



Agiwal & Associates

CHARTERED ACCOUNTANTS

D-6/9, Upper Ground Floor, Rana Pratap Bagh, Delhi-110007 (INDIA)
Phone : 011-41011281, 43512990 E-mail : caagiwal68@gmail.com, office@agiwalassociates.in

Independent Auditors Report on Statement of Source of Funds and Adequate Financial Arrangements

The Board of Directors
VLS Finance Limited,
Ground Floor, 90, Okhla Industrial Estate,
Phase III, New Delhi – 110020

Dear Sir,

Sub: Report on statement of source of funds and Adequate Financial Arrangements of VLS Finance Limited (“the Company”)

1. We have been informed that the board of directors of the Company, pursuant to their meeting held on August 09, 2024, have decided to undertake the Buyback, through the tender offer process, in accordance with Section 68, 69 and 70 of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the “SEBI Buyback Regulations”), at a price of Rs.380/- per Equity Share, for an aggregate amount not exceeding Rs. 125.40 Crores.
2. In connection with the Buyback, we, Agiwal & Associates, Chartered Accountants, have received a request from the Company to provide confirmation on certain matters in relation to the financial resources of the Company to fulfill its obligation arising out of or in relation to the Buyback, in accordance with the SEBI Buyback Regulations to assist the Manager to the Buyback in conducting its due diligence in connection with the said Buyback.
3. The accompanying statement of sources of funds as at the closing of August 9, 2024 (“Annexure-A”) is prepared by the management, which we have initialed for identification purpose only.
4. This report is issued in accordance with the terms of our engagement letter dated August 06, 2024.

Management’s Responsibility

5. The preparation of the Statement of sources of funds is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
6. The Company’s Management is also responsible for ensuring that the financial arrangements made by the company would be available before the opening of the buyback offer and the same will be sourced from the funds/investment as stated in **Annexure-A** and/or from any other asset of the company.



7. Management of the company is also responsible for ensuring that the company complies with the requirement of the SEBI Buy Back regulations.

Auditor's Responsibility

8. Pursuant to requirements of the buyback, it is our responsibility in accordance with the terms of our engagement letter dated August 06, 2024 to provide reasonable assurance as to the accuracy and the correctness of the Statement of source of funds based on verification of:
- Holding of shares from the Demat Account,
 - Units of the mutual fund from the Fund Statement of respective Mutual Funds,
 - Closing Market Price of the shares from the stock exchange,
 - NAV of Mutual Funds from the Fund Statement of respective Mutual Funds,
 - Bank Balance as on August 09, 2024 from Bank statements
 - Other Relevant documents of the Company.
9. On the basis of Statement of source of funds provided by the management, we also provide reasonable assurance that the company has firm and adequate financial arrangements for fulfilling the obligations under buyback in terms of the SEBI Buyback Regulations and Companies Act.
10. We conducted our examination in accordance with the Guidance Note on reports of Certificates for special purposes issued by the Institute of Chartered Accountants of India. The guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the institute of chartered Accountants of India.
11. We have complied with the relevant applicable requirements of the Standard on quality control SQC-1, Quality control for firms that perform audits and reviews of historical financial information, and other assurance and Related Service Engagements.
12. It is notified that this report is being issued at the request of the company without attaching any risk and responsibility on our part in any respect whatsoever more particularly either as guarantor or otherwise.

Opinion

13. Based on the Procedures performed, Statement of source of funds and evidences, representations obtained as stated above, and records produced to us for the same and information and explanations given to us by management, we are of the Opinion that:
- The accompanying statement of source of funds has been extracted from the Holding of shares from the Demat Account, Units of the mutual fund from the Fund Statement of respective Mutual Funds, Closing Market Price of the shares from the stock exchange, NAV of Mutual Funds from the Fund Statement of respective Mutual Funds, Bank balances from the bank statements and the computation thereof is arithmetically correct.
 - The company has firm and adequate financial arrangements for fulfilling the obligations under buyback in terms of the SEBI Buyback Regulations and Companies Act 2013.
 - These financial arrangements are adequately liquid to meet the financial requirements of the proposed Buyback, and
 - As on August 09, 2024, no borrowing has been availed by the Company in respect of Statement of Source of Funds as stated in Annexure A to discharge its obligation under the Buyback.



Consent

14. We hereby consent to the extracts of this report being used in the public announcement, draft letter of offer and letter of offer or in any other documents in connection with the Buyback. We also provide our consent for the reference to this report in the due diligence certificate to be filed with the Securities and Exchange Board of India by the Manager to the Buyback appointed by the Company in relation to the Buyback.

Restriction on Use

15. This Report has been prepared at the request of the company and solely for the information of the Manager to the Buyback in relation to the Buyback to assist them in conducting and documenting their investigations of the affairs of the company in connection with the Buyback. This report is not intended for general Circulation or publication and is not to be reproduced or used for any other purpose without our prior Consent. We hereby consent to the extracts of this report, in Full or part, being used in the public announcement of the company, if required, to be filed with SEBI by the Manager to the Buyback.

16. We undertake to inform you promptly, in writing, of any changes to the above information that are brought to our attention until the completion of the Buyback. In the absence of any such communication from us, the above information should be considered as updated information until the completion of the Buyback. This report may be relied on by the Manager to the Buyback in relation to the Buyback.

Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Agiwal & Associates
Chartered Accountants
ICAI Firm Registration No.: 000181N

Agiwal

CA P. C. AGIWAL
Partner
Membership No.: 080475
UDIN: 24080475BKFLAR1911



Place: Delhi
Date: August 09, 2024

(Enclosure as above)

CC: New Berry Capitals Private Limited
A-602, Marathon NextGen Innova, Level 6,
Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
(Referred to as the "Manager to the Buyback")



VLS FINANCE LTD.

Regd. Office : Ground Floor, 90, Okhla
Industrial Estate, Phase III, New Delhi-110020
Tel. : 91-11-46656666
Fax : 91-11-46656699
Email : vls@vlsfinance.com
Web : www.vlsfinance.com
CIN : L65910DL1986PLC023129

Annexure A

Statement of Source of Funds as on 09-August-2024

Sr. No	Name of the Mutual Fund / Company	Name of the Scheme/ Type of Security	ISIN No	No. Of Units	Market Price(MP)/Net Asset Value(NAV) as on 09/08/2024	Market/Redemption Value (Rs. In Crores)
1	Baroda Bnp Paribas Liquid Fund	Direct Growth	INF955L01AL0	4,90,085.95	2,856.6418	140.00
2	CG Power And Industrial Solutions Limited (Eq New Fv Rs.2/-)	Equity Shares	INE067A01029	1,40,500.00	713.2000	10.02
3	Parag Milk Foods Limited	Equity Shares	INE883N01014	5,40,000.00	184.9800	9.99
4	Cash At Bank					0.15
Total						160.16

We confirm that above mentioned liquid funds and shares are adequately liquid and all necessary approvals are in place to utilize these funds for the proposed buyback and that the funds will be available in a timely manner. On the basis of above statement, we also confirm that company has firm & adequate financial arrangements for fulfilling the obligations under buyback in terms of the SEBI Buyback Regulations & Companies Act. These Financial arrangements are adequately liquid to meet the financial requirements of the proposed Buyback. No borrowing has been availed to source above fund by the Company to discharge it's obligation under the Buyback.

For and On behalf of VLS Finance Limited

S.K. Agarwal
Managing Director

DIN: 00106763
Date: 09-August-2024
Place: Delhi



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

