

VLS REAL ESTATE LIMITED

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

DIRECTORS' REPORT TO THE MEMBERS

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

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

Financial Results

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

The Company has incurred a Loss of Rs. 6,05,559/- (Rupees Six Lakh Five Thousand Five hundred and Fifty-Nine Only) on account of administrative expenses and include entire preliminary expenses incurred for incorporating the Company during the period under review. The Board is continuing efforts to identify suitable activity for operation keeping in view the means available. Accordingly, the Company is being viewed as a going concern and the accounts have been prepared on the basis of the going concern assumption. There were no material changes or commitments affecting the financial position of the Company from the end of financial year under review and date of this report.

Dividend/Reserves

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

Directors

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

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

Shri Mahesh Prasad Mehrotra (DIN: 00016768) shall be retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment. Your Directors recommend his reappointment in order to have his continued valuable direction, guidance and assistance in the conduct of the affairs of your Company.

Board Meetings

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

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

S. No.	Name of the Director	No. of meetings attended during the First Financial Year 03/02/2021 – 31/03/2022	
1	Shri S. K. Agarwal	5	03/03/2021
			09/06/2021
			15/07/2021
			01/11/2021
			04/02/2022
2	Shri K. K. Soni	5	03/03/2021
			09/06/2021
			15/07/2021
			01/11/2021
			04/02/2022
3	Shri Mahesh Prasad Mehrotra	5	03/03/2021
			09/06/2021
			15/07/2021
			01/11/2021
			04/02/2022
4	Ms. Divya Mehrotra	4	03/03/2021
			09/06/2021
			15/07/2021
			01/11/2021
			04/02/2022

Internal Financial Control Systems

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

Risk Management

Although the Company has not carried out any business since its incorporation during the period under review, the risk management mechanism of the Company was in place as approved by the Board.

Annual Return Extract (MGT-9)

The reporting of extract of Annual Return in Form no. MGT-9 had been done away with pursuant to amendment in section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 w.e.f. 28/08/2020. Hence, the reporting of extract of Annual Return has not been made in this report. The Annual Return is now required to be placed on the website of the Company, in terms of section 92(3) read with section 134(3)(a) of the Act and link thereof is required to be given in the Board's Report. The Company does not have a website at present; hence, relevant link is not given herein. The copy of Annual Return upon filing would be available for inspection of members at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days.

Directors Responsibility Statement

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

- That in the preparation of the Annual Accounts for the period ended on 31st March 2022, the applicable accounting standards have been followed.
- That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the period under review and of the loss of the Company for that period.
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That they have prepared the Annual Accounts for the period ended 31st March 2022 on a 'going concern' basis.
- That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

Fixed Deposits

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

Contracts With Related Party

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

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

Form No. AOC-2

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

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts / arrangements/transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions	-
f)	Date(s) of approval by the Board	-
g)	Amount paid as advances, if any:	-
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party	-
b)	Nature of relationship	-
c)	Nature of contracts/ arrangements/ transactions	-
d)	Duration of the contracts / arrangements/transactions	-
e)	Salient terms of the contracts or arrangements or transactions	-
f)	Justification for entering into such contracts or arrangements or transactions	-
g)	Date(s) of approval by the Board	-
h)	Amount paid during the year	-

Auditors

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

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

Auditors Report

The observations made by Auditors, M/s Agiwal & Associates, Chartered Accountants in their report have been adequately dealt with in relevant Notes on Accounts and in this report under the head - Financial Results. No further comments or explanations are required from Directors as there is no qualification in the Auditor's report for the period under review. Further, the Auditors have not reported any fraud in terms of Section 143(12) of the Companies Act, 2013 to the Board.

Statutory Disclosures

- During the period under review, the Company did not absorb any new technology nor has carried out any R&D activity including conservation of Energy. The relevant disclosures are contained in Annexure-1 to this report.
- There was no employee on the roll of the Company during the period under review. Hence, the limits specified in Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended are not applicable and there are no disclosures which are required to be made in this report, in terms of the aforesaid regulations. Further, disclosure relating to ratio of the remuneration of each director to the median employee's remuneration is also not applicable. The disclosures relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are accordingly not applicable. Even otherwise, no complaint was received in this regard during the year under review.
- The Company has not given any loan, guarantees or made investments during the period under review reportable in terms of section 186 of the Companies Act, 2013.
- Your Company has not issued equity shares with differential voting rights or under ESOP in terms of sections 43(a) and 62(1)(b) of the

Companies Act, 2013 during the period under review.

- There was no scheme relating to provision of money to be held in a trust for the benefit of the employees in terms of Sec 67(3)(b) of the Companies Act, 2013 during the period under review, as there is no employee on the rolls of the Company.
- No revision of financial statements or Board's Report has been made in terms of Section 131(1) of the Companies Act, 2013. Further, no orders by any regulator/court/tribunal etc. had been passed during the period under review which would adversely affect the operations or going concern status of the Company.
- Your Company has not undertaken any Corporate Social Responsibility initiative as the relevant provisions are not applicable to the Company as per Section 135 of the Companies Act, 2013.
- Provisions for appointment of Independent Directors are not applicable to your Company nor it is covered under clause no. (d), (e) and (p) of subsection (3) of sections 134 and sections 177, 178, 203 and 204 of the Companies Act, 2013.
- The Company does not have or had subsidiaries and associates as defined under the Companies Act, 2013 during the period under review. Further, provision relating to maintenance of cost records in terms of Section 148(1) of the Companies Act, 2013 are not applicable to the Company.
- Neither any application has been made nor any proceeding is pending under Insolvency and Bankruptcy Code, 2016 during the period under review. Further no loan from Bank or financial institution was obtained in the said period and therefore, the provision relating to disclosure of variation in valuation in terms of Rule 8(5)(XII) of the Companies (Accounts) Rules, 2014 is not applicable for the period under review.
- The registered office of the Company has been shifted from 2nd floor, 13, Sant Nagar, East of Kailash, New Delhi - 110065 to First Floor, 90, Okhla Industrial Estate, Phase - III, New Delhi - 110020 w.e.f. 07/05/2022 pursuant to Board's decision to this effect on 07/05/2022.

Acknowledgement

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

For and on behalf of the Board of Directors

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

Annexure-1

Annexure to Directors' Report

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

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board of Directors

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

INDEPENDENT AUDITOR'S REPORT

To the Members of VLS Real Estate Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) With respect to the other matters to be included in the

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

In our opinion and best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors for the year ended March 31, 2022 is in accordance with the provisions of section 197 read with Schedule V to the Act;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For Agiwal & Associates

Chartered Accountants

ICAI Firm Registration Number: 000181N

CA P.C. Agiwal

Partner

Membership Number: 080475

UDIN: 22080475AKJBIN9540

Place: Delhi

Date: May 7, 2022

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

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

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

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

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

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

For **Agiwal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 000181N

CA P.C. Agiwal

Partner

Membership Number: 080475

UDIN: 22080475AKJBIN9540

Place: Delhi

Date: May 7, 2022

Annexure '2' to the Independent Auditor's Report

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

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

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls over these Financial Reporting

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls over financial

reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Agiwal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 000181N

CA P.C. Agiwal

Partner

Membership Number: 080475

UDIN: 22080475AKJBIN9540

Place: Delhi

Date: May 7, 2022

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

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

Significant Accounting Policies and Notes 1-14 forming part of accounts

As our report of even date

For Agiwal & Associates

(F.R.N.000181N)

Chartered Accountants

For and on behalf of the Board

P.C. Agiwal

Partner

Membership No. 080475

S. K. Agarwal

Director

DIN:00106763

K. K. Soni

Director

DIN:00106037

Place : New Delhi

Date : 07/05/2022

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

(₹ in lakhs)

	Particulars	Note No	For the period ended 31st March 2022
I	Revenue From Operations Total Revenue From Operations (I)		-
II	Other Income Total Other Income (II)		-
III	Total Income (I+II)		-
IV	EXPENSES		
	(i) Other expenses Total expenses (IV)	6	6.06 6.06
V	Profit/(loss) before exceptional items and tax (I- IV)		(6.06)
VI	Exceptional Items		-
VII	Profit/(loss) before tax (V-VI)		(6.06)
VIII	Tax expense:		-
	(1) Current tax		-
	(2) Deferred tax		-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(6.06)
X	Other Comprehensive Income		
	A (i) Items that will not be reclassified to profit or loss		-
	Gain / (Loss) arising on Defined Employee Benefits		-
	Gain / (Loss) arising on fair valuation of Investment		-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-
XI	Other comprehensive income / (loss) (i+ii)		-
XII	Total Comprehensive Income for the period (IX+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(6.06)
XIII	Earnings per equity share		
	(1) Basic		(6.06)
	(2) Diluted		(6.06)

Significant Accounting Policies and Notes forming part of accounts

1-14

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

For and on behalf of the Board

P.C. Agiwal
Partner
Membership No. 080475

S.K. Agarwal
Director
DIN:00106763

K.K. Soni
Director
DIN:00106037

Place : New Delhi
Date : 07/05/2022

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

A. Equity Share Capital

Current reporting period

(₹ in lakhs)

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

B. Other Equity

Current reporting period

(₹ in lakhs)

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

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

(₹ in lakhs)

B. Other Equity
Current reporting period

(₹ in lakhs)

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

* Company incorporated on 03/02/2021

For Agiwal & Associates

(F.R.N. 000181N)

Chartered Accountants

For and on behalf of the Board
P. C. Agiwal

Partner

Membership No. 080475

S. K. Agarwal

Director

DIN:00106763

K. K. Soni

Director

DIN:00106037

Place : New Delhi

Date : 07/05/2022

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

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

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

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

2.2 Basis of Preparation of Financial Statements

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

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

2.3 Use of Estimates

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

2.4 Revenue Recognition and Expenses

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

2.5 Expenses

All expenses are accounted for on accrual basis.

2.6 Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

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

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

2.7 Financial instruments

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

Financial assets
Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Equity investments

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

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

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

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

De-recognition

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

2.8 Taxes on Income
(a) Current Tax

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

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

(b) Deferred Tax

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

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

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

2.9 Impairment of Non-financial Assets

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

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

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

2.10 Provisions, Contingent Liabilities and Contingent Assets

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

2.11 Earnings Per Share

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

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

2.12 Cash and Cash Equivalents

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

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

2.13 Cash Flow Statement

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

2.14 Estimated fair value of unlisted securities

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

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

2.15 Insurance claims and liquidated damages

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

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

Note - 3 Cash & Bank Balances

Cash and Cash Equivalents

Cash on hand	-
Balance with Bank	
In current account	<u>3.94</u>
Total	<u><u>3.94</u></u>

NOTE - 4

(Shares in Nos. and ₹ in lakhs)

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

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

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

b. Terms/rights attached to equity shares

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

c. Shares held by holding company

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

	As at 31st March, 2022
VLS Finance Ltd. (including 6 shares held through its 6 nominees)	1,00,000

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

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

Disclosure of shareholding of promoters

Shareholding of promoters as at 31st March, 2022

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

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

* Company incorporated on 03/02/2021

Note 5 : Other Equity (₹ in lakhs)

Particulars	As at 31st March, 2022
-------------	------------------------

Securities premium

Balance at the beginning of the period	
Balance as at end of the period	-

General reserve

Balance at the beginning of the period	
Balance as at end of the period	-

Retained earnings

Balance at the beginning of the period	-
Add: Profit/(loss) during the period	(6.06)
Balance as at end of the period	(6.06)

Fair value gain on equity instruments carried through other comprehensive income

Balance at the beginning of the period	
Add: Other Comprehensive Income during the period (net of tax)	
Balance as at end of the period	-

Remeasurement of Defined Benefit Plans

Balance at the beginning of the period	
Add: Other comprehensive income (net of tax)	
Balance as at end of the period	-
Total	(6.06)

(₹ in lakhs)

PARTICULARS	For the period ended 31-Mar-22
-------------	--------------------------------

Note - 6 Other Expenses

Filing Charges	0.01
Preliminary Expense	6.01
Miscellaneous expense	0.03
Professional Charges	-
Certification Charges	-
Total	6.06

Note 7 Deferred Tax Liability/ Deferred Tax Asset

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

Note 8 Related Party Disclosures:

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

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

Rs.10 Lakhs)

- i) Key Managerial Personnel – N.A.

Note 9 Earnings per Share (Ind AS 33)

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

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

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

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

Profit attributable to equity holders of the Company:	For the period ended 31/03/2022
Continuing operations (₹ in lakhs)	(6.06)
Profit attributable to equity holders for basic earnings	-
Dilution effect	-
Profit attributable to equity holders adjusted for dilution effect (₹ in lakhs)	(6.06)
Weighted Average number of equity shares (in lakhs) used for computing Earning Per Share (Basic & Diluted) *	1.00
Earnings Per Share (Basic & Diluted) (in Rs.)	(6.06)

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

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

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

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

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

As per our report of even date

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

For and on behalf of the Board

P. C. Agiwal
Partner
Membership No.080475

S. K. Agarwal
Director
DIN: 00106763

K. K. Soni
Director
DIN: 00106037

Place: New Delhi
Date: 07/05/2022