



## VLS Securities Limited

Regd. Off: Ground Floor, 90, Okhla Industrial Estate, Phase-III, New Delhi 110020

CIN: U74899DL1994PLC062123

E-mail: [vlsec@vlssecurities.com](mailto:vlsec@vlssecurities.com), Ph.: 011-46656666, Website: [www.vlssecurities.com](http://www.vlssecurities.com)

# XXIX

## ANNUAL REPORT

2022-23

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**BOARD OF DIRECTORS\***

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Shri Anoop Mishra DIN: 02849054	Chairman & Independent Director
Shri Suresh Kumar Agarwal DIN: 00106763	Managing Director
Shri Kishan Kumar Soni DIN: 00106037	Non-Executive Director
Shri Tej Bhan Gupta DIN: 00106181	Non-Executive Director
Shri Vikas Mehrotra DIN: 06476150	Non-Executive Director
Ms. Divya Mehrotra DIN: 00006494	Non-Executive Director

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***Company Secretary\****

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***Compliance Officer\****

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Shri Vishesh Jain

Shri Ramesh Chandra Pandey

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**AUDITORS<sup>#</sup>**

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***Statutory Auditors***

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M/s Anil Pariek & Garg  
Chartered Accountants  
33, Anand Bazar, Swaroop Nagar,  
Kanpur, Uttar Pradesh – 208002

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***Internal Auditors***

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M/s S. Bansal & Associates  
Chartered Accountants  
26, 1<sup>st</sup> Floor, Chawla Complex,  
A-215, Shakarpur, Delhi – 110 092

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***Secretarial Auditors***

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M/s A. Aggarwal and Associates  
Company Secretaries  
35, Tyagi Vihar – B,  
Dharam Colony, Nangloi, Delhi-110041

***\*As on 17/05/2023***

***#For Financial Year 2022-23***

## **VLS Securities Limited**

**Regd. Off: Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi - 110020**

**CIN: U74899DL1994PLC062123**

**E-mail: vlssec@vlssecurities.com, Ph: 011-4665 6666, Website: www.vlssecurities.com**

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### **NOTICE OF THE 29<sup>TH</sup> ANNUAL GENERAL MEETING ('AGM')**

**NOTICE** is hereby given that the 29<sup>th</sup> AGM of the Members of **VLS Securities Limited** will be held at the Registered Office of the Company situated at Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi - 110020 on Saturday, 16<sup>th</sup> September, 2023 at 4:00 p.m. to transact the following business:

#### **ORDINARY BUSINESS:**

1. To consider and adopt the audited Balance Sheet of the Company as on 31<sup>st</sup> March, 2023 and the Statement of Profit & Loss for the year ended on that date with enclosures thereto together with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Kishan Kumar Soni (DIN: 00106037), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Divya Mehrotra (DIN: 00006494), who retires by rotation, and being eligible, offers herself for re-appointment.

Place: New Delhi

Date: 08/08/2023

By Order of the Board  
for VLS Securities Limited



Vishesh Jain  
Company Secretary  
M. No. A68586

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**NOTES: -**

1. *A member entitled to attend, and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member of the Company.*
2. The proxy, in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A proxy may not vote except on a poll.
3. *The submission of form of proxy by a member does not preclude such member from attending and voting at the meeting. The proxy in such an event shall not be eligible to attend the meeting. Only bonafide members of the Company whose names appear on the Register of Members/ Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its' right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.*
4. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at Annual General Meeting ('AGM').
5. Members are requested to intimate the change in contact information, if any, to the Company with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card and self-attested copy of any document e.g.: Utility Bill, Driving License, Election Identity Card, Passport or similar document in support of the address of the Member at its Registered Office at Ground Floor, 90, Okhla Industrial Estate, Phase - III, New Delhi – 110020 or at [vlsec@vlsecurities.com](mailto:vlsec@vlsecurities.com) or to Company Secretary at [vishesh@vlsfinance.com](mailto:vishesh@vlsfinance.com).
6. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at [vlsec@vlsecurities.com](mailto:vlsec@vlsecurities.com) or to Company Secretary at [vishesh@vlsfinance.com](mailto:vishesh@vlsfinance.com) along with the copy of the signed request letter mentioning the name and address of the Member.
7. Member/ Proxies are requested to bring their copies of the Annual Report to the meeting and the attendance slip duly filled in for attending the meeting.
8. All the documents referred to in the accompanying Notice, Explanatory Statement, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection by members between 11:00 a.m. to 1:00 p.m. on all working days at the Registered office of the Company upto the date of AGM.

9. Information regarding Director retiring by rotation and seeking re-appointment:

(A)

S. No.	Name of the Director/ DIN	Date of Birth	Date of Appointment	Qualifications and Expertise in specific functional areas	Other Directorships	Membership ('M')/ Chairmanship ('C') in Committees of Companies and designation as on 31/03/2023.	Whether qualified u/s 164 (2) of the Companies Act, 2013
				No. of Board meetings attended during the year			
1.	Shri Kishan Kumar Soni (DIN: 00106037)	14/09/1953	31/12/2005	B.Com., FCA, FCS He is a Chartered Accountant and a qualified Company Secretary with more than 45 years' experience in the areas of Finance, Taxation, Corporate Planning and other corporate affairs. He is not related to any Director of the Company.	a) VLS Asset Management Limited  b) South Asian Enterprises Limited  c) VLS Finance Limited  d) VLS Real Estate Limited	Nil  i. Audit (M) ii. Stakeholders Relationship (C)  i. Stakeholder Relationship (M) ii. Operations Management (M) iii. Risk Management (M)  Nil	Yes
2.	Ms. Divya Mehrotra (DIN: 00006494)	06/05/1973	12/11/2016	Ms. Divya Mehrotra is a Commerce Graduate and is engaged as General Manager in Mehrotra & Mehrotra, Chartered Accountants. She has more than 23 years' experience in areas of administration and other corporate affairs. She is not related to any Director of the Company.	a) VLS Finance Limited b) Chai Thela Private Limited c) VLS Commodities Private Limited d) Pragati Moulders Limited e) Maxim Infracon Private Limited f) VLS Capital Limited g) VLS Real Estate Limited h) Vinu Promoters Private Limited i) Relikan Corporate Advisors Private Limited	- - - - - - - - - -	Yes

**B. Shareholding of above stated Director as on 31/03/2023:**

S. No.	Name of Director	No. of Equity Shares held in Company	%age of voting capital
1	Shri Kishan Kumar Soni	100 equity shares as a nominee of VLS Finance Ltd.	Negligible
2	Ms. Divya Mehrotra	100 equity shares as a nominee of VLS Finance Ltd.	Negligible

Place: New Delhi  
Date: 08/08/2023

By Order of the Board  
for VLS Securities Limited



Vishesh Jain  
Company Secretary  
M. No. A68586

\*\*\*\*\*

**VLS Securities Ltd.**

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**Directors' Report**

The Members,

**VLS Securities Limited,**

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

**Financial Summary**

₹ in lakhs

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

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

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

**Dividend /Reserves**

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

**Capital Structure**

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

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

**Operations/State of Company's Affairs**

Your Company earned brokerage of Rs. 229.47 lakhs during the year under review, as compared to Rs. 695.92 lakhs earned during the previous year.

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

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

**Future Outlook**

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

**Directors/Key Managerial Personnel**

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

The following changes took place during the year under review.

**Directors/ KMP**

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

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

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

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

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

**Directors' Responsibility Statement**

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

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

5. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Internal Financial Control Systems**

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

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

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

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

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

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

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

#### **Meetings of Board of Directors**

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

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

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

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

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

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

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

#### **Audit Committee**

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

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

S. No.	Name	Chairman / Member	No. of meetings attended during the year i.e. 01/04/2022 to 31/03/2023
1.	Shri Rajendra Kumar Goswami*	Chairman	3 14/05/2022 12/08/2022 31/10/2022
2.	Shri Kishan Kumar Soni	Member	4 14/05/2022 12/08/2022 31/10/2022 20/01/2023
3.	Dr. Rajeev Lochan Bishnoi**	Member	4 14/05/2022 12/08/2022 31/10/2022 20/01/2023
4.	Shri Anoop Mishra#	Chairman	1 20/01/2023
5.	Shri Vikas Mehrotra###	Member	--

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

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

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

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

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

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



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

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

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

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

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

#### **Board Evaluation**

The aim of the Board's evaluation was to assess the effectiveness of the Directors, Board's and Committee's composition, processes and arrangement in order to identify and realize any actions required to improve effectiveness. The evaluation process comprised of Board, Committee and management information and other relevant documentation, Meetings with key individuals within the organization and discussions with all members of Board of Directors, Committee members focusing on aspects of the Board's and Committee's composition; strategy, risk and controls; decision-making, roles and performance of the Chairman, Independent Directors, Executive Directors and other Non-Executive Directors. As per the provisions of Section 178 of Companies Act, 2013, the Board carried out annual evaluation of each Director's performance including of Chairman of the Board, the Board as a whole and its committees, in its meeting held on 11/05/2023.

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

#### **Independent Directors**

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

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

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

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

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

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

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

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

The Annual Return for the F. Y. 2021-22 is available on the website of the Company at <https://www.vlssecurities.com/Annual%20Report%202021-22.pdf>.

#### **Related Party**

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

#### **Form No. AOC-2**

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

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

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

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

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

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

Please also refer to note no. 29 of Annual Report for the year 2022-23 for disclosures under 'Related Party'.

#### **Risk Management Policy**

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

#### **Nomination and Remuneration Policy**

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

#### **Auditors**

In terms of Section 139 of the Companies Act, 2013 ('the Act') read with Companies (Audit and Auditors) Rules, 2014 M/s. Anil Pariek & Garg- Chartered Accountants,



(FRN: 001676C) had been appointed for the second term as Statutory Auditors for a period of 5 years i.e. till the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2027. The remuneration of the Auditors is determined by the Board of Directors of the Company in consultation with the Audit Committee, according to the resolution passed in the 28<sup>th</sup> Annual General Meeting authorizing the Board of Directors to determine the same on yearly basis for the remaining tenure of Auditors. The Statutory Auditors have given their consent and confirmation about their eligibility for continuing as Statutory Auditors of the Company.

In terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which was applicable on VLS Finance Ltd. ('the holding Company'), VLS Securities Ltd. ('the Company') was identified as material subsidiary of the holding Company for the financial year 2022-23 on the basis of its financial statement for the year ended 31st March 2022 because both the income and net worth of the Company exceeded 10% of the consolidated income and net worth respectively of VLS Finance Ltd. for that period.

Accordingly, the Secretarial Audit Report for the year under review was mandated in terms of the aforesaid regulation. The Board in its meeting held on 31/10/2022 had appointed M/s. A. Aggarwal and Associates, Company Secretaries (COP: 7467) as Secretarial Auditor of the Company for the financial year 2022-23.

#### **Auditors' Report**

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

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

#### **Deposits**

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

#### **Holding/ Subsidiary/ Associate Companies**

- The Company became a wholly owned subsidiary of VLS Finance Ltd. w.e.f. 1<sup>st</sup> September 2021.
- The financial statement of VLS Capital Ltd. which became an Associate in terms of Section 2(6) of the Companies Act, 2013 will be consolidated with that of VLS Finance Ltd., being the ultimate holding Company, in terms of exemption availed under Rule 6 of the Companies (Accounts) Rules, 2014 with respect to consolidation of annual accounts of the associate with the Company.
- The Company does not have any Subsidiary.

#### **Green Initiative in Corporate Governance:**

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

#### **Statutory Disclosures**

- None of the employees of the Company are in receipt of remuneration in excess of limits specified in Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. There are no disclosures which are required to be made in this report, in terms of the aforesaid regulations.
- The Company has complied with SEBI (Stock Brokers) Regulations 1992, SEBI (Merchant Bankers) Regulations, 1992 and other applicable laws / regulations, as amended. There was no proposal during the year under review for buy back of shares by the Company.
- No loan, guarantee or security in connection with a loan has been provided in terms of Section 186 of the Companies Act, 2013 during the year under review.
- Further, with regard to disclosure on investments made, since the Company's principal business is stock broking and investing in securities, the Company is exempt under the provisions of Section 186(11)(b)(i) of the Companies Act, 2013.
- Your Company has not issued any equity shares with differential voting rights or under ESOP in terms of Sections 43(a) and 62(1)(b) of the Companies Act, 2013.
- Your Company has not approved any scheme relating to the provision of money to be held in a trust for the benefit of the employees in terms of Section 67(3)(b) of the Companies Act, 2013.
- No revision of Financial Statements or Board's Report has been made in terms of Section 131(1) of the Companies Act, 2013.

- No Independent Director has been appointed by a Special Resolution by the Company during the year under review.
- The Managing Director of your Company is also the Managing Director of VLS Finance Ltd.- the holding Company and receives remuneration from the holding Company in terms of Section 197(14) of the Companies Act, 2013.
- There has been no change in the nature of business and name of the Company during the year under review.
- There had been no significant and material orders passed by regulatory authorities/ court that would impact the going concern status of the Company and its future operations. Further, there were no material changes or commitments affecting the financial position of the Company, occurred between the year under review and date of this report.
- During the year under review, there was no one-time settlement with Bank/ Financial Institutions and the provisions relating to Secretarial Audit and Cost Audit are not applicable to the Company.
- Neither any application has been made nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review. Further, no loan from Bank or Financial Institution was obtained in the said period and therefore, the provision relating to disclosure of variation in valuation in terms of Rule 8 (5) (XII) of Companies (Accounts) Rules, 2014 is not applicable to the Company for the year under review.
- In the annual financial statements for the year under review, the disclosures of those items where amount for the year under review and corresponding previous year was Nil had been dispensed with, though required to be disclosed under applicable regulations.
- The Registered Office of the Company has been shifted from First Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 to Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020 w.e.f. 01/11/2022 pursuant to Board's decision to this effect on 31/10/2022.

#### **Human Resources**

The relationship with the employees continued to be cordial during the year. The Directors place on record their sincere appreciation to the employees at all levels. The number of employees stood at 8 (Eight) as on 31/03/2023.

#### **Acknowledgements**

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

For and on behalf of the Board of Directors

Place : New Delhi	(S.K. Agarwal)	(K.K. Soni)
Date : 11/05/2023	Managing Director	Director
	DIN: 00106763	DIN: 00106037

#### **Annexure-I**

#### **Annexure to Directors' Report**

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

#### **CONSERVATION OF ENERGY**

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

#### **TECHNOLOGY ABSORPTION**

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

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

For and on behalf of the Board of Directors

Place : New Delhi	(S.K. Agarwal)	(K.K. Soni)
Date : 11/05/2023	Managing Director	Director
	DIN: 00106763	DIN: 00106037

**ANNUAL REPORT ON CSR ACTIVITIES**

**ANNEXURE-II**

1.	Brief outline on CSR Policy of the Company:	The CSR policy of the Company has been formulated and adopted in accordance with Section 135 and Schedule VII of the Companies Act, 2013 and rules made thereunder. The Company may undertake any CSR project in accordance with the CSR policy of the Company subject to requisite approvals. The majority of CSR projects undertaken by Company in the past were for promoting education and healthcare.
2.	Composition of CSR Committee	Not applicable
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	www.vlssecurities.com
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not applicable
5.	(a) Average net profit of the Company as per Section 135 (5). (b) Two percent of average net profit of the Company as per section 135(5). (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. (d) Amount required to be set off for the financial year if any (e) Total CSR obligation for the financial year (b+c-e)	Rs.10,55,56,320.58 Rs.21,11,126.41 Nil Nil Rs.21,11,126.41
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). (b) Amount spent in Administrative Overheads. (c) Amount spent on Impact Assessment, if applicable. (d) Total amount spent for the Financial Year [(a)+(b)+(c)] (e) CSR amount spent or unspent for the Financial Year.	Nil Nil NA Nil Rs. 21,11,127.00

Total Amount Spent for the Financial Year. (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	Rs. 21,11,127.00	19/04/2023	Nil	Nil	--

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

Sl.No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the company as per Section 135(5) (Net)	Rs. 21,11,126.41
(ii)	Total amounts spent for the financial year	Nil
(iii)	Excess amounts spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for setoff in succeeding financial years [(iii)-(iv)]	Nil

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

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

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

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

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) NA

**Annexure-III**

**Form MR – 3**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial Year ended March 31, 2023**

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

To

The Members

VLS Securities Limited

Ground Floor, 90, Okhla Industrial Estate

Phase -III, New Delhi-110020

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

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

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

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (No transaction during the year under review).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;  
(Not applicable during the financial year under review).
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;  
(Applicable to the extent of being insider since holding company is client in Stock Broking operation).
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the year under review).
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations) 2021; (Not applicable during the year under review).
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the year under review).
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;  
(Not applicable during the year under review).
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;  
(Not applicable to the Company during the financial year under review.)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the financial year under review).
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (j) The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992.
  - (k) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
- (vi) The Company had properly complied the other laws viz. Income tax Act 1961, Prevention of Money Laundering Act, 2002 and Rules made thereunder, other applicable Tax Laws, Labour Laws, Local Revenue Laws, Insurance Act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder, Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder, Environment (Protection) Act, 1986, as applicable to it.

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The

Company has been filing requisite forms and returns with Registrar of Companies generally in time. Further, no action was initiated against the entity / its promoters / Directors either by SEBI or by Stock Exchanges or Registrar of Companies under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder.

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

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

Majority decision is carried through while dissenting Members' view are captured and recorded as part of the Minutes.

**I further report that** the Company is an unlisted Company having Membership of The National Stock Exchange of India Limited and Registered as Category – I Merchant Banker with SEBI.

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

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

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

Ashutosh Aggarwal  
A Aggarwal and Associates  
Company Secretaries  
ACS 9972 CP No. 7467  
P.R. CERTIFICATE NO. 1097/2021  
UDIN: A009972E000265997

Place: New Delhi  
Date: 06.05.2023

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

**Annexure 1**

To

The Members

VLS Securities Limited

Ground Floor, 90, Okhla Industrial Estate,

Phase -III, New Delhi-110020

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

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

Ashutosh Aggarwal  
A Aggarwal and Associates  
Company Secretaries  
ACS 9972 CP No. 7467  
P.R. CERTIFICATE NO. 1097/2021  
UDIN: A009972E000265997

Place: New Delhi  
Date: 06.05.2023

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

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **VLS SECURITIES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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

#### **Basis for Opinion**

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

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

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

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

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

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

#### **Management's Responsibilities for the Standalone Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
As the Company has not paid any Managerial Remuneration to its directors, the provisions of section 197 relating to managerial remuneration are not applicable; and
- h) In our opinion proper books of account and records as specified in Rule 15 of the Securities Contracts (Regulation) Rule, 1957 and as required by other laws have been kept by the Company so far as it appears from our examination of those books;
- i) The stock broker has complied with the requirements of the stock exchange so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the stock exchange.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not paid any dividends during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For ANIL PARIEK & GARG  
CHARTERED ACCOUNTANTS  
FRN: 01676C

PLACE: KANPUR  
DATE: 11/05/2023  
UDIN: 23070250BGRIVT5529

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

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

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

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

- i. In respect of the Company's Property, Plant and Equipment:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible assets. All the Property, Plant & Equipment have been physically verified by the management at reasonable intervals of time.
  - b) According to the information and explanations given to us, the company does not have any immovable properties. Hence, our reporting under clause (3)(i)(c) of the Order is not applicable.
  - c) The Company has not revalued any of its Property, Plant and Equipment during the year.
  - d) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
  - ii.
    - a) The Company does not have any inventory and hence, reporting under clause 3(ii)(a) of the Order is not applicable.
    - b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence, reporting under clause 3(ii)(b) of the Order is not applicable.
  - iii. During the year, the Company has made investments in, provided security to Companies, and granted unsecured loans to its employees. The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties. With respect to such investments, security, and loans:
    - a) The company has provided loans to its employees during the year.
      - (A) The company has not provided any loan to its subsidiaries, joint ventures and associates;
      - (B) Aggregate amount of Rs.2,40,875/- has been paid to employees out of which Rs.1,25,125/- is outstanding as at Balance Sheet date.

- b) In our opinion the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest has been regular as per stipulation.
- d) According to the information and explanations given to us in respect of loans granted during the year, there is no overdue amount for more than ninety days as at the Balance Sheet date.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) In our opinion and according to the information and explanations given to us, Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable. Further, the company has not granted loans to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 which are either repayable on demand or without specifying any terms or period of repayment during the year.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- b) According to the information and explanations given to us, there are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess or any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence, reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The Company has not raised any short-term funds during the year. Hence, reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The Company has no subsidiaries, associates or joint ventures, hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence, reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. In our opinion, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion and according to the explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) In our opinion, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Group does not have a Core Investment Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, our reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a) As per the information given and records presented by the management of the Company, the provisions of section 135 of the Act are applicable to the Company. The Company has no unspent amounts in respect of other than ongoing projects, which is required to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months from the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. This matter has been disclosed in note 41 to the Financial Statements.
- b) As per the information given and records presented by the management of the Company, all the amounts that are unspent under Sub Section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special bank account in compliance of with provisions of sub section (6) of Section 135 of the said Act. This matter has been disclosed in note 41 to the Financial Statements.

xxi The reporting under clause 3(xxi) of the order is not applicable in respect of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For ANIL PARIEK & GARG  
CHARTERED ACCOUNTANTS  
FRN: 01676C

PLACE: KANPUR  
DATE: 11/05/2023  
UDIN: 23070250BGRIVT5529

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

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

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

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

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

#### **Auditor's Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

For ANIL PARIEK & GARG  
CHARTERED ACCOUNTANTS  
FRN: 01676C

PLACE: KANPUR  
DATE: 11/05/2023  
UDIN: 23070250BGRIVT5529

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

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

		(₹ in lakhs)	
Particulars	Note No.	As at 31st March 2023 (Audited)	As at 31st March 2022 (Audited)
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	4	445.29	451.61
(b) Bank Balance other than (a) above		-	-
(c) Receivables	5	-	-
(I) Trade Receivables		-	-
(II) Other Receivables		-	-
(d) Loans	6	1.81	4.68
(e) Investments	7	1,44,437.24	1,78,086.65
(f) Other Financial assets	8	482.81	702.45
Sub - total financial assets (A)		<b>1,45,367.15</b>	<b>1,79,245.39</b>
<b>(2) Non-financial Assets</b>			
(a) Current tax assets	9	11.01	38.22
(b) Property, Plant and Equipment	10	0.58	1.26
(c) Other Intangible assets		0.00	0.00
(d) Other non-financial assets	11	11.47	17.30
Sub - total non - financial assets (B)		<b>23.06</b>	<b>56.78</b>
<b>Total Assets (A+B)</b>		<b>1,45,390.21</b>	<b>1,79,302.17</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(I) Trade Payables	12	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		106.86	637.37
(II) Other Payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		14.37	15.99
(b) Other financial liabilities		-	-
Sub - total financial liabilities (A)		<b>121.23</b>	<b>653.36</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (net)		-	-
(b) Provisions	13	48.39	23.16
(c) Deferred tax liabilities (Net)	14	33,091.83	41,561.42
(d) Other non-financial liabilities	15	12.42	12.16
Sub - total non - financial liabilities (B)		<b>33,152.64</b>	<b>41,596.74</b>
<b>(3) EQUITY</b>			
(a) Equity Share capital	16	3,000.00	3,000.00
(b) Other Equity	17	1,09,116.34	1,34,052.07
Sub - total equity (C)		<b>1,12,116.34</b>	<b>1,37,052.07</b>
<b>Total Liabilities and Equity (A+B+C)</b>		<b>1,45,390.21</b>	<b>1,79,302.17</b>

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

1 to 42

As per our report of even date attached

**For Anil Pariek and Garg**

(F.R.N.001676C)

Chartered Accountants

**H. K. Pariek**

(Partner)

Membership No. 070250

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

Managing Director

DIN:00106763

**K. K. Soni**

Director

DIN:00106037

**Vishesh Jain**

Company Secretary

M.No.: A68586

Place: Kanpur

Date: 11/05/2023

Place: New Delhi

Date: 11/05/2023



**Statement of Profit and Loss for the year ended 31st March, 2023**

(₹ in lakhs)

	Particulars	Note No.	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
1	<b>Revenue from operations</b>			
(i)	Interest Income	18	7.16	19.01
(ii)	Dividend Income	19	389.86	406.23
(iii)	Fees and commission Income			
	Brokerage and fees income	20	229.47	695.92
(iv)	Net gain on fair value changes	21	8.30	2,380.27
(1)	<b>Total Revenue from operations</b>		<b>634.79</b>	<b>3,501.43</b>
(2)	Other Income	22	0.90	0.56
(3)	<b>Total Income (1+2)</b>		<b>635.69</b>	<b>3,501.99</b>
	<b>Expenses</b>			
(i)	Finance Costs	23	8.01	1.03
(ii)	Fees and commission expense	24	83.77	91.55
(iii)	Employee benefits expense	25	128.21	140.31
(iv)	Depreciation, amortization and impairment	26	0.38	0.89
(v)	Others expenses	27	74.47	42.40
(4)	<b>Total Expenses (4)</b>		<b>294.84</b>	<b>276.18</b>
(5)	<b>Profit / (loss) before exceptional items and tax (3-4)</b>		<b>340.85</b>	<b>3,225.81</b>
(6)	<b>Exceptional items</b>		-	-
(7)	<b>Profit / (loss) before tax (5-6)</b>		<b>340.85</b>	<b>3,225.81</b>
(8)	<b>Tax expense / (credit):</b>			
(i)	Current tax	39	90.60	245.18
(ii)	Deferred tax expense / (credit)		0.84	(1,491.88)
	<b>Total tax expenses</b>		<b>91.44</b>	<b>(1,246.70)</b>
(9)	<b>Profit / (loss) for the period from continuing operations (7-8)</b>		<b>249.41</b>	<b>4,472.51</b>
(10)	<b>Profit/(loss) for the period (9)</b>		<b>249.41</b>	<b>4,472.51</b>
(11)	<b>Other comprehensive income / (loss)</b>			
A	(i) Items that will not be reclassified subsequently to the profit or loss			
	(a) Remeasurement of defined employee benefit plans		(6.14)	3.29
	(b) Net changes in fair values of investments in equity shares carried at fair value through OCI		(33,649.43)	29,653.90
	(ii) Income tax on items that will not be reclassified subsequently to the profit or loss		8,470.43	(7,460.84)
B	(i) Items that will be reclassified subsequently to the profit or loss		-	-
	(ii) Income tax on items that will be reclassified subsequently to the profit or loss		-	-
(12)	<b>Other comprehensive income / (loss) (A+B)</b>		<b>(25,185.14)</b>	<b>22,196.34</b>
(13)	<b>Total comprehensive income for the period (10 +11)</b>		<b>(24,935.73)</b>	<b>26,668.85</b>
	<b>Earnings per equity share (for continuing operations)</b>	28		
	Basic (Rs.)		0.83	14.91
	Diluted (Rs.)		0.83	14.91

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

1 to 42

As per our report of even date attached

**For Anil Pariek and Garg**

(F.R.N.001676C)

Chartered Accountants

**H. K. Pariek**

(Partner)

Membership No. 070250

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

Managing Director

DIN:00106763

**K. K. Soni**

Director

DIN:00106037

**Vishesh Jain**

Company Secretary

M.No.: A68586

Place: Kanpur

Date: 11/05/2023

Place: New Delhi

Date: 11/05/2023

**Cash Flow Statement for the year ended 31st March, 2023**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023 (Audited)	For the year ended 31st March 2022 (Audited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	340.85	3,225.81
Adjustment for:		
Depreciation	0.38	0.89
Interest Income	(7.16)	(19.01)
Dividend Income	(389.86)	(406.23)
Actuarial gain / (loss) on Defined Employee Benefits	(6.14)	3.29
Provision for Employee Benefits	4.12	1.58
Provision for unspent expenditure on Corporate Social Responsibility	21.11	-
	(377.55)	(419.49)
<b>Operating profit</b>	<b>(36.70)</b>	<b>2,806.32</b>
<b>Adjustment for working capital changes</b>		
1) Increase / (decrease) in borrowings	-	-
2) Increase / (decrease) in other financial liabilities	-	-
3) Increase / (decrease) in trade payables	(532.12)	590.70
4) (Increase) / decrease in loans	2.87	4.02
5) Increase / (decrease) in debt securities	-	-
6) (Increase) / decrease in other non financial liabilities	0.26	(3.96)
7) (Increase) / decrease in other financial assets	219.63	437.96
8) (Increase) / decrease in other non financial assets	5.83	(14.04)
9) (Increase) / decrease in trade receivables	-	-
10) (Increase) / decrease in current tax assets	(18.60)	(4.91)
<b>Cash generated / (used) from operations</b>	<b>(358.83)</b>	<b>3,816.09</b>
Direct taxes paid net	44.80	266.19
<b>Net cash generated / (used) from operating activities (A)</b>	<b>(403.63)</b>	<b>3,549.90</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase / (decrease) on Investments (Net)	-	(4,521.07)
Purchase of Property, plant and equipment	-	(0.58)
Sale of Property, plant and equipment	0.30	-
Interest received on fixed deposits	7.16	19.01
Dividend Income	389.86	406.23
<b>Net cash generated / (used) from investing activities (B)</b>	<b>397.32</b>	<b>(4,096.41)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest expense	-	-
<b>Net cash generated / (used) from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year (A + B + C)</b>	<b>(6.31)</b>	<b>(546.51)</b>
<b>cash and cash equivalents as at beginning of the year</b>	<b>451.60</b>	<b>998.12</b>
<b>Cash and cash equivalents as at end of the year :</b>	<b>445.29</b>	<b>451.61</b>
Cash in hand	0.14	0.20
Scheduled bank - In current account	90.15	71.41
Liquid Funds	355.00	380.00
<b>Total</b>	<b>445.29</b>	<b>451.61</b>
<b>Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 )</b>		
Cash and cash equivalents as at end of the year as per above	445.29	451.61
<b>Total cash and bank balances equivalents as at end of the year</b>	<b>445.29</b>	<b>451.61</b>

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

1 to 42

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

For and on behalf of the Board

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

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

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

**Vishesh Jain**  
Company Secretary  
M.No.: A68586

Place: Kanpur  
Date: 11/05/2023

Place: New Delhi  
Date: 11/05/2023

**Statement of Changes in Equity for the year ended 31st March, 2023**
**A. Equity Share Capital**
**(1) Current reporting period**
**(₹ in lakhs)**

Balance as at 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2022	Changes in equity share capital during the current year	Balance as at 31st March, 2023
3,000	-	3,000	-	3,000

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

Balance at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2021	Changes in equity share capital during the previous year	Balance as at 31st March, 2022
3,000	-	3,000	-	3,000

**B. Other Equity**
**(1) Current reporting period**
**(₹ in lakhs)**

	Reserves and Surplus	Other Comprehensive Income		
	Retained Earnings	Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
Balance as at 1st April, 2022	10,459.07	1,23,593.04	(0.04)	1,34,052.07
Changes in accounting policy/ prior period errors	-	-	-	-
Restated balance as at 1st April, 2022	10,459.07	1,23,593.04	(0.04)	1,34,052.07
Profit for the year	249.41	-	-	249.41
Other Comprehensive Income (net of tax)	-	(25,180.54)	(4.60)	(25,185.14)
Total comprehensive income for the current year	249.41	(25,180.54)	(4.60)	(24,935.73)
Transfer to/ from retained earnings	-	-	-	-
Balance as at 31st March, 2023	10,708.48	98,412.50	(4.64)	1,09,116.34

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

Particulars	Retained Earnings	Other Comprehensive Income		
		Fair Value Gain on Equity Instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total
Balance as at 1st April, 2021	971.69	1,06,414.04	(2.51)	1,07,383.22
Changes in accounting policy/ prior period errors	-	-	-	-
Restated balance as at 1st April, 2021	971.69	1,06,414.04	(2.51)	1,07,383.22
Profit for the year	4,472.51	-	-	4,472.51
Other Comprehensive Income (net of tax)	-	22,193.87	2.47	22,196.34
Total comprehensive income for the previous year	4,472.51	22,193.87	2.47	26,668.85
Transfer to/ from retained earnings	5,014.87	(5,014.87)	-	-
Balance as at 31st March, 2022	10,459.07	1,23,593.04	(0.04)	1,34,052.07

As per our report of even date attached

**For Anil Pariek and Garg**

(F.R.N.001676C)

Chartered Accountants

**For and on behalf of the Board**
**H. K. Pariek**

(Partner)

Membership No. 070250

**S. K. Agarwal**

Managing Director

DIN:00106763

**K. K. Soni**

Director

DIN:00106037

**Vishesh Jain**

Company Secretary

M.No.: A68586

Place: Kanpur

Date: 11/05/2023

Place: New Delhi

Date: 11/05/2023

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2023**

(Currency: Indian Rupees)

**Note 1: Corporate information**

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

**Note 2: Significant accounting policies**

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

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

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

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

**(ii) Historical cost convention**

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

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

**(iii) Preparation of financial statements**

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

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

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 3.

**2.2 Revenue Recognition**

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue

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

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

**(i) Brokerage fee Income**

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

**(ii) Interest income**

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

**(iii) Dividend income**

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

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

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

**2.3 Income Tax**

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

**2.3.1 Current Tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**2.3.2 Deferred Tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial



**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2023**

(Currency: Indian Rupees)

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

**2.4 Cash and cash equivalents**

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

**2.5 Cash flow statement**

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

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

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

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

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

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

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using

the original effective interest rate. Any changes are recognized in profit or loss.

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

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

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

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

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

- Fair value through profit or loss (FVTPL):  
Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit and loss statement. The gain or loss on disposal is recognised in the profit and loss statement. Interest income is recognised in the profit and loss statement for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognised when the Company's right to receive dividend is established.
- Fair value through other comprehensive income (FVTOCI):  
Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)
  - the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
  - the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in FVTOCI is transferred from FVTOCI to Retained Earnings.

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

**(ii) Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2023**

(Currency: Indian Rupees)

not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

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

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

**(iii) Investments in mutual funds**

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

**(iv) Impairment**

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

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

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

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

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

**(v) Derecognition**

A financial asset is derecognised only when:

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

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

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

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

**2.7 Financial liabilities**

**(i) Initial recognition and measurement**

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

**(ii) Subsequent measurement**

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

**(iii) Derecognition**

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

**Offsetting financial instruments**

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

**2.8 Property, plant and equipment**

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

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

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

**(iii) Assets Useful life**

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

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

Furniture and Fixtures 10 years

Office Equipment 5 years

Computers 3 years

Vehicles 8 years

**(iv) Derecognition:**

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

**2.9 Intangible Assets**

Intangible assets acquired separately are measured on initial

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2023**

(Currency: Indian Rupees)

recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

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

**Amortisation**

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

Intangible asset	Useful life / amortization period
Computer Software	5 Years

**2.10 Investment Property**

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

**2.11 Impairment of non-financial assets**

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

**2.12 Provisions and contingencies:**

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

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for. Contingent

liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

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

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

**b) Diluted earnings per share**

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

**2.14 Leases**

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

**As a lessor**

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

**2.15 Foreign exchange transactions**

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

**2.16 Borrowing costs**

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

The difference between the discounted amount mobilized and redemption value of securities is recognized in the statement of

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31st March, 2023**

(Currency: Indian Rupees)

profit and loss over the life of the instrument using the EIR.

**2.17 Impairment of non-financial assets**

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

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

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

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

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

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

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

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

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

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

presented as long-term provision.

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

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

**Note 3: Key accounting estimates and Judgments**

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

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



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

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>1. Cash and cash equivalents</b>		
Cash on hand	0.14	0.20
<b>2. Balance with banks</b>		
– In current accounts	90.15	71.41
– Liquid Funds	355.00	380.00
– Fixed deposit with banks		
<b>Total (1+2)</b>	<b>445.29</b>	<b>451.61</b>

**Note 5: Receivables**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
<b>Trade receivables</b>		
Considered good - secured*	-	-
Considered good - unsecured	-	-
Less: Allowances for impairment losses	-	-
<b>Other receivables</b>		
Other receivables	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 6 : Loans**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
Staff Loan & Advances	1.81	4.68
<b>Total</b>	<b>1.81</b>	<b>4.68</b>

**Note No. 7: Investments**

(₹ in lakhs)

S No	Investments	As at 31st March 2023			As at 31st March 2022		
		Amortised cost	At Fair Value	Total	Amortised cost	At Fair Value	Total
			Through Other Comprehensive Income			Through Other Comprehensive Income	
		(1)	(2)	(3)=(1)+ (2)	(1)	(2)	(3)=(1)+ (2)
1	Equity instruments	-	1,32,775.03	1,32,775.03	-	1,66,424.44	1,66,424.44
2	Equity instruments in Subsidiaries	-	-	-	-	-	-
3	Equity instruments in Associates ( Refer Note No.7.1)	11,662.21	-	11,662.21	11,662.21	-	11,662.21
4	<b>Total - Gross (A)</b>	<b>11,662.21</b>	<b>1,32,775.03</b>	<b>1,44,437.24</b>	<b>11,662.21</b>	<b>1,66,424.44</b>	<b>1,78,086.65</b>
5	(i) Investments in India	11,662.21	1,32,775.03	1,44,437.24	11,662.21	1,66,424.44	1,78,086.65
6	(ii) Investments outside India	-	-	-	-	-	-
7	<b>Total (B)</b>	<b>11,662.21</b>	<b>1,32,775.03</b>	<b>1,44,437.24</b>	<b>11,662.21</b>	<b>1,66,424.44</b>	<b>1,78,086.65</b>
8	Less: Aggregate amount of provision for impairment in the value of investments (Expected credit losses on Investment) (C)	-	-	-	-	-	-
9	<b>Total - Net D= (A)-(C)</b>	<b>11,662.21</b>	<b>1,32,775.03</b>	<b>1,44,437.24</b>	<b>11,662.21</b>	<b>1,66,424.44</b>	<b>1,78,086.65</b>

**Notes to the Standalone Financial Statements**
**Note No. 7.1: Investments in Equity instruments of Associate**

(₹ in lakhs)

S.No.	Particulars	As at 31st Mar 2023				As At 31st Mar 2022			
		Proportion of ownership Interest / Voting Right	Face Value	Holding	Value	Proportion of ownership Interest / Voting Right	Face Value	Holding	Value
		%	(in Rs.)	No. of shares	(Rs. in Lakhs)	%	(in Rs.)	No. of shares	(Rs. in Lakhs)
	1	2	3	4	5	6	7	8	9
	Investments in Equity shares of Subsidiaries: (Unquoted & Fully paid up) (Measured at amortized cost)	-	-	-	-	-	-	-	-
	<b>Total - (A)</b>	-	-	-	-	-	-	-	-
1	Investments in Equity shares of Associate: (Unquoted & Fully paid up) (Measured at amortized cost)								
	VLS Capital Ltd.	42.40%	10	98,20,833	11,662.21	42.40%	10	98,20,833	11,662.21
	<b>Total</b>				<b>11,662.21</b>				<b>11,662.21</b>
	<b>Total - C = (A)+(B)</b>				<b>11,662.21</b>				<b>11,662.21</b>

Principal place of business of Associate is in India.

**Note 8 : Other Financial Assets**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
Margin Deposit with F&O Clearing Member (Globe Capital Market Ltd.)	308.00	8.00
Interest Accrued on FDR	40.62	-
Others	7.07	17.33
Deposit with NSEIL	127.00	677.00
VLS Securities Ltd. Group Gratuity Scheme	0.12	0.12
<b>Total</b>	<b>482.81</b>	<b>702.45</b>

**Note 9 : Current Tax Assets (Net)**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance tax and tax deducted at source	107.94	342.68
Less: Provision for Taxation	(96.93)	(304.46)
<b>Total</b>	<b>11.01</b>	<b>38.22</b>

**Note 10**
**Fixed assets : Property, Plant and Equipment**

(₹ in lakhs)

Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
Gross Carrying value as at April 1, 2021	41.95	2.88	0.71	5.79	51.33
Additions during the year	0.36	0.22	-	-	0.58
Addition through business transfer					
<b>Gross Carrying value as at March 31, 2022</b>	<b>42.31</b>	<b>3.10</b>	<b>0.71</b>	<b>5.79</b>	<b>51.91</b>
Gross Carrying Value as at April 1, 2022	42.31	3.10	0.71	5.79	51.91
Additions during the year	-	-	-	-	-
Sale during the year	-	-	-	5.79	5.79
Addition through business transfer	-	-	-	-	-
<b>Gross Carrying value as at March 31, 2023</b>	<b>42.31</b>	<b>3.10</b>	<b>0.71</b>	<b>-</b>	<b>46.12</b>
<b>Accumulated Depreciation</b>					
Accumulated depreciation as at April 1, 2021	40.88	2.88	0.71	5.29	49.76
Depreciation for the year	0.66	0.07	-	0.16	0.89
<b>Accumulated depreciation as at March 31, 2022</b>	<b>41.54</b>	<b>2.95</b>	<b>0.71</b>	<b>5.45</b>	<b>50.65</b>
Accumulated depreciation as at April 1, 2022	41.54	2.95	0.71	5.45	50.65
Depreciation for the year	0.24	0.10	-	0.04	0.38
Sale/ Adjustments during the year	-	-	-	5.49	5.49
<b>Gross Carrying value as at March 31, 2023</b>	<b>41.78</b>	<b>3.05</b>	<b>0.71</b>	<b>-</b>	<b>45.54</b>

**Notes to the Standalone Financial Statements**

<b>Property, Plant and Equipment</b>					
Description	Computers	Office equipment	Furniture & fixtures	Vehicle	Total
<b>Net Carrying Value</b>					
As at 31st March 2022	0.77	0.15	-	0.34	1.26
As at 31st March 2023	0.53	0.05	-	-	0.58

**Intangible Assets**

Description	Software	-	-	-	Total
Gross Carrying value as at April 1, 2021	1.04	-	-	-	1.04
Addition through business transfer					
<b>Gross Carrying value as at March 31, 2022</b>	<b>1.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.04</b>
Gross Carrying Value as at April 1, 2022	1.04	-	-	-	1.04
Addition through business transfer					
<b>Gross Carrying value as at March 31, 2023</b>	<b>1.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.04</b>
<b>Accumulated Depreciation</b>					
Accumulated depreciation as at April 1, 2021	1.04	-	-	-	1.04
<b>Accumulated depreciation as at March 31, 2022</b>	<b>1.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.04</b>
Accumulated depreciation as at April 1, 2022	1.04	-	-	-	1.04
<b>Accumulated depreciation as at March 31, 2023</b>	<b>1.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.04</b>
<b>Intangible Assets</b>					
Description	Software	-	-	-	Total
<b>Net Carrying Value</b>					
As at 31st March 2022	-	-	-	-	-
As at 31st March 2023	-	-	-	-	-

**Note 11 : Other Non-Financial Asset**

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured, considered good</b>		
Prepaid Expenses	6.54	9.63
Other Recoverable	4.93	7.67
<b>Total</b>	<b>11.47</b>	<b>17.30</b>

**Note 12 (a) (I) Trade Payables**

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	106.86	637.37
<b>Total</b>	<b>106.86</b>	<b>637.37</b>

**Trade Payables ageing schedule**

Particulars	As at 31st March, 2023					As at 31st March, 2022				
	Outstanding for following periods from due date of payment					Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-	-	-	-
(ii) Others	106.86	-	-	-	106.86	637.37	-	-	-	637.37
(iii) Disputed dues-MSME	-	-	-	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-	-	-	-

**Note 12 (a) (II) Other Payables**

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	14.37	15.99
<b>Total</b>	<b>14.37</b>	<b>15.99</b>

**Other Payables ageing schedule**

Particulars	As at 31st March, 2023					As at 31st March, 2022				
	Outstanding for following periods from due date of payment					Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-	-	-	-
(ii) Others	14.37	-	-	-	14.37	15.99	-	-	-	15.99
(iii) Disputed dues-MSME	-	-	-	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-	-	-	-

**Notes to the Standalone Financial Statements**
**Note 13 : Provisions**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Provision for employee benefits	27.28	23.16
Provision for unspent expenditure on Corporate Social Responsibility	21.11	-
<b>Total</b>	<b>48.39</b>	<b>23.16</b>

- i) Pl. refer Note No.41 on Corporate Social Responsibility  
ii) Pl. refer Note No.37 on Employee Benefits

**Note 14 : Tax Expense & Deferred Tax Assets / Liabilities**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Deferred tax liability on account of :</b>		
Deferred tax on IND AS adjustments	33,098.75	41,567.64
<b>Total deferred tax liabilities (A)</b>	<b>33,098.75</b>	<b>41,567.64</b>
<b>Deferred tax assets on account of:</b>		
Employee Benefits	6.86	5.83
Depreciation	0.06	0.39
<b>Total deferred tax assets (B)</b>	<b>6.92</b>	<b>6.22</b>
<b>Net deferred tax liability / (assets) (A-B)</b>	<b>33,091.83</b>	<b>41,561.42</b>

(₹ in lakhs)

Particulars	As at 31st March 2023	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31st March 2022	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31st March 2021
<b>Deferred tax liabilities on account of:</b>							
Deferred tax on IND AS adjustments	33,098.75	-	(8,468.89)	41,567.64	(1,490.67)	7,460.01	35,598.30
<b>Total deferred tax liabilities</b>	<b>33,098.75</b>	<b>-</b>	<b>(8,468.89)</b>	<b>41,567.64</b>	<b>(1,490.67)</b>	<b>7,460.01</b>	<b>35,598.30</b>
<b>Deferred tax assets on account of:</b>							
Depreciation	0.06	(0.33)	-	0.39	(0.02)	-	0.41
Employee Benefits	6.86	(0.51)	1.55	5.83	1.23	(0.83)	5.43
<b>Total deferred tax assets</b>	<b>6.92</b>	<b>(0.84)</b>	<b>1.55</b>	<b>6.22</b>	<b>1.21</b>	<b>(0.83)</b>	<b>5.84</b>
<b>Total deferred tax Assets/ liability (net)</b>	<b>(33,091.83)</b>	<b>(0.84)</b>	<b>8,470.43</b>	<b>(41,561.42)</b>	<b>1,491.89</b>	<b>(7,460.84)</b>	<b>(35,592.46)</b>

**Note 15 : Other non-financial liabilities**

(₹ in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues	12.42	12.16
<b>Total</b>	<b>12.42</b>	<b>12.16</b>

**Note 16 : Equity share capital**

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs.10/- each	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
<b>Total</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>
<b>Issued, subscribed and paid up</b>				
Equity shares of Rs.10/- each, fully paid up in cash	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
<b>Total</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>

**Terms / rights attached to shares**

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

**Reconciliation of number of shares outstanding**

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022	
	Number	Amount	Number	Amount
<b>Issued, subscribed and paid up equity share capital</b>				
At beginning of the year	3,00,00,000.00	3,000.00	3,00,00,000.00	3,000.00
Changes in equity share capital during the year	-	-	-	-
At the end of the year	<b>3,00,00,000.00</b>	<b>3,000.00</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>

**Notes to the Standalone Financial Statements**
**Shares held by holding Company**

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022	
Name of shareholder	No. of shares held	% of holding	No. of shares held	% of holding
VLS Finance Ltd.	3,00,00,000.00	100.00	3,00,00,000.00	100.00
At the end of the year	3,00,00,000.00	100.00	3,00,00,000.00	100.00

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

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022	
Name of shareholder	No. of shares held	% of holding	No. of shares held	% of holding
VLS Finance Ltd.	3,00,00,000.00	100.00	3,00,00,000.00	100.00
At the end of the year	3,00,00,000.00	100.00	3,00,00,000.00	100.00

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

Particulars	For the year ended 31st March 2023		For the year ended 31st March 2022		% Change during the year
Promoter Name	No. of shares held	% of holding	No. of shares held	% of holding	
VLS Finance Ltd.	30,00,00,000.00	100.00	30,00,00,000.00	100.00	-
<b>Total</b>	<b>30,00,00,000.00</b>	<b>100.00</b>	<b>30,00,00,000.00</b>	<b>100.00</b>	<b>-</b>

**Shareholding of promoters as at 31st March, 2022**

Particulars	For the year ended 31st March 2022		As at 31st March 2021		% Change during the year
Promoter Name	No. of shares held	% of holding	No. of shares held	% of holding	
VLS Finance Ltd.	3,00,00,000.00	100.00	2,99,00,000.00	99.67	(0.33)
<b>Total</b>	<b>3,00,00,000.00</b>	<b>100.00</b>	<b>2,99,00,000.00</b>	<b>99.67</b>	<b>(0.33)</b>

**Note 17 : Other Equity (i)**
**(₹ in lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Retained earnings</b>		
Balance at the beginning of the year	10,459.07	971.69
Add: Profit/(loss) during the year	249.41	4,472.51
Transfer from/to FVTOCI to Retained Earnings	-	5,014.87
<b>Balance as at end of the year</b>	<b>10,708.48</b>	<b>10,459.07</b>
<b>Fair value gain on equity instruments carried through other comprehensive income</b>		
Balance at the beginning of the year	1,23,593.04	1,06,414.04
Add: Other Comprehensive Income during the year (net of tax)	(25,180.54)	22,193.87
Transfer from/to FVTOCI from/to Retained Earnings	-	(5,014.87)
<b>Balance as at end of the year</b>	<b>98,412.50</b>	<b>1,23,593.04</b>
<b>Remeasurement of Defined Benefit Plans</b>		
Balance at the beginning of the year	(0.04)	(2.51)
Add: Other comprehensive income (net of tax)	(4.60)	2.47
<b>Balance as at end of the year</b>	<b>(4.64)</b>	<b>(0.04)</b>
<b>TOTAL</b>	<b>1,09,116.34</b>	<b>1,34,052.07</b>

**Retained earnings:**

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

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

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

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

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

**Notes to the Standalone Financial Statements**
**Note 18 : Interest Income**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest on deposits with banks	7.16	19.01
Other Interest Income	-	-
<b>Total</b>	<b>7.16</b>	<b>19.01</b>

**Note 19 : Dividend Income**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Dividend on Investments	389.86	406.23
<b>Total</b>	<b>389.86</b>	<b>406.23</b>

**Note 20 : Fees and Commission Income**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Brokerage and fees income</b>		
Brokerage income	229.47	695.92
<b>Total</b>	<b>229.47</b>	<b>695.92</b>

**Note 21 : Net gain on fair value changes**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Net gain (loss) on financial instruments at fair value through Profit and loss account</b>		
<b>(a) Investment</b>		
- On Investment	-	2,320.92
<b>(b) Trading</b>		
- On Securities	0.12	0.33
- On Liquid Mutual Fund	8.18	59.02
<b>Total</b>	<b>8.30</b>	<b>2,380.27</b>
<b>Fair Value Changes:</b>		
- Realised	8.30	2,380.27
- Unrealised	-	-
<b>Total</b>	<b>8.30</b>	<b>2,380.27</b>

**Note 22 : Other Income**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest on staff loans and advances	0.14	0.56
Interest on Income Tax Refund	0.76	-
<b>Total</b>	<b>0.90</b>	<b>0.56</b>

**Note 23 : Finance Cost**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest	8.01	1.03
<b>Total</b>	<b>8.01</b>	<b>1.03</b>

**Note 24 : Fees and Commission expense**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
SEBI Fees	3.00	3.00
Transaction and Other NSE Charges	80.77	88.55
<b>Total</b>	<b>83.77</b>	<b>91.55</b>

**Note 25 : Employee benefits expense**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries and Wages	116.59	127.34
Staff Welfare Expenses	0.34	0.07
Employer's Contribution to EPF, ESI, Gratuity Fund etc.	11.28	12.90
<b>Total</b>	<b>128.21</b>	<b>140.31</b>

**Notes to the Standalone Financial Statements**
**Note 26 : Depreciation and Amortization expense**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation on Property, plant & equipment	0.38	0.89
<b>Total</b>	<b>0.38</b>	<b>0.89</b>

**Note 27 : Other expenses**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Short Term Lease	24.30	7.20
Rates & Taxes	0.14	0.06
Legal and professional Charges	9.35	10.91
Repair & Maintenance	0.21	0.05
Travelling and Conveyance	7.10	6.36
Insurance	0.21	0.17
Miscellaneous Expenses	2.43	6.85
Business Promotion	3.10	5.23
News Papers, Books & Periodicals	1.96	2.19
Communication Expenses	0.23	0.31
Printing & Stationery	0.07	0.02
CSR Expenses*	21.11	-
Directors Sitting Fee	3.10	2.00
Auditors Remuneration		
- Statutory Audit fees	0.40	0.40
- Tax audit fees	0.15	0.15
- Out of pocket expenses	0.20	0.20
- Certification Charges	0.30	0.30
- Reimbursement of expenses	0.11	-
<b>Total</b>	<b>74.47</b>	<b>42.40</b>

\*PI. refer Note No.41 on Corporate Social Responsibility

**Note 28 : Earnings per equity share**

(₹ in lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Net profit attributable to equity shareholders [A] (₹ in lakhs)	249.41	4,472.51
Weighted average number of equity shares issued [B] (face value of Rs. 10 each) (Numbers in Lakh)	300.00	300.00
<b>Basic earnings per share [A/B] (Rs.)</b>	<b>0.83</b>	<b>14.91</b>
<b>Net Profit attributable to equity shareholders [C] (₹ in lakhs)</b>	<b>249.41</b>	<b>4,472.52</b>
Less : Impact on net profit due to exercise of diluted potential equity shares [D]	-	-
<b>Net profit attributable to equity shareholders for calculation of diluted EPS [C-D] (₹ in lakhs)</b>	<b>249.41</b>	<b>4,472.52</b>
Weighted average of equity shares issued (face value of Rs. 10 each) (Numbers in Lakhs) [E]	300.00	300.00
Weighted number of additional equity shares outstanding for diluted EPS (Numbers in Lakhs) [F]	-	-
<b>Weighted number of equity shares outstanding for diluted EPS (Numbers in Lakhs) [E+F]</b>	<b>300.00</b>	<b>300.00</b>
<b>Diluted earnings per share {C-D/E+F} (In Rupees)</b>	<b>0.83</b>	<b>14.91</b>

**Note 29: Related Party Disclosures: -**

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

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

VLS Finance Ltd.

**(b) Directors & Key Management Personnel**

- [i] Mr. Vikas Mehrotra (Non-Executive Director)
- [ii] Ms. Divya Mehrotra (Non-Executive Director)
- [iii] Mr. R. K. Goswami (Independent Director) Cessation (due to demise) on 07/01/2023
- [iv] Dr. Rajeev Lochan Bishnoi (Independent Director) Resigned w.e.f 01/03/2023
- [v] Mr. Anoop Mishra (Independent Director) appointment date 12/08/2022
- [vi] Mr. Anurag Bhatnagar (Chief Financial Officer) Resigned w.e.f 31.08.2022

**(c) Other:**

- VLS Capital Ltd. (Associate Company)
- South Asian Enterprises Ltd.: Subsidiary of VLS Capital Ltd. (Associate Company)



**Notes to the Standalone Financial Statements**

(₹ in lakhs)

Sl. no.	Nature of transaction	Related Party type	2022-2023 (#)	2021-2022 (#)
1	<b>Brokerage Earned</b>			
-	VLS Finance Limited	Holding Company	223.30	692.80
-	Ms. Divya Mehrotra	Director	6.12	3.06
-	VLS Capital Ltd.	Associate Company	0.02	0.06
2	<b>Other Charges received [STT, GST &amp; Stamp Duty] [As Share Broker]</b>			
-	VLS Finance Limited	Holding Company	385.73	618.83
-	Ms. Divya Mehrotra	Director	4.18	2.36
-	VLS Capital Ltd.	Associate Company	0.03	0.08
3	<b>Rent paid</b>			
-	VLS Finance Limited	Holding Company	24.30	7.20
4	<b>Interest (Reimbursed) Paid on Margin Money Deposits</b>			
-	VLS Finance Limited	Holding Company	391.14	336.50
-	Ms. Divya Mehrotra	Director	8.64	0.95
5	<b>Salary</b>			
-	Mr. Anurag Bhatnagar	Chief Financial Officer	17.10	26.36
6	<b>Sale of Property, Plant and Equipment</b>			
-	Mr. Anurag Bhatnagar	Chief Financial Officer	0.30	-
7	<b>Sitting fees paid</b>			
-	Mr. Vikas Mehrotra	Director	0.00	0.30
-	Ms. Divya Mehrotra	Director	0.50	0.20
-	Mr. R. K. Goswami	Director	0.88	0.75
-	Dr. Rajeev Lochan Bishnoi	Director	1.10	0.75
-	Mr. Anoop Mishra	Director	0.63	0.00

Sl. no.	Nature of transaction	Related Party type	2022-2023	2021-2022
1	<b>Purchase of securities</b>			
-	VLS Finance Limited	Holding Company	-	11,062.21

**Outstanding Balances at the year end**

Sl. no.	Nature of transaction	Related Party type	2022-2023	2021-2022
1	<b>Payable</b>			
-	VLS Finance Limited	Holding Company	99.35	148.58
-	Ms. Divya Mehrotra	Director	1.81	2.39

**# Notes:**

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

**Note 30: Capital management**

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio within a level of 25%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	31st March 2023	31st March 2022
Borrowings	-	-
Less: cash and cash equivalents	445.29	451.61
<b>Net debt</b>	-	-
Equity	3,000.00	3,000.00
Other Equity	1,09,116.34	1,34,052.07
<b>Total capital</b>	<b>1,12,216.34</b>	<b>1,37,052.07</b>
<b>Capital and net debt</b>	<b>1,12,216.34</b>	<b>1,37,052.07</b>
<b>Gearing ratio</b>	NA	NA

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2023 and 31st March 2022.

## Notes to the Standalone Financial Statements

### Note 31: Other Financial Information

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

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

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

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

### Note 32: Commitments and contingencies

#### a. Commitments:

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

#### b. Contingent liabilities

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

#### c. Leases

##### Operating lease - company as lessee

The company has taken a property on cancellable operating lease. Short term lease expense recognized for the year is Rs.24.30 Lakh (lease agreement is for the period less than one year only) (31st March 2022 Rs.7.20 Lakh).

### Note 33: Fair Value

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

Particulars	Carrying value		Fair value	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>Financial assets</b>				
Other financial assets	482.81	702.45	-	-
Trade receivables	-	-	-	-
Other receivables	-	-	-	-
Loans	1.81	4.68	-	-
FVTOCI financial investments	1,32,775.03	1,66,424.44	1,32,775.03	1,66,424.44
Foreign exchange forward contracts	-	-	-	-
<b>Total</b>	<b>1,33,259.65</b>	<b>1,67,131.57</b>	<b>1,32,775.03</b>	<b>1,66,424.44</b>
<b>Financial liabilities</b>				
Borrowings	-	-	-	-
Obligations under finance leases and hire purchase contracts	-	-	-	-
Fixed rate borrowings	-	-	-	-
Contingent consideration	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

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

## Notes to the Standalone Financial Statements

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

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2022 was assessed to be insignificant.

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

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

### Note 35:

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

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

### Form AOC- 1

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

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

#### Part A - Subsidiaries

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

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

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

#### Part B Associates and Joint Ventures

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

Name of Associate Company	VLS Capital Limited
1. Latest Audited Balance Sheet Date	29/04/2023
2. Date on which the Associate or Joint Venture was associated or acquired	25.10.2021
3. Shares of Associate or Joint Ventures held by the company on the year end	
Number of Shares	98,20,833
Amount of Investment in Associates or Joint Venture (Rs. in Lakhs)	11,662.21
Extent of Holding (In percentage)	42.40%
4. Description of how there is Significant-Influence	Holding more than 20% of total voting power.
5. Reason why the Associate/ Joint Venture is not consolidated.	❖
6. Net worth attributable to shareholding as per latest audited Balance Sheet (Rs. in Lakhs)	❖
7. Profit or Loss for the year (Rs. in Lakhs)	❖
i. Considered in Consolidation	❖
ii. Not Considered in Consolidation	❖

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

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

**For Anil Pariek and Garg**  
(F.R.N.001676C)  
Chartered Accountants

**For and on behalf of the Board**

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

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

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

**Vishesh Jain**  
Company Secretary  
M.No.: A68586

Place: Kanpur (U.P.)  
Date: 11/05/2023

Place: New Delhi  
Date: 11/05/2023

## Notes to the Standalone Financial Statements

### Note 36: Financial risk management

#### Risk management framework

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

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

- Credit risk
- Liquidity risk
- Market risk

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

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

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

#### a) credit risk:

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

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

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

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

Particulars	31st March 2023	31st March 2022
Other Receivables (net of impairment)	-	-
Loans (net of impairment)	1.81	4.68
Total	1.81	4.68

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

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

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

#### b) liquidity risk

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

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

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

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

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

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying amount
<b>Assets</b>					
Cash and bank balances	445.29	-	-	-	445.29
Securities for trade	-	-	-	-	-
Other receivables	-	-	-	-	-
Loans	1.06	0.60	0.15	-	1.81
Investments	-	-	1,44,437.24	-	1,44,437.24
Other financial assets	96.15	-	386.66	-	482.81
<b>Total</b>	<b>542.50</b>	<b>0.60</b>	<b>1,44,824.05</b>	<b>-</b>	<b>1,45,367.15</b>

**Notes to the Standalone Financial Statements**

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying amount
<b>Liabilities</b>	-	-	-	-	-
Trade payables	106.86	-	-	-	106.86
Other payables	14.37	-	-	-	14.37
Debt securities	-	-	-	-	-
Deposits	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>121.23</b>	-	-	-	<b>121.23</b>
Net Excess / (shortfall)	421.27	0.60	1,44,824.05	-	1,45,245.92

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

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total carrying amount
<b>Assets</b>					
Cash and bank balances	451.61	-	-	-	451.61
Securities for trade	-	-	-	-	-
Trade receivables	-	-	-	-	-
Loans	1.69	-	2.99	-	4.68
Investments	-	-	1,78,086.65	-	1,78,086.65
Other financial assets	615.78	-	86.67	-	702.45
<b>Total</b>	<b>1069.08</b>	-	<b>1,78,176.31</b>	-	<b>1,79,245.39</b>
<b>Liabilities</b>	-	-	-	-	-
Trade payables	637.37	-	-	-	637.37
Other payables	15.99	-	-	-	15.99
Debt securities	-	-	-	-	-
Deposits	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>653.36</b>	-	-	-	<b>653.36</b>
Net Excess / (shortfall)	415.72	-	1,78,176.31	-	1,78,592.03

**c) Market risk**

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

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

**i) Equity Risk**

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

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

**ii) Interest Rate Risk**

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

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

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

**iii) Foreign exchange Risk/currency Risk**

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

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

**Note 37: Employees Benefits**
**i) Defined Contribution Plans:**

Amount of Lakh 7.68 (Previous Year - 2022 Lakh 8.48 ) contributed to provident fund is recognized as an expense and included in Employer's Contribution to EPF, ESI, Gratuity Fund etc.' under 'Employee benefits expense in the Statement of Profit and Loss.

**Defined benefit plan**

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

The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the balance sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of obligation as adjusted for unrecognized past service cost as reduced by the fair value of plan assets. In accordance with the Ind AS-19.

**Notes to the Standalone Financial Statements**

Actuarial valuation was done in respect of gratuity and leave encashment defined benefits plans and details of the same are given below:

(₹ in lakhs)

Actuarial Assumptions	Gratuity As at 31st March 2023	Gratuity As at 31st March 2022	Leave Encashment As at 31st March 2023	Leave Encashment As at 31st March 2022
Discount rate (per annum)	7.25%	6.50%	7.25%	6.50%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate

**I. Expenses recognized in statement of profit and loss**

Current service cost	2.87	3.20	0.31	0.34
Interest cost	5.64	5.26	0.55	0.53
Past Service cost	-	-	-	-
Expected return on plan assets	(5.23)	(4.39)	-	-
<b>Net expenses recognized</b>	<b>3.28</b>	<b>4.07</b>	<b>0.86</b>	<b>0.86</b>

**II. Other comprehensive (income)/ expenses (Premeasurement)**

Cumulative unrecognized actuarial (gain)/loss opening. B/F	(0.16)	2.63	0.18	0.68
Actuarial (gain)/loss – obligation	6.31	(2.64)	(1.02)	(0.50)
Actuarial (gain)/loss – plan assets	0.84	(0.15)	-	-
Total Actuarial (gain)/loss	7.16	(2.79)	(1.02)	(0.50)
<b>Cumulative total actuarial (gain)/loss. C/F</b>	<b>7.00</b>	<b>(0.16)</b>	<b>(0.84)</b>	<b>0.18</b>

**III. Net liability/(assets) recognized in the balance sheet at the year end**

Present value of obligation at the end of period	76.22	86.79	7.66	8.52
Fair value of the plan asset at the end of period	56.60	72.15	-	-
Funded status [(surplus)/(deficit)]	19.62	14.64	7.66	8.52
<b>Net asset/(liability) as at 31<sup>st</sup> March, 2023</b>	<b>(19.62)</b>	<b>(14.64)</b>	<b>(7.66)</b>	<b>(8.52)</b>

**IV. Change in present value of obligation during the year**

Present value of obligation at the beginning of period	86.79	80.96	8.52	8.16
Current service cost	2.87	3.20	0.31	0.34
Interest cost	5.64	5.26	0.55	0.53
Past Service cost	-	-	-	-
Benefits paid	(25.39)	-	(0.71)	-
Actuarial loss/ (gain) on obligations	6.31	(2.64)	(1.02)	(0.50)
<b>Present value of obligation at the year end*</b>	<b>76.22</b>	<b>86.79</b>	<b>7.66</b>	<b>8.52</b>

**V. Change in present value of fair value of plan assets**

Fair value of plan assets as at the beginning of period	72.15	67.54	-	-
Expected return on plan assets	5.23	4.39	-	-
Contributions	0.06	0.07	-	-
Benefits paid	(20.00)	-	-	-
Actuarial loss/ (gain)	(0.84)	0.15	-	-
<b>Fair value of plan assets at the year end</b>	<b>56.60</b>	<b>72.15</b>	<b>-</b>	<b>-</b>

**VI. Present Benefit Obligation at the end of the year**

Current Liability (Amount due within one year)	13.70	35.76	1.33	3.16
Non-Current Liability (Amount due over one year)	62.53	51.03	6.33	5.36
<b>Total Liability</b>	<b>76.22</b>	<b>86.79</b>	<b>7.66</b>	<b>8.52</b>

\*Gratuity: LIC of India

**Maturity profile of defined benefit obligation**

Particulars	31st March 2023	31st March 2022
Weighted average duration (based on discounted cash flows) in years	4	3

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

**Notes to the Standalone Financial Statements**

Period	GRATUITY	LEAVE ENCASHMENT
	As on: 31st March 2023	As on: 31st March 2023
Defined Benefit Obligation (Base)	76.22 @ Salary Increase Rate: 5%, and discount rate :7.25%	7.66
Liability with x% increase in Discount Rate	73.91; x=1.00% [Change (3)% ]	7.40; x=1.00% [Change (3)% ]
Liability with x% decrease in Discount Rate	78.69; x=1.00% [Change 3% ]	7.94; x=1.00% [Change 4% ]
Liability with x% increase in Salary Growth Rate	78.72; x=1.00% [Change 3% ]	7.94; x=1.00% [Change 4% ]
Liability with x% decrease in Salary Growth Rate	73.83; x=1.00% [Change (3)%]	7.39; x=1.00% [Change (4)%]
Liability with x% increase in Withdrawal Rate	76.37; x=1.00% [Change0% ]	7.68; x=1.00% [Change0% ]
Liability with x% decrease in Withdrawal Rate	76.06; x=1.00% [Change0% ]	7.64; x=1.00% [Change0% ]

**Note: 38: Maturity Analysis of Assets and Liabilities**

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

(₹ in lakhs)

Assets	31st March 2023			31st March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						-
Cash and cash equivalents	445.29	-	445.29	451.61	-	451.61
Trade receivables	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Loans	1.66	0.15	1.81	1.69	2.99	4.68
Investments	-	1,44,437.24	1,44,437.24	-	1,78,086.65	1,78,086.65
Other financial assets	96.15	386.66	482.81	615.78	86.67	702.45
<b>Total</b>	<b>543.10</b>	<b>1,44,824.05</b>	<b>1,45,367.15</b>	<b>1,069.08</b>	<b>1,78,176.31</b>	<b>1,79,245.39</b>
<b>Non-Financial assets</b>						
Inventories	-	-	-	-	-	-
Current Tax assets	11.01	-	11.01	38.22	-	38.22
Investment Property	-	-	-	-	-	-
Property, plant and equipment	-	0.58	0.58	-	1.26	1.26
Deferred Tax Assets	-	-	-	-	-	-
Intangible assets under development	-	-	-	-	-	-
Other Intangible assets	-	0.00	0.00	-	0.00	0.00
Other non-financial assets	8.67	2.80	11.47	11.50	5.80	17.31
<b>Total</b>	<b>19.67</b>	<b>3.38</b>	<b>23.06</b>	<b>49.72</b>	<b>7.06</b>	<b>56.78</b>
<b>Assets held for sale</b>						
<b>Total Assets</b>	<b>562.77</b>	<b>1,44,827.43</b>	<b>1,45,390.21</b>	<b>1,118.80</b>	<b>1,78,183.37</b>	<b>1,79,302.17</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	106.86	-	106.86	637.37	-	637.37
Other payables	14.37	-	14.37	15.99	-	15.99
Debts	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
<b>Total</b>	<b>121.23</b>	<b>-</b>	<b>121.23</b>	<b>653.37</b>	<b>-</b>	<b>653.37</b>
<b>Non Financial Liabilities</b>						
Current tax liabilities	-	-	-	-	-	-
Provisions	48.39	-	48.39	23.16	-	23.16
Deferred tax liabilities	-	33,091.83	33,091.83	-	41,561.42	41,561.41
Other non financial liabilities	12.42	-	12.42	12.16	-	12.16
<b>Total</b>	<b>60.81</b>	<b>33,091.83</b>	<b>33,152.64</b>	<b>35.32</b>	<b>41,561.42</b>	<b>41,596.73</b>
<b>Liabilities held for sale</b>						
<b>Total Liabilities</b>	<b>182.04</b>	<b>33,091.83</b>	<b>33,273.88</b>	<b>688.68</b>	<b>41,561.42</b>	<b>42,250.10</b>



**Notes to the Standalone Financial Statements**
**Note 39: Tax Expense**

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

**a) Income Tax recognised in Statement of Profit and Loss**
**(₹ in lakhs)**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Current tax Expense/(credit):</b>		
1 Current tax for the year	90.60	245.18
2 Minimum alternate tax	-	-
3 Tax adjustment in respect of earlier years	-	-
<b>Total current tax expense/(Credit) (A)</b>	<b>90.60</b>	<b>245.18</b>

<b>Deferred tax Expense/(credit):</b>	0.84	(1,491.88)
<b>Net deferred tax expense/(credit) (B)</b>	<b>0.84</b>	<b>(1,491.88)</b>

<b>Income tax Tax expense/(credit) (net): (C = A+B)</b>	<b>91.44</b>	<b>(1,246.70)</b>
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**(b) Income Tax expense/(credit) recognised through other comprehensive income:**
**(₹ in lakhs)**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
1 Remeasurement of defined benefit plan	1.55	(0.83)
2 Equity instruments through other comprehensive income	(8,468.89)	7,460.01
<b>Total</b>	<b>(8,470.43)</b>	<b>7,460.84</b>

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

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Profit / (loss) before tax</b>	<b>340.85</b>	<b>3,225.81</b>
1 Expected income tax expense/(credit) at the applicable tax rates	85.78	811.87
Tax effect of adjustments to reconcile expected Income tax expense/ (credit) at tax rate to reported income tax expense/(credit)		
2 Effect of non-deductible expenses	5.31	-
3 Effect of differential tax rates and carried/brought forward losses	-	(2,058.57)
4 Effect of income exempt from tax	-	-
5 Others	0.35	-
<b>Income Tax expenses/(credit) reported in statement of profit and loss (1+2+3+4+5)</b>	<b>91.44</b>	<b>(1,246.70)</b>

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

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

**(₹ in lakhs)**

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>31st March 2023</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	445.29	445.29	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
(I) Trade receivables	-	-	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	1.81	1.81	-	-	-	-

**Notes to the Standalone Financial Statements**

Investments	-	1,32,775.03	11,662.21	1,44,437.24	1,32,775.03	-	-	1,32,775.03
Other financial assets	-	-	482.81	482.81	-	-	-	-
<b>Total financial assets</b>	-	<b>1,32,775.03</b>	<b>12,592.12</b>	<b>1,45,367.15</b>	<b>1,32,775.03</b>	-	-	<b>1,32,775.03</b>
<b>Financial liabilities</b>								
Payables								
(I) Trade payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	106.86	106.86	-	-	-	-
(II) Other payables					-	-	-	
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	14.37	14.37	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>121.23</b>	<b>121.23</b>	-	-	-	-

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

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>31st March 2022</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	451.61	451.61	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	-	-	-	-	-	-
Receivables								
(I) Trade receivables	-	-	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	4.68	4.68	-	-	-	-
Investments	-	1,66,424.44	11,662.21	1,78,086.65	1,66,424.44	-	-	1,66,424.44
Other financial assets	-	-	702.45	702.45	-	-	-	-
<b>Total financial assets</b>		<b>1,66,424.44</b>	<b>12,820.95</b>	<b>1,79,245.39</b>	<b>1,66,424.44</b>	-	-	<b>1,66,424.44</b>
<b>Financial liabilities</b>								
Payables								
(I) Trade payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	637.37	637.37	-	-	-	-
(II) Other payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	15.99	15.99	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>653.36</b>	<b>653.36</b>	-	-	-	-

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

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

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

## Notes to the Standalone Financial Statements

### ii. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

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

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

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

### Note No: 41 Corporate Social Responsibility

- 1) The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2022-23.

a) Amount required to be spent by the company during the year 2022-23 Rs.21.11 Lakhs (Previous year Rs.Nil Lakhs) computed in accordance with applicable regulations.

Amount spent during the year ended 31 March 2023 and 31st March 2022 as under:

(₹ in lakhs)

Particulars	As at	
	31st March 2023	31st March 2022#
(i) Amount required to be spent by the company during the year	21.11	-
(ii) Excess amount spent in previous year(s) (set off)	-	-
(iii) Amount available for spending under CSR for the year, after set off	21.11	-
(iv) Amount of expenditure incurred	-	-
a) Construction/acquisition of any asset	-	-
b) on purposes other than (i) above	-	-
(v) Details related to spent / unspent obligations:		-
a) Directly by the Company	-	-
b) Contribution to eligible entity	-	-
c) Unspent amount in relation to:		-
- Ongoing project	21.11	-
- Other than ongoing project	-	-
(vi) Shortfall/(Excess #) at the end of the year*	21.11	-
(vii) Total of previous years shortfall	-	-
(viii) Reason for shortfall*	Allocated to ongoing projects	-
(ix) Nature of CSR activities	CSR initiatives Promoting education besides other objectives permitted under Schedule VII of the Companies Act, 2013.	-
(x) Details of related party transactions as per relevant Accounting Standard	N.A.	-
(xi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision.	As given below	-

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

(₹ in lakhs)

Particulars	For the year ended	
	31st March 2023	31st March 2022#
Opening provision balance	-	-
Provision created during the year (for ongoing projects, in case of S. 135(6))	21.11	-
Provision created during the year (for other than ongoing project, In case of S. 135(5))	-	-
Amount spent during the year	-	-
Closing Provision balance*	21.11	-

**Notes to the Standalone Financial Statements**
**3) Details of other than ongoing project, In case of S. 135(5)**
**(₹ in lakhs)**

Particulars	For the year ended	
	31st March 2023	31st March 2022#
Opening Balance	-	-
Amount required to be spent during the year (after set off of Excess amount spent in previous year)	-	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount spent during the year	-	-
Closing Balance	-	-

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

Particulars		For the year ended	
		31st March 2023	31st March 2022#
Opening Balance	With Company	-	-
	In Separate CSR Unspent A/c	-	-
Transfer to Separate CSR unspent A/c		-	-
Amount required to be spent during the year		21.11	-
Amount spent during the year	From Company's Bank A/c	-	-
	From Separate CSR Unspent A/c	-	-
Closing balance *	With Company	21.11	-
	In Separate CSR Unspent A/c	-	-

**Notes**

\* The entire corpus / allocation under CSR for the year 2022-2023 has been earmarked for ongoing project the disbursement of which has been requested by the concerned entity in financial year 2023-2024 onwards. Hence, though allocated, no amount was disbursed in the year 2022-2023. Accordingly, the same has not been considered as spent and shown in the shortfall Column. The entire amount has already been transferred with in 30 days of close of the financial year 2022-2023 in to the bank account maintained for unspent CSR and will be disbursed in accordance with the applicable regulations.

# The Company was not covered in any of the criteria prescribed in Section 135 of The Companies Act, 2013 in the year 2021-2022, hence no allocation under CSR was required to be made.

**42 a) Key Ratio**
**Part A**

S No	Particulars	As At 31st Mar 2023	As At 31st Mar 2022
1	Capital to risk- weighted assets ratio	Not Applicable *	Not Applicable *
2	Tier I CRAR	Not Applicable *	Not Applicable *
3	Tier II CRAR	Not Applicable *	Not Applicable *
4	Liquidity Coverage Ratio	Not Applicable *	Not Applicable *

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

**Part B**

S No	Particulars	Numerator (Rs. in Lakhs)	Denominator (Rs. in Lakhs)	As at 31st Mar 2023 Ratio	As at 31st Mar 2022 Ratio	% Change from previous period in Current Year	Reason for Change in Current Year (if Change > 25 %)
1	2	3	4	5 = 3 / 4	6	7 = (6 - 5) / 6	8
1	Return on equity (PAT / Equity) (%)	249.41	1,12,116.34	0.22	3.26	(93.18)	There is decline in the ratio due to reduction in the income from brokerage and net gain on fair value changes during the current year.
2	Return on Assets (PAT / Total Assets) (%)	249.41	1,45,390.21	0.17	2.49	(93.12)	There is decline in the ratio due to reduction in the income from brokerage and net gain on fair value changes during the current year.
3	Current Ratio (Cash, Bank, Receivables & Other Fin. Assets) / (Financial Liabilities) (times)	928.11	121.23	7.66	1.77	333.43	There is positive increase in the ratio due to reduction in the financial liabilities during the current year.

b) Since, the Company does not have any trade receivables as on March 31, 2023, and March 31, 2022, the disclosure relating to trade receivables ageing schedule has been dispensed with.

c) No loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either severally or jointly with any other person during the financial years ended March 31, 2023, and March 31, 2022.

## Notes to the Standalone Financial Statements

- d) The Company did not have any transactions with the Companies struck-off under Section 248 of the Companies Act, 2013 during the financial years ended March 31, 2023, and March 31, 2022.
- e) The Company does not have any subsidiaries, hence provisions of section 2(87) of the Companies Act, 2013 are not applicable on the Company.
- f) There are no intangible assets under development as on 31<sup>st</sup> March 2023 as well as 31<sup>st</sup> March 2022.
- g) There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statements.
- h) The Company is primarily engaged in the single segment i.e., in the business of stock broking including investment & Sale/Purchase of Shares/ Securities & Derivatives. There are no separate reportable segments identified as per the Ind AS 108 - Operating segments. Further the Company does not have any reportable geographical segment. Hence segment-wise reporting has not been made.
- i) During the financial years ended March 31, 2023, and March 31, 2022, the company has not revalued its property, plant and Equipment.
- j) All the lease agreements are duly executed in favor of the Company for properties where the Company is the lessee.
- k) The Company has not been sanctioned working capital limits from Banks/financial Institutions during the financial years ending March 31, 2023, and March 31, 2022. Therefore, during the financial years ending March 31, 2023, and March 31, 2022, the company is not required to file the Quarterly return/ statements of current assets with banks and financial institutions.
- l) During the financial years ended March 31, 2023, and March 31, 2022, no Scheme of Arrangements related to the company has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- m) Utilisation of Borrowed funds and share premium: -
- a) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
    - ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b. The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - i. Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- n. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.
- o. The Company has not been declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.
- p. There is no creation or satisfaction of charges which are pending to be filed with ROC as at 31 March 2023 and 31 March 2022.
- q. The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023, and March 31, 2022.
- r. The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). No previously unrecorded income and related assets have been recorded in the books of account during the year.
- s. The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2023, and March 31, 2022.
- t. There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2023, and March 31, 2022.
- u. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure and rounding off errors have been ignored further Previous year figures have been shown in brackets.
- v. The amounts reflected as "0" or "-" in the financial information are values with less than rupees five hundred. All amounts have been rounded to the nearest lakhs up to two decimal places, unless otherwise stated.

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

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

**For and on behalf of the Board**

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

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

**Vishesh Jain**  
 Company Secretary  
 M.No.: A68586

Place: Kanpur (U.P.)  
 Date: 11/05/2023

Place: New Delhi  
 Date: 11/05/2023

## VLS Securities Limited

Regd. Off: Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi - 110020

CIN: U74899DL1994PLC062123

E-mail: [vlsec@vlssecurities.com](mailto:vlsec@vlssecurities.com), Ph: 011-4665 6666, Website: [www.vlssecurities.com](http://www.vlssecurities.com)

### ATTENDANCE CARD:

29<sup>th</sup> Annual General Meeting on Saturday, 16<sup>th</sup> September 2023

NAME OF THE ATTENDING MEMBERS ( IN BLOCK LETTERS)	
* Folio No.	
DP ID	
Client ID	
No. of Shares Held	
NAME OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF MEMBER)	

I hereby record my presence at the 29<sup>th</sup> Annual General Meeting of the Company on 16<sup>th</sup> September, 2023 at 4:00 p.m. at the Registered Office of the Company situated at Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi – 110020.

\* Applicable in the case of shares held in physical form.

\_\_\_\_\_  
Member/ Proxy Signature

### NOTES:

1. Member/Proxy wishing to attend the meeting must present this card duly filled in at the Entrance of the Venue.
2. No Gift/Coupon or equivalent will be given to members who are present in the meeting.
3. For the convenience of members, persons other than member/ proxy will not be allowed inside the Venue.

**VLS Securities Limited**

**Regd. Off: Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi 110020**

**CIN: U74899DL1994PLC062123**

**E-mail: vlssec@vlssecurities.com, Ph: 011-4665 6666, Website: www.vlssecurities.com**

**POLL PAPER**

- 1 Name of the Member  
(1st holder in case of Joint holding)
- 2 Registered address of sole  
/first named Member.
- 3 Registered folio No./DP ID No. and Client ID No.\*  
(\*Applicable to investors holding shares in  
dematerialized form)
- 4 Number of shares held
- 5 Name of the Joint holder(s)
- 6 I/We hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Serial No.	Particulars	No. of shares held by me/us	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	To consider and adopt the audited Balance Sheet of the Company as on 31st March, 2023 and the Statement of Profit & Loss for the year ended on that date with enclosures thereto together with the Report of Auditors and Directors thereon.			
2	To appoint a Director in place of Shri Kishan Kumar Soni (DIN: 00106037), who retires by rotation, and being eligible, offers himself for re-appointment.			
3	To appoint a Director in place of Ms. Divya Mehrotra (DIN: 00006494), who retires by rotation, and being eligible, offers herself for re-appointment.			

Place:  
Date:

.....  
Signature of the Member(s)



## VLS Securities Limited

Regd. Off: Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi 110020

CIN: U74899DL1994PLC062123

E-mail: vlssec@vlssecurities.com, Ph: 011-4665 6666, Website: www.vlssecurities.com

### Form MGT-11

### Form of Proxy

(Pursuant to Section 105(6) of Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s):	
Registered Address:	
E-Mail id:	
Folio No./DP ID/Client ID:	
No. of Shares Held	

I/We, being the members(s), holder of \_\_\_\_\_ shares of the above-named Company, hereby appoint

1.	Name:		Signature of proxy	
	Address:			
	E-Mail id:			
Or failing him				
2.	Name:		Signature of proxy	
	Address:			
	E-Mail id:			
Or failing him				
3.	Name:		Signature of proxy	
	Address:			
	E-mail id:			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company, to be held on the 16<sup>th</sup> day of September, 2023 at 4:00 p.m. at the Registered Office of the Company situated at Ground Floor, 90, Okhla Industrial Estate, Phase – III, New Delhi - 110020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Description	(Optional)	
		For	Against
Ordinary Business			
1.	To consider and adopt the audited Balance Sheet of the Company as on 31 <sup>st</sup> March, 2023 and the Statement of Profit & Loss for the year ended on that date with enclosures thereto together with the Report of Auditors and Directors thereon.		
2.	To appoint a Director in place of Shri Kishan Kumar Soni (DIN: 00106037), who retires by rotation, and being eligible, offers himself for re-appointment.		
3.	To appoint a Director in place of Ms. Divya Mehrotra (DIN: 00006494), who retires by rotation, and being eligible, offers herself for re-appointment.		

Signed this ..... day of ..... 2023

Affix  
Revenue  
Stamp

Signature of Shareholder .....

Signature of Proxy holder(s) .....

**NOTE:**

1. The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting. A Proxy need not be a member.
2. The form should be signed across the stamp by the Member as per specimen signature registered with the Company.
3. In the case of joint holding, all the joint holders must sign the proxy form.
4. It is optional to put a "X" in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.