refer Note No: 31 on Corporate Social Responsibility		
	6) Pl. refer Note No 39 on Employees Benefits		
17	<b>Other non-financial liabilities</b>		
	Statutory dues payable	113.12	44.61
	Advance interest received on T Bills	0.92	-
	Advance interest received on Security deposit (against premises given on lease)	24.83	-
	<b>Total</b>	<b>138.87</b>	<b>44.61</b>

**Note No 18 : Deferred tax assets / liabilities**

Particulars	For the year ended 31-Mar-23	For the year ended 31- Mar-22
<b>Deferred tax liability on account of :</b>		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	(20.20)	36.29
Deferred tax on IND AS adjustments	65,351.78	80,577.72
<b>Total deferred tax liabilities (A)</b>	<b>65,331.58</b>	<b>80,614.01</b>
<b>Deferred tax assets on account of:</b>		
On Employee Benefits (loans)	0.15	0.05
On Provision for impairment (Expected Credit Loss)	100.67	100.67
Deferred Tax on Ind AS Adjustments	9,900.09	9,564.20
Provision for leave encashment/Gratuity (Employee benefits)	30.29	22.49
<b>Total deferred tax assets (B)</b>	<b>10,031.20</b>	<b>9,687.41</b>
<b>Net deferred tax assets / (liability) (B-A)</b>	<b>(55,300.38)</b>	<b>(70,926.60)</b>

**Note No 18.1: Movement of Deferred Tax**

Particulars	As at 31st Mar 2023	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31st Mar 2022	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2021
<b>Deferred tax liabilities on account of:</b>							
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	(20.20)	(56.49)	-	36.29	(10.79)	-	47.07
Deferred tax on IND AS adjustments	65,351.78	-	(15,225.94)	80,577.72	(1,490.67)	11,117.03	70,951.36
<b>Total deferred tax liabilities</b>	<b>65,331.58</b>	<b>(56.49)</b>	<b>(15,225.94)</b>	<b>80,614.01</b>	<b>(1,501.46)</b>	<b>11,117.03</b>	<b>70,998.43</b>
<b>Deferred tax assets on account of:</b>							
On Employee Benefits (loans)	0.15	0.10	-	0.05	0.05	-	-
On Provision for impairment (Expected Credit Loss)	100.67	-	-	100.67	12.58	-	88.09
Deferred Tax on Ind AS Adjustments	9,900.09	335.89	-	9,564.20	1,901.49	-	7,662.71
Provision for leave encashment/Gratuity (Employee benefits)	30.29	0.43	7.37	22.49	4.19	(3.86)	22.16
Losses carried forward	-	-	-	-	(217.09)	-	217.09
<b>Total deferred tax assets</b>	<b>10,031.20</b>	<b>336.42</b>	<b>7.37</b>	<b>9,687.41</b>	<b>1,701.23</b>	<b>(3.86)</b>	<b>7,990.04</b>
<b>Total deferred tax Assets/(liability) (net)</b>	<b>(55,300.38)</b>	<b>392.91</b>	<b>15,233.31</b>	<b>(70,926.60)</b>	<b>3,202.69</b>	<b>(11,120.89)</b>	<b>(63,008.39)</b>

(Rupees in Lakhs)

**Note 19 : Equity share capital**

Particulars	As at 31st Mar 2023		As at 31-Mar-22	
	Number	Amount in Lakh	Number	Amount in Lakh
<b>Authorised Share Capital:</b>				
Equity Shares of Rs.10/- each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
<b>Total</b>	<b>15,00,00,000</b>	<b>15,000.00</b>	<b>15,00,00,000</b>	<b>15,000.00</b>
<b>Issued share capital:</b>				
Equity Shares of Rs.10/- each	3,56,95,282	3,569.53	3,91,29,517	3,912.95
<b>Total</b>	<b>3,56,95,282</b>	<b>3,569.53</b>	<b>3,91,29,517</b>	<b>3,912.95</b>
<b>Subscribed &amp; Paid-Up Capital:</b>				
Equity Shares of Rs.10/- each fully paid up for cash	3,52,27,782	3,522.78	3,86,62,017	3,866.20
<b>Forfeited shares:</b>				
Amount paid up on forfeited equity shares	4,67,500	12.22	4,67,500	12.22
<b>Total</b>	<b>3,56,95,282</b>	<b>3,535.00</b>	<b>3,91,29,517</b>	<b>3,878.42</b>

**Terms / rights attached to shares**

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

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(Rupees in Lakhs)

**Reconciliation of number of shares outstanding**

Particulars	Year ended 31st Mar 2023		Year ended 31st Mar 2022	
	Number	Amount in Lakh	Number	Amount in Lakh
<b>Issued Equity Share capital:</b>				
At beginning of the year	3,91,29,517	3,912.95	3,91,29,517	3,912.95
Shares Extinguished on Buyback of Equity Shares <sup>§</sup>	(34,34,235)	(343.42)	-	-
<b>At the end of the year</b>	<b>3,56,95,282</b>	<b>3,569.53</b>	<b>3,91,29,517</b>	<b>3,912.95</b>
<b>Subscribed &amp; Paid-Up Equity Share Capital:</b>				
At beginning of the year	3,86,62,017	3,866.20	3,86,62,017	3,866.20
Shares Extinguished on Buyback of Equity Shares <sup>§</sup>	(34,34,235)	(343.42)	-	-
<b>At the end of the year</b>	<b>3,52,27,782</b>	<b>3,522.78</b>	<b>3,86,62,017</b>	<b>3,866.20</b>

*§ Pl. refer foot note § of Note No 20: Other Equity*
**Shares held by holding Company**

Name of shareholder	No. of shares held	% of holding	No. of shares held	% of holding
<b>NA- Public limited and Listed Entity</b>				

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

Name of shareholder	As at 31st Mar 2023		As at 31-Mar-22	
	No. of shares held	% of holding	No. of shares held	% of holding
VLS Capital Limited	1,33,36,538	37.86	1,33,36,538	34.50
Mahesh Prasad Mehrotra (HUF)	19,84,262	5.63	19,84,262	5.13

*Pl. refer Note No 43: Shareholding of Promoters and Promoter Group*
**Note No: 20 Other Equity <sup>@</sup>**

Particulars	As at 31st Mar 2023	As at 31-Mar-22
<b>a) General reserve</b>		
Balance at the beginning of the year	3,573.29	3,573.29
Add: during the year	-	-
<b>Balance as at end of the year</b>	<b>3,573.29</b>	<b>3,573.29</b>
<b>b) Securities premium <sup>*</sup></b>		
Balance at the beginning of the year	9,627.48	9,627.48
Add: during the year	-	-
Buyback of Equity Shares <sup>§</sup>	(5,855.76)	-
<b>Balance as at end of the year</b>	<b>3,771.72</b>	<b>9,627.48</b>
<b>c) Capital Redemption Reserve <sup>(#, §)</sup></b>		
Balance at the beginning of the year	113.30	113.30
Buyback of Equity Shares <sup>§</sup>	343.42	-
<b>Balance as at end of the year</b>	<b>456.72</b>	<b>113.30</b>
<b>d) Retained earnings</b>		
Balance at the beginning of the year	94,182.46	63,074.52
Consolidation adjustment for Associates	103.80	234.59
Profit/(loss) for the the year	5,493.29	20,785.93
Transfer from/to FVTOCI to Retained Earnings	998.71	10,668.55
Cash Dividend <sup>(*, §)</sup>	(579.93)	(579.93)
Buyback of Equity Shares <sup>§</sup>	(343.42)	-
Adjustment for changes in Non Controlling ownership Interests	-	(1.20)
<b>Balance as at end of the year</b>	<b>99,854.90</b>	<b>94,182.46</b>

**Note No: 20 Other Equity <sup>@</sup>**

Particulars	As at 31st Mar 2023	As at 31-Mar-22
<b>e) Fair value gain on equity and other instruments carried through other comprehensive income</b>		
Balance at the beginning of the year	1,85,155.74	1,62,878.76
Consolidation adjustment for Associates	2.47	0.30
Other Comprehensive Income (net of tax)	(45,271.29)	32,945.23
Transfer from/to FVTOCI to Retained Earnings	(998.71)	(10,668.55)
<b>Balance as at end of the year</b>	<b>1,38,888.21</b>	<b>1,85,155.74</b>
<b>f) Remeasurement of Defined Benefit Plans</b>		
Balance at the beginning of the year	1.49	(9.56)
Consolidation adjustment for Associates	0.07	(0.43)
Other Comprehensive Income (net of tax)	(21.91)	11.48
<b>Balance as at end of the year</b>	<b>(20.35)</b>	<b>1.49</b>
<b>Total (a to f)</b>	<b>2,46,524.49</b>	<b>2,92,653.76</b>
Particulars	As at 31st Mar 2023	As at 31-Mar-22
<b>Non-Controlling Interest</b>		
<b>Retained earnings</b>		
Balance at the beginning of the year	(0.14)	357.85
Profit/(loss) for the the year	(0.00)	1.93
Other Comprehensive Income during the year (net of tax)	-	122.05
Adjustment for changes in Non Controlling ownership Interests	-	(476.75)
Adjustment for changes in Non Controlling ownership Interests	-	(5.21)
<b>Total</b>	<b>(0.14)</b>	<b>(0.14)</b>

*(\*) Of the above amount of ₹ 9627.48 lakh, an amount of ₹ 474.34 lakh is relating to share premium received on forfeited shares.*
*(@) There is no changes in accounting policy and there is no prior period errors.*
*(#) Transfer from the Retained Earning to the Capital Redemption Reserve towards nominal value of 11,32,983 fully paid up Equity Shares of ₹ 10/-each bought back for the first time on 11/02/2014 for cash.*

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(§) Pursuant to the public announcement dated 07th-Jan-2023 in respect of second time buy back of shares from the open market through stock exchange mechanism as prescribed under SEBI (Buy Back of Securities) Regulations, 2018 and other applicable regulations, the Buy back of shares commenced on 16th Jan 2023 and will remain open till 14-July-2023 unless closed earlier. The Company bought back a total of 34,34,235 equity shares from the open market as at the end of 31-Mar-2023. A total sum of ₹ 6,199.18 lakhs was utilised on the shares bought back till 31st Mar 2023. Consequently the total number of paid up equity shares of the company (of ₹ 10/- nominal value per share) reduced from 3,86,62,017 equity shares to 3,52,27,782 equity shares as at the end of 31-Mar-2023. The consideration of ₹ 6,199.18, lakhs paid towards buy-back of equity shares till 31st Mar 2023 is adjusted against share capital to the extent of ₹ 343.42 lakhs and against the share premium to the extent of ₹ 5,855.76 lakhs. Further consequent to the aforesaid buyback of 34,34,235 fully paid up Equity Shares of ₹ 10/- each as at the end of 31-Mar-2023 for cash, the nominal amount of shares capital bought-back of ₹ 343.42 lakhs has been transferred to the Capital Redemption Reserve from out of the Retained Earning.

(^) Dividends include an amount of ₹ 1.50 per equity share towards the dividend for the year ended March 31, 2021, paid during the year ended March 31, 2022, amounting to ₹ 579.93 lakhs.

(%) Dividends include an amount of ₹ 1.50 per equity share towards the dividend for the year ended March 31, 2022, paid during the year ended March 31, 2023 amounting to ₹ 579.93 lakhs.

**Nature and purpose of reserves :**
**(A) Securities premium:**

Securities premium is used to record the premium received on issue of shares. The Securities premium can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

**(B) Retained earnings:**

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

**(C) General reserve:**

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

**(D) Capital redemption reserve:**

The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account or both, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

**(E) Other comprehensive income (OCI):**

The Company has elected to recognise changes in the fair value of certain investments in equity securities and other instruments in other comprehensive income. These changes are accumulated within the FVTOCI reserve under the head "other equity". The Company transfers amounts from this reserve to retained earnings when those investments have been disposed off. Further this also represents the gain/(loss) on remeasurement of defined benefit obligations and of plan assets.

(Rupees in Lakhs)			
NOTE NO.	PARTICULARS	For the Year ended	
		31.03.2023	31.03.2022
21	<b>Interest Income</b>		
	Interest income from Investments:-		
	-From Tax Free Bonds	475.48	475.51
	-From PMS/MF investments	63.45	66.09
	-From Others	32.91	-
	On Margin Deposits with Share Brokers/stock exchange	410.26	339.13
	On deposits with Banks	45.66	35.95
	Other interest income	63.53	27.90
	<b>Total</b>	<b>1,091.29</b>	<b>944.58</b>
22	<b>Dividend Income</b>		
	Dividend on Investments	1,390.72	1,200.08
	<b>Total</b>	<b>1,390.72</b>	<b>1,200.08</b>
23	<b>Net gain on fair value changes</b>		
	Net gain/ (loss) on financial instruments at fair value through Profit and loss account		

(Rupees in Lakhs)			
NOTE NO.	PARTICULARS	For the Year ended	
		31.03.2023	31.03.2022
	<b>(a) - Investment</b>		
	- On Investment	5,526.92	21,454.77
	<b>(b) - Trading</b>		
	- On Securities	6.36	14.56
	- On Future & Option	(360.20)	(1,617.20)
	- On Liquid Mutual Funds	257.08	217.24
	<b>Total</b>	<b>5,430.16</b>	<b>20,069.36</b>
	<b>Fair Value changes:</b>		
	-Realised	5,430.16	20,069.36
	-Unrealised	-	-
	<b>Total</b>	<b>5,430.16</b>	<b>20,069.36</b>
24	<b>Other Operating Income</b>		
	Income from Securities Lending	64.50	23.21
	Brokerage Income	229.47	695.92
	<b>Total</b>	<b>293.97</b>	<b>719.13</b>
25	<b>Other Income</b>		
	Rental income from other assets *	13.67	-
	Rental income from Investment properties *	4.23	-
	Interest on staff loans and advances	0.22	0.64
	Interest on income tax refund	111.09	65.49
	On Financial Assets measured at Amortised Cost	1.16	0.57
	Share of Profit/(Loss) of Associates	103.80	234.59
	Others	-	0.01
	<b>Total</b>	<b>234.17</b>	<b>301.30</b>
	<i>* Pl. refer Note No 52: Disclosure Under Ind As 116 Lease and Note No 51: Investment Property</i>		
26	<b>Employee benefits expense</b>		
	Salaries	574.54	513.03
	Staff Amenities/welfare expenses	29.12	15.12
	Employer's Contribution to PF, ESI, Gratuity Fund etc.	62.34	53.07
	<b>Total</b>	<b>666.00</b>	<b>581.22</b>
27	<b>Finance Costs</b>		
	Bank / Finance Charges	0.73	0.81
	Interest Payment on Loans/overdraft facilities	9.09	1.37
	Interest on lease liabilities	5.32	1.06
	Other interest expenses	0.07	-
	<b>Total</b>	<b>15.21</b>	<b>3.24</b>
28	<b>Depreciation and amortization expenses</b>		
	Depreciation on Property, plant & equipment	405.34	144.08
	Amortisation of Right of use Assets (Refer note 11a)	20.75	3.31
	Amortisation on other intangible assets	0.10	0.19
	<b>Total</b>	<b>426.20</b>	<b>147.58</b>
29	<b>Other expenses</b>		
	Advertisement & Business Promotion	35.10	34.82
	Consultancy, Legal & Service Charges	308.17	323.64
	Communication Expenses	7.83	7.18
	Electricity & Water Charges	29.01	38.10
	Insurance	2.71	1.47
	Office Expenses	30.05	37.99
	Shares Transaction Charges	95.31	101.94
	Securities Transaction Tax on Investment	179.27	299.37
	Securities Transaction Tax on others	145.90	162.89
	Travelling Expenses & Conveyance	36.63	38.42
	Rates & Taxes	106.49	149.74
	Short-term leases	25.07	55.99
	Repairs & Maintenance		
	--Building	-	-

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NOTE NO.	PARTICULARS	(Rupees in Lakhs)		NOTE NO.	PARTICULARS	(Rupees in Lakhs)	
		For the Year ended 31.03.2023	31.03.2022			For the Year ended 31.03.2023	31.03.2022
	--Others	61.49	31.06	30	<b>Earnings per equity share</b>		
	Miscellaneous Expenses	42.26	55.12		Net profit/(Loss) attributable to equity shareholders	5,597.08	21,022.45
	Share Buyback expenses	63.34	-		<b>Total (A) (Rupees in Lakhs)</b>	<b>5,597.08</b>	<b>21,022.45</b>
	CSR Expenditure <sup>(#)</sup>	312.23	129.33		Weighted average number of equity shares issued (face value of Rs. 10 each) (Numbers in Lakhs)	386.34	386.62
	Auditors' Remuneration				<b>Total (B) (Numbers in Lakhs)</b>	<b>386.34</b>	<b>386.62</b>
	a) Audit Fees	2.40	2.40		<b>Basic earnings per share [A/B] (In Rupees)</b>	<b>14.49</b>	<b>54.37</b>
	b) For Other Services				<b>Net Profit attributable to equity shareholders [C] (Rupees in Lakhs)</b>	5,597.08	21,022.45
	--For Tax audit	1.05	1.05		Less : Impact on net profit due to exercise of diluted potential equity shares (Rupees in Lakhs) [D]	-	-
	-- For certification	3.30	2.30		<b>Net profit attributable to equity shareholders for calculation of diluted EPS [C-D] (Rupees in Lakhs)</b>	<b>5,597.08</b>	<b>21,022.45</b>
	--Out of pocket expenses	0.55	0.55		Weighted average of equity shares issued (face value of Rs. 10 each) (Numbers in Lakhs) [E]	386.34	386.62
	--Reimbursement of expenses	0.11	-		Weighted number of additional equity shares outstanding for diluted EPS (Numbers in Lakhs) [F]	-	-
	Internal Auditors' Remuneration				Weighted number of equity shares outstanding for diluted EPS (Numbers in lakhs) [E+F]	<b>386.34</b>	<b>386.62</b>
	-- Fees	1.00	1.00		<b>Diluted earnings per share [C-D/E+F] (In Rupees)</b>	<b>14.49</b>	<b>54.37</b>
	--For certification	0.10	0.10				
	Directors' Sitting Fees	37.30	25.65				
	Loss on sale/transfer of assets	3.54	0.36				
	<b>Total</b>	<b>1,530.21</b>	<b>1,500.47</b>				

# Pl. refer Note No: 31 on Corporate Social Responsibility

**Note No: 31 Corporate Social Responsibility**

1) The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April 2014. As per the provisions of the said section, the Group has undertaken the following CSR initiatives during the financial year 2022-23 and 2021-22. CSR initiatives majorly includes promoting education and supporting under privileged in medical treatments and various other charitable and noble aids.

- a) Amount required to be spent by the Group during the year 2022-23 Rs. 312.23 Lakhs (Previous year Rs. 129.33 Lakhs) computed in accordance with applicable regulations.  
b) Amount spent during the year ended 31 March 2023 and 31st March 2022 as follows:

Particulars	(Rupees in Lakhs)	
	31st March 2023	31st March 2022
(i) Amount required to be spent by the Group during the year	312.23	129.33
(ii) Excess amount spent in previous year(s) (set off)	(0.13)	-
(iii) Amount available for spending under CSR for the year, after set off	312.10	129.33
(iv) Amount of expenditure incurred	312.10	129.46
a) Construction/acquisition of any asset	-	12.23
b) on purposes other than (i) above	111.34	117.23
(v) Details related to spent / unspent obligations:		
a) Directly by the Group	-	-
b) Contribution to eligible entity	111.34	129.46
c) Unspent amount in relation to:		
- Ongoing project	200.63	-
- Other than ongoing project	0.13	-
(vi) Shortfall/(Excess #) at the end of the year	200.76	(0.13)
(vii) Total of previous years shortfall	-	-
(viii) Reason for shortfall	Allocated to ongoing projects	N.A.
(ix) Nature of CSR activities	CSR initiatives majorly includes promoting education and supporting under privileged in medical treatments and various other charitable and noble aids.	
(x) Details of related party transactions as per relevant Accounting Standard	**	
(xi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision.	As given below	N.A.

2) **Movements in the provision with respect to a liability incurred by entering into a contractual obligation during the year.**

Particulars	(Rupees in Lakhs)	
	31st March 2023	31st March 2022
Opening provision balance	-	-
Provision created during the year (for ongoing projects, in case of S. 135(6))	200.63	-
Provision created during the year (for other than ongoing project, In case of S. 135(5))	0.13	-
Amount spent during the year	-	-
Closing Provision balance	<b>200.76</b>	-

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(Rupees in Lakhs)

**3) Details of other than ongoing project, In case of S. 135(5)**

Particulars	For the year ended	
	31st March 2023	31st March 2022
Opening Balance	-	-
Amount required to be spent during the year (after set off of Excess amount spent in previous year)	111.47	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount spent during the year	(111.34)	-
Closing Balance <sup>5</sup>	<b>0.13</b>	-

**4) Details of ongoing projects, in case of S. 135(6)**

(Rupees in Lakhs)

Particulars	For the year ended	
	31st March 2023	31st March 2022
Opening Balance	-	-
With Group	-	-
In Separate CSR Unspent A/c	-	-
Transfer to Separate CSR unspent A/c	-	-
Amount required to be spent during the year	200.63	-
Amount spent during the year	-	-
From Group's Bank A/c	-	-
From Separate CSR Unspent A/c	-	-
Closing balance *	200.63	-
With Group	-	-
In Separate CSR Unspent A/c	-	-

**Notes**

\* The corpus of Rs 200.63 Lakhs under CSR for the year 2022-2023 had been allocated to projects identified for ongoing project. No disbursement was made during 2022-23 because the concerned entities had requested disbursement of funds from the year 2023-24 onwards though allocated in the year 2022-23. Accordingly, the amount of Rs 200.63 lakhs has not been considered as spent and shown in the shortfall Column. The amount has already been transferred with in 30 days of close of the financial year 2022-2023 in to the bank account maintained for unspent CSR and will be disbursed in accordance with the applicable regulations.

\*\* The Group has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

# Excess amount spent during the year to be set off in next year.

\$ Remitted to PM Cares Fund on 09-May-2023 in accordance with applicable regulations.

**Note No 32: Related party transactions:**
**List of Related Parties and Relationships with whom transactions have been done during the year:**
**a) Subsidiary Companies:**

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

**b) Key Managerial Personnel (KMP):**

- Shri M.P.Mehrotra (Exec.Vice-Chairman in VLS Finance Ltd. (VLSFL) and Director in VREL)
- Shri S. K. Agarwal (MD in (VLSFL) and VLSSL and Director in VREL)
- Shri Vikas Mehrotra (Managing Director -International Operations in VLSFL) w.e.f. 12th Jan 2022 \* and Director in VLSSL)
- Shri K. K. Soni (Director Finance & CFO in VLS Finance Ltd. and Director in VLSSL and VREL)
- Shri H Consul (CS in VLS Finance Ltd.)
- Ms. Vishesh Jain (CS in VLS Securities Ltd.) appointed w.e.f. 28th Dec 2022 - ('CS VLS Sec.')
- Shri Anurag Bhatnagar \* (CFO in VLSSL) resigned w.e.f. 31st Aug 2022
- Ms. Unnati Jani (CS in VLSSL) appointed w.e.f. 22nd Mar 2022 - CS VLSSL - resigned w.e.f. 17th Dec 2022
- Ms. Komal Taparia (CS in VLSSL) resigned w.e.f. 21st Mar 2022 - CS VLSSL

**c) Associate: #**

- VLS Capital Limited (VLSSL) (Associate of VLSSL)

**d) Others:**

- Ms. Divya Mehrotra (Director in VLSSL and VREL, and VLSFL w.e.f. 13/11/21)
- M/s Vinayak Pharma – Related to Mr SK Agarwal, MD
- Dr. (Mrs.) Neeraj Arora (Non-Executive Director in VLSFL and SAEL)
- Shri. D. K. Mehrotra (Independent Director in VLSFL.)
- Shri Ajit Kumar (Chairman, Independent Director in VLSFL)
- Shri R. K. Goswami (Independent Director in VLSSL and SAEL) (Ceased to be director w.e.f. 07/01/2023 due to his demise.
- Dr. Rajeev Lochan Bishnoi (Independent Director in VLSSL, VLSFL, VLSSL and SAEL) (Resigned from VLSSL, VLSFL, w.e.f. 01/03/2023.
- Shri Deepak Kumar Chatterjee (Independent Director in VLSFL) (Resigned w.e.f. 04/05/2023)
- M/s Mehrotra And Mehrotra (Firm in which Promoter is Partner)
- Ms. Sadhana Mehrotra (Promoter Group)
- Mahesh Prasad Mehrotra (HUF) (Promoter Group)
- Chai Thela Pvt Ltd (Private Company in which a Director or his relative is a Member or Director)
- South Asian Enterprises Ltd (Promoter Group)
- VLS Commodities Private Limited (Promoter Group)

(Rupees in Lakhs)

S No	Name of Related Party	Relationship of the counterparty with the listed entity or its subsidiary	Nature of Transaction	Year Ended March 31, 2023	Year Ended March 31, 2022
1	VLS Capital Limited	Promoter Group	Rent and other Charges received	2.67	-
2	M/s Mehrotra And Mehrotra	Firm in which Promoter is Partner	Rent and other Charges received	7.50	-
3	Shri M.P.Mehrotra	Key Managerial Personnel	Remuneration	107.03	77.27
4	Shri Vikas Mehrotra *	Key Managerial Personnel	Sitting Fees	0.50	2.50
5	Shri Vikas Mehrotra *	Key Managerial Personnel	Remuneration	51.35	-
6	Shri S. K. Agarwal	Key Managerial Personnel	Remuneration	43.55	41.26
7	Shri K. K. Soni	Key Managerial Personnel	Remuneration	41.77	39.60
8	Shri H Consul	Key Managerial Personnel	Remuneration	29.87	28.58
9	Ms. Komal Taparia	Key Managerial Personnel of Subsidiary Company	Remuneration	-	5.44
10	Ms. Unnati Jani	Key Managerial Personnel of Subsidiary Company	Remuneration	3.01	0.12
11	Shri Vishesh Jain	Key Managerial Personnel of Subsidiary Company	Remuneration	1.21	-
12	Ms. Divya Mehrotra	Director	Security Deposit Received back	26.97	-
13	Ms. Divya Mehrotra	Director	Rent Paid	24.20	4.00
14	Ms. Divya Mehrotra	Director	Sitting Fees	4.30	1.50
15	Shri Ajit Kumar	Non-executive Independent Director	Sitting Fees	7.10	5.00
16	Mrs Neeraj Arora	Director	Sitting Fees	5.10	3.40
17	Shri Rajeev Lochan Bishnoi	Non-executive Independent Director	Sitting Fees	6.65	4.60

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2023**

(Rupees in Lakhs)

S No	Name of Related Party	Relationship of the counterparty with the listed entity or its subsidiary	Nature of Transaction	Year Ended March 31, 2023	Year Ended March 31, 2022
18	Shri Dinesh Kumar Mehrotra	Non-executive Independent Director	Sitting Fees	6.15	3.55
19	Shri Deepak Chatterjee	Non-executive Independent Director	Sitting Fees	4.40	3.10
20	Chai Thela Pvt Ltd	Private Company in which a Director or his relative is a Member or Director	Rent and other Charges received	2.50	-
21	South Asian Enterprises Ltd	Promoter Group	Rent and other Charges received	1.00	-
22	VLS Capital Limited	Promoter Group	Dividend Paid	200.05	200.05
23	Mahesh Prasad Mehrotra (HUF)	Promoter Group	Dividend Paid	29.76	29.76
24	Ms. Sadhana Mehrotra	Promoter Group	Dividend Paid	13.27	13.27
25	Ms. Divya Mehrotra	Director	Dividend Paid	8.12	7.50
26	Vls Commodities Private Limited	Promoter Group	Dividend Paid	6.87	6.87
27	Shri Vikas Mehrotra	Key Managerial Personnel	Dividend Paid	7.29	7.29
28	South Asian Enterprises Ltd	Promoter Group	Dividend Paid	0.02	0.02
29	Shri S. K. Agarwal	Key Managerial Personnel	Dividend Paid	-	-
30	Shri M.P.Mehrotra	Key Managerial Personnel	Dividend Paid	-	-
31	Shri K. K. Soni	Key Managerial Personnel	Dividend Paid	-	-
32	Shri H Consul	Key Managerial Personnel	Loan to Company Secretary	-	0.30
33	Shri H Consul	Key Managerial Personnel	Repayment of Loan by Company Secretary	0.30	-
34	Shri Anurag Bhatnagar	Key Managerial Personnel of Subsidiary Company	Sale of Asset to CFO VLS Sec.	0.13	-
35	M/s Vinayak Pharma	Enterprises in which Key Management Personnel and their relatives exercise Significant Influence	Sanitizer & Medical consumables/ equipments purchased (COVID-19 preventive measures)	0.04	0.45
36	Chai Thela Pvt Ltd	Private Company in which a Director or his relative is a Member or Director	Receivables	2.70	-
37	VLS Capital Limited	Promoter Group	Shares of Subsidiary Purchased	-	493.16
38	Ms. Divya Mehrotra	Director	Security Deposit Outstanding Balance at the year end	358.03	385.00
39	Shri Anurag Bhatnagar	Key Managerial Personnel of Subsidiary Company	Remuneration	17.10	26.36
40	Ms. Divya Mehrotra	Director	Brokerage earned	6.12	3.06
41	VLS Capital Limited	Promoter Group	Brokerage earned	0.02	0.06
42	Ms. Divya Mehrotra	Director	Interest paid on margin money deposits	8.64	0.95
43	Ms. Divya Mehrotra	Director	Sitting Fees	0.50	0.20
44	Mr. R. K. Goswami	Non-executive Independent Director	Sitting Fees	0.88	0.75
45	Shri Rajeev Lochan Bishnoi	Non-executive Independent Director	Sitting Fees	1.10	0.75
46	Mr Anoop Mishra	Non-executive Independent Director	Sitting Fees	0.63	-
47	Ms. Divya Mehrotra	Director	Payable as Client	1.81	2.39
48	VLS Capital Limited	Promoter Group	Other charges Received (GST, STT, Stamp Duty) (as Share Broker)	0.03	0.08
49	Ms. Divya Mehrotra	Director	Other charges Received (GST, STT, Stamp Duty) (as Share Broker)	4.18	2.36
50	Shri Anurag Bhatnagar	Key Managerial Personnel of Subsidiary Company	Sale of Property, Plant and Equipment	0.30	-
51	Shri Vikas Mehrotra	Director (in VLS Securities Limited)	Sitting Fees	-	0.30

\* Remuneration was paid w.e.f. 01st June 2022 on receipt on approval from central government on 31st May 2022 and sitting fee of Rs 0.50 lakh paid prior to receipt of intimation had been treated as remuneration for the said period.

# Please Refer Note 2.1 (ii) of consolidated financial statements.

Notes:

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

**Note No 33: Capital management.**

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

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

Particulars	31-03-2023	31-03-2022
Borrowings	68.75	91.33
Trade payables	10.14	488.94
Other payables	33.51	59.74
Less: cash and cash equivalents	(4,451.91)	(7,363.88)
Net debt	-	-
Total capital	2,50,059.41	2,96,532.10
Gearing ratio	NA	NA

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

**Note No 34: Other Financial Information**

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

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

Particulars	31 March 2023	31 March 2022
Principal amount remaining unpaid to any supplier as at the period end.	Nil	Nil
Interest due thereon	Nil	Nil

## CONSOLIDATED FINANCIAL STATEMENTS

### Notes to the Consolidated Financial Statements for the year ended 31.03.2023

(Rupees in Lakhs)

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

<b>b. Earnings in Foreign Currency</b>	Nil	Nil
<b>c. Expenditure in Foreign Currency</b>	Nil	1.97

d. In Note no 6: Receivables dues from related party, Pl. refer note No 32: Related party Transactions.		
e. In note No 29: Other expenses, Auditor Remuneration for certification is inclusive of remuneration paid to previous auditors.		

#### Note No 35: Commitments and contingencies

##### a. Commitments:

Particulars	31 March 2023	31 March 2022
(a) Estimated amount of contracts remaining to be executed on Capital Account.	Nil	170.04
(b) Uncalled liability on shares and other investments partly paid	Nil	Nil

##### b. Contingent liabilities

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

#### Note No 36: Fair Value

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

Particulars	Carrying value		Fair value	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Financial assets</b>				
Trade Receivables	1,834.47	119.94		
Other Receivables	349.58	348.93		
Loans	814.42	807.29		
FVTOCI financial investments	2,71,273.18	3,39,721.24	2,71,273.18	3,39,721.24
Other financial assets	11,274.02	11,878.71		
<b>Total</b>	<b>2,85,545.67</b>	<b>3,52,876.11</b>	<b>2,71,273.18</b>	<b>3,39,721.24</b>
<b>Financial liabilities</b>				
Borrowings	68.75	91.33		
Other Financial Liabilities	332.50	255.84		
<b>Total</b>	<b>401.25</b>	<b>347.17</b>	-	-

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

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

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

#### Note No 37: Impact of COVID-19 on Going Concern Assumption

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

#### Note No 38: Financial risk management

##### Risk management framework

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

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

- Credit risk
- Liquidity risk
- Market risk

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

##### a) Credit risk:

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

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

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

Following provides exposure to credit risk for trade receivables:

Particulars	March 31,2023	March 31,2022
Trade and Other Receivables (net of impairment)	2184.05	468.87
<b>Total</b>	<b>2,184.05</b>	<b>468.87</b>

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

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

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

##### b) Liquidity risk

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

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

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

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(Rupees in Lakhs)

The table below summaries the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31 2023.

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
<b>Assets</b>					
Cash and bank balances	5,375.57	92.31	502.77	-	<b>5,970.65</b>
Trade receivables	1,834.47	-	-	-	<b>1834.47</b>
Other receivables	349.58	-	-	-	<b>349.58</b>
Loans	6.63	3.79	804.00	-	<b>814.42</b>
Investments	-	-	1,77,170.15	97,881.84	<b>2,75,051.99</b>
Other financial assets	9,996.15	851.35	386.67	39.85	<b>11,274.02</b>
<b>Total</b>	<b>17,562.40</b>	<b>947.45</b>	<b>1,78,863.59</b>	<b>97,921.69</b>	<b>2,95,295.13</b>
<b>Liabilities</b>					
Trade payables	10.14	-	-	-	<b>10.14</b>
Other payables	33.51	-	-	-	<b>33.51</b>
Borrowings	68.75	-	-	-	<b>68.75</b>
Other financial liabilities	332.50	-	-	-	<b>332.50</b>
<b>Total</b>	<b>444.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>444.90</b>
<b>Net Excess / (shortfall)</b>	<b>17,117.50</b>	<b>947.45</b>	<b>1,78,863.59</b>	<b>97,921.69</b>	<b>2,94,850.23</b>

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

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
<b>Assets</b>					
Cash and bank balances	7,718.45	90.24	-	-	<b>7,808.69</b>
Trade receivables	119.94	-	-	-	<b>119.94</b>
Other receivables	348.93	-	-	-	<b>348.93</b>
Loans	1.98	1.71	803.60	-	<b>807.29</b>
Investments	-	-	2,26,752.03	1,16,641.69	<b>3,43,393.72</b>
Other financial assets	11,223.44	517.11	78.99	59.17	<b>11,878.71</b>
<b>Total</b>	<b>19,412.74</b>	<b>609.06</b>	<b>2,27,634.62</b>	<b>1,16,700.86</b>	<b>3,64,357.28</b>
<b>Liabilities</b>					
Trade payables	488.94	-	-	-	<b>488.94</b>
Other payables	59.74	-	-	-	<b>59.74</b>
Borrowings	91.33	-	-	-	<b>91.33</b>
Other financial liabilities	255.84	-	-	-	<b>255.84</b>
<b>Total</b>	<b>895.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>895.85</b>
<b>Net Excess / (shortfall)</b>	<b>18,516.89</b>	<b>609.06</b>	<b>2,27,634.62</b>	<b>1,16,700.86</b>	<b>3,63,461.43</b>

**c) Market risk**

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

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

**i) Equity price Risk**

The Group's exposure to equity price risk arises primarily on account of its investment positions

The Group's equity price risk is managed in accordance with its Corporate Risk and Investment policy (CRIP) approved by the board. The board specifies exposure limits and risk limits for the investments in equity.

**ii) Interest Rate Risk**

The Group's exposure to interest rate risk arises primarily on account of its amount given on loan and the surplus funds kept as deposits with the banks.

The Group's interest rate risk is managed in accordance with its policy approved by its board.

The non-traded Financial Assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the Group's statement of profit and loss.

**iii) Currency Risk/foreign exchange Risk**

There is no exposure to currency risk as there is no position of the group stands in exchange traded currency derivatives.

**Note No 39: Employees Benefits**
**i) Defined Contribution Plans:**

Amount of Rs. 36.93 lakhs contributed to provident fund is recognized as an

expense under "Employee Cost" in the Statement of Profit and Loss for the current year (Rs. 29.66 lakhs for the financial year 2021-22).

**ii) Defined Benefit Plans**
**a) Funded:**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The gratuity plan is funded with LIC.

The following table summarizes the components of net expenses for gratuity benefits recognized in the statement of profit and loss, other comprehensive income and the amounts recognized in the balance sheet:

1. Assumptions	For the year ended 31, March 2023	For the year ended 31, March 2022
Discount rate	7.50%	7.00%
Salary Escalation	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
<b>2. Changes in present value of obligation during the year</b>		
Present value of obligation as at beginning of the year	247.94	243.79
Interest Cost	16.92	16.66
Current Service Cost	15.35	11.54
Past Service Cost	0	0
Benefits Paid	(26.95)	(14.00)
Actuarial (gain) / loss on obligations	29.05	(10.06)
Present value of obligations as at end of the year	282.31	247.94
<b>3. Changes in fair value of plan assets</b>		
Fair value of plan assets at beginning of year	174.42	165.20
Expected return on plan assets	12.90	11.23
Contributions	7.40	2.79
Benefits paid	(20.00)	(5.28)
Actuarial gain / (loss) on plan assets	(0.71)	0.48
Fair value of plan assets at the year end	174.01	174.42
<b>4. OCI / Expenses (Re measurements)</b>		
Cumulative Un recognized Actuarial (gain)/loss opening b/f	4.22	14.75

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(Rupees in Lakhs)

Actuarial (gain) / loss on obligations	29.05	(10.06)
Actuarial (gain) / loss for the year – on plan assets	0.71	(0.48)
Total Actuarial (gain) / loss for the year	29.76	(10.54)
Cumulative total actuarial (gain)/loss c/f	33.98	4.22
<b>5. Amounts to be recognized in the Balance Sheet</b>		
Present value of obligations as at the end of the year	282.31	247.94
Fair value of plan assets as at the end of the year	174.01	174.42
Net (asset) / liability as at the end of the year	108.30	73.52
Funded Status Surplus/ (Deficit)	(108.30)	(73.52)
<b>6. Amounts recognized in the Statement of Profit and Loss</b>		
Current service cost	15.35	11.54
Interest Cost	16.92	16.66
Past Service Cost	0	0
Expected return on plan assets	(12.90)	(11.23)
Net Expenses recognized in Statement of Profit and Loss	19.37	16.98

**7. Current Liability/Non-Current Profile:**

Period	As at	
	31 March 2023	31 March 2022
Current Liability (Short Term)	184.80	156.29
Non-Current Liability (Long Term)	97.51	91.65
<b>Total Liability</b>	<b>282.31</b>	<b>247.94</b>

**b) Unfunded:**

The following table summarizes the components of net expenses for leave encashment recognized in the statement of profit and loss, other comprehensive income and the amounts recognized in the balance sheet:

1. Assumptions	For the year ended	
	31, March 2023	31, March 2022
Discount rate	7.50%	7.00%
Salary Escalation	5.00%	5.00%

<b>2. Changes in present value of obligation during the year</b>		
Present value of obligation as at beginning of the year	26.54	28.12
Interest Cost	1.81	1.93
Current Service Cost	4.34	1.84
Benefits Paid	(1.50)	(0.54)
Actuarial (gain) / loss on obligations	(0.48)	(4.80)
Present value of obligations as at end of the year	30.71	26.54
<b>3. OCI / Expenses (Re measurements)</b>		
Cumulative Un recognized Actuarial (gain)/loss opening bf	(5.18)	(0.38)
Actuarial (gain) / loss on obligations	(0.48)	(4.80)
Actuarial (gain) / loss for the year – on plan assets	0.00	0.00
Total Actuarial (gain) / loss for the year	(0.48)	(4.80)
Cumulative total actuarial (gain)/loss c/f	(5.66)	(5.18)
<b>4. Amounts to be recognized in the Balance Sheet</b>		
Present value of obligations as at the end of the year	30.71	26.54
Fair value of plan assets as at the end of the year	0.00	0.00
Net (asset) / liability recognized in balance sheet	30.71	26.54
Funded Status Surplus/ (Deficit)	(30.71)	(26.54)
<b>5. Amounts recognized in the Statement of Profit and Loss</b>		
Current service cost	4.34	1.84
Interest Cost	1.81	1.93
Expected return on plan assets	0.00	0.00
Expenses recognized in Statement of Profit and Loss	6.15	3.77

**6. Current Liability/Non-Current Profile:**

Period	As at	
	31 March 2023	31 March 2022
Current Liability (Short Term)	17.77	15.93
Non-Current Liability (Long Term)	12.94	10.61
<b>Total Liability</b>	<b>30.71</b>	<b>26.54</b>

**Note: 40: Maturity Analysis of Assets and Liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rupees in Lakhs)

Particulars	31-Mar-23			31-Mar-22		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	4,451.91	-	4,451.91	7,363.88	-	7,363.88
Bank Balance other than above	1,015.98	502.77	1,518.75	444.81	-	444.81
Trade receivables	1,834.47	-	1,834.47	119.94	-	119.94
Other receivables	349.58	-	349.58	348.93	-	348.93
Loans	10.42	804.00	814.42	3.69	803.60	807.29
Investments	-	2,75,051.99	2,75,051.99	-	3,43,393.72	3,43,393.72
Other financial assets	10,847.50	426.52	11,274.02	11,740.55	138.16	11,878.71
<b>Total-Financial assets</b>	<b>18,509.86</b>	<b>2,76,785.28</b>	<b>2,95,295.14</b>	<b>20,021.80</b>	<b>3,44,335.48</b>	<b>3,64,357.28</b>
<b>Non-Financial assets</b>						
Current Tax assets	11.01	1,379.81	1,390.82	38.21	775.35	813.57
Investment Property	-	6,651.46	6,651.46	-	70.94	70.94
Property, plant and equipment	-	2,528.73	2,528.73	-	2,724.12	2,724.12
Capital work-in-progress	-	-	-	6.98	-	6.98
Other Intangible assets	-	0.18	0.18	-	0.68	0.68
Other non-financial assets	414.20	2.80	417.00	519.86	5.78	525.65
<b>Total-Non financial assets</b>	<b>425.21</b>	<b>10,562.98</b>	<b>10,988.19</b>	<b>565.05</b>	<b>3,576.87</b>	<b>4,141.93</b>
<b>Total Assets</b>	<b>18,935.07</b>	<b>2,87,348.26</b>	<b>3,06,283.33</b>	<b>20,586.86</b>	<b>3,47,912.35</b>	<b>3,68,499.21</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	10.14	-	10.14	488.94	-	488.94
Other payables	33.51	-	33.51	59.74	-	59.74
Borrowings	68.75	-	68.75	91.33	-	91.33
Other financial liabilities	332.50	-	332.50	255.84	-	255.84
<b>Total- Financial Liabilities</b>	<b>444.90</b>	<b>-</b>	<b>444.90</b>	<b>895.85</b>	<b>-</b>	<b>895.85</b>
<b>Non Financial Liabilities</b>						
Provisions	333.15	6.61	339.76	94.81	5.25	100.06
Deferred tax liabilities	-	55,300.38	55,300.38	-	70,926.60	70,926.60
Other non financial liabilities	124.38	14.49	138.87	44.61	-	44.61
<b>Total-Non Financial Liabilities</b>	<b>457.53</b>	<b>55,321.48</b>	<b>55,779.01</b>	<b>139.41</b>	<b>70,931.85</b>	<b>71,071.26</b>
<b>Total Liabilities</b>	<b>902.43</b>	<b>55,321.48</b>	<b>56,223.91</b>	<b>1,035.26</b>	<b>70,931.85</b>	<b>71,967.11</b>

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**Note: 41 Fair Value Measurement**
**(i) Accounting classification and fair values**

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy: The carrying value and fair value of financial instruments by categories as of 31 March 2023 are as follows:

Particulars	Carrying amount				Fair value				
	FVTPL	FVTOCI	Amortised cost	At Equity Method	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>									
Cash and cash equivalents	-	-	4,451.91	-	4,451.91	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	1,518.74	-	1,518.74	-	-	-	-
Receivables									
(I) Trade receivables	-	-	1,834.47	-	1,834.47	-	-	-	-
(II) Other receivables	-	-	349.58	-	349.58	-	-	-	-
Loans	-	-	814.42	-	814.42	-	-	-	-
Investments	-	2,71,273.18	0.59	3,778.22	2,75,051.99	2,65,351.12	3,000.83	2,921.22	2,71,273.18
Other financial assets	-	-	11,274.02	-	11,274.02	-	-	-	-
<b>Total financial assets</b>	-	<b>2,71,273.18</b>	<b>20,243.73</b>	<b>3,778.22</b>	<b>2,95,295.13</b>	<b>2,65,351.12</b>	<b>3,000.83</b>	<b>2,921.22</b>	<b>2,71,273.18</b>
<b>Financial liabilities</b>									
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	10.14	-	10.14	-	-	-	-
(II) Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	33.51	-	33.51	-	-	-	-
Borrowings (Other than debt securities)	-	-	68.75	-	68.75	-	-	-	-
Other financial liabilities	-	-	332.50	-	332.50	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>444.90</b>	-	<b>444.90</b>	-	-	-	-

The carrying value and fair value of financial instruments by categories as of 31 March 2022 are as follows:

Particulars	Carrying amount				Fair value				
	FVTPL	FVTOCI	Amortised cost	At Equity Method	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>									
Cash and cash equivalents	-	-	7,363.88	-	7,363.88	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	444.81	-	444.81	-	-	-	-
Receivables									
(I) Trade receivables	-	-	119.94	-	119.94	-	-	-	-
(II) Other receivables	-	-	348.93	-	348.93	-	-	-	-
Loans	-	-	807.29	-	807.29	-	-	-	-
Investments	-	3,39,721.24	0.59	3,671.89	3,43,393.72	3,34,017.38	1,549.19	4,154.67	3,39,721.24
Other financial assets	-	-	11,878.71	-	11,878.71	-	-	-	-
<b>Total financial assets</b>	-	<b>3,39,721.24</b>	<b>20,964.15</b>	<b>3,671.89</b>	<b>3,64,357.28</b>	<b>3,34,017.38</b>	<b>1,549.19</b>	<b>4,154.67</b>	<b>3,39,721.24</b>
<b>Financial liabilities</b>									
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	488.94	-	488.94	-	-	-	-
(II) Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	59.74	-	59.74	-	-	-	-
Borrowings (Other than debt securities)	-	-	91.33	-	91.33	-	-	-	-
Other financial liabilities	-	-	255.84	-	255.84	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>895.85</b>	-	<b>895.85</b>	-	-	-	-

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investment in private equity funds, real estate funds.

**ii Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include :

- Quoted equity investments - Quoted closing price on stock exchange
- Mutual fund - net asset value of the scheme
- Alternative investment funds - net asset value of the scheme
- Unquoted equity investments - NAV on the last audited financials available of the companies.
- Private equity investment fund - NAV of the audited financials of the funds.

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- 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)

(Rupees in Lakhs)

**Note 42: Tax Expense**

The Group 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 Parent Company has elected to opt the amended tax regime from the financial year 2019-20, the same option is elected by subsidiaries and associate company from the financial year 2020-21.

**(a) Income Tax (expense)/credit recognised in Statement of Profit and Loss:**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Current tax (expense)/credit:</b>		
1 Current tax for the year	(658.60)	(3,182.18)
2 Excess provision of tax relating to earlier years written back.	60.09	-
<b>Total current tax (expense)/credit (A)</b>	<b>(598.51)</b>	<b>(3,182.18)</b>
<b>Deferred tax (expense)/credit:</b>		
<b>Net deferred tax (expense)/credit (B)</b>	<b>392.91</b>	<b>3,202.69</b>
<b>Income tax (expense)/credit (net): (C = A+B)</b>	<b>(205.60)</b>	<b>20.51</b>

**(b) Income Tax (expense)/credit recognised through other comprehensive income:**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
1 Remeasurement of defined benefit plan	7.37	(3.86)
2 Equity instruments through other comprehensive income	15,225.94	(11,117.03)
<b>Total (1+2)</b>	<b>15,233.31</b>	<b>(11,120.89)</b>

**(c) Reconciliation of estimated Income tax (expense)/credit reported in Statement of Profit and Loss:**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Profit / (loss) before tax</b>	5,802.68	21,001.94
1 Expected income tax (expense)/credit at the applicable tax rates	(1,460.42)	(5,285.77)
<b>Tax effect of adjustments to reconcile expected Income tax (expense)/credit at tax rate to reported income tax (expense)/credit</b>		
2 Effect of non-deductible expenses	(124.63)	(116.83)
3 Effect of differential tax rates and carried/brought forward losses	1,029.55	5,104.81
4 Excess provision of tax relating to earlier years written back.	60.09	-
5 Effect of income exempt from tax	291.73	324.70
6 Others	(1.92)	(6.40)
<b>Income Tax (expenses)/credit reported in statement of profit and loss (1+2+3+4+5+6)</b>	<b>(205.60)</b>	<b>20.51</b>

**Note No 43: Shareholding of Promoters and Promoter Group**

Shares held by Promoters (P) & Promoter Group (PG)			As at 31st Mar 2023			As at 31st Mar 2022		
S. No	Promoter Name	Category <sup>(5)</sup>	No. of shares (in Nos)	% of Total shares	% change during the year <sup>(6)</sup>	No. of shares (in Nos)	% of Total shares	% change during the year <sup>(6)</sup>
1	VLS Capital Ltd.	PG	1,33,36,538	37.86	-	1,33,36,538	34.50	-
2	VLS Commodities Private Limited	PG	4,57,768	1.30	-	4,57,768	1.18	-
3	South Asian Enterprises Ltd	PG	1,500	-	-	1,500	-	-
4	Divya Mehrotra	PG	5,41,393	1.54	-	5,41,393	1.40	0.11
5	Mahesh Prasad Mehrotra(HUF)	PG	19,84,262	5.63	-	19,84,262	5.13	-
6	Sadhana Mehrotra	PG	8,84,691	2.51	-	8,84,691	2.29	-
7	Vikas Mehrotra	PG	4,85,783	1.38	-	4,85,783	1.26	-
8	Mahesh Prasad Mehrotra	P	1	-	-	1	-	-
	<b>Total (*)</b>		<b>1,76,91,936</b>	<b>50.22</b>		<b>1,76,91,936</b>	<b>45.76</b>	

\$ Promoters = P, Promoter Group = PG

# Percentage change has been computed considering the number of shares at the beginning of the year.

\* % of shareholding increased as at the end of 31st March 2023 due to buyback of equity shares and consequent extinguishment of equity share at the end of the year.

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**Note No 44: Ageing of Trade & Other Payables**
**Ageing of Trade Other Payables as on 31-03-2023**

(Rupees in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-	-
(ii) Others	43.65	37.81	0.01	-	5.83
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Ageing of Trade Other Payables as on 31-03-2022**

(Rupees in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-	-
(ii) Others	548.68	542.84	0.01	-	5.83
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

(Rupees in Lakhs)

**Note No 45: Ageing of Trade & Other Receivables**
**Ageing of Trade & Other Receivables as on 31-03-2023**

Particulars	Outstanding for following periods from due date of payment					
	Total	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	2,184.05	1,908.23	268.68	0.40	0.34	6.40
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,184.05</b>	<b>1,908.23</b>	<b>268.68</b>	<b>0.40</b>	<b>0.34</b>	<b>6.40</b>

**Ageing of Trade & Other Receivables as on 31-03-2022**

Particulars	Outstanding for following periods from due date of payment					
	Total	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	468.87	343.02	124.18	0.53	0.92	0.22
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>468.87</b>	<b>343.02</b>	<b>124.18</b>	<b>0.53</b>	<b>0.92</b>	<b>0.22</b>

(Rupees in Lakhs)

**Note No 46: Loans or advances in the nature of loans as per additional regulatory disclosure of schedule III to Companies Act 2013.**

As at 31.03.2023		
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-

As at 31.03.2022		
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	0.30	0.04%
Related Parties	-	-

(Rupees in Lakhs)

**Note No 47: Ageing of Capital Work in Progress**
**Ageing of Capital Work in Progress as on 31-03-2023**

Particulars	Amount in CWIP for a period of				
	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**Ageing of Capital Work in Progress as on 31-03-2022**

Particulars	Amount in CWIP for a period of				
	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	6.98	6.98	-	-	-
Projects temporarily suspended	-	-	-	-	-

Pl. refer Note No 48: CWIP Completion Schedule

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(Rupees in Lakhs)

**Note No 48: CWIP Completion Schedule**
**CWIP Completion Schedule as on 31-03-2023**

Particulars	Amount in CWIP for a period of				
	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	-	-	-	-
Projects temporarily suspended					

**CWIP Completion Schedule as on 31-03-2022**

Particulars	Amount in CWIP for a period of				
	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	6.98	6.98			
Projects temporarily suspended					

(Rupees in Lakhs)

**Note 49: Relationship with Strike off Companies**

Sl. No.	NAME OF THE COMPANY	NATURE OF TRANSACTION										RELATIONSHIP (IF ANY)
		INVESTMENT IN SECURITIES OF SUCH COMPANY (Nos.)		RECEIVABLES (Amount Rupees in Lakhs)		PAYABLES (Amount Rupees in Lakhs)		SHARES HELD BY SUCH COMPANY *(In Nos.)		OTHER OUTSTANDING: UNPAID DIVIDEND (Amount Rupees in Lakhs)		
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	
1	Colocar Leasing & Finance P Ltd	-	-	-	-	-	-	600	600	0.04	0.03	NIL
2	Guru Rakha Investment Pvt Ltd	-	-	-	-	-	-	100	100	0.01	0.01	NIL
3	Lakshmi Fintrade Pvt Ltd (Shri Lakshmi Fintrade Private Limited)	-	-	-	-	-	-	600	600	0.04	0.03	NIL
4	Maneela Finance Investment Pvt Ltd (Maneela Finance And Investments Private Ltd)	-	-	-	-	-	-	600	600	0.04	0.03	NIL
5	Money Tree Plantation Pvt Ltd	-	-	-	-	-	-	1,200	1,200	0.08	0.06	NIL
6	Nav Trading And Investments Private Limited	-	-	-	-	-	-	3,600	3,600	0.24	0.19	NIL
7	Options Financial Services Ltd	-	-	-	-	-	-	600	600	0.04	0.03	NIL
8	Paavan Securities Pvt Ltd	-	-	-	-	-	-	400	400	0.03	0.02	NIL
9	Paradise Finstock Service Pvt Ltd	-	-	-	-	-	-	600	600	0.04	0.03	NIL
10	Rahat Holdings & Estates P Ltd	-	-	-	-	-	-	600	600	0.04	0.03	NIL
11	Siddhi Commodore Private Limited	-	-	-	-	-	-	400	400	0.03	0.02	NIL
12	Sis Share & Stock Br. Pvt Ltd (Guardian Share And Stock Brokers Private Ltd)	-	-	-	-	-	-	200	200	0.01	0.01	NIL
13	Sunshine Holdings P Ltd	-	-	-	-	-	-	9,300	9,300	0.52	0.41	NIL
14	Yashika Finlease And Holdings P Ltd	-	-	-	-	-	-	2,400	2,400	0.16	0.13	NIL
	<b>Total</b>	-	-	-	-	-	-	<b>21,200</b>	<b>21,200</b>	<b>1.31</b>	<b>1.05</b>	-

\* In the financial years ended March 31, 2023 and March 31, 2022, the Group did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Our Group has not allotted any Equity share to the said companies. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Group from the database maintained by the depositories and reported to us for the purpose of this disclosure.

**Note 50: Key Ratios**
**Part A**

S No	Particulars	As at 31st Mar 2023	As at 31st Mar 2022
1	Capital to risk- weighted assets ratio	NA *	NA *
2	Tier I CRAR	NA *	NA *
3	Tier II CRAR	NA *	NA *
4	Liquidity Coverage Ratio	NA *	NA *

\* Note: As the Group is not registered with RBI as NBFC by virtue of exemption given by RBI, the above ratios are not applicable to the Group.

**Part B**

S No	Particulars	As at 31st Mar 2023		Ratio		% Change from previous period in Current Year	Reason for Change (if Change > 25 %)
		Numerator (Rs. in Lakhs)	Denominator (Rs. in Lakhs)	As at 31st Mar 2023	As at 31st Mar 2022		
		3	4	5 = 3 / 4	6	7 = (5 - 6) / 6	8
1	Return on equity (PAT / Equity) (%)	5,597.08	2,50,059.41	2.24	7.09	(68.43)	There is decline in the ratio due to reduction in the Profit during the current year.
2	Return on Assets (PAT / Total Assets) (%)	5,597.08	3,06,283.32	1.83	5.70	(67.97)	There is decline in the ratio due to reduction in the Profit during the current year.
3	Current Ratio (Cash, Bank, Receivables & Other Fin. Assets) / (Financial Liabilities) (Times)	19,428.72	444.90	43.67	22.50	94.09	There is a favourable increase in the Current ratio due to reduction in the Financial Liabilities during the current year.

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**Note No 51: Investment Property**

(Rupees in Lakhs)

PARTICULARS	As at 31st Mar 2023	As at 31st Mar 2022
(i) <b>Investment in Property</b>		
a) Balance at the beginning of the year	70.94	70.94
b) Addition during the year <sup>§</sup>	6,580.52	-
c) Deduction during the year	-	-
d) Depreciation/Impairment for the year	-	-
e) Balance at the end of the year	<b>6,651.46</b>	<b>70.94</b>
<i>§ Including Stamp Duty &amp; Registration charges of Rs 430.52 Lakhs</i>		
(ii) <b>Fair value of Investment property</b>		
a) Building	852.76	23.85
b) Freehold Land	5,761.29	190.15
<b>Total</b>	<b>6,614.05</b>	<b>214.00</b>

\* Pl. refer below mentioned foot note (iv) for Fair Value Hierarchy:

**(iii) Amounts recognised in the statement of profit and loss in relation to investment Property**

PARTICULARS	Year Ended 31.03.2023	Year Ended 31.03.2022
a) Rental Income from investment property <sup>(#,@)</sup>	4.23	-
b) Direct operating expenses rising from investment property that generated rental income during the year	(0.07)	-
c) Direct operating expenses arising from investment property that did not generate rental income during the year	(0.21)	(0.21)
d) <b>Profit from investment property before depreciation</b>	3.95	(0.21)
e) Depreciation charge for the year	-	-
f) <b>Profit from investment property after depreciation</b>	3.95	(0.21)

# Rental income recognised by the Group is included in , "Other income" as Rental income from Investment properties Pl. refer Note no: 25 - Other Income.

@ Rental Income from investment property includes Rs 0.08 lakhs as income, recognised on interest free security deposit received from lessee, as per relevant accounting standard.

**(iv) Fair Value Hierarchy:**

The fair values of the investment properties as mentioned in (ii) above is based on valuations performed by valuer Er. B. P. Singh, an approved valuer from government of India (Income Tax- CBDT). The valuation of land has been done by the valuer on the basis of market value of property considering the location, size of plot, civic amenities available near the land. Further valuation of building has been done by applying the rate for market plinth area for industrial property/ construction rate of CPWD as far as possible for similar property in Delhi & around Delhi.

**(v) Leasing arrangements**

Investment properties are leased out to tenants under operating lease. Disclosure of future rent receivable is included in Note No 52: Disclosure Under Ind As 116 Lease.

**(vi) Contractual obligations**

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop the investment property. However, the responsibility for its repairs and maintenance is with the Group.

(Rupees in Lakhs)

**Note No 52: Disclosure Under Ind As 116 Lease**
**Leases**
**1 Group as a lessee:**

The Group has taken premises on operating lease for the period which ranges from 11 months to 36 months with an option to renew the lease by mutual consent on mutually agreeable terms. -The Group has applied the exemptions not to recognise right-of-use assets and liabilities for lease with less than 12 months of term lease.

Information about leases for which the Group is a lessee for more than 12 months are presented below:

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
(A) <b>Right of use assets <sup>#</sup></b>		
Opening balance	58.22	-
Movement during the year	3.23	61.53
Amortisation on Right-Of-Use (ROU) assets	(20.75)	(3.31)
<b>Closing balance</b>	<b>40.70</b>	<b>58.22</b>

# Pl. refer note 11a.

**(B) The movement in lease liabilities are as follows:**

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
<b>Opening balance</b>	58.60	-
Additions		61.53
Amounts recognised in statement of profit & loss as Interest on lease liabilities in Finance Costs	5.32	1.06
Payment of lease liabilities	(24.20)	(4.00)
Adjustment on account of termination	-	-
Adjustment on account of modification	3.23	-
<b>Closing balance</b>	<b>42.95</b>	<b>58.60</b>

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2023**

(Rupees in Lakhs)

**(C) Maturity analysis - Cashflows of Contractual maturities of lease liabilities**

Particulars	As at 31st Mar 2023		
	Lease payments	Finance cost	Net present Value
Not later than one year	21.93	3.48	25.41
Later than one year and not later than five years	21.02	1.03	22.05
Later than five years	-	-	-
<b>Total</b>	<b>42.95</b>	<b>4.51</b>	<b>47.46</b>

Particulars	As at 31st Mar 2022		
	Lease payments	Finance cost	Net present Value
Not later than one year	18.73	5.27	24.00
Later than one year and not later than five years	39.87	4.13	44.00
Later than five years	-	-	-
<b>Total</b>	<b>58.60</b>	<b>9.40</b>	<b>68.00</b>

**(D) Amount recognised in statement of profit & loss**

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest cost on lease liabilities.	5.32	1.06
Amortization Right of Use Assets.	20.75	3.31
Rental Expenses recorded for short-term lease payments and payments for leases of low-value assets not included in the measurement of the lease liability (included in other expense).	25.07	55.99

**2 Group as a lessor:**
**(A) Lessor - Operating Lease:**

The Group has leasing arrangements in respect of operating leases for its premises. The Group has entered into operating leases for its Investment property and for other assets. These have lease terms of between 11 months to 36 months.

**(B) Rental Income as operating lease recognised in the statement of profit and loss is as follows:**

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Rental income from other assets *	13.67	-
Rental income from Investment properties *	4.23	-
<b>Total</b>	<b>17.90</b>	<b>-</b>

\* Rental income recognised by the Group is included in "Other income" (Pl. refer Note 25).

**(C) Future minimum rentals receivable under operating leases are, as follows:**

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Not later than one year	525.00	-
Later than one year and not later than five years	751.00	-
Later than five years	-	-
<b>Total</b>	<b>1,276.00</b>	<b>-</b>

**Note 53: Salient features of Financial Statements of Subsidiary and Associate Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 :**

(Form AOC-1)

**Part A: Subsidiaries:**

Sl. No.	Name of the Subsidiary	VLS Securities Limited	VLS Asset Management Limited	VLS Real Estate Limited
<b>As at 31.03.2023</b>				
		INR	INR	INR
1	Reporting Currency			
2	Share Capital	3,000.00	7.07	10.00
3	Other Equity	109,116.34	(16.51)	(6.11)
<b>4</b>	<b>Total Assets</b>	<b>145,390.21</b>	<b>0.16</b>	<b>3.89</b>
<b>5</b>	<b>Total Liabilities</b>	<b>33,273.87</b>	<b>9.60</b>	<b>-</b>
6	Investments	144,437.24	-	-
7	Turnover/Total Income	635.69	-	-
8	Profit/(Loss) Before Taxation	340.85	(0.05)	(0.05)
9	Provision for Tax (expense)/credit (net):	(91.44)	-	-
10	Profit/(Loss) After Taxation	249.41	(0.05)	(0.05)
11	Other Comprehensive Income	(25,185.14)	-	-
12	Total Comprehensive Income	(24,935.73)	(0.05)	(0.05)
13	Proposed Dividend	-	-	-
14	% of Shareholding	100.00%	99.15%	100.00%

1. Names of Subsidiaries which are yet to commence operations

- VLS Asset Management Limited
- VLS Real Estate Limited

2. Names of Subsidiaries which have been liquidated or sold during the year- N.A.

**CONSOLIDATED FINANCIAL STATEMENTS**
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(Form AOC-1)

**Part B: Associates:**

(Rupees in Lakhs)

Statement pursuant to Section 129(3) of Companies Act, 2013 related to Associate Companies:

Sr. No.	Name of Associate	Latest audited Balance Sheet date	Shares of Associate held by the company/group at the year ended on 31.03.2023			Net worth attributable to shareholding as per latest audited Bal. Sheet	Profit / Loss for the year		Description of how there is significant influence
			No.	Amount of investment in Associate *	Extent of holding %		Considered in Consolidation	Not Considered in Consolidation	
1	VLS Capital Limited.	31.03.2023	9,820,833	2,538.54	42.40%	3,778.22	106.34	0	Note – A

1. Names of associates or joint ventures which are yet to commence operations. N.A.

2. Names of associates or joint ventures which have been liquidated or sold during the year- N.A.

**Note:**

A. There is significant influence due to percentage (%) of Share Capital.

\* after inter-company eliminations due to consolidations.

(Rupees in Lakhs)

**Note 54: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associate as on 31.03.2023**

Name of the entity in the Group	Net Assets/ (Total Assets minus Total Liabilities)		Share in Profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
VLS Finance Limited	59.72	1,49,332.78	93.69	5,244.00	44.40	(20,108.07)	37.45	(14,864.07)
<b>Subsidiaries (Indian):</b>								
VLS Securities Limited	43.63	1,09,116.34	4.46	249.41	55.61	(25,185.14)	62.82	(24,935.73)
VLS Asset Management Limited	(0.01)	(16.43)	(0.00)	(0.06)	-	-	0.00	(0.06)
VLS Real Estate Limited	(0.00)	(6.11)	(0.00)	(0.06)	-	-	0.00	(0.06)
<b>Inter-company eliminations due to consolidation</b>	(3.84)	(9,606.77)	-	-	-	-	-	-
<b>Non-controlling interest</b>								
Subsidiaries (Indian)	(0.00)	(0.08)	(0.00)	(0.00)	-	-	0.00	(0.00)
<b>Associate:</b>								
VLS Capital Limited	0.50	1,239.68	1.85	103.79	(0.01)	2.55	(0.27)	106.34
<b>Total</b>	<b>100.00</b>	<b>2,50,059.41</b>	<b>100.00</b>	<b>5,597.08</b>	<b>100.00</b>	<b>(45,290.66)</b>	<b>100.00</b>	<b>(39,693.58)</b>

**Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associate as on 31.03.2022**

Name of the entity in the Group	Net Assets/ (Total Assets minus Total Liabilities)		Share in Profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
VLS Finance Limited	57.66	1,70,975.96	121.01	25,438.94	32.90	10,882.43	67.14	36,321.37
<b>Subsidiaries (Indian):</b>								
VLS Securities Limited	45.04	1,33,570.17	21.27	4,470.59	66.73	22,074.28	49.07	26,544.87
VLS Asset Management Limited	(0.01)	(16.39)	(0.00)	(0.03)	-	-	(0.00)	(0.03)
VLS Real Estate Limited	(0.00)	(6.06)	0.00	0.11	-	-	0.00	0.11
<b>Inter-company eliminations due to consolidation</b>	(3.08)	(9,124.86)	(43.40)	(9,123.67)	-	-	(16.86)	(9,123.67)
<b>Non-controlling interest</b>								
Subsidiaries (Indian)	(0.00)	(0.08)	0.01	1.93	0.37	122.05	0.23	123.98
<b>Associate:</b>								
VLS Capital Limited	0.38	1,133.35	1.12	234.59	(0.00)	(0.13)	0.43	234.46
<b>Total</b>	<b>100.00</b>	<b>2,96,532.09</b>	<b>100.00</b>	<b>21,022.46</b>	<b>100.00</b>	<b>33,078.63</b>	<b>100.00</b>	<b>54,101.09</b>

**CONSOLIDATED FINANCIAL STATEMENTS**
**Notes to the Consolidated Financial Statements for the year ended 31.03.2023**

(Rupees in Lakhs)

**Note No: 55: Intangible Assets under Development Ageing Schedule**

There are no intangible assets under development as on 31<sup>st</sup> March 2023 as well as 31<sup>st</sup> March 2022.

**Note No 56: Subsequent events:**

There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statements other than as stated below:

- i) The Board of Directors of VLS Finance Limited at its meeting held on 27<sup>th</sup> May 2023 has proposed a Dividend of Rs. 1.50 per equity share i.e., 15% on face value of Rs.10/- per equity share, for the financial year ended 31-March 2023, subject to approval of the members of the VLS Finance Limited at the forthcoming Annual General Meeting.

Pursuant to the Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the listing regulations, the Book Closure period for the purpose of payment of the dividend to be declared at the 36<sup>th</sup> AGM will be from September 23<sup>rd</sup>, 2023, to September 29<sup>th</sup>, 2023 (both days inclusive).

The dividend, if approved, will be paid on or before 29-October-2023 subject to deduction of tax at source as per the applicable rate(s), to the members whose name stand in the register of members on the cutoff date ratified for this purpose.

- ii) The Board of Directors of VLS Finance Limited at its meeting held on 27<sup>th</sup> May 2023 has approved the closure of the Buyback pursuant to the terms of the Public Announcement, with effect from Monday, 29<sup>th</sup> May 2023.

**Note No 57: Segment reporting:**

The Group is primarily engaged in the business of investment & Sale/ Purchase of Shares/Securities & Derivatives including the business of stock broking. As such the Group's financial statements are largely reflective of the investment business. There are no separate reportable segments identified as per the Ind AS 108 - Operating segments. Further the Group does not have any reportable geographical segment. Hence segment-wise reporting has not been made.

**Note No 58: Additional Regulatory disclosures.**

- i) During the financial years ended March 31, 2023, and March 31, 2022, the Group has not revalued its property, plant and Equipment.
- ii) All the lease agreements are duly executed in favor of the Group for properties where the Group is the lessee.
- iii) During the financial years ended March 31, 2023, and March 31, 2022, the Group has not revalued its intangible assets.
- iv) The Group has been sanctioned working capital limits from Banks/ financial institutions on the basis of security of Group's own fixed deposits. Therefore, during the financial years ending March 31, 2023, and March 31, 2022, the Group is not required to file the Quarterly return/ statements of current assets with banks and financial institutions.
- v) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of layers) rule 2017.

- vi) During the financial years ended March 31, 2023, and March 31, 2022, no Scheme of Arrangements related to the Group has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

- vii) Utilisation of Borrowed funds and share premium: -

- a. The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. The Group has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Group shall:
- 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.

- viii) No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.

- ix) The Group has not been declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.

- x) There is no creation or satisfaction of charges which are pending to be filed with ROC as at 31 March 2023 and 31 March 2022.

- xi) The Group has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023, and March 31, 2022.

- xii) The Group does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). No previously unrecorded income and related assets have been recorded in the books of account during the year.

- xiii) There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2023, and March 31, 2022.

**Note No 59:** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure and rounding off errors have been ignored.

**Note No 60:** The amounts reflected as "0" or "-" in the financial information are values with less than rupees five hundred.

As per our report of even date

**For Agiwal & Associates**

Chartered Accountants  
(FRN: 000181N)

**CA P. C. Agiwal**

Partner

Membership No.080475

Place: New Delhi

Date: May 27th 2023

For and on behalf of the board

**S.K. Agarwal**

Managing Director

(DIN:00106763)

**K.K. Soni**

Director-Finance &amp; CFO

(DIN: 00106037)

**M. P. Mehrotra**

Executive Vice Chairman

(DIN:00016768)

**H. Consul**

Company Secretary

M. No A-11183

**Notes**

**Notes**

**Book Post**



**If not delivered, please return to :**

**VLS FINANCE LTD.**

**Regd. Office : Ground Floor, 90, Okhla Industrial  
Estate, Phase-III, New Delhi-110 020  
Phone : 011-46656666 Fax : 011-46656699**