

**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 2nd Annual Report of your Company together with the Balance Sheet as at 31st March, 2023 and the Statement of Profit & Loss for the year ended on that date.

Financial Summary

Your Company was incorporated on 3rd 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 31st 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 31st 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 1st term for a period of 5 years i.e. upto conclusion of 6th 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
	ASSETS			
(1)	Non-current assets		-	-
			-	-
(2)	Current assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	3	3.89	3.94
			3.89	3.94
	Total Assets		3.89	3.94
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share capital	4	10.00	10.00
	(b) Other Equity	5	(6.11)	(6.06)
			3.89	3.94
	LIABILITIES			
(1)	(a) Non-current liabilities		-	-
			-	-
(2)	(b) Current Liabilities		-	-
			-	-
	Total Equity and Liabilities		3.89	3.94

Significant Accounting Policies and Notes forming part of Financial Statement

1-13

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	EXPENSES			
	(i) Other expenses	6	0.05	6.06
	Total expenses (IV)		0.05	6.06
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
	A. CASH FLOW FROM OPERATING ACTIVITIES		
	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. CASH FLOW FROM INVESTING ACTIVITIES		
	Net cash generated / (used) from investing activities (B)	-	-
	C. CASH FLOW FROM FINANCING ACTIVITIES		
	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
	Total	3.89	3.94
	Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no.2.13)		
	Cash and cash equivalents as at end of the year as per above	3.89	3.94
	Total cash and bank balances equivalents as at end of the year	3.89	3.94

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		
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
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		
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
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 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 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

		(Shares in Nos. and ₹ in lakhs)	
		As at 31st March, 2023	As at 31st March, 2022
	500.00	500.00	500.00
	500.00	500.00	500.00
	10.00	10.00	10.00
	10.00	10.00	10.00

		As at 31st March, 2023		As at 31st March, 2022	
No. of shares	₹ in lakhs	No. of Shares	Rupees	No. of Shares	Rupees
100,000	10.00	-	-	-	-
-	-	100,000	10.00	100,000	10.00
100,000	10.00	100,000	10.00	100,000	10.00

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	-	-
Balance with Bank		
In current account	3.89	3.94
Total	3.89	3.94

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

	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	100,000	100.00	100,000	100.00

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	-
Total	1,00,000	100.00	-

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	-
Total	1,00,000	100.00	-

* 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
Retained earnings		
Balance at the beginning of the period	(6.06)	-
Add: Profit/(loss) during the period	(0.05)	(6.06)
Balance as at end of the period	(6.11)	(6.06)
TOTAL	(6.11)	(6.06)

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
Note - 6 Other Expenses		
Filing Charges	0.05	0.01
Preliminary Expense	-	6.02
Miscellaneous expense	0.00	0.03
Total	0.05	6.06

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
		Dues to Holding Company		
		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
Earnings Per Share (Basic & Diluted) (in Rs.)	(0.05)	(6.06)

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. Earnings in Foreign Currency	Nil	Nil
c. Expenditure in Foreign Currency	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 31st March 2023 as well as 31st 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