



*Agiwal & Associates*

**CHARTERED ACCOUNTANTS**

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

Dear Sirs,

**Re: Statutory Auditor's Report in respect of proposed buy back of equity shares by VLS Finance Limited ("the company") in terms of Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 as amended ("the Buy Back Regulations")**

1. This Report is issued in accordance with the terms of our service scope letter dated November 19, 2025 with VLS Finance Limited (hereinafter the "Company").
2. The Board of Directors of the Company have approved the proposal for buyback of equity shares by the Company at its meeting held on November 22, 2025 in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ("the SEBI Buyback Regulations")
3. We have been requested by the management of the Company to provide a report on the accompanying" statement of permissible capital payment" as at March 31, 2025 (Annexure A) (hereinafter referred as Statement). This Statement has been prepared by the management which we have initialled for identification purposes only.

#### **Management's Responsibility**

4. The preparation of the Statement in compliance with the proviso to section 68(2)(b) of the Act and the proviso to regulation 5(i)(b) of the Buyback Regulations and compliance with the Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible Capital Payment, 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.
5. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from that date. The Board of Directors are also responsible for ensuring that the Company complies with the requirements of the Act and SEBI Buyback Regulations.

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

6. Pursuant to the requirements of the Act and SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance that:



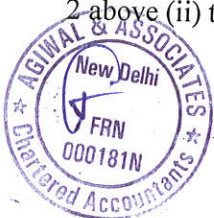
- i. We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements for year ended March 31, 2025.
  - ii. the amount of permissible capital payment as stated in Annexure A has been properly determined considering the annual audited standalone and consolidated financial statements as at March 31, 2025, in accordance with the provisions of Section 68(2)(b) of the Act and the SEBI buyback regulations;
  - iii. the Board of Directors of the Company at their meeting held on November 22, 2025 have formed the opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date where at the proposed buyback is approved.
7. The audited standalone and consolidated financial statements as at March 31, 2025, referred to in paragraph 6(i) above, have been audited by us on which we issued an unmodified audit opinion vide our reports dated 27<sup>th</sup> May 2025. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The said audit was not planned and performed in connection with any transaction to identify matters that may be of potential interest to third parties.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or 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.
9. 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 Services Engagements.

### Opinion

10. Based on our examination as above, and the information and explanations given to us, we report that:
- (i) We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements for year ended March 31, 2025, which have been approved by the Board of Directors of the Company on 27<sup>th</sup> May 2025.
  - (ii) The amount of permissible capital payment for proposed buyback of the equity shares as computed in the Statement attached herewith as Annexure A, in our view has been properly determined in accordance with the provisions of Section 68(2)(b) of the Act and Regulation 5(i) of the SEBI Buyback Regulations.
  - (iii) The Board of Directors at their meeting held on November 22, 2025, have formed their opinion as specified in clause (x) of Schedule I of the SEBI Buyback Regulations on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent (as defined in the management's responsibility above) within a period of one year from that date.

### Restriction on Use

11. The Report has been issued at the request of the Company solely for the use of the Company (i) in connection with the proposed buyback of the equity shares of the company as mentioned in Paragraph 2 above (ii) to enable the Board of Directors of the Company to include in the Public Announcement



and other documents pertaining to Buyback to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies, the National Securities Depository Limited and the Central Depository Securities (India) Limited and any other regulatory authority as per applicable law. This report can also be provided to the manager to buy back in connection with the proposed buyback of the equity shares of the Company for onwards submission to relevant authorities in pursuance of Section 68 and other applicable provisions of the Act and the Buyback Regulation and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For M/s. Agiwal & Associates**

Chartered Accountants

ICAI Firm Registration Number: 000181N



CA Chandmal Khandelwal  
Partner

Membership No.: 037956

Place: New Delhi

Date: November 22, 2025

UDIN: 25037956 BMLIHR 9429



## VLS FINANCE LTD.

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Industrial Estate, Phase III, New Delhi-110020

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Web : www.vlsfinance.com

CIN : L65910DL1986PLC023129

### ANNEXURE A - STATEMENT OF PERMISSIBLE CAPITAL PAYMENT


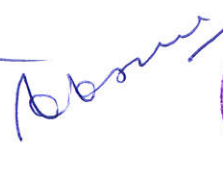

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with the proviso to Section 68(2)(b) of the Companies Act, 2013 ("the Act") and the proviso to Regulation 5(i)(b) of the Securities and Exchange Board of India (buy-back of securities) Regulations, 2018, as amended, based on annual audited Standalone and Consolidated Financial Statements as at and for the year ended March 31, 2025.

Particulars		Amount (Rs in lakhs)	
		Standalone	Consolidated
Paid up Equity Share Capital as on March 31, 2025 - 3,40,10,241 equity shares of Rs. 10/- each, fully paid (excluding Forfeited shares: 4,67,500)	(A)	3413.25	3,413.25
Free Reserves as on March 31, 2025 <sup>(2)</sup>			
(i) General reserve		2,968.84	3,573.29
(ii) Securities Premium		474.34	474.34
(iii) Retained earnings		1,64,389.23	1,73,780.95
<b>Total Free Reserves</b>	<b>(B)</b>	<b>1,67,832.41</b>	<b>1,77,828.58</b>
<b>Total Paid Up Capital &amp; Free Reserves</b>	<b>C= (A+B)</b>	<b>1,71,245.66</b>	<b>1,81,241.83</b>
Maximum amount permissible towards buy back of equity shares in accordance with the proviso to Section 68(2)(b) of the Companies Act, 2013 read with proviso to Regulation 5(i) (b) of the buy-back Regulations (10% of paid-up equity capital and free reserves).	C*10%	17,124.57	18,124.18
Lower of two	D		17,124.57

Note:

1. The amount of paid-up equity share capital and free reserves as at March 31, 2025 have been accurately extracted from the latest audited annual Standalone and Consolidated Financial Statements as at and for the year ended March 31, 2025.
2. Considered as defined in section 2(43) read with section 68 and explanation II to Section 68 of the Companies Act, 2013. Accordingly, retained earnings are reduced to the extent of Rs 2,811.65 Lakhs and Rs 2,828.85 for standalone and consolidated Financial Statements respectively on account of fair value changes of certain assets & liabilities.


For and on behalf of Board of Directors  
VLS Finance Limited

S. K. Agarwal  
Managing Director  
DIN:00106763  
Place: Delhi  
Date: 22 November, 2025

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

Signed for identification  
As per our report of even date attached  
For Agiwal & Associates  
Chartered Accountants  
(Firm Registration No.000181N)

  
CA Chandmal Khandelwal  
Partner  
(Membership No. 037956)  
Place: New Delhi

