

BM/21-22/1

30th June, 2021

**THE STOCK EXCHANGE MUMBAI,
Phroze Jeejeebhoy Towers,
Dalai Street, Mumbai-400 011**

Kind Attn: S. Subraminian DCS-CRD

Sub: Notice of Board Meeting Pursuant to Regulation 29(1) of Listing Agreement to take on record the Audited Financial Results of the Company for the Year ended 31st March-2021.

Dear Sir /Madam,

This is to inform that pursuant to Regulation 29 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Meeting of the Board of Directors of the Company was held, Today, Wednesday, 30th June, 2021 at 4:00 P.M. at 59, Okhla Industrial Estate Phase-III, New Delhi-110 020, In pursuant to Clause 41 of the Listing Agreement to the inter-alia, consider and take on record the Audited financial results for the Quarter/Year ended March 31st, 2021.


The results will be published in the Newspapers as per the requirement of the Listing Agreement. This is submitted for your kind information and records.

Thanking you,

Yours faithfully,

FOR VIRTUALSOFT SYSTEMS LIMITED

Mukta
Mukta Ahuja
Company Secretary



VIRTUALSOFT SYSTEMS LIMITED

(CIN No.: L72200DL1992PLC047931)

Regd. Office: S-101, Panchsheel Park, New Delhi- 110 017 India

Corp. Office: 59, Okhla Industrial Estate, Phase-III, New Delhi - 110 020

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VIRTUALSOFT SYSTEMS LIMITED
(CIN NO. L72200DL1992PLC047931)
Regd. Off: S-101 Panchsheel Park, New Delhi - 110017
PHONE No. 011142701491

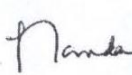
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STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH ,2021
(Amount in lakhs)

PARTICULARS	Quarter Ended			YEAR ENDED	
	31.03.2021	31.12.2020	31.03.2020	31.12.2020	31.03.2021
	(Audited)	(Un-Audited)	Audited)	(Audited)	(Audited)
1. Income from Operations					
a) Net Sales/ Income From Operations	29.50	71.07	25.93	90.67	131.36
c) Other Income	2.85	-	33.69	34.00	23.85
Total Income (a+b)	32.35	71.07	59.62	124.67	155.21
2. Expenses					
a. Cost of Materials Consumed	-	-	-	-	-
b. Purchase of Stock In Trade	26.00	63.50	22.78	83.16	116.08
c. Change in the inventories of Finished Goods, Work in Progress and Stock in Trade	-	-	-	-	-
d. Depreciation & Amortisation expenses	15.94	-	19.61	20.67	15.94
e. Employee Benift Expenses	17.97	8.42	14.56	51.26	45.30
f) Finance cost	4.06	0.02	6.25	6.37	4.13
g). Other expenditure	4.85	6.06	(9.73)	23.87	28.36
Total Expenses	68.82	78.00	53.47	185.33	209.82
3. Profit/(Loss) before Exceptional items and Extraordinary items and TAX (1-2)	(36.47)	(6.93)	6.15	(60.66)	(54.61)
4. Exceptional Items	(0.89)	-	-	-	(0.89)
5. Profit/(Loss) before Extraordinary Items and tax (3-4)	(37.36)	(6.93)	6.15	(60.66)	(55.50)
6. Extraordinary items	-	-	-	-	-
7. Profit/(Loss) before Tax (5-6)	(37.36)	(6.93)	6.15	(60.66)	(55.50)
8. TAX Expenses					
Curret Tax	-	-	-	-	-
Deferred Tax	-	-	-	-	-
Total Tax Expenses	-	-	-	-	-
9. Net Profit/(Loss) for the period (7-8)	(37.36)	(6.93)	6.15	(60.66)	(55.50)
10. Other Comprehensive income/(Loss)					
(a) items that will not be reclassified to profit and loss in subsequent period, net of tax	-	-	-	-	-
(b) Items that will be reclassified to profit and loss in subsequent period, net of tax	-	-	-	-	-
(C) Remeasuments of post-employment benefit obligations	-	-	-	-	-
Other Comprehensive income/(Loss) for the period (Net of Tax Expense)	-	-	-	-	-
11. Total Comprehensive income for the period (9+10)	(37.36)	(6.93)	6.15	(60.66)	(55.50)
12. Paid-up equity share capital	1,029.76	1,029.76	1,029.76	1,029.76	1,029.76
13. Earning Per Share before and alter extraordinary Items (from Continuing Operations)					
(of Rs. 10/- each)					
(a) Basic (Rs.)	(0.36)	(0.07)	0.06	(0.59)	(0.54)
(b) Diluted (Rs.)	(0.36)	(0.07)	0.06	(0.59)	(0.54)

NOTES:

- 1)The above results were considered and taken on record by the board of directors in their meeting held on 30th June 2021.
- 2) Previous year figures has been re-classified & regrouped whenever necessary to confirm to the current year's classification. Accordingly financial results for the financial year 2016-2017 have been prepared following the
- 4) As required under Regulation 33 of SEBI(Listing Obligation & Disclosures requirements) Regulation 2015, completed and unmodified report forwarded to BSE Ltd. The said report does not have any impact on the above results and Notes which need explanation the Limited Review by the Statutory Auditor has been Compay. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business
- 5) Number of complaints received and disposed during the quarter- NIL and number of complaints lying unresolved at the commencement and end of quarter-NIL
- 6) In view of brought forward losses the company, no provision for income tax and deferred tax assets has been created
- 7) The above results of VSSL as reviewed by the audited committee and the Consoliated financial have been approved by the board at its Meeting held on 30th June 2021


Gokul Tandan
Managing Director



New Delhi, 30th June, 2021

VIRTUALSOFT SYSTEMS LIMITED

(CIN NO. L72200DL1992PLC047931

Regd. Off: S-101 Panchsheel Park, New Delhi - 110017

PHONE No. 011142701491

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STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH,2021
(Amount in lakhs)

PARTICULARS	QUARTER ENDED			YEAR ENDED	
	31.03.2021	31.12.2020	31.03.2020	31.03.2020	31.03.2021
	(Audited)	(Un-Audited)	(Audited)	(Audited)	(Audited)
1. Income from Operations					
a) Net Sales/ Income From Operations	122.50	132.12	127.14	555.21	254.62
c) Other Income	23.85	0.15	34.80	37.19	24.00
Total Income (a+b)	146.35	132.27	161.94	592.41	278.62
2. Expenses					
a. Cost of Materials Consumed	-	-	-	-	-
b. Purchase of Stock In Trade	69.24	106.76	92.55	434.23	176.00
c. Change in the inventories of Finished Goods, Work in Progress and Stock in Trade	(0.64)	16.78	7.34	1.34	16.14
d. Depreciation & Amortisation expenses	39.20	-	24.37	50.56	39.20
e. Employee Benefit Expenses	68.14	153.43	89.89	353.23	221.57
f) Finance cost	13.72	3.40	9.27	21.84	17.12
g). Other expenditure	41.03	86.84	43.74	212.56	127.87
Total Expenses	230.70	367.21	267.16	1,073.75	597.91
3. Profit/(Loss) before Exceptional items and Extraordinary items and TAX (1-2)	(84.35)	(234.94)	(105.22)	(481.34)	(319.29)
4. Exceptional Items	1.41	-	-	-	1.41
5. Profit/(Loss) before Extraordinary Items and tax (3-4)	(85.76)	(234.94)	(105.22)	(481.34)	(320.70)
6. Extraordinary items	-	-	-	-	-
7. Profit/(Loss) before Tax (5-6)	(85.76)	(234.94)	(105.22)	(481.34)	(320.70)
8. TAX Expenses					
Current Tax	-	-	-	-	-
Deferred Tax	-	-	-	-	-
Total Tax Expenses	-	-	-	-	-
9. Net Profit/(Loss) for the period (7-8)	(85.76)	(234.94)	(105.22)	(481.34)	(320.70)
Less: Share of Minority in Current Year Profits/Loss	(26.51)	(93.98)	-	(204.60)	(120.49)
	(59.25)	(140.96)	(105.22)	(276.74)	(200.21)
10. Other Comprehensive income/(Loss)					
(a) items that will not be reclassified to profit and loss in subsequent period, net of tax	-	-	-	-	-
(b) Items that will be reclassified to profit and loss in subsequent period, net of tax	-	-	-	-	-
(C) Remeasurments of post-employment benefit obligations	-	-	-	-	-
Other Comprehensive income/(Loss) for the period (Net of Tax Expense)	-	-	-	-	-
11. Total Comprehensive income for the period (9+10)	(59.25)	(140.96)	(105.22)	(276.74)	(200.21)
12. Paid-up equity share capital	1,029.76	1,029.76	1,029.76	1,029.76	1,029.76
13. Earning Per Share before and alter extraordinary Items (from Continuing Operations)					
(of Rs. 10/- each)					
(a) Basic (Rs.)	(0.83)	(2.28)	(1.02)	(4.67)	(3.11)
(b) Diluted (Rs.)	(0.83)	(2.28)	(1.02)	(4.67)	(3.11)

Notes

- 1)The above results were considered and taken on record by the board of directors in their meeting held on 30th June 2021.
- 2) Previous year figures has been re-classified & regrouped whenever necessary to confirm to the current year's classification.
- 3) The company has adopted Indian Accounting Standard Ind AS from April 01, 2017, Accordingly financial results for the financial year 2016-2017 have been prepared following the Ind AS recognition and measurement principles, ended 31.03.2017, have been restated based on
- 4) As required under Regulation 33 of SEBI(Listing Obligation & Disclosures requirements) Regulation 2015, completed and unmodified report forwarded to BSE Ltd. The said report does not have any impact on the above results and Notes which need explanation the Limited Review by the Statutory Auditor has been Company. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business
- 5) Number of complaints received and disposed during the quarter- NIL and number of complaints lying unresolved at the commencement and end of quarter-NIL
- 6) In view of brought forward losses the company, no provision for income tax and deferred tax assets has been created
- 7) The above results of VSSL as reviewed by the audited committee and the Consolidated financial have been approved by the board at its Meeting held on 30th June 2021

Gokul Tandan
Managing Director



New Delhi, 30th June, 2021

VIRTUALSOFT SYSTEMS LIMITED

(CIN NO. L72200DL1992PLC047931)

Regd. Off: S-101 Panchsheel Park, New Delhi - 110017

PHONE No. 011142701491

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Statement of Assets and Liabilities as 31, March-2021

	STANDLONE		CONSOLIDATED	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
	(Audited)	(Audited)	(Audited)	(Audited)
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	9.54	10.33	41.94	57.60
(b) Intangible assets	90.11	45.11	818.90	775.16
(c) Intangible assets under development	-	-	1,023.26	1,023.26
(d) Right-of-use assets	-	33.81	-	54.94
(e) Financial Assets				
(i) Investments	926.30	926.30	-	-
(ii) Loans	2.39	5.07	13.19	19.94
(iii) Others	-	-	-	-
(f) Other non current assets	-	0.36	-	0.58
Total Non-Current Assets	1,028.34	1,020.97	1,897.29	1,931.48
Current Assets				
(a) Inventories	-	-	8.66	24.80
(b) Financial Assets				
(i) Trade Receivables	42.85	26.52	105.19	86.79
(ii) Cash and cash equivalents	7.94	5.30	14.96	8.74
(iii) Other Bank Balances	2.50	2.50	2.50	2.50
(iv) Loans	-	-	18.45	18.32
(v) Other current financial Assets	1.69	1.45	1.69	1.45
(c) Other current assets	94.65	102.63	188.99	134.79
Total Current Assets	149.63	138.39	340.44	277.39
Total Assets	1,177.97	1,159.36	2,237.73	2,208.87
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	1,029.76	1,029.76	1,029.76	1,029.76
(b) Other Equity	(1,892.41)	(1,835.59)	(2,789.44)	(2,590.08)
Total Equity	(862.65)	(805.83)	(1,759.68)	(1,560.32)
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowing	1,912.29	1,836.00	3,554.17	3,214.88
(ii) Other Financial Liabilities	-	14.11	-	22.92
(iii) Lease Liabilities	-	14.14	45.25	47.92
(b) Provisions	10.68	14.14	45.25	47.92
(b) Deferred Tax Liabilities (Net)	-	-	-	-
(c) Other non-current liabilities	-	-	-	-
Total Non-Current Liabilities	1,922.97	1,864.25	3,599.42	3,285.72
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowing	-	-	103.6	102.0
(ii) Trade payables	41.89	28.06	108.8	67.8
(iii) Lease liabilities	-	21.50	-	34.9
(iii) Other Financial Liabilities	0.71	0.71	6.2	4.8
(b) Other current liabilities	74.34	49.94	281.6	262.4
(c) Provisions	0.70	0.73	2.94	2.71
Total Current Liabilities	117.64	100.94	503.20	474.65
Total Equity and Liabilities	1,177.97	1,159.36	2,237.73	2,208.87

For Virtual Soft Systems Limited

Gokul Naresh Tandan
Managing Director

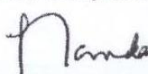


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STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2021

PARTICULARS	Rs./lacs	
	Year ended 31.03.2021 Audited	Year ended 31.03.2020 Audited
A. Cash flow from operating activities		
Profit before Income Tax	(55.50)	(60.66)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	15.94	20.67
Profit/Loss on disposal of Property, plant and equipment	-	-
Other comprehensive Income	(1.32)	(1.12)
Rental Income	-	-
Interest Income	-	-
Interest / Finance Charges	4.13	6.37
Other non operating Income	(23.85)	32.78
Operating profit before working capital changes	(60.60)	(1.96)
Movements in working capital		
(Increase)/Decrease in trade & Other Receivables	(16.33)	24.87
(Increase)/Decrease in other Current Assets	7.74	(60.43)
(Increase)/Decrease in short-terms provisions	(0.02)	-
(Increase)/Decrease in Short-terms Loans	-	0.24
Increase/(Decrease) in trade & Other Payables	38.23	(3.11)
Cash generated from operations	(31.00)	(40.39)
Income Tax Paid	-	-
Net Cash flow from Operating Activities (A)	(31.00)	(40.39)
B. Cash Flows from Investing Activities		
Purchase of Property, plant and equipment	(45.63)	(55.20)
Sale of Fixed Assets	-	-
Interest Income	0.24	(32.78)
(Increase)/Decrease in long term Loan Assets	2.68	0.99
(Increase)/Decrease in other long term Provision	(3.46)	3.14
(Increase) / Decrease in Non current Assets	0.36	(0.36)
Rental Income	-	-
Net Cash Flow from Investing Activities (B)	(45.81)	(84.21)
C. Cash flow from Financial Activities		
Proceeds from long term borrowings (Net)	80.81	102.72
Interest / Finance Charges	(1.36)	(6.37)
Increase / (Decrease) in short term borrowings (Net)	-	21.50
Net Cash flow from Financial Activities (C)	79.45	117.84
Net Change in Cash and Cash Equivalents (A+B+C)	2.64	(6.75)
Cash & Cash Equivalents at the beginning of the period	5.30	12.04
Cash & Cash Equivalents at the end of half year	7.94	5.29

For Virtual Soft Systems Limited


Gokul Naresh Tandan
Managing Director



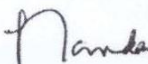
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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2021

PARTICULARS	Rs./lacs	
	Year ended 31.03.2021 Audited	Year ended 31.03.2020 Audited
A. Cash flow from operating activities		
Profit before Income Tax	(320.70)	(481.31)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	39.20	50.56
Profit/Loss on disposal of Property, plant and equipment		
Other comprehensive Income	0.85	(4.72)
Rental Income		
Interest Income	(24.00)	37.19
Interest / Finance Charges	17.12	21.83
Operating profit before working capital changes	(287.53)	(376.46)
Movements in working capital		
(Increase)/Decrease in trade & Other Receivables	(18.41)	43.23
(Increase)/Decrease in Inventories	16.14	1.33
(Increase)/Decrease in other Current Assets	(54.44)	(44.76)
Increase/(Decrease) in trade & Other Payables	61.64	8.01
(Increase)/Decrease in short-terms provisions	0.23	0.55
(Increase)/Decrease in Short-terms Loans	(0.13)	2.07
Cash generated from operations	(282.48)	(366.03)
Income Tax Paid	-	-
Net Cash flow from Operating Activities (A)	(282.48)	(366.03)
B. Cash Flows from Investing Activities		
Purchase of Property, plant and equipment	(47.29)	(93.47)
Sale of Fixed Assets		
Interest Income	0.39	(37.19)
(Increase) / Decrease in Non current Assets	0.58	(0.58)
(Increase) / Decrease in Long Term Provisions	(2.67)	12.84
(Increase)/Decrease in long term Loan Assets	6.75	13.06
Rental Income		-
Net Cash Flow from Investing Activities (B)	(42.25)	(105.35)
C. Cash flow from Financial Activities		
Proceeds/ (Repayments) from long term borrowings (Net)	339.29	453.04
Interest / Finance Charges	(9.95)	(21.83)
Proceeds/ (Repayments) from short term borrowings (Net)	1.61	36.27
Net Cash flow from Financial Activities (C)	330.95	467.48
Net Change in Cash and Cash Equivalents (A+B+C)	6.22	(3.89)
Cash & Cash Equivalents at the beginning of the period	8.74	12.64
Cash & Cash Equivalents at the end of half year	14.96	8.74

For Virtual Soft Systems Limited


Gokul Naresh Iandan
Managing Director





To the Members of VIRTUALSOFT SYSTEMS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of VIRTUALSOFT SYSTEMS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit/loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Emphasis of Matter

Attention is invited to Financial Statements regarding investment in subsidiary. The Company is showing investment in the subsidiary at cost whereas the subsidiary is continuously in heavy losses and also has negative net worth.



KRISHNA NEERAJ & ASSOCIATES
Chartered Associates

Attention is invited to Financial Statements regarding the financial statements being prepared on a going concern basis, notwithstanding the fact that the company's net worth is eroded. Moreover, the company is continuously suffering heavy losses. These events cast significant doubt on the ability of the Company to continue as a going concern.

Attention is invited that the company is under heavy and continuous losses and therefore no deferred tax provisions have been made as no profit is foreseen in the near future.

Attention is invited regarding the recognition of lease assets and liabilities on assets taken on the lease during the current financial year, there is no lease assets or liability has been recognized on such assets as the management is of not certain about occupancy of such place for long time.

Our opinion is not modified in respect of this matter.

Other Matter

The accompanying statement includes the result for the quarter ended March 31, 2021 being the balance figure between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited year to date figures to the third quarter of the current financial year, which were subject to limited review by us, as required under listing regulations.

UDIN:21506669AAAAEY2629

Place: New Delhi

Date: 30.06.2021

For Krishna Neeraj & Associates ;
Chartered Accountants
FRN: 023233N


CA Krishna Neeraj
Partner
Membership No. 506669





INDEPENDENT AUDITOR'S REPORT

To the Members of VIRTUALSOFT SYSTEMS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of VIRTUALSOFT SYSTEMS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit/loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Emphasis of Matter



KRISHNA NEERAJ & ASSOCIATES
Chartered Associates

Attention is invited to Financial Statements regarding investment in subsidiary. The Company is showing investment in the subsidiary at cost whereas the subsidiary is continuously in heavy losses and also has negative net worth.

Attention is invited to Financial Statements regarding the financial statements being prepared on a going concern basis, notwithstanding the fact that the company's net worth is eroded. Moreover, the company is continuously suffering heavy losses. These events cast significant doubt on the ability of the Company to continue as a going concern.

Attention is invited that the company is under heavy and continuous losses and therefore no deferred tax provisions have been made as no profit is foreseen in the near future.

Attention is invited regarding the recognition of lease assets and liabilities on assets taken on the lease during the current financial year, there is no lease assets or liability has been recognized on such assets as the management is of not certain about occupancy of such place for long time.


Our opinion is not modified in respect of this matter.

Other Matter

The accompanying statement includes the result for the quarter ended March 31, 2021 being the balance figure between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited year to date figures to the third quarter of the current financial year, which were subject to limited review by us, as required under listing regulations.

Consolidated audited financial results of Virtualsoft Systems Limited for the year ended March 31, 2021 includes audited financial results of its subsidiary Roam1 Telecom Limited for the year ended March 31, 2021.

UDIN:21506669AAAAEZ8493
Place: New Delhi
Date: 30.06.2021

For Krishna Neeraj & Associates
Chartered Accountants
FRN: 0232337

CA. Krishna Neeraj
Partner
Membership No. 506669

