

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered Equity Shareholder (as defined hereinafter) of VLS Finance Limited (the "Company") as on the Record Date (as defined hereinafter) in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "SEBI Buy Back Regulations"). If you require any clarifications about the action to be taken, you should consult your stock broker or your investment consultant or the Manager to the Buy Back i.e. New Berry Capitals Private Limited or the Registrar to the Buy Back i.e. RCMC Share Registry Private Limited. Please refer to the section on "Definition of Key Terms" for the definition of the capitalized terms used herein.



VLS Finance Limited

CIN: L65910DL1986PLC023129

Registered Office & Correspondence Address: Ground Floor, 90, Okhla Industrial Estate, Phase III, New Delhi – 110020.

Tel: +91 11 46656666; E-mail: hconsul@vlsfinance.com; Website: www.vlsfinance.com

Contact Person: H. Consul, Company Secretary & Compliance Officer

OFFER FOR BUY BACK OF UPTO 33,00,000 (THIRTY THREE LAKHS) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH OF VLS FINANCE LIMITED ("EQUITY SHARES" OR "SHARES"), AT A PRICE OF ₹380/- (RUPEES THREE HUNDRED EIGHTY ONLY) PER EQUITY SHARE PAYABLE IN CASH FOR AN AMOUNT UPTO ₹ 1,25,40,00,000 (RUPEES ONE HUNDRED TWENTY FIVE CRORES AND FORTY LAKHS ONLY), EXCLUDING ANY EXPENSES INCURRED OR TO BE INCURRED FOR THE BUY BACK, WHICH REPRESENTS 8.21% AND 8.04% OF THE AGGREGATE OF COMPANY'S FULLY PAID-UP EQUITY SHARE CAPITAL AND FREE RESERVES AS PER THE LATEST AUDITED STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS AS ON MARCH 31, 2024 RESPECTIVELY, THROUGH THE TENDER OFFER ROUTE USING THE STOCK EXCHANGE MECHANISM, ON A PROPORTIONATE BASIS FROM THE EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE.

- The Buy Back is being undertaken by the Company in accordance with Article 5(v) of the Articles of Association of the Company, the provisions of Sections 68, 69, 70, 110, 179 and other applicable provisions of the Act (as defined below) and the SEBI Buy Back Regulations. The Buy Back is subject to approvals and permissions, as may be required from any statutory, regulatory or governmental authorities under applicable law.
- The Buy Back Size represents 8.21% and 8.04% of the aggregate of company's fully paid-up Equity Share capital and free reserves as per the audited standalone and consolidated financial statements as on March 31, 2024 respectively (the latest audited financial statements available as on the date of the Board meeting held on August 09, 2024 approving the proposal of the Buy Back) and is within the statutory limits of 25% of the fully paid-up Equity Share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024. The Equity Shares proposed to be bought back represents 9.48% of the total number of Equity Shares in the total paid-up Equity Share capital of the Company, as on March 31, 2024.
- This Letter of Offer will be sent to the Equity Shareholders/beneficial owners of the Equity Shares of the Company as on the Record Date, i.e. August 26, 2024.
- A copy of the Public Announcement (as defined below) and this Letter of Offer including the Form of Acceptance-cum-Acknowledgement ("Tender Form") shall be available on the website of the Securities and Exchange Board of India at www.sebi.gov.in, on the website of the Company at www.vlsfinance.com, of the Manager to the Buy Back at www.newberry.in, and of the Stock Exchanges at www.nscindia.com and www.bscindia.com.
- The procedure for tendering Equity Shares and settlement is set out in paragraph 22 (Procedure for Tender Offer and Settlement) on page 44 of this Letter of Offer. Tender Form is enclosed together with this Letter of Offer.
- The payment of consideration is in cash to the Eligible Shareholder (as defined below). For further details, please refer to paragraph 22.27 (Method of Settlement) on page 52 of this Letter of Offer.
- The Eligible Shareholders are advised to read this Letter of Offer and in particular, refer to paragraph 19 (Details of the Statutory Approvals) and paragraph 23 (Note on Taxation) on page 38 and 53, respectively, of this Letter of Offer, before tendering the Equity Shares in the Buy Back.

BUY BACK OPENS ON: AUGUST 30, 2024

BUY BACK CLOSES ON: SEPTEMBER 05, 2024

LAST DATE AND TIME OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS BY THE REGISTRAR: SEPTEMBER 05, 2024 by 5.00 PM (IST)

BUYBACK ENTITLEMENT*


Reserved category for Small Shareholders	71 (Seventy One) Equity Shares out of every 368 (Three Hundred and Sixty Eight) fully paid-up Equity Shares held on the Record Date
Reserved category for all other Eligible Shareholders	71 (Seventy One) Equity Shares out of every 368 (Three Hundred and Sixty Eight) fully paid-up Equity Shares held on the Record Date

*The ratio of Buy Back indicated above is approximate and provides an indication of the Buy Back Entitlement. Any computation of entitled Equity Shares using the above ratio of Buy Back may provide a slightly different number due to rounding-off. The actual Buy Back Entitlement for reserved category for Small Shareholders is 19.2934783% and general category for all other Eligible Shareholders is 19.2934783%. For further information on Ratio of Buyback as per the Buyback entitlement in each Category, please refer paragraph 21.5 on page no 40 of this Letter of Offer.

ELIGIBLE SHAREHOLDERS CAN ALSO CHECK THEIR ENTITLEMENT ON THE WEBSITE OF THE REGISTRAR TO THE BUY BACK BY CLICKING THE FOLLOWING LINK: http://www.rcmcdelhi.com/dropbox/vls_buylack_entitlement.pdf

MANAGER TO THE BUYBACK

REGISTRAR TO THE BUYBACK

 <p>Merchant Banking PGC Equity Broking PMS</p> <p>New Berry Capitals Private Limited Contact Person: Mr. Satish Mangutkar/ Mr. Ankur Sharma Address: A-602, Marathon NextGen Innova, Level 6, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013 Tel: 022 4881 8446 Email: mb@newberry.in Website: www.newberry.in SEBI Regn. No.: INM000012999 Validity Period: Permanent CIN: U67190MH2007PTC174445</p>	 <p>RCMC Share Registry Private Limited Contact Person: Mr. Murali Dharan Nair Address: B-25/1, Okhla Industrial Area, Phase -2, Near Rana Motors, New Delhi – 110020 Tel: 011-26387320/21 Mobile : +91-85276 95125 Investor Grievance Email: investor.services@rcmcdelhi.com Website: www.rcmcdelhi.com SEBI Regn. No.: INR000000429 Validity Period: Permanent CIN: U67120DL1950PTC001854</p>
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1. SCHEDULE OF ACTIVITIES

Activity	Schedule of Activities	
	Day	Date
Date of the Board meeting to approve the proposal for Buy Back of Equity Shares	Friday	August 09, 2024
Date of Public Announcement for the Buyback	Monday	August 12, 2024
Date of Publication of the Public Announcement for the Buyback in newspapers	Tuesday	August 13, 2024
Record Date for determining the Eligible Shareholders and the Buyback Entitlement	Monday	August 26, 2024
Buyback Opening Date	Friday	August 30, 2024
Buyback Closing Date	Thursday	September 05, 2024
Last date of receipt of completed Tender Forms and other specified documents including Physical Share certificates (if and as applicable) by the Registrar	Thursday	September 5, 2024
Last date of verification of Tender Forms by Registrar to the Buyback	Friday	September 6, 2024
Last date of intimation to the Designated Stock Exchange regarding Acceptance/ non-acceptance of the tendered Equity Shares by the Registrar	Thursday	September 12, 2024
Last date of completion of settlement by the Clearing Corporation/Stock Exchanges	Friday	September 13, 2024
Last date of dispatch of share certificate(s) by the Registrar to the Buyback / payment to Eligible Shareholders / unblocking/ return of unaccepted Demat Shares by the Stock Exchanges to Eligible Shareholders/Seller Broker	Friday	September 13, 2024
Last date of payment of consideration to Eligible Shareholders who participated in the Buyback	Friday	September 13, 2024
Last date of extinguishment of the Equity Shares bought Back	Monday	September 23, 2024

Note: Where last dates are mentioned for certain activities, such activities may take place on or before the respective last dates.

2. DEFINITIONS OF KEY TERMS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the meaning ascribed to such terms under the SEBI Buyback Regulations, the Companies Act, the Depositories Act, 1996 and the rules and regulations made thereunder.

Term	Description
Acceptance/Accept/ Accepted	Acceptance of Equity Shares tendered by Eligible Shareholders in the Buyback Offer.
Acquisition Window	The facility for the acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange i.e., NSE in the form of a separate window in accordance with the SEBI Circulars.
Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder up to the extent of Equity Shares held by such Eligible Shareholder on the Record Date.
Act/Companies Act	The Companies Act, 2013, as may be amended from time to time, along with all rules and regulations framed thereunder.
Articles of Association /AOA	Articles of Association of the Company, as amended.
Board or Board of Directors	Board of directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized committee thereof).
Board Meeting	Meeting of the Board of Directors of the Company held on August 09, 2024 approving the proposal for the Buyback Offer.
BSE	BSE Limited.
Buyback Opening Date	Friday, August 30, 2024
Buyback Closing Date	Thursday, September 05, 2024
Buyback Committee	A Committee constituted by Board of Directors of the Company comprising of Suresh Kumar Agarwal, Managing Director, Kishan Kumar Soni, Director Finance & CFO and Keshav Tandan, Executive Director
Buyback Entitlement or Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback, which is computed based on the number of Equity Shares held by such Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category, to which such Eligible Shareholder belongs.
Buyback/ Buyback Offer/Offer/Buy-Back	Offer by VLS Finance Limited to buy back up to and not exceeding 33,00,000 (Thirty Three Lakhs only) fully paid-up Equity Shares of face value of Rs. 10 each at a price of Rs. 380/- (Rupees Three Hundred and Eighty only) per Equity Share from all the Eligible Shareholders, through the Tender Offer process on a proportionate basis.
Buyback Price/ Offer Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. Rs. 380/- (Rupees Three Hundred and Eighty only) per Equity Share payable in cash.
Buyback Size/ Offer Size	Number of Equity Shares proposed to be bought back i.e., 33,00,000 (Thirty Three Lakhs only) Equity Shares multiplied by the Buyback Offer Price i.e. Rs. 380/- (Rupees Three Hundred and Eighty only) per Equity Share aggregating to Rs. 1,25,40,00,000/- (Rupees One Hundred Twenty Five Crores and Forty Lakhs Only), excluding Transaction Costs.
Buyback Period	The period between the date of the Board meeting authorising the Buyback of the Equity Shares of the Company i.e. August 09, 2024, till the date on which the payment of consideration to the Eligible Shareholders who have accepted the Buyback will be made.
Clearing Corporation	NSE Clearing Limited
CDSL	Central Depository Services (India) Limited.

“Company” or “Our Company” or “we” or “us” or “our” or “VLS”	VLS Finance Limited.
“Company’s Broker” or “GCML” or “Buying Broker”	Globe Capital Market Limited
Compliance Officer	Mr. H Consul, Company Secretary & Compliance Officer
Company Demat Account	A demat account held by the Company, wherein Demat Shares bought back in the Buyback would be transferred.
CIN	Corporate Identity Number.
Designated Stock Exchange/DSE	National Stock Exchange of India Limited
Depositories	Together, NSDL and CDSL.
DIN	Director Identification Number.
DP	Depository Participant.
DTAA	Double Taxation Avoidance Agreement.
Equity Share(s)/ Share(s)	Fully paid-up equity share(s) of face value of Rs.10/- (Rupees Ten only) each of the Company.
Eligible Person (s)/Eligible Shareholders	Equity Shareholders eligible to participate in the Buyback and would mean all shareholders/ beneficial owners of the Equity Shares on the Record Date being August 26, 2024 and do not include such shareholders/ beneficial owners of the Equity Shares who are not permitted under the applicable law to tender shares in the Buyback.
Equity Shareholder(s) / Shareholder(s) / Members	Shareholder/ beneficial owner of the Equity Shares of the Company.
EPS	Earnings per Equity Share.
Escrow Account	The Escrow account opened with HDFC Bank Limited in accordance with SEBI Buyback Regulations, in the name of “VLS FINANCE LTD-BUY BACK ESCROW A/C” bearing the account number 57500001561139.
Escrow Agreement	The agreement dated Monday August 12, 2024 entered into between the Company, HDFC Bank Limited (as Escrow Agent) and New Berry Capitals Private Limited (as Manager to the Buyback), pursuant to which certain arrangements for Escrow Account is made in relation to the Buyback.
Escrow Agent	HDFC Bank Limited having its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013. India.
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time, including rules, regulations, circulars, directions and notifications issued thereunder.
FIIIs	Foreign Institutional Investor(s) registered under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FPIs	Foreign Portfolio Investors as defined under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
General Category	Eligible Shareholders other than the Small Shareholders of the Company.
HUF	Hindu Undivided Family.
IT Act/Income Tax Act	The Income-Tax Act, 1961, as amended.
LOF/ Letter of Offer	This letter of offer dated August 27, 2024 to be filed with SEBI containing disclosures in relation to the Buyback as specified in Schedule III of the SEBI Buyback Regulations through the Manager to the Buyback.

“Merchant Banker to the Buyback” or “Merchant Banker” or “Manager to the Buyback/Offer”	New Berry Capitals Private Limited
MCA	Ministry of Corporate Affairs
NA	Not Applicable.
Non-Resident Shareholders	Includes Non-resident Indians (NRI) and FIIs / FPIs as defined under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended.
NRI	Non Resident Indian.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB	Overseas Corporate Bodies.
PA/ Public Announcement	Public announcement dated August 12, 2024 in connection with the Buyback which was published on August 13, 2024 in the English national daily newspapers of Financial Express, Hindi national daily newspapers of Jansatta
PAN	Permanent Account Number.
Physical Share(s)	Equity Share(s) of the Company in physical form.
Promoters/ Promoter Group	Mahesh Prasad Mehrotra, Mahesh Prasad Mehrotra (HUF), VLS Capital Limited, VLS Commodities Private Limited, South Asian Enterprises Limited, Pragati Moulders Limited, Sadhana Mehrotra, Vikas Mehrotra, Divya Mehrotra, Daya Mehrotra and Ramji Mehrotra.
Members of the Promoter Group/Promoter Group	Promoter and promoter group as have been disclosed under the filings made by the Company under the SEBI Listing Regulations and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
RBI	Reserve Bank of India.
RoC	Registrar of Companies, Delhi & Haryana
Record Date	The date for the purpose of determining the Buyback Entitlement and the names of the Eligible Shareholders to whom the Letter of Offer (including the Tender Form) will be sent, and who are eligible to participate in the Buyback in accordance with the SEBI Buyback Regulations. The Record Date for the Buyback is August 26, 2024
Registrar to the Buyback/Offer or Registrar	RCMC Share Registry Private Limited.
Reserved Category	Small Shareholders eligible to tender Equity Shares in the Buyback.
SEBI	Securities and Exchange Board of India.
SEBI Buyback Regulations	Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
Seller Member/ Seller Broker	A stock broker (who is a member of the NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback.
Small Shareholder(s)	As defined under Regulation 2(i)(n) of the SEBI Buyback Regulations and in relation to the Buyback means an Eligible Shareholder who holds Equity Shares of market value of not more than Rs. 2,00,000 (Rupees Two Lakhs only), on the basis of closing price on BSE or NSE, whichever registers the highest trading volume in respect of the Equity Shares on the Record Date, i.e., August 26, 2024.

Statutory Auditor	M/s. Agiwal & Associates, Chartered Accountants.
Stock Exchanges	Together, BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
SEBI Circulars	SEBI circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with SEBI circular bearing number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, SEBI circular bearing number SEBI/HO/CFD/DCR/III/CIR/P/2021/615 dated August 13, 2021 and circular bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/35 dated March 08, 2023, as amended
Transaction Costs	Any expenses incurred or to be incurred for the Buyback viz. tax on buyback, securities transaction tax and goods and services tax (if any), stamp duty, intermediaries fees, public announcement publication fees, stock exchange's fee, printing and dispatch expenses, if any, and other incidental and related expenses and charges.
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
Tender Offer	Method of buyback as defined in Regulation 2(1)(q) of the SEBI Buyback Regulations.
Tendering Period	Period of 5 Working Days from the Buyback Opening Date Friday, August 30, 2024 till the Buyback Closing Date September 05, 2024 (both days inclusive).
Tender Form	Form of Acceptance-cum-Acknowledgement.
TRS	Transaction Registration Slip.
U.S.	United States of America
Working days	Working day as defined under 2(1)(s) of the SEBI Buyback Regulations.

Certain conventions, currency of presentation, use of financial information and stock market data

Page Numbers and Paragraph Numbers

Unless otherwise stated, all references to page numbers and paragraph numbers in this Letter of Offer are to page numbers of this Letter of Offer.

Currency and Units of Presentation

All references to “Rupee(s)” or “Rs.” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India.

Financial and Other Data

Unless stated or the context requires otherwise, our financial information in this Letter of Offer is derived from audited standalone and consolidated financial statements of the Company for the fiscal years 2022, 2023 and 2024.

The Company's fiscal year commences on April 1 of each year and ends on March 31 of the next year (referred to herein as “Fiscal”, “Fiscal Year” or “FY”). All data related to financials are given in ₹ Lakhs unless otherwise stated.

Stock Market Data

Unless stated or the context requires otherwise, stock market data included in this Letter of Offer is derived from the websites of the Stock Exchanges.

3. DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to SEBI.

It is to be distinctly understood that submission of this Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Letter of Offer. The Manager to the Buyback, New Berry Capitals Private Limited, has certified that the disclosures made in this Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act, 2013, as amended and SEBI Buyback Regulations, as amended. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, New Berry Capitals Private Limited, has furnished to SEBI a due diligence certificate dated August 28, 2024, in accordance with the SEBI Regulations 2018, which reads as follows:

“We have examined various documents and materials contained in the annexure to this letter as part of the due diligence carried out by us in connection with the finalisation of the Public Announcement dated August 12, 2024 and published on August 13, 2024 and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Buy Back is in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended, and this Letter of Offer contains the information required under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended;*
- The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback;*
- All the legal requirements connected with the said offer including Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended, have been duly complied with;*
- The disclosures in the Public Announcement and the Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well-informed decision in respect of the captioned Buyback; and*
- Funds used for the Buyback shall be as per the provisions of the Companies Act, 2013, as amended.”*

The filing of Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013, as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The Board of Directors of the Company declare and confirm that no information/ material likely to have a bearing on the decision of Eligible Shareholders has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of

time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ misrepresentation, the Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013 and the SEBI Buyback Regulations.

The Board of Directors of the Company also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.

NO OFFER TO SUBSCRIBE/PURCHASE/SELL, OR AN INVITATION TO SUBSCRIBE/PURCHASE/SELL ANY SECURITIES OF THE COMPANY OR AS A SOLICITATION OR AN INVITATION TO SUBSCRIBE/PURCHASE/SELL ANY SECURITIES OF THE COMPANY INCLUDING THE EQUITY SHARES IS MADE IN A JURISDICTION, OTHER THAN INDIA, WHERE IT IS ILLEGAL, OR ANY ACTION OR APPROVAL IS REQUIRED, TO MAKE THIS BUY BACK.

3.1 Disclaimer for U.S. Persons:

The information contained in this Letter of Offer is exclusively intended for persons who are not US Persons as such term is defined in regulations of the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about the same and to observe any such restrictions.

3.2 Disclaimer for persons in other foreign countries:

This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation would subject the Company or the Manager to the Buy Back to any new or additional requirements or registrations. Potential users of the information contained in this Letter of Offer are requested to inform themselves about the same and to observe any applicable legal requirement or restrictions.

3.3 Important notice to all Equity Shareholders:

This Letter of Offer has been prepared for the purpose of compliance with the SEBI Buy Back Regulations. Accordingly, the information disclosed may not be the same which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buy Back are under no obligation to update the information contained herein at any time after the date of this Letter of Offer. This Letter of Offer shall be dispatched to all Shareholders whose names appear on the register of members of the Company, as of the Record Date. However, receipt of the Letter of Offer by any Shareholders in a jurisdiction in which it would be illegal to make this Tender Offer, or where making this Tender Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Shareholders as an Offer being made to them. Potential users of the information contained in this Letter of Offer are requested to inform themselves about the same and to observe any such restrictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Buy Back shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buy Back.

3.4 Forward Looking Statement

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'believe', 'aim', 'anticipate', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will pursue', or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. All forward looking

statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter-alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which the Company operates.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

4. TEXT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS

The Buyback has been authorised and approved (subject to approvals of statutory, regulatory or governmental authorities as may be required under applicable laws) by the Board of Directors at its meeting held on August 09, 2024.

The relevant extracts of the resolution of the Board of Directors are set out below:

Quote

“RESOLVED THAT in accordance with the Article 5(v) of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 110 and 179 and all other applicable provisions, if any, of the Companies Act, 2013 (the **“Act”**), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, the Companies (Meetings of Board and its Powers) Rules, 2014 and other relevant rules made hereunder, as amended from time to time and the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (**“SEBI Buy Back Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (**“SEBI Listing Regulations”**) and subject to such other approvals, permissions, consents, sanctions and exemptions of Securities and Exchange Board of India (**“SEBI”**), the stock exchanges on which the Equity Shares of the Company are listed (**“Stock Exchanges”**), Reserve Bank of India (**“RBI”**) and/ or other authorities, institutions or bodies (**“the Appropriate Authorities”**), as may be necessary, and subject to such conditions, alterations, amendments and modifications as may be prescribed or imposed by them while granting such approvals, permissions, consents, sanctions and exemptions which may be agreed, the consent of the Board of Directors of the Company, (**“Board”**), which term shall be deemed to include any committee of the Board and/ or officials, which the Board may constitute/authorize to exercise its powers, including the powers conferred by this resolution (the **“Buy Back Committee”**), be and is hereby accorded for the buy back by the Company of not exceeding 33,00,000 (Thirty Three Lakhs) fully paid up equity shares of the face value of ₹ 10/- (Rupees Ten Only) each (hereinafter referred to as the **“Equity Shares”** or **“Shares”**), representing about 9.48% of the total number of Equity Shares in the total paid-up Equity Share capital of the Company, as on March 31, 2024, at a buy back price of ₹ 380/- (Rupees Three Hundred Eighty only) per fully paid-up Equity Share payable in cash (**“Buy Back Price”**) for an amount not exceeding ₹ 1,25,40,00,000 (**“One Hundred Twenty Five Crores and Forty Lakhs Only**), excluding any expenses incurred or to be incurred for the Buy Back viz. brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and services tax (if any), tax on distributed income on Buy Back, stamp duty, advisors fees, filing fees, public announcement expenses, printing and dispatch expenses, if any, and other incidental and related expenses and charges etc. (**“Transaction Costs”**) (such amount hereinafter referred to as the **“Buy Back**

Size”), representing 8.21% and 8.04% of the aggregate of the total paid-up equity share capital and free reserves of the Company based on latest audited standalone and consolidated basis, respectively as on March 31, 2024, from the shareholders/beneficial owners of the Equity Shares of the Company as on a record date to be subsequently decided by the Board/Buy Back Committee (“**Record Date**”), on a proportionate basis through “**Tender Offer**” route process using the Stock Exchange Mechanism as prescribed under the SEBI Buy Back Regulations (the “**Buy Back**”).

RESOLVED FURTHER THAT the Board hereby confirms that the Buy Back Price has been arrived at after considering various factors, including, but not limited to:

- (i) the trends in the volume weighted average prices of the Equity Shares of the Company, traded on the BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) (together referred as “**Stock Exchanges**”) where the Equity Shares are listed and traded,
- (ii) the net-worth of the Company,
- (iii) price earnings ratio,
- (iv) the impact on other financial parameters and
- (v) the possible impact of Buy Back on the earnings per share.

RESOLVED FURTHER THAT the Buy Back Price represents a

- i) Premium of 30.02% and 31.64% to the volume weighted average market price of the Equity Share on NSE and BSE respectively, during the three months period preceding the August 06, 2024 i.e. date of intimation to the Stock Exchanges (“**Intimation date**”) for the Board Meeting to consider the proposal of the Buyback.
- ii) Premium of 24.06% and 25.37% over the volume weighted average market price of the Equity Shares on NSE and BSE respectively, for two weeks preceding the Intimation Date.
- iii) Premium of 27.05% and 27.05% over the closing price of the Equity Shares on NSE and BSE respectively, as on the Intimation Date.
- iv) Premium of 29.71% and 29.60% over the closing price of the Equity Share on NSE and BSE respectively, as on August 5, 2024, which is a day preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

based on the latest standalone and consolidated audited financial statement of the Company as at March 31, 2024.

RESOLVED FURTHER THAT the Board/Buy Back Committee constituted hereinafter, may, 1 (one) working day prior to the Record Date, increase the Buy Back Price and decrease the number of Equity Shares proposed to be bought back under the Buy Back, such that there is no change in the Buy Back Size, in terms of Regulation 5(via) of the SEBI Buy Back Regulations.

RESOLVED FURTHER THAT as required under Regulation 6 of the SEBI Buy Back Regulations, the Buy Back of Equity Shares from the existing shareholders/beneficial owners of Equity Shares of the Company as on Record Date (“**Eligible Shareholders**”), shall be on a proportionate basis through Tender Offer, provided that 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buy Back or number of Equity Shares entitled as per the shareholding of small shareholders as defined in the SEBI Buy Back Regulations (“**Small Shareholders**”) as on the Record Date, whichever is higher, shall be reserved for the Small Shareholders as defined in the SEBI Buy Back Regulations.

RESOLVED FURTHER THAT the Board of Directors of the Company, have noted that in terms of the Buyback Regulations, under the tender offer route, though the Promoter and Promoter Group have an option to participate in the Buyback however, the members of the Promoters and Promoter Group of the Company, have not expressed their intention to participate in the Buyback.

RESOLVED FURTHER THAT the Company shall implement the Buy Back using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with the circulars issued in relation thereto, including circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, circular SEBI/HO/CFD/DCR/III/CIR/P/2021/615 dated August 13, 2021 and SEBI/HO/CFD/PoD-2/P/CIR/2023/35 dated March 08, 2023 including any further amendments or statutory modifications thereof for the time being in force and the Company shall approach the Stock Exchange(s), as may be required, for facilitating the same.

RESOLVED FURTHER THAT as required under Regulation 4 of the SEBI Buy Back Regulations, the proposed Buy Back of Equity Shares from the existing shareholders shall be implemented as on the Record Date in a manner the Board may consider appropriate, from out of its free reserves and/or securities premium account of the Company and/or such other sources or by such mechanisms as may be permitted by applicable laws, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

RESOLVED FURTHER THAT the Company has adequate resources of funds for the purpose of Buy Back and the payment of the Buy Back shall be made out of the Company’s cash balances at bank and/or liquid investments and/or cash available from internal resources of the Company (and not from any borrowed funds) and on such terms and conditions as the Board may decide from time to time at its absolute discretion.

RESOLVED FURTHER THAT as required under the provisions of Section 68(6) of the Act read with Regulation 8 of the SEBI Buy Back Regulations, the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit and other documents, placed before the meeting be and are hereby approved for filing with Registrar of Companies, Delhi & Haryana and SEBI in accordance with the applicable laws and that any two amongst Shri Suresh Kumar Agarwal - Managing Director (DIN: 00106763), Shri Kishan Kumar Soni – Director-Finance & CFO (DIN: 00106037) and Shri Keshav Tandan – Executive Director (DIN:10450801) be and are hereby, jointly authorized to sign the same, for and on behalf of the Board.

RESOLVED FURTHER THAT the Buy Back from non-resident shareholders, Overseas Corporate Bodies (OCB’s), Foreign Institutional Investors, Foreign Portfolio Investors and shareholders of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities including approvals from the Reserve Bank of India (“RBI”) under Foreign Exchange Management Act, 1999 and rules and regulations framed there under, if any, and that such approvals shall be required to be taken by such shareholders themselves.

RESOLVED FURTHER THAT the Board hereby confirms that:

1. all the equity shares for Buy Back are fully paid-up.
2. the Company shall not issue any Equity Shares or other securities from the date of this resolution including by way of bonus issue till the expiry of the Buy Back period i.e. date on which the payment of consideration to shareholders who have accepted the Buy Back is made in accordance with the Act and the SEBI Buy Back Regulations;
3. the Company shall not raise further capital for a period of one year from the expiry of the Buy Back period i.e. the date on which the payment of consideration to shareholders who have accepted the Buy Back offer is made except in discharge of subsisting obligations;

4. the Company shall not Buy Back its Equity Shares or other specified securities from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buy Back;
5. the Buy Back Size i.e. ₹ 1,25,40,00,000 (“One Hundred Twenty Five Crores and Forty Lakhs Only), does not exceed 10% of the aggregate paid- up Equity Share capital and free reserves of the Company as per latest available Standalone and Consolidated Audited Financial Statements of the Company as on March 31, 2024.
6. the maximum number of Equity Shares proposed to be bought back under the Buy Back will not exceed 10% of the total number of Equity shares in the total paid-up Equity Share capital of the Company;
7. there are no pending schemes of amalgamation or compromise or arrangement pursuant to the Act (“Scheme”) involving the Company, and no public announcement of the Buy Back shall be made during pendency of any such Scheme;
8. the Company shall not make any further offer of Buy Back within a period of one year reckoned from the expiry of the Buy Back period i.e. date on which the payment of consideration to shareholders who have accepted the Buy Back offer is made;
9. the Company shall not withdraw the Buy Back offer after the public announcement of the Buy Back offer is made.
10. the Company shall comply with the statutory and regulatory timelines in respect of the Buy Back in such manner as prescribed under the Act and/or the SEBI Buy Back Regulations and any other applicable laws;
11. the Company shall not utilize any money borrowed from banks or financial institutions for the purpose of Buy Back of its Equity Shares;
12. the Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Act;
13. there are no defaults (either in the past or subsisting) in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company;
14. the Company will not Buy Back Equity Shares which are locked-in or non-transferable, until the pendency of such lock-in, or until the Equity Shares become transferable, as applicable, during the period between the date of opening and closing of the Buy Back offer;
15. the ratio of the aggregate of secured and unsecured debts owed by the Company after the Buy Back shall not be more than twice its paid-up capital and free reserves, based on the latest available audited standalone and consolidated financials of the Company as on March 31, 2024, whichever sets out a lower amount;
16. the Company shall transfer from its free reserves or securities premium account and/ or such sources as may be permitted by law, a sum equal to the nominal value of the Equity Shares purchased through the Buy Back to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statements;
17. the Equity Shares bought back by the Company will be compulsorily extinguished and will not be held for reissuance.

18. the Company shall not directly or indirectly purchase its own Equity Shares or other specified securities:
 - a. through any subsidiary company including its own subsidiary companies; and
 - b. through any investment company or group of investment companies.
19. the Equity Shares bought back by the Company will be extinguished and/or physically destroyed as may be applicable in the manner prescribed under the SEBI Buy Back Regulations and the Act within 7 (seven) working days of the date of payment of consideration to shareholders who have tendered the Equity Shares under the Buy Back offer.
20. as per Regulation 24(i)(e) of the SEBI Buy Back Regulations, the Promoter and members of Promoter Group, and/or their associates, shall not deal in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoter and members of promoter group) from the date of passing the Board resolution till the date of closing of the Buy Back offer.
21. the statements contained in all the relevant documents in relation to the Buy Back shall be true, material and factual and shall not contain any mis-statements or misleading information;
22. the Company shall Buy Back the Equity Shares held in physical form from Eligible Shareholders in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020.
23. the Buy Back shall not result in delisting of the Equity Shares from the Stock Exchanges.
24. the Buy Back would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulations 38 of the SEBI Listing Regulations
25. The Company shall not Buy Back out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.
26. as per Regulation 5(i)(c) and Schedule I(xii) of the SEBI Buy Back Regulations, it is confirmed that there is no breach of any covenants as per the lenders agreements on the loans taken and the consent of the lenders in this regard has been obtained by the Company.
27. the letter of offer with the tender form shall be dispatched to Eligible Shareholders within 2 (two) working days from the Record Date.

RESOLVED FURTHER THAT as required by clause (x) of Schedule I in accordance with regulation 5(iv)(b) of the SEBI Buy Back Regulations, the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the Company and also considering all contingent liabilities, the Board has formed the opinion:

1. Immediately following the date of the Board Meeting i.e. 09/08/2024, there will be no grounds on which the Company could be found unable to pay its debts;
2. As regards the Company's prospects for the year immediately following the date of the Board Meeting approving the Buy-back, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of 1 (one) year from the date of the Board Meeting;

3. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities);
4. The ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall be less than or equal to 2:1 of its paid-up capital and free reserves based on the standalone or consolidated financial statements of the Company as on March 31, 2024, whichever sets out a lower amount, as prescribed under the Companies Act and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

RESOLVED FURTHER THAT a Buy Back Committee comprising of:

Sr. No.	Name	Designation
1	Mr. Suresh Kumar Agarwal	Managing Director
2	Mr. Kishan Kumar Soni	Director Finance & CFO
3	Mr. Keshav Tandan	Executive Director

be and is hereby, constituted and the powers of the Board in respect of Buy Back be and is hereby delegated to the Committee (“**Buy Back Committee**”) and the Committee be and is hereby, authorized, provided it is jointly executed by any two members, to do all such acts, deeds and things as may be necessary, expedient, or proper with regard to the implementation of the Buy Back, including, but not limited to, the following:

1. to finalize, execute and submit necessary documents, deeds, affidavits, undertakings, certifications, agreements, forms, returns, applications, letters, etc., seek approval(s) and to represent the Company with the Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Delhi and Haryana, National Securities Depository Limited, Central Depository Services (India) Limited and any other Regulatory authorities in connection with the Buy Back.
2. to decide on the increase in buy back price in accordance with the SEBI Buy Back Regulations and resultant reduction in number of Buy Back Equity Shares, if any;
3. to finalize the terms of Buy Back including the mechanism for the Buy Back, the schedule of activities including the dates of opening and closing of the Buy Back, Record Date, entitlement ratio, the timeframe for completion of the Buy Back;
4. To appoint solicitor(s), depository participant(s), escrow agent(s), advertising agency(ies) and other advisor(s)/consultant(s) / intermediary(ies) / agency(ies), printer, as may be required, for the implementation of the Buy Back and decide and settle the remuneration for such persons/ advisors/ consultants/ intermediaries/agencies including the payment of commission, brokerage, fee, charges etc.;
5. The initiating of all necessary actions for preparation and issue of public announcement, letter of offer and related documents.
6. The preparation, finalization and filing of public announcement, letter of offer, related documents and also the certificates for declaration of solvency and other filings with the SEBI, ROC, the stock exchanges and other appropriate authority(ies), if any;
7. The making of all applications to the appropriate authorities for their requisite approvals including approvals as may be required from the RBI under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder;
8. To deal with stock exchanges (including their clearing corporations), and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buy Back using the

“Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with the circulars issued in relation thereto, including circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, circular bearing number SEBI/HO/CFD/DCR- III/CIR/P/2021/615 dated August 13, 2021 and circular bearing number SEBI/HO/CFD/PoD- 2/P/CIR/2023/35 dated March 08, 2023 and such other circulars as may be applicable, including any further amendments thereof;

9. Making arrangements for adequate sources of funds for the purpose of the Buy Back;
10. To enter into escrow arrangements and appoint escrow agents as required or desirable in terms of the SEBI Buy Back Regulations and to open, operate and close all necessary accounts including escrow account, special payment account, demat escrow account as required or desirable in terms of the SEBI Buy Back Regulations and to enter into escrow and other agreements with and to give instructions to the bankers in connection therewith, and provide bank guarantee(s) as may be required on such terms as deemed fit and to decide authorized signatories to such accounts including bank accounts and escrow accounts or modifications thereto.
11. To open, operate and close one or more depository account/ trading account / buyer broker account and to open, operate and close special trading window account with the designated stock exchange and to decide the authorized signatories for depository account/trading account/buyer broker account/special trading window account;
12. To settle all such questions, queries, difficulties or doubts that may arise in relation to the implementation of the Buy Back or by the Manager to the Buy Back, Securities and Exchange Board of India, the Stock Exchanges and other Appropriate Authorities;
13. To determine, finalise and pay tax on Buy Back;
14. To authorize bankers to act upon the instructions of the Merchant Banker as required under the SEBI Buy Back Regulations;
15. To carry out management discussion and analysis on the likely impact of the Buy Back on the Company’s earnings, public holdings, holdings of non-resident individuals, FIIs;
16. To sign the documents as may be necessary with regard to the Buy Back and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents, and correspondence as may be necessary for the implementation of the Buy Back to the SEBI, RBI, ROC, stock exchanges, depositories and/or other appropriate authorities.
17. To decide on designated stock exchange, if required.
18. To ensure timely extinguishment of dematerialized share and physical destruction of share certificates and certificates of extinguishment required to be filed in connection with the Buy Back on behalf of the Board.
19. To obtain all necessary certificates and reports from the Statutory Auditors, Secretarial Auditor and other third parties as required under applicable law.
20. To verify offer / acceptances received, finalizing basis of acceptance, pay to the shareholders, consideration for Equity Shares bought back pursuant to the Buy Back, issue rejection letters, if any.
21. To file ‘Return of Buy Back’ with Registrar of Companies and other statutory authorities.

22. To give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buy Back.
23. To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper; and/or
24. To establish Investor Service Centre/s.
25. To authorize the Merchant Banker, Registrar or other agencies appointed for the purpose of Buy Back to carry out any of the above activities.
26. Sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buy Back.
27. To do all such acts as it may, in its absolute discretion deem necessary, expedient, or proper for the implementation of the Buy Back.

RESOLVED FURTHER THAT Mr. Harsh Consul (M. No. A11183) - Company Secretary shall act as the Secretary to the Buy Back Committee.

RESOLVED FURTHER THAT the quorum for a meeting of the Buy Back Committee shall be presence of any two members and the Buy Back Committee may regulate its own proceedings and meet as often as required, to discharge its functions.

RESOLVED FURTHER THAT the Buy Back Committee shall have the power and authority to delegate all or any of the authorities conferred upon it to any officer(s) and/or representatives of the Company, in order to give effect to the aforesaid resolutions and to revoke and substitute such delegation/sub-delegation of authority from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Buy Back Committee, be and is hereby, authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buy Back, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buy Back without seeking any further consent or approval of the Board or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT in compliance with Securities and Exchange Board of India (Buy-Back of Securities) Regulation 2018, New Berry Capital Pvt. Ltd. SEBI registration no. INM000012999 be and is hereby appointed as the Manager to the proposed Buy Back transaction to inter-alia carry out the activities as Merchant Banker under the SEBI Buy Back Regulations, on such terms and conditions as mutually decided.

RESOLVED FURTHER THAT in compliance with SEBI Buy Back Regulations, RCMC Share Registry Pvt. Ltd., SEBI registration no. INR000000429 be and is hereby, appointed as the Registrar for the proposed buy back transaction on such terms and conditions as mutually agreed.

RESOLVED FURTHER THAT in compliance with SEBI Buy Back Regulations, Shri Ashutosh Aggarwal - Practicing Company Secretary (COP: 7476) of M/s. A Aggarwal and Associates - Company Secretaries be and is hereby, appointed as the Secretarial Auditor for certification and other compliances in respect of the proposed buy back transaction on such terms and conditions as mutually agreed.

RESOLVED FURTHER THAT in compliance with SEBI Buy Back Regulations, M/s. Agiwal and Associates, Chartered Accountants (FRN: 000181N) be and is hereby appointed as the Statutory Auditor for certification and other compliances in respect of the proposed buy back transaction on such terms and conditions as mutually agreed.

RESOLVED FURTHER THAT Mr. Harsh Consul -Company Secretary be and is hereby appointed as the Compliance Officer for the Buy Back in terms of Regulation 24(iii) of the SEBI Buy Back Regulations.

RESOLVED FURTHER THAT the Board do obtain from the Company's statutory auditors, the certificate /report required in accordance with the SEBI Buy Back Regulations under clause (xi) of Schedule I of the SEBI Buy Back Regulations.

RESOLVED FURTHER THAT the Board confirms that no information/material likely to have a bearing on the decision of investors has been suppressed/withheld and/or incorporated in the manner that would amount to mis-statement/misrepresentation.

RESOLVED FURTHER THAT the Company shall, within 2 working days of making the public announcement, create an escrow account, either in form of bank guarantee or cash including bank deposit or deposit of securities with appropriate margin or government securities or units of mutual funds invested in gilt funds and overnight schemes or a combination thereof, towards security performance of its obligations as may be prescribed under the Act and the SEBI Buy Back Regulations and, on such terms, and conditions as the Buy Back Committee may deem fit.

RESOLVED FURTHER THAT the Company shall maintain a register of shares bought back wherein details of equity shares bought back, consideration paid for the equity shares bought back, date of cancellation of equity shares and date of extinguishing and physically destroying of equity shares and such other particulars as may be prescribed, shall be entered and that Mr. Kishan Kumar Soni -Director Finance & CFO and Mr. Harsh Consul - Company Secretary be and are hereby severally authorised to authenticate the entries made in the said register.

RESOLVED FURTHER THAT the particulars of the Equity Share certificates extinguished and destroyed shall be furnished by the Company to the Stock Exchanges within seven days and to SEBI within seven working days of such extinguishment or destruction of the certificates and the dematerialised Equity Shares shall be extinguished and destroyed in the manner as specified under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the bye-laws, circulars, guidelines framed thereunder, as amended, and that Shri Kishan Kumar Soni – Director-Finance & CFO and Mr. Harsh Consul - Company Secretary be and are hereby severally authorized to do all such acts as may be required for this purpose.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer, or confer any obligation on the Company or the Board or the Buy Back Committee to buy back any shares, or impair any power of the Company or the Board to terminate any process in relation to such Buy Back, if permitted by law.

RESOLVED FURTHER THAT Mr. Suresh Kumar Agarwal - Managing Director (DIN: 00106763), Mr. Kishan Kumar Soni-Director Finance & CFO (DIN: 00106037), Shri Keshav Tandan – Executive Director (DIN:10450801) and Mr. Harsh Consul - Company Secretary (M. No.: A11183) be and are hereby severally authorized to send the necessary intimations to SEBI, the Stock Exchanges and any other authority in relation to this resolution, as may be required under applicable laws and regulations.

RESOLVED FURTHER THAT Mr. Suresh Kumar Agarwal - Managing Director (DIN: 00106763), Mr. Kishan Kumar Soni-Director Finance & CFO (DIN: 00106037), Shri Keshav Tandan – Executive Director (DIN:10450801) and Mr. Harsh Consul - Company Secretary (M. No.: A11183) subject to directions of Buyback Committee be and are hereby severally authorized to delegate all or any of the power(s) conferred herein above as they may in their absolute discretion deem fit, to any committee(s)/ director(s)/ officer(s)/ authorized representative(s) of the Company in order to give effect to the aforesaid resolutions, including but not limited to

make all necessary applications to the Appropriate Authorities for their approvals including but not limited to approvals as may be required from the Securities and Exchange Board of India; preparing, signing and filing of the public announcement, letter of offer with the Securities and Exchange Board of India, the Stock Exchanges and other Appropriate Authorities; obtaining all necessary certificates and report from the statutory auditors and other third parties as required under applicable laws entering into escrow arrangements as required in terms of the SEBI Buy Back Regulations; opening, operating and closing of all necessary accounts including escrow account, special payment account, Securities account as required in terms of the SEBI Buy Back Regulations; extinguishing dematerialized Equity Shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company; and filing such other undertakings, agreements, papers, documents and correspondence, as may be required to be led in connection with the Buy Back with the Securities and Exchange Board of India, the Stock Exchanges, Registrar of Companies, Delhi & Haryana, depositories and/or other Appropriate Authorities as may be required from time to time, to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buy Back, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all, acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buy Back without seeking any further consent or approval of the Board or otherwise to the end and intent that the Board shall be deemed to have given their approval thereto expressly by the authority of the resolution.”

Unquote

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the SEBI Buyback Regulations, the Company has made a Public Announcement dated August 12, 2024 for the Buyback which was published on August 13, 2024 in the newspapers mentioned below (each with wide circulation), which is within 2 (two) Working Days from the date of Board Resolution approving the Buyback on August 09, 2024:

Name of the Newspaper	Newspaper’s Language	Editions
Financial Express	English	All India
Jansatta	Hindi	All India

The Company will publish further notices or corrigendum, if any, in the abovementioned newspapers.

A copy of the Public Announcement is available on the Company's website (i.e., www.vlsfinance.com), the website of SEBI (i.e., www.sebi.gov.in) and on the websites of the Stock Exchanges (i.e., www.bseindia.com & www.nseindia.com) and the Manager to the Buyback (www.newberry.in)

6. DETAILS OF THE BUYBACK OFFER

Pursuant to the resolution passed by the Board of Directors of the Company on August 09, 2024, the Company, hereby, announces the buyback of up to 33,00,000 (Thirty Three Lakhs Only) Equity Shares (representing 9.48% of the total number of Equity Shares in the Equity Share Capital of the Company as on the date of the Board Meeting and in the total paid-up equity capital of the Company as on March 31, 2024) from the shareholders/beneficial owners of Equity Shares of the Company as on the Record Date, being August 26, 2024 (for further details in relation to the Record Date, refer to paragraph 21.5 of this Letter of Offer), on a proportionate basis, through the “tender offer” process as prescribed under the SEBI Buyback Regulations, at a price of ₹ 380/- (Rupees Three Hundred and Eighty Only) per Equity Share, payable in cash, for an aggregate maximum amount

of ₹ 1,25,40,00,000/- (Rupees One Hundred Twenty Five Crores and Forty Lakhs Only). The Buyback Offer Size and the Buyback Offer Price do not include the Transaction Costs. The Buyback Offer Size represents 8.21% and 8.04% of the aggregate of the Company's Equity Share capital and free reserves as per the latest standalone and consolidated audited financial statements of the Company, respectively, as on March 31, 2024, which is within the statutory limits of 25% of the aggregate of the fully paid-up capital and free reserves of the Company based on the standalone or consolidated financial statements as of March 31, 2024, whichever sets out a lower amount, as per Regulation 4(i) of the SEBI Buyback Regulations.

The Buyback is less than 10% of the total paid up equity share capital and free reserves of the Company as per the latest standalone or consolidated audited financial statements of the Company as on March 31, 2024, permitted through the board approval route as per the provisions of the Companies Act and SEBI Buyback Regulations. The Buyback is pursuant to Article 5(v) of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act and the relevant rules made thereunder including the Share Capital and Debentures Rules, the Companies (Management and Administration) Rules, 2014, to the extent applicable, and the provisions of the SEBI Buyback Regulations read with SEBI Circulars and SEBI Listing Regulations, the Foreign Exchange Management Act, 1999 and subject to such other approvals, permissions, consents, exemptions and sanctions, as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by SEBI, Registrar of Companies, Delhi & Haryana, the Stock Exchanges and/or other authorities while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the Board. There has been no breach of any covenants of the loans taken by the Company in accordance with Regulation 5(i)(c) and clause (xii) of Schedule I of the SEBI Buyback Regulations.

The Equity Shares are listed on NSE, BSE and CSE. However, Equity Shares of the Company are not traded on CSE and currently under suspension. The Company had filed the application for voluntary delisting of its shares from the CSE during the year 2018-19 and the same is pending. The Buyback shall be undertaken on a proportionate basis from the Eligible Shareholders of the Equity Shares of the Company as on the Record Date through the tender offer process prescribed under Regulation 4(iv)(a) of the SEBI Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by Securities and Exchange Board of India in the SEBI Circulars in terms of Regulation 9(vii) of SEBI Buyback Regulations and such other circulars as may be applicable, including any further amendments thereof. In this regard, the Company will request NSE to provide the acquisition window for facilitating tendering of Equity Shares under the Buyback and for the purposes of this Buyback, NSE will be the designated stock exchange.

The Buyback from the Eligible Shareholders who are Non-Resident Shareholders, shall be subject to such approvals, if any and to the extent necessary or required from the concerned authorities, including approvals from the RBI under the FEMA and that such approvals shall be required to be taken by such Non-Resident Shareholders.

Further, under the Act, the number of Equity Shares that can be bought back during a financial year shall not exceed 25% of the total number of outstanding Equity Shares of the Company. Accordingly, the number of Equity Shares that can be bought back during a financial year cannot exceed 86,98,998 Equity Shares, being 25% of the total number of outstanding Equity Shares of the Company, i.e., 3,47,95,992 Equity Shares. Since the Company proposes to Buy-back of up to 33,00,000 Equity Shares, the same is within the aforesaid limit.

The Buyback price is ₹ 380/- (Rupees Three Hundred and Eighty Only). The Buyback Price has been arrived at after considering various factors including, but not limited to the earnings per share, price earnings ratio, impact

on the net worth of the Company, the trends in the volume weighted average prices and the closing price of the Equity Shares at NSE and BSE where the Equity Shares are traded and other financial parameters.

In terms of the SEBI Buy-Back Regulations, under the Tender Offer route, the members of the Promoter Group and persons in control of the Company have the option to participate in the Buyback. In this regard, none of the members of the Promoter Group and persons in control of the Company, have expressed their intention to participate in the Buyback or tender Equity Shares based on their entitlement.

The Buyback would involve reservation for Small Shareholders which will be 15% of the number of Equity Shares that the Company proposes to Buyback, or their entitlement, whichever is higher.

6.1 Shareholding of the Promoters and of persons who are in control of the Company:

The aggregate shareholding in the Company of (a) Promoters and the members of the Promoter Group and persons in control of the Company; (b) directors/ trustees / partners of the Promoter Group companies / entities; (c) Directors and Key Managerial Personnel of the Company, as on the date of the Board Meeting, i.e., August 9, 2024 and the date of the Public Announcement i.e. August 12, 2024 is as follows:

6.1.1. Aggregate shareholding of the Promoters and the members of the Promoter Group and persons in control of the Company in the Company as on the date of the Board Meeting i.e., August 9, 2024 and the date of the Public Announcement i.e., August 12, 2024, is as follows:

S. No.	Name	Entity Type	As on date of Board Meeting		As on date of Public Announcement	
			No. of Equity Shares	% Shareholding	No. of Equity Shares	% Shareholding
1	Ms. Divya Mehrotra @	Promoter Group	5,41,393	1.56%	5,41,393	1.56%
2	Mahesh Prasad Mehrotra (HUF)	Promoter Group	19,84,262	5.70%	19,84,262	5.70%
3	Ms. Sadhana Mehrotra	Promoter Group	8,84,691	2.54%	8,84,691	2.54%
4	Mahesh Prasad Mehrotra @	Promoter	1	0.00%	1	0.00%
5	Ms. Daya Mehrotra	Promoter Group	-	-	-	-
6	Mr. Ramji Mehrotra	Promoter Group	-	-	-	-
7	VLS Capital Limited ⁽¹⁾	Promoter Group	1,33,36,538	38.33%	1,33,36,538	38.33%
8	VLS Commodities Private Limited ⁽²⁾	Promoter Group	4,57,768	1.32%	4,57,768	1.32%
9	South Asian Enterprises Limited ⁽³⁾	Promoter Group	1,500	0.004%	1,500	0.004%
10	Pragati Moulders Limited ⁽⁴⁾	Promoter Group	-	-	-	-
11	Mr. Vikas Mehrotra @	Promoter Group	4,85,783	1.40%	4,85,783	1.40%
	Total		1,76,91,936	50.84%	1,76,91,936	50.84%

(1) Directors of VLS Capital Limited are

- A. Mr. Tej Bhan Gupta
- B. Mr. Anoop Mishra

- C. Mr. Vinod Prakash
- D. Mr. Rajesh Jhalani
- E. Mr. Keshav Tandan
- (2) Directors of VLS Commodities Private Limited are
 - A. Mr. Subhash Chandra Jain
 - B. Mr. Rajesh Jhalani
- (3) Directors of South Asian Enterprises Limited are
 - A. Mr. Prem Narain Parashar
 - B. Mr. Tej Bhan Gupta
 - C. Mr. Anupam Mehrotra
 - D. Mr. Kishan Kumar Soni
 - E. Dr (Mrs.) Neeraj Arora
 - F. Mr. Priya Brat
 - G. Mr. Adesh Kumar Jain
 - H. Mr. Abhinav Shobhit
- (4) Directors of Pragati Moulders Limited are
 - A. Mr. Keshav Tandan
 - B. Mr. Subhash Chandra Jain
 - C. Mr. Pradeep Kumar Sharma

@ since deceased. The shares held by Mr. Mahesh Prasad Mehrotra- Promoter, Ms. Divya Mehrotra and Mr. Vikas Mehrotra -constituents of the Promoter Group of the Company are yet to be transmitted to their respective legal heir(s) as on 09th August-2024.

6.1.2. Except as disclosed in 6.1.1. none of the directors of the Promoter and Promoter Group entities hold any equity shares in the Company as on the date of the Board Meeting i.e., August 9, 2024 and the date of the Public Announcement i.e., August 12, 2024.

6.1.3. Except as disclosed below, none of the Directors and Key Managerial Persons of the Company hold any equity shares in the Company as on the date of the Board Meeting i.e., August 9, 2024 and the date of the Public Announcement i.e., August 12, 2024.

S. No.	Name	Designation	As on date of Board Meeting		As on date of Public Announcement	
			No. of Equity Shares*	% Shareholding	No. of Equity Shares*	% Shareholding
1	Mr. Adesh Kumar Jain	Non-Executive - Independent Director-Shareholder Director	6,000	0.017	6,000	0.017
2	Mr. Suresh Kumar Agarwal	Managing Director	2	-	2	-
3	Mr. Kishan Kumar Soni	Director-Finance & CFO	2	-	2	-
Total			6,004	0.02	6,004	0.02

*including shares held by related persons.

6.1.4. No Equity Shares of the Company have been purchased/sold by Promoters and Promoter Group, Directors, Key Managerial Personnel and persons who are in control of the Company during a period of Six (6) months preceding the date of the Board Meeting at which the buyback was proposed and from the date of the Board Meeting till the date of the Public Announcement.

7. INTENTION OF THE PROMOTERS AND MEMBERS OF THE PROMOTERS GROUP TO PARTICIPATE IN THE BUYBACK

7.1 In terms of the Buyback Regulations, under the tender offer route, the Promoter and Promoter Group have an option to participate in the Buyback.

7.2. In this regard, none of the members of the Promoter Group and persons in control of the Company, have expressed their intention to participate in the Buyback or tender Equity Shares based on their entitlement.

Pursuant to the proposed Buyback and depending on the response to the Buyback, the aggregate shareholding and voting rights of the Promoters and Members of the Promoter Group and persons in control of the Company, in the Company, may change from the existing shareholding of the total equity capital and voting rights of the Company. Assuming the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders (and considering that the Promoter Group entities will not be participating in the Buyback), the aggregate shareholding of the Promoter Group entities and the persons in control of the Company, may increase to 56.17% post Buyback from the current pre Buyback shareholding of 50.84%, and the aggregate shareholding of the public Shareholders in the Company may decrease to 43.83% post Buyback from the current pre Buyback shareholding of 49.16%.

Post the Buyback (assuming full acceptance), the public shareholding of the Company will not fall below the minimum level as required under Regulation 38 of the SEBI Listing Regulations, and the provisions contained under Rule 19 (2) (b) and Rule 19A of the Securities Contract (Regulation) Rules, 1957 read with SEBI circular dated February 22, 2018.

8. AUTHORITY FOR THE BUYBACK

The Buyback is being undertaken in accordance with Article 5(v) of the Articles of Association, Sections 68, 69, 70, 108, 110 and other applicable provisions of the Companies Act, and applicable rules thereunder, including the Share Capital and Debentures Rules and the Companies (Management and Administration) Rules, 2014, to the extent applicable, and the SEBI Buyback Regulations and SEBI Listing Regulations. The Buyback is subject to receipt of such approvals, permissions and sanctions, as may be necessary from time to time under the applicable laws.

The Buyback has been authorised by the resolution of the Board of Directors passed at their meeting held on August 09, 2024.

9. NECESSITY/OBJECTIVE FOR BUYBACK

Having regard to the healthy cash flows that the Company has been able to consistently generate, the future projected cash flows of the Company and the anticipated funds required for capital expenditure and working capital to meet the expected future growth of the Company, the buyback is expected to achieve the following objectives:

- optimise returns to shareholders;
- enhance overall shareholder value; and
- optimize capital structure

- 9.1. The Buy Back, which is being implemented through the ‘Tender Offer’ as prescribed under the SEBI Buy Back Regulations, would involve allocation of 15% of number of Equity Shares which the Company proposes to Buy Back or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, to Small Shareholders. The Company believes that this reservation of 15% for Small Shareholders would benefit a large number of public shareholders, who would get classified as “Small Shareholder”.
- 9.2. The Buy Back gives an option to the shareholders holding Equity Shares of the Company, to either (i) choose to participate and get cash in lieu of Equity Shares to be accepted under the Buy Back Offer or (ii) choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buy Back Offer, without additional investment.

10. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 10.1 The Company believes that the Buyback is not likely to cause any material impact on the profitability/earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming there is full participation and Acceptance in the Buyback from all the Eligible Shareholders up to their Buyback Entitlement, the funds deployed by the Company towards the Buyback would be up to an aggregate maximum amount of ₹ 1,25,40,00,000/- (Rupees One Hundred Twenty Five Crores and Forty Lakhs only) which excludes the Transaction Costs.
- 10.2 The Company believes that the Buyback will not in any manner impair its ability to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is being undertaken, inter alia, for helping the Company to return surplus cash to the Eligible Shareholders broadly in proportion to their shareholding, thereby, expected to contribute to the overall enhancement of the shareholder value and result in an increase in the return on equity of the Company.
- 10.3 In terms of the SEBI Buyback Regulations, under the Tender Offer route, the Promoter and Promoter Group and Person in control of the Company have an option to participate in the Buyback. In this regard, none of the members of the Promoter Group and persons in control of the Company, have expressed their intention to participate in the Buyback nor tender Equity Shares based on their entitlement. Assuming the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders (and considering that the Promoter Group entities will not be participating in the Buyback), the aggregate shareholding of the Promoter Group entities and the persons in control of the Company, may increase to 56.17% post-Buyback from the current pre-Buyback shareholding of 50.84%, and the aggregate shareholding of the public Shareholders in the Company may decrease to 43.83% post Buyback from the current pre Buyback shareholding of 49.16%. (as on the date of the Public Announcement).
- 10.4 The Buyback is not expected to result in a change in control or otherwise affect the existing management structure of the Company.
- 10.5 Consequent to the Buyback and based on the number of Equity Shares bought back from the non-resident shareholders (including FPIs), Indian financial institutions, banks and other shareholders, the shareholding under each category may undergo a change. The FIIs/FPIs are advised to ensure that their investment in the Company continues to be within the limit prescribed under applicable laws, post completion of the Buyback.
- 10.6 As required under Section 68(2)(d) of the Companies Act, 2013, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice its paid up equity share capital and free reserves post completion of the Buyback, even if the response to the Buyback is to the extent of 100% (full acceptance), on a consolidated and standalone basis.

10.7 As per Regulation 24(i)(e) of the SEBI Buyback Regulations, the Promoters and their associates, have not dealt in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the Promoters and Members of Promoter Group) from the date of the Board Meeting approving the proposal for Buyback (i.e., August 09, 2024) till the date of this Letter of Offer and shall not deal in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the Promoters and Members of Promoter Group) from the date of this Letter of Offer till the closing of the Buyback.

In compliance with the provisions of Regulation 24(i)(f) of the SEBI Buyback Regulations, the Company shall not raise further capital for a period of 12 (twelve) months from the expiry of the Buyback Period except in the discharge of subsisting obligations such as conversion of warrants, stock options, sweat equity or conversion of preference shares or debentures into Equity Shares. Further, as per Regulation 24(i)(b) of the SEBI Buyback Regulations, the Company shall not issue and allot any Equity Shares or other specified securities including by way of bonus issue from the date of resolution passed by the Board approving the Buyback till the expiry of the Buyback Period, in accordance with the Companies Act, 2013 and the SEBI Buyback Regulations. The Company shall not make any further issue of the same kind of shares or other securities including allotment of new shares under Section 62(1)(a) or other specified securities within a period of 6 (six) months after the completion of the Buyback except by way of bonus shares or equity shares issued in order to discharge subsisting obligations such as the conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

10.8 The Company is not undertaking the Buyback so as to delist its Equity Shares from the Stock Exchanges.

10.9 There are no defaults (either in past or subsisting) in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any shareholder or financial institution or banking company.

10.10 There has been no breach of any covenants of the loans taken by the Company in accordance with Regulation 5(i)(c) and clause (xii) of Schedule I of the SEBI Buyback Regulations.

10.11 The Company has complied with and is in compliance with Regulation 5(viii) of the SEBI Buyback Regulations read with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

10.12 Salient financial parameters consequent to the Buyback based on the latest available audited results as on March 31, 2024 are set forth below:

Parameter	Standalone		Consolidated	
	Pre-Buyback*	Post-Buyback*	Pre-Buyback*	Post-Buyback*
Net worth (Rs. in Lakhs)	1,55,740.50	1,43,200.50	1,58,953.15	1,46,413.15
Return on Net worth (%)	20.56	22.36	20.40	22.15
Basic Earning Per Share (in Rs)	91.89	91.91	93.07	93.09
Book value per share (in Rs)	447.58	454.66	456.81	464.86
Price Earnings Ratio	2.64	2.64	2.61	2.60
Debt/ Equity Ratio	-	-	-	-

*Pre-Buyback calculations are based on the audited standalone and consolidated financial statements of the Company as on March 31, 2024. The post-buyback numbers are calculated by reducing the net worth by the proposed buy-back amount of ₹1,25,40,00,000 (assuming full acceptance of 33,00,000 Equity Shares in the

Buyback offer in the ratio of Buyback) without factoring in any other impact to the net worth including of applicable taxes or expenses in relation to Buyback.

The above financial parameters and Ratio are given up to 2 decimal places and rounding off errors have been ignored.

The key ratios have been computed as below:

Key Ratios	Basis
Net worth	The aggregate value of the paid-up equity share capital and other equity consisting of General Reserve, Securities Premium, Capital Redemption Reserve, Retained Earning and excludes Other Comprehensive Income and Non-Controlling Interest (if any) as per the audited standalone and consolidated balance sheet as of March 31, 2024.
Return on Net worth (%)	Return on Net worth is computed taking profit after tax before Other Comprehensive Income for the financial year ended on March 31, 2024, divided by closing net worth for that financial year in the case of standalone financial statements for Pre-Buyback as well as for Post Buyback. However, in the case of consolidated financial statements, Return on Net worth is computed taking profit after tax before Other Comprehensive Income attributable to the owners of the parent company for the financial year ended on March 31, 2024, divided by closing net worth for that financial year for Pre-Buyback as well as for Post Buyback.
Basic Earning Per Share	Earnings per share is calculated taking profit after tax before Other Comprehensive Income for the financial year ended March 31, 2024, divided by total weighted average number of equity shares pre-buyback and total weighted average number of equity shares post-buyback. The post-buyback weighted average number of equity shares is calculated by reducing the proposed buy-back of 33.00 lakhs equity shares as on the last day of the financial year ended March 31, 2024 (Assuming the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders).
Book value per share	Book Value per Share as on March 31, 2024, both for standalone and consolidated financial statements is calculated taking pre-buyback net worth divided by total number of shares pre-buyback and post-buyback net worth divided by total number of shares post-buyback.
Price Earnings Ratio (P/E)	P/E ratios are based on the closing market price as on March 28, 2024 (i.e. ₹. 242.45 on NSE) divided by Basic Earnings per share.
Debt/ Equity Ratio	Debt-Equity ratio is calculated as total debt divided by net worth. Total debt comprises of short-term borrowings. The Company does not have long-term borrowings based on standalone and consolidated audited financials for the year ended March 31,2024

11. BASIS OF CALCULATING THE BUYBACK OFFER PRICE

- 11.1 The Equity Shares of the Company are proposed to be bought back at a price of ₹ 380/- (Rupees Three Hundred and Eighty only) per share (“Offer Price”). The Offer Price has been arrived at after considering various factors

including, but not limited to the trends in the volume weighted average prices and closing price of the Equity Shares on BSE and NSE i.e., the stock exchanges, where the Equity Shares of the Company are listed, impact on net worth, price earnings ratio, earnings per share and other financial parameters.

11.2 The Offer Price represents:

- i) Premium of 30.02% and 31.64% to the volume weighted average market price of the Equity Share on NSE and BSE respectively, during the three months preceding the August 6, 2024 i.e. date of intimation to the Stock Exchanges (“**Intimation date**”) for the Board Meeting to consider the proposal of the Buyback.
- ii) Premium of 24.06% and 25.37% over the volume weighted average market price of the Equity Shares on NSE and BSE respectively, for two weeks preceding the Intimation Date.
- iii) Premium of 27.05% and 27.05% over the closing price of the Equity Shares on NSE and BSE respectively, as on the Intimation Date.
- iv) Premium of 29.71% and 29.60% over the closing price of the Equity Share on NSE and BSE respectively, as on August 5, 2024, which is a day preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

11.3 The closing market price of Equity Shares of the Company as on the Intimation Date (i.e. August 06, 2024) was ₹ 299.10 and ₹ 299.10 on NSE and BSE respectively.

11.4 The Buy Back Price is ₹ 380/- (Rupees Three Hundred and Eighty only) per Equity Share whereas the book value per Equity Share of the Company as of March 31, 2024 was ₹ 447.58 per Equity Share (standalone) and ₹ 456.81 per Equity Share (consolidated). Please refer paragraph 10.12 and note therein for calculation of Book Value per equity share.

11.5 For trends in the market price of the Equity Shares, please refer to paragraph 18 “**Stock Market Data**” on page 36 of this Letter of Offer.

11.6 For details of salient financial parameters, both pre-Buyback and post-Buyback, based on the latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024, please refer to paragraph 10.12 of this Letter of Offer.

12. SOURCES OF FUNDS FOR THE BUYBACK

12.1 Assuming full acceptance, the funds that would be utilised by the Company for the purpose of the Buyback of up to 33,00,000 (Thirty Three Lakh only) Equity Shares at a price of ₹ 380/- (Rupees Three Hundred and Eighty only) per Equity Share aggregating maximum amount of ₹ 1,25,40,00,000/- (Rupees One Hundred Twenty Five Crores and Forty Lakhs only) excluding the Transaction Costs.

12.2 The Buy Back shall be made out of the free reserves and/or such other sources as may be permitted by applicable law based on the latest standalone and consolidated audited financials of the Company for the financial year ended March 31, 2024 and that the payments shall be made out of the Company’s cash balances at bank and/or liquid investments and/or cash available from internal resources of the Company. The Company shall transfer a sum equal to the nominal value of the Equity Shares bought back through the Buy Back to the capital redemption

reserve account and the details of such transfer shall be disclosed in its subsequent audited standalone financial statement and Annual Report(s).

- 12.3 The Company confirms that the funds for the Buyback will be made available out of its internal accruals and not out of the funds borrowed, if any, from banks and financial institutions.
- 12.4 This Buy Back is not likely to cause any material impact on the earnings of the Company, except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income.

13. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- 13.1 In accordance with Regulation 9(xi) of the SEBI Buyback Regulations, the Company has appointed HDFC Bank Limited, having its registered office at HDFC House, H T Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020, India, as the Escrow Agent for Buyback (the "**Escrow Agent**"), and an Escrow Agreement dated August 12, 2024 has been entered into amongst the Company, Manager to the Buyback and Escrow Agent.
- 13.2 In accordance with the SEBI Buyback Regulations and pursuant to the Escrow Agreement, the Company has opened an Escrow Account in the name and style "VLS FINANCE LTD-BUY BACK ESCROW A/C" bearing the account number 57500001561139 with the Escrow Agent. In accordance with the Regulation 9(xi) of the SEBI Buyback Regulations, the Company has deposited a sum of ₹ 27,55,00,000/- (Rupees Twenty Seven Crores Fifty Five Lakhs only) in the form of cash in the Escrow Account, which is 25% of the Buyback Offer Size till ₹ 100 crores and 10% thereafter, within two working days from the date of Public Announcement in accordance with the SEBI Buyback Regulations. In accordance with the SEBI Buyback Regulations, the Manager to the Buyback is empowered under the Escrow Agreement to operate the Escrow Account.

14. FIRM FINANCIAL ARRANGEMENT

- 14.1 The Company, duly authorized by its Board Resolution, has identified specific investments for the purpose of fulfillment of the obligations of the Company under the Buyback. Such investments, together with funds provided for escrow arrangements, are in excess of the Buyback Size.
- 14.2 M/s Agiwal & Associates, Chartered Accountants through their partner CA. P.C. Agiwal have issued a certificate dated August 09, 2024, certifying that the Company has adequate and firm financial resources to fulfil its obligations under the Buyback. The contact details of Chartered Accountants are set forth below:

M/s. Agiwal & Associates, Chartered Accountants
D-6/9, Upper Ground Floor, Rana Pratap Bagh, Delhi 110007
Contact Person: CA. P.C. Agiwal
Tel No: 011-4101 1281
Email ID: office@agiwalassociates.in
ICAI Firm No: 000181N

- 14.3 Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the SEBI Buyback Regulations.

15. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 15.1 The present capital structure of the Company as on the date of this Letter of Offer and the post-Buyback capital structure of the Company are set forth below:

Particulars	Present	Post completion of Buyback
Authorised share capital	₹ 1,50,00,00,000 (15,00,00,000 Equity Shares of Rs. 10 each)	₹ 1,50,00,00,000 (15,00,00,000 Equity Shares of Rs. 10 each)
Issued, subscribed and fully paid-up share capital	₹ 34,91,82,170* (3,47,95,992 Equity Shares)	₹ 31,61,82,170* (3,14,95,992 Equity Shares) [#]

*Equity share capital amount includes ₹12.22 Lakhs being the amount forfeited on 4,67,500 equity shares.

[#]Assuming the full Acceptance of the Buyback Offer Size. However, the post-Buyback issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

15.2 Details of Buy Back done by the Company in the preceding three Financial Years is as follows:

No. of Equity Shares bought back	Buyback Price (₹)	Opening Date	Closing Date	Method
38,66,025 equity shares	179.22	January 16, 2023	May 29, 2023	Open Market through Stock Exchange

15.3 The Company confirms that:

- all Equity Shares are fully paid-up and there are no partly- paid up shares or calls-in-arrears;
- there are no outstanding preference shares or convertible securities;
- it shall not issue, including through a bonus issue, Equity Shares or any other specified securities, until the expiry of Buyback Period in accordance with Regulation 24(i)(b) of the SEBI Buyback Regulations;
- no scheme of amalgamation or compromise or arrangement pursuant to the Companies Act is pending in relation to the Company;
- no Equity Shares are under lock-in

15.4 The shareholding pattern of the Company before the Buyback (as on Record Date) and after the Buyback, is provided below:

Particulars	Pre -Buyback		Post –Buyback [#]	
	Number of Equity Shares	% to the existing Equity Share Capital	Number of Equity Shares	% to the post-Buyback Equity Share Capital
Promoters and persons acting in concert (Collectively “the Promoters”)	1,76,91,936	50.84%	1,76,91,936	56.17%
Foreign Investors (Including Non- Resident Indians, FIIs)	7,55,219	2.17%	1,38,04,056	43.83%
Financial Institutions/Banks & Mutual Funds promoted by Banks/Institutions and Insurance Companies	11,426	0.03%		
Others (Public, Public Bodies Corporate etc.)	1,63,37,411	46.95%		
Total	3,47,95,992	100.00%	3,14,95,992	100.00%

[#]Assuming the full Acceptance of the Buyback Offer Size. However, the post-Buyback issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

15.5 Assuming full acceptance of the Buyback, the issued, subscribed and paid up equity share capital of the Company would be as fully set out in paragraph 15.1 of this Letter of Offer.

- 15.6 Please refer to paragraph 15.4 of this Letter of Offer for details regarding shareholding (pre and post Buyback) of the Promoter and Members of the Promoter Group in the Company.
- 15.7 For details regarding the shareholding of Promoters and Promoter Group and shareholding of Directors/Key Managerial Personnel as on date of Public Announcement, please refer to paragraph 6.1.1. and 6.1.3. of this Letter of Offer respectively.

16. BRIEF INFORMATION ABOUT THE COMPANY

- 16.1 The Company was originally formed and incorporated as a 'limited Company' under the Companies Act, 1956 in the name of "Vardhaman Leasing and Services Limited" on January 20, 1986 with the Registrar of Companies, Delhi and Haryana. The Company's name was changed to VLS Finance Limited pursuant to a special resolution passed by the shareholders of the Company in its 8th Annual General Meeting held on August 02, 1994 and fresh Certificate of Incorporation issued by the Registrar of Companies, Delhi and Haryana at New Delhi dated September 8, 1994. The registered office of the Company is located at Ground Floor, 90, Okhla Industrial Estate, Phase III, New Delhi, Delhi 110 020. The Corporate Identification Number of the Company is L65910DL1986PLC023129.
- 16.2 VLS Finance Ltd. ("VLS") is the flagship company of the VLS Group, and is a SEBI registered stock broker with a diversified portfolio that spans across Strategic and Private Equity Investments, Stock Broking, Proprietary Investments, and Equity Research.
- 16.3 The Company has three subsidiaries namely VLS Securities Limited, VLS Asset Management Limited and VLS Real Estate Limited.
- 16.4 VLS Securities Limited is a SEBI Registered Stock Broker.
- 16.5 VLS Asset Management Limited was incorporated to function as Asset Management Company of the Mutual Fund proposed to be floated by VLS Finance Ltd., the Holding Company. However, it could not take up business because the said proposal was shelved due to adverse market conditions. VLS Real Estate Limited was incorporated to take up real estate investments. However, the same have not been yet taken up.
- 16.6 The Company made a maiden public issue of its equity shares in the month of February 1993 and subsequently got its shares listed on the Stock Exchanges at Delhi, Bombay, Calcutta, Kanpur at Uttar Pradesh and Ahmedabad. The Shares were delisted from Ahmedabad Stock Exchange w.e.f. 31/03/2005 and were delisted from Delhi Stock Exchange and Uttar Pradesh Stock Exchange w.e.f. 31/03/2004. The shares of the Company are presently listed at BSE, NSE and CSE
- 16.7 Growth of the Company (Year on Year):

Particulars	Standalone	
	March 31, 2024	March 31, 2023
Revenue (<i>in Rs Lakhs</i>)	39,989.43	7,571.34
Growth %	428.17%	
Profit After Tax (<i>in Rs Lakhs</i>)	32,021.99	5,244.00
Growth %	510.64%	

Particulars	Consolidated	
	March 31, 2024	March 31, 2023
Revenue (<i>in Rs Lakhs</i>)	40,702.30	8,206.13
Growth %	396.00%	
Profit After Tax (<i>in Rs Lakhs</i>)	32,433.44	5,597.08
Growth %	479.47%	

16.8 The following table sets forth the history of the Equity Share Capital of the Company:

Date of Issue/Allotment	No. of Equity Shares	Face Value	Consideration	Nature of Issue	Cumulative Paid Up Capital
Date of Incorporation	7	10.00	Cash	Subscription to MOA	70
15-09-1987	15,000	10.00	Cash	Preferential Issue	1,50,070
14-01-1988	84,358	10.00	Cash	Preferential Issue	9,93,650
20-06-1988	2,00,635	10.00	Cash	Preferential Issue	30,00,000
27-03-1989	1,90,000	10.00	Cash	Preferential Issue	49,00,000
06-10-1989	5,10,000	10.00	Cash	Preferential Issue	1,00,00,000
30-03-1991	10,00,000	10.00	Cash	Preferential Issue	2,00,00,000
08-04-1993	13,33,400	10.00	Cash	IPO	3,33,34,000
08-02-1995	36,66,600*	10.00	Cash	FPO	6,65,47,250
07-05-1998	1,00,000**	10.00	Cash	Conversion of Warrants	6,75,47,250
06-08-1998	66,32,500 [§]	10.00	Cash	Bonus Issue (1:1)	13,38,72,250
11-07-2000	2,65,30,000 [@]	10.00	Cash	Bonus Issue (2:1)	39,91,72,250
05-02-2014	(11,32,983)	10.00	Cash	Buyback 1	38,78,42,420
29-05-2023	(38,66,025)	10.00	Cash	Buyback 2	34,91,82,170

* 4,67,500 Equity Shares were forfeited and capital received on forfeited shares was Rs. 12,22,250.

** Issued on Conversion of 1,00,000 optionally convertible non transferable warrants to promoter group for which listing & trading permission from BSE (in-principle approval received) and CSE is pending as on date. However the Company has received trading & listing permission from NSE for the said shares.

[§] Out of the said bonus issue, 1,00,000 Equity Shares issued to promoter group, listing and trading permission from BSE (in-principle approval received) & CSE is pending as on date. However, the Company has received listing & trading permission from NSE for the said shares.

[@] Out of the said bonus issue 4,00,000 Equity Shares issued to promoter group for which listing & trading permission from BSE (in-principle approval received) is pending as on date. However the Company has received listing & trading permission from NSE and CSE for the said shares.

16.9 The following table sets forth details regarding the Board of Directors as on the date of the Public Announcement (i.e., August 12, 2024):

Name	Designation	Date of Appointment/ Reappointment/Joining	Other Directorships and designated partnerships in LLPs
<p>Mr. Anoop Mishra <i>IAS (Retd.)</i></p> <p>Qualification: M.Sc.(Physics) Certificate in Management, Course in project appraisal & Risk Analysis from Harvard Institute</p> <p>Occupation: Retired Age: 69 Years DIN: 02849054</p>	<p>Non-Executive - Independent Director- Chairperson- Shareholder Director</p>	<p>Appointed on August 10,2023</p>	<ul style="list-style-type: none"> • VLS Securities Limited • VLS Capital Limited
<p>Mr. Dinesh Kumar Mehrotra <i>Retired as Chairman LIC of India</i></p> <p>Qualification: B.Sc. (Hons.)</p> <p>Occupation: Retired Age: 71 Years DIN: 00142711</p>	<p>Non-Executive - Independent Director- Shareholder Director</p>	<p>Appointed on May 28, 2016</p> <p>(Reappointed for 2nd term of Independent Director w.e.f. 29/06/2021)</p>	<ul style="list-style-type: none"> • Computer Age Management Services Limited • SBI Cards and Payments Services Limited • Vardan Cequebe Advisors Private Limited • UTI Asset Management Co. Ltd.
<p>Mr. Adesh Kumar Jain</p> <p>Qualification: B.Com., FCA.</p> <p>Occupation: Professional Age: 71 Years DIN: 00512969</p>	<p>Non-Executive - Independent Director - Shareholder Director</p>	<p>Appointed on August 10,2023</p>	<ul style="list-style-type: none"> • South Asian Enterprises Ltd. • Vivadi Management Services Private Ltd. • Bigtel IT Solutions Private Ltd. • Parshnath Manufacturers Private Ltd. • Bigtel Insurance Private Ltd. • M/s Jain & Malhotra, Chartered Accountants - Founder Partner
<p>Mr. Najeeb Hamid Jung <i>IAS (Retd.)</i></p> <p>Qualification: Master of Arts (History) M.Sc. (Economics and Social Policy)</p> <p>Occupation: Retired Age: 74 Years DIN: 02941412</p>	<p>Non-Executive - Independent Director- Shareholder Director</p>	<p>Appointed on February 13, 2024</p>	<p>Nil</p>
<p>Mrs. Neeraj Vinay Bansal</p>	<p>Non-Executive -</p>	<p>Appointed on March 29, 2024</p>	<p>NIL</p>

Name	Designation	Date of Appointment/ Reappointment/Joining	Other Directorships and designated partnerships in LLPs
<p><i>IRS (Retd.)</i></p> <p>Qualification: B.A. (Sociology) M.A. (Sociology) M.Phil.(Sociology) and M.Sc. in Fiscal studies</p> <p>Occupation: Retired Age: 71 Years DIN: 10499620</p>	Independent Director- Shareholder Director		
<p>Mr. Suresh Kumar Agarwal</p> <p>Qualification: B.Com (Hons) C.A.I.I.B.</p> <p>Occupation: Service Age: 74 Years DIN: 00106763</p>	Managing Director	Appointed on July 27, 2003 and reappointed as Managing Director w.e.f. 21-08-2022	<ul style="list-style-type: none"> • VLS Securities Ltd. • VLS Asset Management Ltd. • VLS Real Estate Ltd.
<p>Mr. Kishan Kumar Soni</p> <p>Qualification: B.Com, FCA, FCS</p> <p>Occupation: Service Age: 71 Years DIN: 00106037</p>	Director- Finance & CFO	Appointed on November 14, 2013 and reappointed as Director – Finance & CFO w.e.f. on 01.08.2022	<ul style="list-style-type: none"> • VLS Securities Limited • South Asian Enterprises Ltd • VLS Asset Management Ltd. • VLS Real Estate Ltd.
<p>Mr. Keshav Tandan</p> <p>Qualification: B.Com., CFA</p> <p>Occupation: Service Age: 44 Years DIN: 10450801</p>	Executive Director	Appointed on March 29, 2024	<ul style="list-style-type: none"> • VLS Real Estate Ltd. • Pragati Moulders Limited • VLS Capital Ltd. • Maxim Infracon Pvt. Ltd.
<p>Mr. Gaurav Goel</p> <p>Qualification: MBA</p> <p>Occupation: Business Age: 51 Years</p>	Non-Executive - Non Independent Director	Appointed on February 13, 2024	<ul style="list-style-type: none"> • Dhampur Sugar Mills Limited • Goel Investments Limited • Mangalam Cement Limited • Venus India Asset- Finance Private Limited • Saraswati Properties Limited • Ujjwal Rural Services Limited

Name	Designation	Date of Appointment/ Reappointment/Joining	Other Directorships and designated partnerships in LLPs
DIN: 00076111			
Mr. Shivesh Ram Mehrotra Qualification: MSc. Statistics Occupation: Student Age: 23 Years DIN: 10259068	Non-Executive - Non Independent Director	Appointed on February 13, 2024*	Nil

* Mr. Shivesh Ram Mehrotra has resigned w.e.f. August 15, 2024

- 16.10 The changes in our Board during the three years immediately preceding the date of the Public Announcement are as follows:

Name	Details of Change	Effective Date	Reasons
Shri M. P. Mehrotra	Cessation	05 April 2024	Death
Mrs. Neeraj Vinay Bansal	Appointment	29 March 2024	Appointment as Independent Shareholder Director
Shri Keshav Tandan	Appointment	29 March 2024	Appointment as Director and designated as Executive Director
Shri Najeeb Hamid Jung	Appointment	13 February 2024	Appointment as Independent Shareholder Director
Shri Gaurav Goel	Appointment	13 February 2024	Appointment as Non Independent Director
Shri Shivesh Ram Mehrotra *	Appointment	13 February 2024	Appointment as Non Independent Director
Ms. Divya Mehrotra	Cessation	04 January 2024	Death
Shri Ajit Kumar	Cessation	26 August 2023	Death
Shri Anoop Mishra	Appointment	10 August 2023	Appointment as Independent Shareholder Director
Shri Adesh Kumar Jain	Appointment	10 August 2023	Appointment as Independent Shareholder Director
Shri Vikas Mehrotra	Cessation	13 July 2023	Death
Dr. (Mrs.) Neeraj Arora	Resignation	10 May 2023	Resignation
Shri D. K. Chatterjee	Resignation	04 May 2023	Resignation
Dr. R. L. Bishnoi	Resignation	01 March 2023	Resignation
Shri S. K. Agarwal	Re-appointment	21 August 2022	Re- Appointment as Managing Director
Shri K. K. Soni	Re-appointment	01 August 2022	Re- Appointment as Director Finance & CFO

* Mr. Shivesh Ram Mehrotra has resigned w.e.f. August 15, 2024

Except as mentioned above, there are no changes in our Board during the last three years immediately preceding the date of the Public Announcement.

- 16.11 The Buyback will not result in any benefit to directors of the Company, promoters and persons in control of the Company except to the extent of the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the equity share capital post Buyback.

17. FINANCIAL INFORMATION

- 17.1 The salient financial information of the Company, as extracted from the audited standalone and consolidated results for the fiscal year 2022, 2023 and 2024:

(Rs in Lakhs)

Particulars (INR Lakhs)	Standalone			Consolidated		
	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-24	31-Mar-23	31-Mar-22
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from Operations	39,989.43	7,571.34	28,555.38	40,702.30	8,206.13	22,933.15
Other Income	1,019.72	153.77	73.35	1,117.40	234.17	301.3
Total Income	41,009.15	7,725.11	28,628.73	41,819.70	8,440.30	23,234.45
Total Expense (excluding finance costs, depreciation & amortization, tax and exceptional items)	2,304.14	1,933.94	1,814.68	2,605.56	2,196.21	2,081.69
Finance Cost	20.56	7.20	2.22	20.56	15.21	3.24
Depreciation & Amortisation	570.05	425.82	146.69	570.49	426.20	147.58
Exceptional Items	-	-	-	-	-	-
Profit before Tax	38,114.40	5,358.15	26,665.14	38,623.09	5,802.68	21,001.94
Less: Tax Expense/(Credit)	6,092.41	114.15	1,226.20	6,189.65	205.60	(20.51)
Profit after Tax	32,021.99	5,244.00	25,438.94	32,433.44	5,597.08	21,022.45
Paid-up equity share capital	3,491.82	3,535.00	3,878.42	3,491.82	3,535.00	3,878.42
Other Equity *	1,52,248.68	1,04,855.44	1,05,048.42	1,55,461.33	1,07,656.63	1,07,496.53
Net worth	1,55,740.50	1,08,390.44	1,08,926.84	1,58,953.15	1,11,191.63	1,11,374.95
Non-current Borrowings	17.85	68.75	91.33	17.85	68.75	91.33
Current borrowings (including Current portion of long term borrowings)	-	-	-	-	-	-
Total debt	17.85	68.75	91.33	17.85	68.75	91.33
No. of Shares (in Lakh)	347.96	352.28	386.62	347.96	352.28	386.62

* Other Equity consisting of General Reserve, Securities Premium, Capital Redemption Reserve, Retained Earning and excludes Other Comprehensive Income, Non-Controlling Interest (if any), revaluation reserves (if any), and miscellaneous expenditure to the extent not written off (if any).

Particulars	Standalone			Consolidated		
	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-24	31-Mar-23	31-Mar-22
Basic EPS (in Rs)	91.89	13.57	65.80	93.07	14.49	54.37
Diluted EPS (in Rs)	91.89	13.57	65.80	93.07	14.49	54.37
Book Value Per Share (in Rs)	447.58	307.68	281.74	456.81	315.64	288.07
Total Debt/Equity	-	-	-	-	-	-
Return on Net Worth (%)	20.56%	4.84%	23.35%	20.40%	5.03%	18.88%

For further details, please refer to note in paragraph 10.12

- 17.2 The Company hereby declares that it will comply with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, if it becomes applicable, in connection with the Buyback.
- 17.3 The Company hereby also declares that it has complied with and will comply with Sections 68, 69 and 70 of the Companies Act and all other provisions of the Companies Act, as may be applicable to the Buyback.

18. STOCK MARKET DATA

- 18.1 The Equity Shares are currently listed on BSE, NSE and CSE. However, Equity Shares of the Company are not traded on CSE and currently under suspension. The Company had filed the application for voluntary delisting of its shares from the CSE during the year 2018-19 and the same is pending. The Equity Shares are currently traded under the trading code(s) 511333 at BSE and VLSFINANCE at NSE. The ISIN of the Equity Shares of the Company is INE709A01018.
- 18.2 The high, low and average market prices in preceding three financial years and the monthly high, low and average market prices for the six months preceding the date of release of the Public Announcement i.e. August 13, 2024 and their corresponding volumes on NSE and BSE are given below:

NSE:

Period	High*	Date of High	Number of Equity Shares traded on that date	Low*	Date of Low	Number of Equity Shares traded on that date	Average Price*	Total Volume of Equity Shares traded in the period (No. of Equity Shares)
Preceding 3 years								
April 01, 2023 to March 31, 2024	322.20	19-February-24	8,45,380	140.55	05-April-23	1,39,362	200.03	2,94,13,661
April 01, 2022 to March 31, 2023	197.60	07-April-22	99,524	120.50	23-December-22	55,126	153.67	1,68,69,452
April 01, 2021 to March 31, 2022	264.90	27-July-21	5,35,897	77.70	19-April-21	29,157	176.10	3,53,33,956
Preceding six months								
July 1, 2024 to July 31, 2024	337.15	10-July-24	5,59,388	291.00	23-July-24	1,03,960	306.45	34,83,827
June 1, 2024 to June 30, 2024	309.50	24-June-24	9,07,769	234.00	05-June-24	63,117	267.22	27,87,870
May 1, 2024 to May 31, 2024	300.05	27-May-24	3,41,190	241.85	13-May-24	65,472	259.80	18,18,813
April 1, 2024 to April 30, 2024	278.90	29-April-24	1,45,957	240.00	01-April-24	78,366	259.33	15,36,107
March 1, 2024 to March 31, 2024	284.40	01-March-24	90,697	228.90	14-March-24	60,038	249.90	12,97,227
February 1, 2024 to February 29, 2024	322.20	19-February-24	8,45,380	248.00	13-February-24	2,06,254	281.88	62,05,040

Source: www.nseindia.com

*High and Low price for the period is based on intraday prices and Average Price is based on average of closing price.

BSE:

Period	High*	Date of High	Number of Equity Shares traded on that date	Low*	Date of Low	Number of Equity Shares traded on that date	Average Price*	Total Volume of Equity Shares traded in the period (No. of Equity Shares)
Preceding 3 years								
April 01, 2023 to March 31, 2024	322.00	19-February-24	1,12,383	140.75	05-April-23	9,739	200.09	29,85,482
April 01, 2022 to March 31, 2023	198.00	11-April-22	4,617	115.00	17-October-22	6,920	153.73	22,82,055
April 01, 2021 to March 31, 2022	264.85	27-July-21	69,320	78.00	19-April-21	5,509	176.26	50,81,137
Preceding six months								
July 1, 2024 to July 31, 2024	337.95	10-July-24	41,089	289.05	25-July-24	2,973	306.47	4,07,463
June 1, 2024 to June 30, 2024	308.60	24-June-24	1,20,383	234.00	05-June-24	5,977	267.22	3,68,495
May 1, 2024 to May 31, 2024	297.25	27-May-24	20,975	242.05	13-May-24	8,487	259.75	2,09,636
April 1, 2024 to April 30, 2024	279.95	30-April-24	16,863	241.90	01-April-24	3,808	259.09	1,80,195
March 1, 2024 to March 31, 2024	285.00	01-March-24	6,697	227.25	14-March-24	14,381	249.96	2,04,072
February 1, 2024 to February 29, 2024	322.00	19-Feb-24	1,12,383	247.70	13-February-24	21,575	282.01	5,71,528

Source: www.bseindia.com

*High and Low price for the period is based on intraday prices and Average Price is based on average of closing price.

- 18.3 The proposal for the Buyback was approved at the Board Meeting, for which the intimation was sent to the Stock Exchanges on August 06, 2024. The closing market price of the Equity Shares on BSE and NSE during this period are summarised below:

Event	Date	BSE (₹)	NSE (₹)
Notice of the Board Meeting convened to consider the proposal of the Buyback	August 06, 2024	299.10	299.10
1 (One) trading day prior to the notice of the Board Meeting	August 05, 2024	293.20	292.95
1 (One) trading day prior to the Board Meeting	August 08, 2024	322.45	323.30
Date of the Board Meeting	August 09, 2024	346.90	346.80
1 (One) trading day post the Board Meeting	August 12, 2024	352.50	352.00
Date of release of Public Announcement	August 13, 2024	358.15	358.15

Source: www.bseindia.com and www.nseindia.com.

19. DETAILS OF STATUTORY APPROVALS

- 19.1 The Buyback will be subject to such necessary approvals as may be required under the applicable laws including from SEBI, NSE and/ or BSE, and the Buyback from Non-Resident Shareholders, erstwhile overseas corporate bodies and other applicable categories will be subject to such approvals of the Reserve Bank of India, if any, under FEMA and/or such other applicable rules and regulations in force for the time being.
- 19.2 The Board at its meeting held on August 09, 2024, approved the proposal for Buyback.
- 19.3 Buy Back from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities including RBI, as applicable. NRI must obtain all applicable approvals required to tender the Equity Shares held by them in this Buy Back (including the approval from the RBI). It is the obligation of such Non-Resident Shareholders and NRI shareholders, to determine the applicability of such approvals, obtain such approvals and submit such approvals along with the Tender Form, so as to enable them to tender Equity Shares in the Buy Back and for the Company to buy back such Equity Shares tendered.
- 19.4 Erstwhile OCBs are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- 19.5 The Company shall not Accept Equity Shares from Non-Resident Shareholders, NRI and OCBs in respect of whom such applicable statutory or regulatory approval are required and copies of such approvals are not submitted.
- 19.6 The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not to Accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required and the copies of such approvals are not submitted.
- 19.7 As on date, there are no other statutory or regulatory approval required to implement the Buy Back other than those indicated above. If any statutory or regulatory approvals become applicable subsequently, the Buy Back will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory / regulatory approvals is delayed, changes to the proposed schedule of activities of the Buy Back, if any, shall be intimated to Stock Exchanges.

20. DETAILS OF REGISTRAR TO THE BUYBACK AND COLLECTION CENTRE

- 20.1 The details of the Registrar to the Buyback are as follows:

RCMC

RCMC Share Registry Private Limited

Contact Person: Mr. Murali Dharan Nair

Add: B-25/1, Okhla Industrial Area, Phase -2, Near Rana Motors, New Delhi – 110020

Tel: 011-26387320/21

Mobile : +91-85276 95125

Investor Grievance Email: investor.services@rcmcdelhi.com

Website: www.rcmcdelhi.com

SEBI Regn. No.: INR000000429

Validity Period: Permanent

CIN: U67120DL1950PTC001854

20.2 Collection Centers

Eligible Shareholders holding Equity Shares in physical form, who wish to tender their Equity Shares can submit their Tender Form(s) and all requisite documents along with TRS generated by the exchange bidding system either by registered post / courier to the Registrar to the Buy Back, super scribing the envelope as “VLS Finance Limited Buy Back Offer 2024”, or hand deliver the same to the office of the Registrar at the above mentioned address, so that the same are received within 2 days of bidding by Seller Member and the same should not reach later than the Buyback Closing Date i.e. Monday, September 05, 2024 by IST 5:00 p.m. For Eligible Shareholders holding Equity Shares in physical form, last date for receipt of completed Tender Forms and other specified documents by the Registrar shall be on or before the Buy Back Closing Date.

THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

For the Eligible Shareholders holding Equity Shares in demat form, submission of Tender Form and TRS to the Company, Manager or the Registrar is not mandatory. After the confirmation of lien marked in demat account of the Eligible Shareholders to the Clearing Corporation and a valid bid in the exchange bidding system, the Bid for Buyback shall be deemed to have been accepted for Eligible Shareholders holding the Equity Shares in demat form. Eligible Shareholders holding Equity Shares in the dematerialized form are requested to refer to paragraph 22.21 of this Letter of Offer.

21. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 21.1 The Company proposes to Buy Back buy back up to 33,00,000 (Thirty Three Lakh) fully paid up Equity Shares at a price of ₹ 380/- (Rupees Three Hundred Eighty only) per equity share payable in cash for an amount up to ₹ 1,25,40,00,000/- (Rupees One Hundred Twenty Five Crores and Forty Lakhs only), excluding expenses incurred or to be incurred for the buy back, which represents 8.21% and 8.04% of the aggregate of Company's fully paid-up Equity Share capital and free reserves as per the latest audited standalone and consolidated financial statements as on March 31, 2024 respectively, through the tender offer route using the stock exchange mechanism, on a proportionate basis from all the Equity Shareholders/beneficial owners of the equity shares of the company as on the Record Date. The number of Equity Shares proposed to be bought back represents 9.48% of the total number of Equity Shares in the total paid-up Equity Share capital of the Company, as on March 31, 2024. The Buy Back is in accordance with the provisions of Article 5(v) of the Articles of Association of the Company, Sections 68, 69, 70, 110, 179 and all other applicable provisions, if any, of the Act and Regulation 4(iv)(a) of the SEBI Buy Back Regulations and other applicable provisions contained in the SEBI Buy Back Regulations and the SEBI Circulars. The Board approved the Buy Back in the Board Meeting held on August 09, 2024. The Buy Back is subject to approvals and permissions as may be required from statutory, regulatory or governmental authorities under applicable laws. The Buy Back Size does not exceed 25% of the fully paid-up Equity Share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company respectively for the year ended March 31, 2024.
- 21.2 The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buy Back and accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buy Back.
- 21.3 The aggregate shareholding of the Promoter and Promoter Group as at the date of the Public Announcement is 1,76,91,936 (One Crore Seventy Six Lakhs Ninety One Thousand Nine Hundred and Thirty Six) Equity Shares which represents 50.84% of the total subscribed and paid-up Equity Share capital of the Company as on the date

of Public Announcement. None of the members of the Promoter Group and persons in control of the Company, have expressed their intention to participate in the Buyback or tender Equity Shares based on their entitlement.

21.4 Assuming response to the Buy Back is to the extent of 100% (full Acceptance) from all the Eligible Shareholders upto their Buy Back Entitlement, the aggregate shareholding of the Promoter and Promoter Group, post the Buy Back may increase to 56.17% from 50.84% prior to the Buy Back, and the aggregate shareholding of the public in the Company post Buy Back may decrease to 43.83% from 49.16% prior to the Buy Back. The actual percentage ownership could vary depending on overall percentage responses / Acceptance.

21.5 Record Date, Ratio of Buyback and Buyback Entitlement:

21.5.1 The Board of Directors vide their resolution dated August 09, 2024 announced August 26, 2024, as the Record Date for the purpose of determining the Buy Back Entitlement and the names of the Eligible Shareholders who are eligible to participate in the Buy Back.

21.5.2 The Equity Shares proposed to be bought back as a part of this Buy Back are divided into two categories:

- i. Reserved category for Small Shareholders (“Reserved Category”); and
- ii. General Category for all Eligible Shareholders other than Small Shareholders (“General Category”)

21.5.3 As defined in the SEBI Buy Back Regulations, a Small Shareholder means a shareholder, who holds Equity Shares having market value, on the basis of closing price on the recognized stock exchanges with the highest trading volume in respect of such Equity Shares, as on the Record Date, not more than ₹ 2,00,000/- (Rupees Two Lakhs only). As on Record Date, the volume of Equity Shares traded on NSE was 1,10,515 (One Lakh Ten Thousand Five Hundred and Fifteen) Equity Shares and on BSE was 9,034 (Nine Thousand and Thirty Four) Equity Shares. Accordingly, NSE being the exchange with highest trading volume, the closing price was ₹ 364.35 and hence all Eligible Shareholders holding not more than 548 (Five Hundred and Forty Eight) Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buy Back Offer.

21.5.4 Based on the above definition, there are 25,069 (Twenty Five Thousand and Sixty Nine) Small Shareholders in the Company (*excluding Promoter & Promoter Group*) with an aggregate shareholding of 29,30,060 (Twenty Nine Lakh Thirty Thousand and Sixty) Equity Shares as on the Record Date, which constitutes 8.42% of the outstanding number of Equity Shares of the Company as on Record Date and 88.79% of the maximum number of Equity Shares which the Company proposes to Buy Back as a part of this Buy Back. 1,41,73,996 Equity Shares were held by the other Eligible Shareholders in the General Category (*excluding the Promoter and Promoter Group*) as on Record Date.

21.5.5 In compliance with Regulation 6 of the SEBI Buy Back Regulations, the reservation for the Small Shareholders, will be higher of:

- (i) Fifteen percent of the number of Equity Shares which the Company proposes to Buy Back i.e., 15% of 33,00,000 (Thirty Three Lakhs) Equity Shares which works out to 4,95,000 (Four Lakh Ninety Five Thousand) Equity Shares; or
- (ii) The number of Equity Shares entitled as per their shareholding as on Record Date i.e., 29,30,060 (Twenty Nine Lakh Thirty Thousand and Sixty) [total number of Shares held by Small Shareholders] / 1,71,04,056) x 33,00,000 which works out to be 5,65,316 (Five Lakh Sixty Five Thousand Three Hundred and Sixteen) Equity Shares.

All the outstanding Equity Shares excluding Promoter and Promoter Group entities have been used for computing the Buy Back Entitlement of Small Shareholders as the Promoter & Promoter Group do not intend to participate

Based on the above and in accordance with Regulation 6 of the SEBI Buy Back Regulations, 5,65,316 (Five Lakh Sixty Five Thousand Three Hundred and Sixteen) Equity Shares have been reserved for Small Shareholders. Accordingly, General Category shall consist of 27,34,684 (Twenty Seven Lakhs Thirty Four Thousand Six Hundred and Eighty Four) Equity Shares.

21.5.6 In order to ensure that the same Eligible Shareholder with multiple demat accounts / folios do not receive higher Entitlement under Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common Permanent Account Number (“PAN”) shall be clubbed together for determining the category (Small Shareholder or General) and Entitlement under the Buy Back. In case of joint shareholding, the Equity Shares held in cases where the sequence of PANs of the joint Shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding physical Shares where sequence of PAN is identical and where the PANs of all joint Shareholders are not available, the Registrar will check the sequence of the names of the joint Shareholders and club together the Equity Shares held in such cases where the sequence of the PANs and the name of the joint Shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, FIIs / FPIs etc. with common PAN shall not be clubbed together for determining their Entitlement and will be considered separately, where these Equity Shares are held for different schemes / sub-accounts and have different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of ‘clearing members’ or ‘corporate body margin account’ or ‘corporate body-broker’ as per the beneficial position data as on the Record Date with common PAN are not proposed to be clubbed together for determining their Entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

21.5.7 Based on the above Buy Back Entitlements, the Ratio of Buy Back for both categories is decided as below:

Category	Indicative Entitlement ratio in the Buyback*
Reserved category for Small Shareholders	71 Equity Shares out of every 368 Equity Shares held on the Record Date
General Category for all other Eligible Shareholders	71 Equity Shares out of every 368 Equity Shares held on the Record Date

**The above ratio of Buyback is approximate and provides an indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above ratio may provide a slightly different number due to rounding off. The actual Buyback Entitlement for Reserved Category for Small Shareholders is 19.2934783% and General Category for all other eligible Shareholders is 19.2934783%.*

21.5.8 Fractional Entitlements

If the Buy Back Entitlement, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 (One) Equity Share), then the fractional entitlement shall be ignored for computation of Buy Back Entitlement to tender Equity Shares in the Buy Back for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 5 (Five) or less Equity Share as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buy Back Offer and will be given preference in the Acceptance of 1 (One) Equity Share, if such Small Shareholders have tendered Additional Equity Shares. The Company shall make best efforts subject to SEBI Buy Back Regulations in accepting Equity Shares tendered by such Eligible Shareholders to the extent possible and permissible.

21.5.9 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:

Subject to the provisions contained in this Letter of Offer, the Company will Accept the Equity Shares tendered in the Buy Back by the Small Shareholders in the Reserved Category in the following order of priority:

- (a) Full Acceptance (i.e. 100%) of Equity Shares from Small Shareholders in the Reserved Category who have validly tendered their Equity Shares, to the extent of their Buy Back Entitlement, or the number of Shares tendered by them, whichever is less.
- (b) Post the Acceptance as described in the paragraph (a) above, in case, there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and 1 (One) Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- (c) Post the Acceptance as described in paragraphs (a) and (b) above, in case, there are any validly tendered unaccepted Equity Shares in the Reserved Category Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be Accepted in a proportionate manner and the Acceptances shall be made in accordance with the SEBI Buy Back Regulations, i.e. valid Acceptances per Eligible Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Eligible Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Equity Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom 1 (One) Equity Share has been Accepted in accordance with paragraph (b) above, shall be reduced by 1 (One).
- (d) Adjustment for fractional results in case of proportionate Acceptance, as described in paragraph (c), will be made as follows:
 - 1. For any Small Shareholder, if the number of Additional Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (One) and the fractional Acceptance is greater than or equal to 0.50 (point five zero), then the fraction would be rounded off to the next higher integer.
 - 2. For any Small Shareholder, if the number of Additional Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (One) and the fractional Acceptance is less than 0.50 (point five zero), then the fraction shall be ignored.

21.5.10 Basis of Acceptance of Equity Shares validly tendered in the General Category:

Subject to the provisions contained in this Letter of Offer, the Company will Accept the Equity Shares tendered in the Buy Back in the General Category in the following order of priority:

- (a) Full Acceptance (i.e., 100%) of the Equity Shares from Eligible Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buy Back Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- (b) Post the Acceptance as described in paragraph (a) above, in case there are any validly tendered unaccepted Equity Shares in the General Category (“General Category Additional Shares”) and the Equity Shares left to be bought back in the General Category, the General Category Additional Shares shall be Accepted in a proportionate manner and the Acceptances shall be made in accordance with the SEBI Buy Back Regulations, i.e. valid Acceptances per Eligible Shareholder shall be equal to the General Category Additional Shares validly tendered by the Eligible Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Equity Shares remaining to be bought back in General Category.

- (c) Adjustment for fractional results in case of proportionate Acceptance as described in paragraph 21.5.10 (b) above, will be made as follows:
1. For any Eligible Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (One) and the fractional Acceptance is greater than or equal to 0.50 (point five zero), then the fraction would be rounded off to the next higher integer.
 2. For any Eligible Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (One) and the fractional Acceptance is less than 0.50 (point five zero), then the fraction shall be ignored.

21.5.11 Basis of Acceptance of Equity Shares between Categories:

- (a) After Acceptances of tenders, as mentioned in paragraphs 21.5.9 and 21.5.10 above, there are any Equity Shares left to be bought back in 1 (One) category (“**Partially Filled Category**”), and there are unaccepted validly tendered Equity Shares (“**Further Additional Shares**”) in the second category (“**Over Tendered Category**”), then the Further Additional Shares in the Over Tendered Category shall be Accepted in a proportionate manner i.e., valid Acceptances per Eligible Shareholder shall be equal to the Further Additional Shares validly tendered by the Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Equity Shares to be bought back in the Partially Filled Category.
- (b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buy Back Entitlement and who has tendered Additional Shares shall be eligible for priority Acceptance of 1 (One) Equity Share before Acceptance in paragraph 21.5.11 (a) above out of the Equity Shares left to be bought back in the Partially Filled Category, provided no Acceptance could take place from such Eligible Shareholder in accordance with paragraph 21.5.9.
- (c) Adjustment for fraction results in case of proportionate Acceptance, as defined in paragraph 21.5.11 (a) above, will be made as follows::
1. For any Eligible Shareholder, if the number of Further Additional Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (One) and the fractional Acceptance is greater than or equal to 0.50 (point five zero), then the fraction would be rounded off to the next higher integer.
 2. For any Eligible Shareholder, if the number of Further Additional Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (One) and the fractional Acceptance is less than 0.50 (point five zero), then the fraction shall be ignored.
 3. In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Board or any person(s) authorized by the Board will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in paragraph 21

21.5.12 For avoidance of doubt, it is clarified that that the Equity Shares Accepted under the Buy Back Offer from such Eligible Shareholder, in accordance with above clauses, shall be lower of the following:

- (a) the number of Equity Shares tendered by the respective Eligible Shareholder; and
- (b) the number of Equity Shares held by respective Eligible Shareholder as on the Record Date.

21.5.13 For avoidance of doubt, it is further clarified that the Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the above.

22. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

22.1 The Buy Back is open to all Eligible Shareholder holding Equity Shares of the Company either in demat or physical mode, as on the Record date, i.e. Monday, August 26, 2024. Eligible Shareholders holding equity shares in physical form are eligible to participate in the Buy Back, however, they are urged to have their Equity Shares dematerialized so as to be able to freely transfer them and participate in corporate actions in a convenient and effective manner.

22.2 The Company proposes to effect the Buy Back through Tender Offer, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buy Back as well as the detailed disclosures as specified in the SEBI Buy Back Regulations, will be mailed to Eligible Shareholder.

As required under the SEBI Buy Back Regulations, the dispatch of the letter of offer shall be through electronic mode in accordance with the provisions of the Act within two (2) working days from the Record Date.

Eligible Shareholders who have registered their email ids with the Depositories/the Company, shall be dispatched the Letter of Offer through electronic means. If Eligible Shareholders wish to obtain a physical copy of the Letter of Offer, they may send a request to the Company or Registrar at the address or Email ID mentioned at the cover page of this Letter of Offer.

In case of non-receipt of the Letter of Offer and the Tender Form, please follow the procedure mentioned in paragraph 22.24.

22.3 The Company will not Accept any Equity Shares for Buy Back which are under any restraint order of a Court for transfer / sale of such shares or where loss of share certificates has been notified to the Company and the duplicate share certificate have not been issued either due to such request being under process as per the provisions of law or otherwise. The Company shall also not Accept the Equity Shares offered for Buy Back where the title to such Equity Shares is under dispute or otherwise not clear. The Company shall Accept all the Equity Shares validly tendered in the Buy Back by Eligible Shareholders, on the basis of their Buy Back Entitlement as on the Record Date.

22.4 The Company shall comply with Regulation 24(v) of the SEBI Buy Back Regulations which states that the Company shall not Buy Back the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.

22.5 Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the details of the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of such changes made in demat account to the Registrar to the Buy Back on or before the Buy Back Closing Date (by 5:00 p.m.) and such tendered Equity Shares may be Accepted subject to appropriate verification and validation by the Registrar to the Buy Back.

- 22.6 The Company shall Accept all the Equity Shares validly tendered for the Buy Back by Eligible Shareholders, on the basis of their Buy Back Entitlement as on the Record Date and also Additional Equity Shares if any tendered by Eligible Shareholders will be Accepted as per paragraphs 21.5.9, 21.5.10 & 21.5.11 under Process and Methodology for the Buy Back respectively.
- 22.7 As elaborated under paragraph 21.5 above, the Equity Shares proposed to be bought as a part of the Buy Back is divided into two categories; (a) Reserved Category for Small Shareholders and (b) the General Category for other Eligible Shareholders and the Buy Back Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- 22.8 After accepting the Equity Shares tendered on the basis of Buy Back Entitlement, Equity Shares left to be bought as a part of the Buy Back, if any, in one category shall first be Accepted, in proportion to the Equity Shares tendered, over and above their Buy Back Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buy Back Entitlement, in other category.
- 22.9 Eligible Shareholders' participation in the Buy Back is voluntary. Eligible Shareholders may choose to participate, in part or in full, and receive cash in lieu of the Equity Shares Accepted under the Buy Back, or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, after the completion of the Buy Back, without any additional investment. Eligible Shareholders may also tender a part of their Buy Back Entitlement. Eligible Shareholders also have the option of tendering Additional Equity Shares (over and above their Buy Back Entitlement but not more than their shareholding as on Record Date) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. The Acceptance of any Equity Shares tendered in excess of the Buy Back Entitlement by the Eligible Shareholder shall be in terms of procedure outlined herein.
- 22.10 The maximum tender under the Buy Back by an Eligible Shareholder cannot exceed the number of Equity Shares held by such Eligible Shareholder as on the Record Date. In case the Eligible Shareholder holds Equity Shares through multiple demat accounts, the tender Equity Shares through that demat account cannot exceed the number of Equity Shares held in that respective demat account.
- 22.11 The Buy Back shall be implemented using the “**Mechanism for acquisition of shares through stock exchange**” in accordance with SEBI Circulars and following the procedure prescribed in the Companies Act and the SEBI Buy Back Regulations and as may be determined by the SEBI and on such terms and conditions as may be permitted by law from time to time.
- 22.12 For implementation of the Buyback, the Company has appointed Globe Capital Market Limited as Company's Broker to facilitate the process of tendering of Equity Shares through the Stock Exchange Mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

Globe Capital Market Limited

Address: 609, Ansal Bhawan, 16 K.G. Marg, New Delhi 110001

Contact Person: Mr. Dinesh Tyagi

Tel: 011 30412345

Email: compliance@globecapital.com

Website: www.globecapital.com

SEBI Registration No.: INZ000177137

CIN: U74100DL1985PLC021350

- 22.13 For the purpose of this Buy Back, NSE is appointed as the Designated Stock Exchange. The Company has requested NSE to provide the separate Acquisition Window to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buy Back. The details of the Acquisition Window platform will be specified by the Designated Stock Exchange from time to time. In case Shareholder's Broker is not registered with NSE, Eligible Shareholder may approach Company's Broker to place its bid by using UCC facility after submitting requisite documents as required to complete the know your client requirements.
- 22.14 All Eligible Shareholders may place orders in the Acquisition Window, through their respective Seller Member(s). In the event Seller Member(s) of any Eligible Shareholders are not registered with the Designated Stock Exchange (i.e. NSE) or if the Eligible Shareholders do not have any stock broker then that Eligible Shareholders can approach any stock broker registered with the NSE (with whom they do not have an account) and can make a bid by using quick unique client code ("UCC") facility through that stock broker registered with the NSE after submitting the details as may be required by the stock broker to be in compliance with the SEBI Buy Back Regulations. In case Eligible Shareholders are not able to bid using UCC facility through any other stock broker registered with the Designated Stock Exchange (NSE), then the Eligible Shareholders may approach Company's Broker, to bid by using UCC facility after submitting requisite documents as required to complete the know your client ("KYC") requirements.

22.14.1 In case of Eligible Shareholder being an Individual or HUF

D. If Eligible Shareholder is registered with KYC Registration Agency ("KRA"):

a) Forms required:

- 1) Central Know Your Client (CKYC) form
- 2) Know Your Client (KYC) form

b) Documents required (all documents self-attested):

- 1) Bank Details (Cancelled Cheque)
- 2) Demat details only if Equity Shares are in demat mode (Demat Master / Latest Demat statement)

E. If Eligible Shareholder is not registered with KYC Registration Agency ("KRA"):

a) Forms required:

- 1) Central Know Your Client (CKYC) form
- 2) Know Your Client (KYC) form
- 3) KRA Form

b) Documents required (all documents self-attested):

- 1) PAN Card
- 2) Address Proof
- 3) Bank Details (Cancelled Cheque)
- 4) Demat details only if Equity Shares are in demat mode (Demat Master / Latest Demat statement)

In addition to above documents, shareholder would also require to submit the FATCA form along with KYC / KRA requirements. It may be noted that other than submission of above forms and documents in person verification may be required.

22.14.2 In case of Eligible Shareholder other than Individual or HUF

A. If Eligible Shareholder is registered with KYC Registration Agency (“KRA”):

a) Forms required:

- 1) KYC Form

b) Documents required (all documents self-attested):

- 1) Bank Details (Cancelled Cheque)
- 2) Demat details only if Equity Shares are in demat mode (Demat Master / Latest Demat statement)
- 3) Latest list of directors / authorised signatories / partners
- 4) Latest shareholding pattern
- 5) Board resolution
- 6) Details of ultimate beneficial owner along with PAN card and address proof
- 7) Last 2 years financial statements

B. If Eligible Shareholder is not registered with KYC Registration Agency (“KRA”):

a) Forms required:

- 1) KYC Form
- 2) KRA Form

b) Documents required (all documents self-attested):

- 1) PAN Card
- 2) Address Proof
- 3) Bank Details (Cancelled Cheque)
- 4) Demat details only if Equity Shares are in demat mode (Demat Master / Latest Demat statement)
- 5) Latest list of directors / authorised signatories / partners
- 6) Latest shareholding pattern
- 7) Board resolution
- 8) Details of ultimate beneficial owner along with PAN card and address proof
- 9) Last 2 years financial statements
- 10) MOA/Partnership Deed

In addition to above documents, shareholder would also require to submit the FATCA form along with KYC / KRA requirements. It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

- 22.15 The reporting requirements for Non-Resident Shareholders under Reserve Bank of India, Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines for remittance of funds shall be made by the Eligible Shareholder and / or the Seller Member through which the Eligible Shareholder places the bid.
- 22.16 At the beginning of the Tendering Period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker for 33,00,000 equity shares. During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Seller Member(s) during normal trading hours of the secondary market.
- 22.17 Seller Member(s) can enter orders for Equity Shares held by Eligible Shareholders in dematerialised form and physical form.
- 22.18 Modification / cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buy Back Offer. Multiple bids made by single Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
- 22.19 The website of the Designated Stock Exchange shall display only confirmed bids and accordingly, the cumulative quantity tendered shall be made available on the website of the Designated Stock Exchange (i.e. www.nseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
- 22.20 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 22.21 Procedure to be followed by Eligible Shareholder holding Equity Shares in the dematerialised form:**
- a) Eligible Shareholders who desire to tender their Equity Shares in the electronic / dematerialized form under Buy Back would have to do so through their respective Seller Member(s) by giving the details of Equity Shares they intend to tender under the Buy Back.
 - b) The Seller Member would be required to place an order / bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buy Back using the Acquisition Window of the Designated Stock Exchange. For further details, Eligible Shareholders may refer to the circulars issued by Designated Stock Exchange and / or Clearing Corporation. The details of the settlement number under which the lien will be marked on the Equity Shares tendered for the Buy Back will be provided in a separate circular to be issued by the Stock Exchanges and/or Clearing Corporation.
 - c) The lien shall be marked by the Seller Member in the demat account of the Eligible Shareholders for the shares tendered in tender offer. Details of shares marked as lien in the demat account of the shareholder shall be provided by the depositories to Clearing Corporation. In case, the Shareholders demat account is held with one depository and clearing member pool and Clearing Corporation account is held with other depository, shares shall be blocked in the shareholders demat account at source depository during the tendering period. Inter Depository Tender Offer ("IDT") instructions shall be initiated by the shareholders at source depository to clearing member or Clearing Corporation account at target depository. Source depository shall block the shareholder's securities (i.e. transfers from free balance to blocked balance) and send IDT message to target depository for confirming creation of lien. Details of shares blocked in the shareholders demat account shall be provided by the target depository to the Clearing Corporation.
 - d) For custodian participant orders for dematerialized Equity Shares, early pay-in is mandatory prior to confirmation of order/ bid by custodians. The custodian participant shall either confirm or reject the orders not later than closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all custodian participant confirmed orders, any order modification shall

revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

- e) Upon placing the bid, the Seller Member(s) shall provide transaction registration slip ("TRS") generated by the Stock Exchange' bidding system to the Eligible Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like bid ID No., application number, DP ID, client ID, number of Equity Shares tendered, etc. In case of non-receipt of the completed tender form and other documents, but lien marked on Equity Shares and a valid bid in the exchange bidding system, the bid by such Eligible Shareholder shall be deemed to have been accepted.
- f) The Eligible Shareholders who have tendered their dematerialized Equity Shares in the Buy Back will have to ensure that they keep the depository participant ("DP") account active and unblocked in case of releasing of lien on Equity Shares due to rejections or due to non – acceptance of Equity Shares under the Buy Back. Further, Eligible Shareholders will have to ensure that they keep the bank account attached with the DP account active and updated to receive credit remittance due to acceptance of Buy Back of Equity Shares by the Company. In case the Clearing Corporation is unable to make the direct payment into Eligible Shareholders demat linked bank account then the respective payment will be made to their Seller Member for further depositing into Eligible Shareholders account.
- g) In case of demat Equity Shares, submission of Tender Form and TRS is not required. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buy Back shall be deemed to have been Accepted, for Eligible Shareholders holding Equity Shares in demat form.
- h) Thus, in case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buy Back shall be deemed to have been Accepted, for demat Shareholders.
- i) The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buy Back Acceptance decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the saving account attached with the DP account active and updated to receive credit remittance due to Acceptance of Buy Back of Shares by the Company.
- j) Upon Acceptance of bought back Equity Shares by the Company, Clearing Corporation will transfer dematerialized Equity Shares to the Company's special buy back demat account opened with the Company's broker (i.e. Globe Capital Market Ltd.). The Eligible Shareholders wish to participate need to create a lien on the Equity Shares, on Acceptance the Equity Shares are debited to the respective demat account and transferred by the Clearing Corporation to the Company's special buy back demat account, the details on the settlement number for creating a lien on Equity Shares will be issued by Designated Stock Exchange and / or Clearing Corporation by issuing circulars.
- k) Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form. Such documents may include (but not be limited to): (a) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form; (b) Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
- l) In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions)

22.22 Procedure to be followed by Eligible Shareholder holding Equity Shares in physical form:

- a) All Eligible Shareholders holding the Equity Shares in physical form shall note that in accordance with the proviso to regulation 40(1) of the SEBI Listing Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), read with SEBI's press release dated December 3, 2018, transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository with effect from April 1, 2019. However, in accordance with the SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the Eligible Shareholders holding Equity Shares in the physical form are allowed to tender their Equity Shares in the Buy Back provided that such tendering shall be as per the provisions of the SEBI Buy Back Regulations and terms

provided in this Letter of Offer.

- b) Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buy Back will be required to approach their respective Seller Members along with the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s) (ii) valid share transfer form(s) (i.e., form SH-4) duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company (iii) self-attested copy of the Eligible Shareholder's PAN Card (iv) the Tender Form duly signed (in case the Equity Shares are in joint names, the Tender Form must be signed by all Eligible Shareholders in the same order in which they hold the Equity Shares) and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of an Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, such Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- c) Based on the documents mentioned in paragraph above, the concerned Seller Member shall place the bid on behalf of the Eligible Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Buy Back using the Acquisition Window of the Designated Stock Exchanges. Upon placing the bid, the Seller Member shall provide a TRS generated by the Designated Stock Exchanges' bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like Folio No., application no., Certificate No., Distinctive No., number of Equity Shares tendered etc.
- d) After placing the bid, the Seller Member of the Eligible Shareholder has to deliver the original share certificate(s) and documents (as mentioned in paragraph 22.22 (b) above along with TRS either by registered post or courier or hand delivery to Registrar to the Buy Back (at the address mentioned at paragraph 20 above) on or before the Buy Back Closing Date (by 5.00 p.m.). The envelope should be superscribed as "VLS Finance Limited – Buy Back 2024". One copy of the TRS will be retained by Registrar to the Buy Back and it will provide acknowledgement of the same to the Seller Member/ Eligible Shareholder.
- e) Eligible Shareholder holding Equity Shares in physical form should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for the Buy Back shall be subject to verification as per the SEBI Buy Back Regulations and any further directions issued in this regard. The Registrar to the Buy Back will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. The verification of the original share certificate(s) shall be completed on the date of receipt by the Registrar to the Buy Back. Once the Registrar to the Buy Back confirms the bids, it will be treated as 'confirmed bids'.
- f) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Tender Form instead of the Equity Share certificate(s) of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar to the Buy Back does not receive the Equity Share certificate(s); (iv) In case the signature on the Tender Form and Form SH-4 does not match as per the specimen signature recorded with Company/ Registrar to the Buy Back.
- g) In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buy Back before closing of trading hours on the date of closing of Buy Back.

22.23 For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (read with paragraph 19 "Details of the Statutory Approvals"):

- a) Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FIIs / FPIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by

them.

- b) FII/FPI/FVCI Shareholders should also enclose a copy of their SEBI registration certificate.
- c) In case the Equity Shares are held on repatriation basis, the Eligible Shareholder, being a Non-Resident Shareholder, shall obtain and enclose a letter from its authorized dealer / bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the such Eligible Shareholder from the appropriate account (e.g. non-resident external account) as specified by RBI in its approval. In case the Eligible Shareholder, being a Non-Resident Shareholder, is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the such Eligible Shareholder shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares Accepted under the Buy Back.
- d) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered by Eligible Shareholders, being Non-Resident Shareholders under the Buy Back Offer are liable to be rejected.

THE NON-RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE LETTER OF OFFER, SHALL NOT INVALIDATE THE BUYBACK IN ANY MANNER. PLEASE NOTE THAT THE COMPANY SHALL ACCEPT EQUITY SHARES VALIDLY TENDERED FOR THE BUYBACK OFFER ON THE BASIS OF THEIR HOLDING AND ENTITLEMENT AS APPEARING IN THE RECORDS OF THE COMPANY AS ON THE RECORD DATE.

22.24 In case of non-receipt of the Letter of Offer and the Tender Form:

In case the Equity Shares are in dematerialized form

An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.vlsfinance.com or by providing their application in writing on plain paper, signed by all Eligible Shareholders, stating its name and address, number of Equity Shares held as on the Record Date, Client ID number, DP Name / ID, beneficiary account number and number of Equity Shares tendered for the Buy Back.

In case Equity Shares are in physical form

An Eligible Shareholder may participate in the Buy Back by providing their application in writing on plain paper signed by all Eligible Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buy Back and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Shareholders' PAN card(s) and executed share transfer form in favour of the Company. The Letter of Offer, Tender Form and share transfer form SH-4 can be downloaded from the website of the Company, the Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 22.22 (b) above), reach the Registrar on or before the Buy Back Closing Date i.e. (by 5 PM). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar to the Buy Back or are not in the same order (although attested), such applications are liable to be rejected under this Buy Back.

a) Please note that Eligible Shareholders who intend to participate in the Buy Back will be required to approach their respective Seller Member(s) (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member(s) in the electronic platform to be made available by NSE on or before the Buy Back Closing Date but not later than closing of trading hours.

b) The Company shall Accept Equity Shares validly tendered by the Shareholder(s) in the Buy Back on the basis of their shareholding as on the Record Date and the Buy Back Entitlement. Eligible Shareholders who intend to participate in the Buy Back using the 'plain paper' option as mentioned in above paragraphs are advised to confirm their Entitlement from the Registrar to the Buy Back Offer, before participating in the Buy Back.

22.25 NON-RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE LETTER OF OFFER TO ANY ELIGIBLE SHAREHOLDER, SHALL NOT INVALIDATE THE BUY BACK OFFER IN ANY WAY.

22.26 The Acceptance of the Buy Back Offer made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or not to participate in the Buy Back Offer.

22.27 Method of Settlement:

Upon finalization of the basis of Acceptance as per SEBI Buy Back Regulations:

- a) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time, and in compliance with the SEBI Circulars.
- b) The Company will pay the consideration to the Company's Broker which will transfer the funds pertaining to the Buy Back to the Clearing Corporation's bank accounts as per the prescribed schedule. For Equity Shares accepted under the Buy Back, the Clearing Corporation will make direct funds payout to the respective Eligible Shareholder's bank account linked to the demat account. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/an Eligible Shareholders' Bank, due to any reason, then such funds will be transferred to the concerned Seller Members settlement bank account for onward transfer to their respective Shareholders.
- c) In case of certain types of Eligible Shareholder i.e., NRI, foreign clients, etc. where there are specific RBI and other regulatory requirements pertaining to funds payout, which do not opt to settle through custodians, the funds pay-out would be given to their respective Seller Members settlement bank account for onward transfer to the Eligible Shareholders. For this purpose, the client type details would be collected from the Registrar to the Buy Back, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by Designated Stock Exchange and the Clearing Corporation from time to time.
- d) The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for Buy Back ("Company Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Designated Stock Exchange.
- e) The Eligible Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit, in case of releasing of lien on Equity Shares, due to rejections or due to non – acceptance of Equity Shares under the Buy Back. Further, Eligible Shareholders will have to ensure that they keep the bank account attached with the DP account active and updated to receive credit remittance due to acceptance of Buy Back of Equity Shares by the Company.
- f) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders, lien on such shares would be released by the Clearing Corporation and shall become free in the respective Eligible Shareholder's DP account.
- g) In the case of inter-depository, the Clearing Corporation will cancel the excess or unaccepted shares in target depository. The source depository will not be able to release the lien without a release of Inter Depository Tender Offer message from target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from the Clearing Corporation or automatically generated after matching with Bid accepted detail as received from the Company or the Registrar to the Buyback. Post receiving the IDT message from target depository, source depository will cancel/ release excess or unaccepted block shares in the demat account of the Eligible Shareholder. Post completion of tendering period and receiving the requisite details viz., demat account details and accepted bid quantity, source depository shall debit the securities as per the communication/ message received from target depository to the extent of accepted bid shares from Eligible Shareholder's demat account and credit it to Clearing Corporation settlement account in target depository on settlement date.
- h) Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned back to the Eligible Shareholder directly by the Registrar to the Buy Back. The Company is authorized to split the share

certificate and issue a new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buy Back by Eligible Shareholders holding Equity Shares in the physical form.

- 22.28 The Company's Broker would also issue a contract note to the Company for the Equity Shares Accepted under the Buy Back. If Eligible Shareholders bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Eligible Shareholder will be transferred to the Seller Member for onward transfer to the Eligible Shareholder.
- 22.29 Eligible Shareholders who intend to participate in the Buy Back should consult their respective Seller Member(s) for any cost, applicable taxes, charges and expenses (including brokerage, stamp duty) etc., that may be levied by the Seller Member(s) upon the Eligible Shareholders for tendering Equity Shares in the Buy Back (secondary market transaction). The Buy Back consideration received by the Eligible Shareholder, in respect of Accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage and/or stamp duty) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage and/or stamp duty) incurred solely by the Eligible Shareholders. The Seller Member(s) would issue contract note to Eligible Shareholders for the Equity Shares accepted under the Buy Back.
- 22.30 The Equity Shares lying to the credit of the Company's Demat Account and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the SEBI Buy Back Regulations.
- 22.31 **Rejection Criteria:** The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds.

22.31.1 The Shareholder is not an Eligible Shareholder of the Company as on the Record Date;

22.31.2 If there is a name mismatch in the dematerialised account of the Shareholder and PAN;

22.31.3 in the event of non-receipt of the completed Tender Form and other documents from the Eligible Shareholders who were holding shares in physical form as on the Record Date and have placed their bid in demat form;

22.31.4 if there is any other company's equity share certificate(s) enclosed with the Tender Form instead of the Equity Share certificate(s) of the Company;

22.31.5 There exists any restraint order of a court/any other competent authority for transfer/disposal/sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists;

22.31.6 if the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;

22.31.7 if the Eligible Shareholders tender Equity Shares but the Registrar to the Buy Back does not receive the Equity Share certificate(s) or other relevant documents;

22.31.8 in case the signature on the Tender Form and Form SH-4 does not match as per the specimen signature recorded with Company/Registrar of the Company; or

22.31.9 Non-receipt of valid bid in the exchange bidding system.

23. NOTE ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS ON THESE TAX CONSIDERATIONS

IN VIEW OF THE PARTICULARIZED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS TAX SUMMARY AND THERE CAN BE NO LIABILITY ON THE COMPANY IF ANY ACTION IS TAKEN BY THE SHAREHOLDER SOLELY BASED ON THIS TAX SUMMARY.THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF EQUITY SHARES ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

1.1 General

The Indian tax year runs from April 1 to March 31 of subsequent year. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act, 1961 (“**ITA**”).

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her Indian sourced income or income received by such person in India. Vide Finance Act, 2020, certain non-resident individuals are deemed to be resident in India upon triggering of certain conditions. Deemed residents would be liable to pay tax in India only on their Indian sourced income or income from business or professional controlled in India.

In case of shares of a company, the source of income from shares would depend on the “situs” of the shares. As per ITA and Judicial precedents, generally the “situs” of the shares is where company is “incorporated” and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the Double Taxation Avoidance Agreement (“**DTAA**”), as modified by the Multilateral Instrument (MLI), if the same is applicable to the relevant DTAA between India and the respective country of which the said shareholder is tax resident. The above benefit may be available subject to satisfying relevant conditions prescribed under ITA including but not limited to availability of Tax Residency Certificate, non-applicability of General Anti-Avoidance Rule (“**GAAR**”) and providing and maintaining necessary information and documents as prescribed under ITA as well as satisfying the relevant conditions under the respective DTAA including anti-abuse measures under the MLI, if applicable.

1.2 Classification of shareholders

Section 6 of the ITA determines the residential status of an assessee. Accordingly, shareholders can be classified broadly in two categories as below:

A. *Resident Shareholders being:*

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI), Firm, LLP
- Others (corporate bodies):
 - Company
 - Other than Company

B. Deemed Resident Shareholder –an individual being a citizen of India who is not liable to tax in any other country or territory by reason of domicile, residence or any other criteria of similar nature and has total income other than foreign sourced income exceeding Rs. 15 lakhs during the tax year.

C. *Non-Resident Shareholders being:*

- Non-Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- Others:
 - Company
 - Other than Company

1.3 Buyback of shares

Section 115QA of the ITA introduced w.e.f. June 1, 2013 contains provisions for taxation of a domestic company in respect of Buy-Back of shares (within the meaning of Sec. 68 of the Companies Act, 2013). In effect, the incidence of tax stands shifted completely to the Company and not the recipient of the buyback proceeds.

Before the enactment of Finance Act (No. 2), 2019, this section was not applicable to shares listed on a recognized stock exchange. The Finance Act (No. 2), 2019 has amended section 115QA of the ITA with effect from 5th July, 2019 extending its provisions to cover distributed income on Buy-Back of Equity Shares of a company listed on a recognized stock exchange as well.

As per Section 115QA, listed companies making a public announcement of Buyback of shares on or after 5th July 2019 are required to pay an additional Tax @ 20%, plus Surcharge @ 12%, plus Health & Education Cess @4% on the Distributed Income.

Distributed Income is defined under section 115QA to include Consideration paid by the company on buyback of Shares as reduced by the amount which was received by the company on issue of such shares, determined in the manner specified in Rule 40BB.

The tax on the distributed income by the company shall be treated as the final payment of tax in respect of the said income and no further credit therefor shall be claimed by the company or by any other person in respect of the amount of tax so paid.

No deduction under any other provision of this Act shall be allowed to the company or a shareholder in respect of the income which has been charged to tax.

Section 10(34A) of the ITA provided for exemption to a shareholder in respect of income arising from buyback of shares w.e.f. April 1, 2014 (i.e., Assessment year 2014-15). The Finance Act (No. 2), 2019 has also made consequential changes to section 10(34A) of the ITA extending the benefit of exemption of income from Buy-Back to shareholders in respect of shares listed on recognized stock exchange as well.

Thus, the tax implications to the following categories of shareholders are as under:

A. Resident Shareholders or Deemed Resident Shareholders

Income arising to the shareholder on account of Buy-Back of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) of the ITA with effect from July 5, 2019.

B. Non-Resident Shareholders

While the income arising to the shareholder on account of Buy-Back of Equity Shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) with effect from July 5, 2019 in the hands of a Non-resident as well, the same may be subject to tax in the country of residence of the shareholder as per the provisions of the tax laws of that country. The credit of tax may or may not be allowed to such non-resident shareholder to be claimed in the country of residence in respect of the Buy-Back tax paid by the company in view of Sec 115QA (4) and (5) of the ITA. Non-resident shareholders need to consult their tax advisors with regard to availability of such a tax credit.

1.4 Tax deduction at source

Currently, there are no provisions for tax deduction at source in respect of income earned from transfer/ Buy-Back of Equity Shares in case of resident shareholders/ deemed resident shareholders.

Given that income arising on account of the Buy-Back of Equity Shares is exempt from tax under Section 10(34A) of ITA, the same would not be subject to tax deduction at source for non-resident shareholders.

1.5 Securities transaction tax

Since the Buyback of Equity Shares shall take place through the settlement mechanism of the stock exchange, securities transaction tax at 0.1% of the value of the transaction will be applicable.

1.6 Non-Applicability of Recent Amendments in The Finance (No. 2) Act, 2024

At Present the amount received by the eligible shareholders as consideration from the company in respect of buyback of its shares by the company is not taxable in the hands of the eligible shareholders.

As per the Finance (No. 2) Act, 2024, this position will change as, w.e.f. 01/10/2024, the said consideration amount so received by the eligible shareholders from the company in respect of buyback of its shares by the company will be taxed in the hands of eligible shareholders.

Since in case of buyback proposed by VLS Finance Ltd of its shares, the payment to eligible shareholders will be made before 30/09/2024, hence the new provisions of Buyback enacted in the Finance (No. 2) Act, 2024, will not be applicable to eligible shareholders of VLS Finance Ltd.

Accordingly, the amount received as buyback consideration by domestic eligible shareholders of VLS Finance Ltd will not be taxable in their hands.

Caveat:

THE SUMMARY OF THE TAX CONSIDERATIONS AS ABOVE IS BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS.

IN VIEW OF THE SPECIFIC NATURE OF TAX CONSEQUENCES, SHAREHOLDERS WHO ARE NOT TAX RESIDENTS OF INDIA ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE CONSIDERING THE PROVISIONS OF THE RELEVANT COUNTRY OR STATE TAX LAW AND PROVISIONS OF DTAA WHERE APPLICABLE.

24. LENDERS CONSENT

The Company has sanctioned facilities with lenders. As per Regulation 5(i)(c) and Schedule I(xii) of the SEBI Buy Back Regulations, it is confirmed that there is no breach of any covenants as per the lenders agreements/sanction letters on the loans sanctioned/taken and the consent of the lenders on the Buy Back has been obtained by the Company.

25. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Schedule I to the SEBI Buy Back Regulations:

The Board of Directors of the Company confirms that there are no defaults (either in the past or subsisting) in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

The Board of Directors ("Board") has made a full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the Company, the Board has formed the opinion:

1. Immediately following the date of the Board Meeting i.e. August 09, 2024, there will be no grounds on which the Company could be found unable to pay its debts;
2. As regards the Company's prospects for the year immediately following the date of the Board Meeting approving the Buy-back, and having regards to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of 1 (one) year from the date of the Board Meeting;

3. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities);
4. The ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall be less than or equal to 2:1 of its paid-up capital and free reserves based on the standalone or consolidated financial statements of the Company as on March 31, 2024, whichever sets out a lower amount, as prescribed under the Companies Act and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

This declaration is made and issued under the authority of the Board in terms of the resolution passed at the meeting held on August 09, 2024.

For and on behalf of the Board of Directors of the Company

Sd/- Mr. Suresh Kumar Agarwal Managing Director DIN : 00106763	Sd/- Mr. Kishan Kumar Soni Director Finance & CFO DIN : 00106037
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26. AUDITORS CERTIFICATE

The text of the Report dated August 09, 2024 received from Agiwal & Associates, Chartered Accountants, Statutory Auditors of the Company, addressed to the Board is reproduced below:

Quote

Independent Auditor’s Report on the proposed buy back of equity shares pursuant to the requirements of Section 68 and Section 70 of the Companies Act, 2013 and Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 as amended.

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

Dear Sir,

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 engagement letter dated 06th August 2024.
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 9th August, 2024, in pursuance of the provisions of the sections 68, 69 and 70 of the company Act, 2013, as amended (the “Act”) and the 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, 2024 (‘Annexure-A’) (hereinafter referred to as “statement”). This statement has been prepared by the management, which we have initialed for the purposes of identification 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 Management 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 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, 2024.
 - 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, 2024; in accordance with the provisions of Section 68(2)(b) of the Buyback Regulations;
 - iii. the Board of Directors of the Company, at their Meeting held on August 09, 2024 have formed the opinion as specified in clause (x) of Schedule I to the 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 responsibility above) 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 on 31/03/2024, referred to in paragraph 6(i) above, have been audited by us on which we issued an unmodified audit opinion vide our reports dated 28th May 2024. 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. Those 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 inquiries conducted and our examination as above, and the information and explanations given to us by management, we report that:
- (1) 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, 2024, which have been approved by the Board of directors of the Company on May 28, 2024.
 - (2) 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 proviso to Section 68(2)(b) of the Act and the proviso to Regulation 5(i) of the Buyback Regulations.
 - (3) The Board of Directors of the Company, at their Meeting held on August 09, 2024 have formed their opinion as specified in clause (x) of Schedule I of the 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 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 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 (a) the registrar of company, the Securities and Exchange Board of India, Stock Exchange, and any other regulatory authority as per applicable Law (b) the Central Depository Securities (India) Limited, National Securities Depository Limited and (c) can be shared with the manager to buy back in connection with the proposed buyback of equity shares of the company for onwards submission to relevant authorities in pursuance of Section 68 and the other applicable provisions of the Act, and the buyback regulations, 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 Agiwal & Associates

Chartered Accountants

ICAI Firm Registration Number: 000181N

CA P. C. Agiwal

Partner

Membership No: 080475

UDIN: 24080475BKFLAS1900

Place: New Delhi

Date: August 9, 2024

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, 2024.

Particulars		Amount (Rs in lakhs)	
		Standalone	Consolidated
Paid up Equity Share Capital as on March 31, 2024 - 3,47,95,992 equity shares of Rs. 10/- each, fully paid (excluding Forfeited shares: 4,67,500)	(A)	3491.82	3,491.82
Free Reserves as on March 31, 2024 ⁽²⁾			
(i) General reserve		2968.84	3573.29
(ii) Securities Premium		3085.50	3085.50
(iii) Retained earnings		143159.61	145767.82
Total Free Reserves	(B)	149,213.95	152,426.61
Total	C= (A+B)	152,705.77	155,918.43
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%	15,270.58	15,591.84

Note:

1. The amount of paid-up equity share capital and free reserves as at March 31, 2024 have been accurately extracted from the latest audited annual Standalone and Consolidated Financial Statements as at and for the year ended March 31, 2024.
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 2534.82 Lakhs on account of fair value changes of certain assets & liabilities.

**For and on behalf of Board of Directors
VLS Finance Limited**

**Signed for identification
For Agiwal & Associates
Chartered Accountants
(Firm Registration No.000181N)**

S. K. Agarwal **K.K. Soni**
Managing Director **Director-Finance & CFO**
DIN:00106763 **DIN:00106037**
Place: Delhi
Date: August 9, 2024

Partner
(Membership No. 080475)
Place: New Delhi

Unquote

27. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of the Company at Ground Floor, 90, Okhla Industrial Estate, Phase III, New Delhi, Delhi 110 020, on any working day (i.e. Monday to Friday and not being a bank holiday in Delhi) between 10.00 am to 5.00 pm during the Tendering Period and on the website of the Company (<https://www.vlsfinance.com/buyback-2024/>)

- i. Certificate of Incorporation of the Company.
- ii. Memorandum and Articles of Association of the Company.
- iii. Annual reports of the Company for the financial years 2021-22 & 2022-23 and Audited Financial Results for the financial year 2023 – 2024.
- iv. Certified true copy of the resolution of the Board of Directors dated August 09, 2024, approving Buy Back of Equity Shares of the Company.

- v. Certificate dated August 09, 2024, from M/s. Agiwal & Associates, Chartered Accountants, the Statutory Auditors in terms of clause (xi) of Schedule I under Regulation 5(iv)(b) SEBI Buy Back Regulations.
- vi. Public Announcement dated August 12, 2024.
- vii. Copy of declaration of solvency and an affidavit as prescribed under Section 68(6) of the Companies Act.
- viii. Copy of Escrow Agreement dated August 12, 2024 between VLS Finance Limited, New Berry Capitals Private Limited and HDFC Bank Limited.
- ix. Confirmation letter by the Escrow Agent stating that the Escrow Account has been opened and required funds are deposited.
- x. Copy of the certificate from M/s. Agiwal & Associates, Chartered Accountants, dated August 09, 2024, certifying that the Company has adequate funds for the purposes of Buy Back.
- xi. Opinion on the note on taxation from M/s. Agiwal & Associates, Chartered Accountants, dated August 24, 2024.

28. DETAILS OF THE COMPLIANCE OFFICER

Investors may contact the Compliance Officer for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays till the closure of the Buy Back, at the following address:

H Consul,
 Company Secretary & Compliance Officer
 VLS Finance Limited
 Regd. Office: Ground Floor, 90, Okhla Industrial Estate, Phase III, New Delhi – 110020.
 No.: +91 11 46656666,
 Email Id: hconsul@vlsfinance.com,
 Website: www.vlsfinance.com.

29. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/BENEFICIAL OWNERS

- 29.1 In case of any grievances relating to the Buy Back (e.g. non-receipt of the Buy Back consideration, demat credit, etc.), the Eligible Shareholders can approach the Compliance Officer as per the details mentioned above and / or the Registrar to the Buy Back and / or Manager to the Buy Back for redressal as per the details mentioned in paragraphs 30 and 31 of this Letter of Offer, respectively.
- 29.2 If the Company makes any default in complying with the provisions of Sections 68, 69 and 70 of the Companies Act or the Rules made thereunder, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, as the case may be.
- 29.3 The address of the concerned office of the Registrar of Companies is as follows: The Registrar of Companies, Delhi and Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019.

30. DETAILS OF THE REGISTRAR TO THE BUYBACK/INVESTOR SERVICE CENTRE

In case of any query, the Eligible Shareholders may also contact the Registrar to the Buy Back during working hours i.e. 10.00 a.m. to 5.00 p.m. on all working days at the following address except Saturday, Sunday and public holidays up to the date of Closure of the Buy Back at the following address:

RCMC

RCMC Share Registry Private Limited

Contact Person: Mr. Murali Dharan Nair

Add: B-25/1, Okhla Industrial Area, Phase -2, Near Rana Motors, New Delhi – 110020

Tel: 011-26387320/21

Mobile : +91-85276 95125

Investor Grievance Email: investor.services@rcmcdelhi.com

Website: www.rcmcdelhi.com

SEBI Regn. No.: INR000000429

Validity Period: Permanent

CIN: U67120DL1950PTC001854

31. DETAILS OF THE MANAGER TO THE BUYBACK



New Berry Capitals Private Limited

Contact Person: Mr. Satish Mangutkar/ Mr. Ankur Sharma

Address: A-602, Marathon NextGen Innova, Level 6, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013

Tel: 022 4881 8446

Email: mb@newberry.in

Website: www.newberry.in

SEBI Regn. No.: INM000012999

Validity Period: Permanent

CIN: U67190MH2007PTC174445

32. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THIS LETTER OF OFFER

As per Regulation 24(i)(a) of the SEBI Buy Back Regulations, the Board of Directors of the Company (“Board”) accepts responsibility Your success is our success for the information contained in this Letter of Offer and confirms that this Letter of Offer contains true, factual and material information and does not contain any misleading information.

This Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on August 09, 2024 and by the Buy Back Committee on August 28, 2024.

FOR AND ON BEHALF OF DIRECTORS OF VLS FINANCE LIMITED		
Sd/-	Sd/-	Sd/-
Mr. Suresh Kumar Agarwal Managing Director DIN : 00106763 Place: Delhi	Mr. Kishan Kumar Soni Director Finance & CFO DIN : 00106037 Place: Delhi	Mr. H Consul Company Secretary & Compliance Officer (ICSI Membership No.: A11183 Place: Delhi

Date: August 28, 2024

33. ENCL: TENDER FORMS

- Tender Form (for Eligible Shareholders holding Equity Shares in dematerialized form) - Annexure I.
- Tender Form (for Eligible Shareholders holding Equity Shares in physical form) - Annexure II
- Share Transfer Form (i.e. form SH-4) - Annexure III.