PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF THE EQUITY SHARES OF

VLS FINANCE LIMITED

CIN: L65910DL1986PLC023129

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

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

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

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF VLS FINANCE LIMITED FOR THE BUY-BACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGES UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

This public announcement (**the "Public Announcement" or "PA"**) is made in relation to the buyback of equity shares (as defined below) by VLS Finance Limited (**the "Company"**) from BSE Limited (**"BSE"**) and the National Stock Exchange of India Limited (**"NSE"**) (**together, the "Stock Exchanges"**), pursuant to the provisions of Regulation 16(iv)(a) read with Regulation 16(iv)(b) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (**the "SEBI Buy-back Regulations"**), and contains the disclosures as specified in the applicable provisions of Schedule IV to the SEBI Buy-Back Regulations.

OFFER FOR BUY-BACK OF EQUITY SHARES FROM OPEN MARKET THROUGH STOCK EXCHANGES

Part A - Disclosures in accordance with Schedule I of the SEBI Buy-Back Regulations

1. DETAILS OF BUY-BACK OFFER AND OFFER PRICE

i. The board of directors of the Company (hereinafter referred to as the **"Board"** or **"Board of Directors"**), at their meeting held on January 5, 2023 (the **"Board Meeting"**), has approved the proposal for buy-back of its own fully paid-up equity shares of face value of ₹ 10 each (**"Equity Shares"**) in accordance with Article 5(iv) and (v) of the Articles of Association of the Company, the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended (**"Companies Act"**) and the applicable rules thereunder, in compliance with the SEBI Buy-back Regulations and subject to such other approvals, permissions, sanctions and filings as may be necessary under the SEBI Buy-back Regulations, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"SEBI LODR"**), Reserve Bank of India (**"RBI"**), the Securities and Exchange Board of India (**"SEBI"**), Registrar of Companies, Delhi & Haryana (**the "ROC"**), Stock Exchanges where the Equity Shares of the Company are listed etc. as may be required and further subject to such conditions as may be prescribed while granting such Board approval which may be agreed by the Board of Directors of the Company.

ii. The Board in the aforementioned meeting, have approved the Buy-back by the Company of its fully paid-up Equity Shares for an aggregate amount not exceeding ₹ 7000.00 lakhs (**"Maximum Buy-back Size"**), being 6.43% and 6.29% of the total paid-up share capital and free reserves of the Company based on the audited standalone and consolidated financial statements of the Company respectively, as at March 31, 2022 (being the date of the last audited financial statements of the Company), for a price not exceeding **₹ 200/- (Rupees Two Hundred Only)** per Equity Share (**"Maximum Buy-back Price"**) from all shareholders of the Company excluding promoters, promoter group and persons who are in control of the Company (**"Promoters"**), as the terms are respectively defined in the SEBI Buy-back Regulations (**"Buy-back"**). The Maximum Buy-back Size does not include any other expenses incurred or to be incurred for the Buy-back like filing fees payable to SEBI, Stock Exchanges' fees, advisors' fees, public announcement, publication expenses, transaction cost viz., brokerage, applicable taxes such as securities transaction tax, stamp duty, income tax, Buy-back tax etc., and any other incidental and related expenses (**"Transaction Costs"**). The Buy-back period is from January 5, 2023, i.e., the date of the Board approval up to the date on which the final payment of consideration for the Equity Shares bought back by the Company is made (**"Buy-back Period"**).

iii. The aggregate maximum amount of the Buy-back is less than 10% of the total paid-up capital and free reserves of the Company. The Company will comply with the requirement of maintaining a minimum public shareholding of at least 25% of the total paid-up equity share capital of the Company as provided under Regulation 38 of the SEBI LODR during the Buy-back Period and upon completion thereof.

iv. The Buy-back will be implemented by the Company from its free reserves in accordance with Regulation 4(ix) of the SEBI Buy-back Regulations and in accordance with Regulation 4(iv)(b)(ii) of the SEBI Buy-back Regulations, through open market purchases from the Stock Exchanges, using the order matching mechanism except "all or none" order matching system, as provided under the SEBI Buy-back Regulations. Further, as required under the Companies Act and SEBI Buyback Regulations, the Company shall not purchase Equity Shares which are locked in or non-transferable, in the Buy-back, until the pendency of the lock-in or until the Equity Shares become transferable, as applicable. There are no partly paid-up Equity Shares with calls in arrears of the Company.

v. A copy of this Public Announcement is available on Company's website (www.vlsfinance.com) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the Buy-back Period.

2. NECESSITY FOR THE BUY-BACK

(i) In continuation of the Company's efforts to effectively utilize its resources, it is proposed to Buy-back its own Equity Shares for an aggregate amount not exceeding the Maximum Buy-back Size being 6.43 % and 6.29 % of the paid-up share capital and free reserves based on the audited financial statements of the Company as at March 31, 2022 on standalone and consolidated basis respectively, from the open market through Stock Exchanges. 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 Buy-back is expected to achieve the following objectives:

i. optimize returns to shareholders;

ii. enhance overall shareholders value; and

iii. optimize the capital structure.

The Company will implement the Buyback out of its Free Reserves through utilization of cash, sale of liquid investments held and internal accruals of the Company. The Company believes that the Buy-back will create long term value for shareholders. The Buy-back is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards the Buy-back. The Buy-back will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations and for continued capital investment, as and when required.

(ii) At the Maximum Buy-back Price and for Maximum Buy-back Size, the indicative maximum number of Equity Shares bought back would be 35,00,000 (Thirty Five Lakhs) Equity Shares (**"Maximum Buy-back Shares"**). If the Equity Shares are bought back at a price below the Maximum Buy-back Price, the actual number of Equity Shares bought back could exceed the Maximum Buy-back Shares, but, will always be subject to the Maximum Buy-back Size.

(iii) Further, in accordance with Regulation 15 of the SEBI Buy-back Regulations, the Company shall utilize at least 50% of the amount earmarked as the Maximum Buy-back Size for the Buy-back, i.e. ₹ 3500 lakhs (**"Minimum Buy-back Size"**) and based on the Minimum Buy-back Size and the Maximum Buy-back Price, the Company will purchase a minimum of 17,50,000 (Seventeen Lakhs Fifty Thousand) Equity Shares (**"Minimum Buy-back Shares"**) in the Buy-back.

(iv) The actual number of Equity Shares bought back during the Buy-back will depend upon the actual price, excluding the Transaction Costs, paid for the Equity Shares bought back and the aggregate consideration paid in the Buy-back, subject to the Maximum Buy-back Size. The actual reduction in outstanding number of Equity Shares would depend upon the total number of Equity Shares bought back by the Company from the open market through the Stock Exchanges during the Buy-back Period.

3. BASIS FOR ARRIVING AT THE MAXIMUM BUY-BACK PRICE AND OTHER DETAILS

(i) The Maximum Buy-back Price of ₹ 200/- (Rupees Two Hundred Only) per Equity Share has been arrived at after considering various factors, including average of the weekly high and low of the closing share price of the Equity Shares of the Company on the Stock Exchanges, the net worth of the Company and the potential impact of the Buy-back on the EPS of the Company. The Maximum Buy-back Price excludes the Transaction Costs.

(ii) The Maximum Buy-back Price is at a premium of 45.30% and 45.14% over the closing prices on BSE Limited (**"BSE"**) i.e. ₹ 137.65 (Rupees One Hundred Thirty Seven and Sixty Five paisa only) and the National Stock Exchange of India Limited (**"NSE"**) i.e. ₹ 137.80 (Rupees One Hundred Thirty Seven and Eighty Paisa only), respectively, on December 29, 2022 which is one trading day prior to the date on which the notice of the Board Meeting to consider the Buy-back proposal was intimated to the BSE and the NSE. The Maximum Buy-back Price is at a premium of 44.35% and 44.33%, compared to the average of the weekly high and low of the closing prices of the Equity Shares of the Company on the Stock Exchanges during the 2 (two) weeks preceding the date of the Board Meeting on BSE and NSE respectively. 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.

(iii) The Buy-back is proposed to be completed within a maximum period of six (6) months from the date of opening of the Buy-back. Subject to the Maximum Buy-back Price of ₹ 200/- (Rupees Two Hundred Only) per Equity Share for the Buy-back and maximum validity period of six (6) months from the date of opening of the Buy-back and achievement of the Minimum Buy-back Size, the actual time frame and the price for the Buy-back will be determined by the Board or the authorized representatives of the Board, at their discretion, in accordance with the SEBI Buy-back Regulations.

(iv) The amount required by the Company for the Buy-back (including the Transaction Costs) will be through utilization of cash, sale of liquid investments held and internal accruals of the Company. The Company confirms that as required under Section 68(2)(d) of the Companies Act and under Regulation 4(ii) of the SEBI Buy-back Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves post Buy-back on standalone and consolidated basis.

(v) Members are advised that the Buyback of the Equity Shares will be carried out through the Indian Stock Exchanges by the Company, in its sole discretion, based on, amongst other things, the prevailing market prices of the Equity Shares, which may be below the Maximum Buy-back Price.

4. PROMOTER SHAREHOLDING AND OTHER DETAILS

(i) Details of aggregate shareholding of the promoter, promoter group and of the directors of the corporate promoters, and of persons who are in control of the Company as on the date of Board Meeting approving the Buy-back is as below:

Sr. No.	Name of the Promoters / Promoter Group / Directors of Corporate Promoters / Persons in control	Number of Equity Shares	% Equity Shareholding in the Company
A	**Promoters**		
1.	Mahesh Prasad Mehrotra	1	0.00
	Total (A)	**1**	**0.00**
B.	**Promoter Group**		
1.	Divya Mehrotra	5,41,393	1.40
2.	Mahesh Prasad Mehrotra (HUF)	19,84,262	5.13
3.	Sadhana Mehrotra	8,84,691	2.29
4.	VLS Capital Ltd.	1,33,36,538	34.50
5.	VLS Commodities Pvt Ltd.	4,57,768	1.18
6.	South Asian Enterprises Ltd.	1,500	0.00
7.	Vikas Mehrotra	4,85,783	1.26
	Total (B)	1,76,91,935	45.76
C.	**Directors of Corporate Promoters (Other than A & B above)**	-	-
	Total (C)	-	-
	Grand Total (A+B+C)	**1,76,91,936**	**45.76**

(ii) None of the persons mentioned in Paragraph 4.1 above, have purchased/sold any Equity Shares of the Company during a period of twelve months preceding the date of the Board Meeting i.e. January 5, 2023 except as given below:

Name	Aggregate Quantity Purchased	Nature of Transaction	Maximum Price per equity share (₹)	Date of Maximum Price	Minimum Price per equity (₹)	Date of Minimum Price
Divya Mehrotra	41,711	Open Market	173.60	March 23, 2022*	163.25	March 29, 2022*

* excluding transaction costs

5. PARTICIPATION BY PROMOTERS

In accordance with the provisions of Regulation 16(ii) of the SEBI Buy-back Regulations, the Buy-back shall not be made by the Company from the promoters or persons in control of the Company.

Further, in accordance with Regulation 24(i)(e) of the SEBI Buy-back Regulations, the promoters or their associates shall not deal in the shares or other specified securities of the Company in the stock exchange or off-market, including inter-se transfer of shares, during the period from the date of Board approval till the closing of the Buy-back.

6. NO DEFAULTS

The Company confirms that there are no defaults subsisting in the repayment of deposits or interest payable thereon, redemption of debentures or preference shares, payment of dividend to any shareholder or repayment of any term loan or interest payable thereon to any financial institution or banking company. The Company does not have any outstanding public deposits, debentures, preference shares or Term Loan as on date.

7. CONFIRMATION BY THE BOARD OF DIRECTORS OF THE COMPANY

The Board has confirmed on the date of the Board Meeting, i.e. January 5,2023 that they have made full inquiry into the affairs and prospects of the Company and that they have formed the opinion:

- that immediately following the meeting of the Board of Directors, there will be no grounds on which the Company can be found unable to pay its debts;
- as regards the Company's prospects for the year immediately following the date that, having regard to the Board's intentions 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 their 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 one year from the date of Board Meeting; and
- in forming its opinion aforesaid, the directors shall take into account the liabilities as if the Company was being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).

8. REPORT BY THE COMPANY'S AUDITORS

The text of the report dated January 5, 2023 received from Agiwal & Associates, Chartered Accountants, the statutory auditor of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

January 5, 2023

To,

The Board of Directors,

VLS Finance Limited

Ground Floor, 90, Okhla Industrial Estate, Phase III, New Delhi – 110020

Dear Sirs / Madam,

Re: Statutory Auditor's Report in respect of proposed buyback 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 30th December 2022.
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 January 5th, 2023, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies 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, 2022 ('Annexure A') (hereinafter referred to as the "Statement"). This Statement has been prepared by the Management, which we have initialed for the purposes of identification only.

Management's Responsibility

1. 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 controls 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.

   In the absence of any definition of or guideline for "Insolvent" in the Buyback Regulations, the Company has considered a situation for not being able to continue as going concern (as mentioned in Standard on Auditing 570 (Revised) issued by the Institute of Chartered Accountants of India) for a period of one year from January 5th, 2023 as "Insolvent".

Auditor's Responsibility

2. Pursuant to the requirements of the Buyback Regulations, it is our responsibility to provide a reasonable assurance that:
   I. we have inquired into the state of affairs of the Company in relation to the annual audited standalone and consolidated financial statements as at March 31, 2022;
   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, 2022; in accordance with the proviso to Section 68(2)(b) of the Act and the proviso to Regulation 5(i)(b) of the Buyback Regulations; and
   III. the Board of Directors of the Company, at their Meeting held on January 5th, 2023 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 management responsibility above) within a period of one year from the aforesaid date where at the proposed buyback is approved.
3. The annual standalone and consolidated financial statements as on 31/03/2022 audited by M/s. M.L. Puri & Co., Chartered Accountants , have been relied upon by us, on which they have issued an unmodified audit opinion in their report dated 28th May 2022. We have relied upon the Audit conducted by M/s. M.L. Puri & Co., Chartered Accountants of the annual standalone and consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards required the Auditors to 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 transactions to identify matters that may be of potential interest to third parties.

Opinion

4. Based on inquiries conducted and our examination as above, we report that:
   I. We have gone through the state of affairs of the Company in relation to its annual audited standalone and consolidated financial statements as at and for the year ended March 31, 2022, which have been approved by the Board of Directors of the Company on May 28, 2022. The said Accounts have been audited by M/s. M.L. Puri & Co., Chartered Accountants and we have relied on the same.
   II. The amount of permissible capital payment towards the proposed buy back of 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)(b) of the Buyback Regulations.
   III. The Board of Directors of the Company, at their meeting held on January 5, 2023 have formed their 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 management responsibility above) within a period of one year from the date of passing of the Board Resolution dated January 5, 2023.

Restriction on Use

5. This report has been issued at the request of the Company solely for 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 Companies, the Securities and Exchange Board of India, stock exchanges, and any other regulatory authority as per applicable law, (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (c) can be shared with the Merchant Bankers in connection with the proposed buyback of equity shares of the Company for onward submission to relevant authorities in pursuance to the provisions of Section 68 and other applicable provisions of the Act and the Buyback Regulations, and may not be suitable for any other purpose. This report should not be used for any other purpose without our prior written consent. 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 certificate is shown or into whose hands it may come without our prior consent in writing.

   For Agiwal and Associates
   Chartered Accountants
   (FRN-000181N)

   Sd/-
   CA P.C. Agiwal
   Partner
   (M. No.80475)
   UDIN: 23080475BGWKNZ5139
   Place: New Delhi
   Date: 05th January, 2023

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, 2022.

(₹ in lakhs)

Particulars		Standalone	Consolidated
Paid up Equity Share Capital as on March 31, 2022 - 3,86,62,017 equity shares of ₹ 10/- each, fully paid	(A)	3,878.42	3,878.42
Free Reserves as on March 31, 2022			
(i) General reserve		2,968.84	3,573.29
(ii) Securities Premium		9,627.48	9,627.48
(iii) Retained earnings as per Financial Statements		92,338.80	94,182.47
Total Free Reserves	(B)	1,04,935.12	1,07,383.24
Total	C=(A+B)	1,08,813.54	1,11,261.66
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%	1,0881.35	1,1126.17

Note: The amount of paid up equity share capital and free reserves as at March 31, 2022 have been extracted from the annual audited Standalone and Consolidated Financial Statements of the Company as at and for the year ended March 31, 2022.

For and on behalf of Board of Directors
VLS Finance Limited

Sd/-
S.K.Agarwal
Managing Director
DIN: 00106763

Sd/-
K.K. Soni
Director (Finance & CFO)
DIN: 00106037

Date: 5th January, 2023

For Agiwal and Associates
Chartered Accountants
(FRN-000181N)

Sd/-
CA P.C. Agiwal
Partner
(M. No.80475)
UDIN: 23080475BGWKNZ5139
Place: New Delhi
Date: 05th January, 2023

Unquote

Part B – Disclosures in Accordance with Schedule IV of the SEBI Buy-back Regulations

1. DATE OF BOARD APPROVAL

The Board approval for the Buy-back was granted on January 5, 2023.

2. MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND COST OF FINANCING THE BUY-BACK

(i) Based on the Minimum Buy-back Size and the Maximum Buy-back Price, the Company will purchase an indicative minimum of 17,50,000 (Seventeen Lakhs Fifty Thousand Only) Equity Shares (**"Minimum Buy-back Shares"**) and based on Maximum Buy-back Size and the Maximum Buy-back Price, the indicative maximum number of Equity Shares bought back would be 35,00,000 (Thirty Five Lakhs) Equity Shares (**"Maximum Buy-back Shares"**). If the Equity Shares are bought back at a price below the Maximum Buy-back Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buy-back Shares or Minimum Buy-back Shares but will always be subject to the Maximum Buy-back Size. Further, the number of Equity Shares bought back will not exceed 25% of the total paid-up equity capital of the Company as on March 31, 2022.

(ii) The Company proposes to implement the Buy-back out of its free reserves. The amount required by the Company for the Buy-back (including the cost of financing the Buy-back and the Transaction Costs) will be through utilization of cash, sale of liquid investments held and internal accruals of the Company.

(iii) As mentioned in Paragraph (i) above, in continuation of the Company's efforts to effectively utilize its resources, it is proposed to Buy-back up to 6.43% and 6.29% of the paid-up share capital and free reserves based on the audited financial statements of the Company as at March 31, 2022 on standalone and consolidated basis respectively, from the open market through the Stock Exchanges. The Buy-back of Equity Shares will result in a reduction in number of shares accompanied by a likely increase in EPS and return on capital employed. The Company believes that the Buy-back will create long term value for continuing shareholders. The Buy-back is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards the Buy-back. The Buy-back will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations and for continued capital investment, as and when required.

3. PROPOSED TIMETABLE FOR BUY-BACK

Activity	Date
Date of Board Approval	Thursday, January 5, 2023
Date of publication of the Public Announcement	Monday, January 9, 2023
Date of commencement of the Buy-back	Monday, January 16, 2023
Acceptance of Equity Shares accepted in dematerialized mode	Upon the relevant pay-out by the Stock Exchanges
Extinguishment of Equity Shares	In case the Equity Shares bought back are in dematerialized form, the same will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the bye-laws framed thereunder. The Company shall ensure that all the Equity Shares bought back are extinguished within seven (7) days of the expiry of the Buy-back Period.
Last Date for the Buy-back	Earlier of: (a) Friday , July 14, 2023 (i.e., 6 months from the date of the opening of the Buy-back); or (b) when the Company completes the Buy-back by deploying the amount equivalent to the Maximum Buy-back Size; or (c) at such earlier date as may be determined by the Board / or its duly authorized Executive Committee, after giving notice of such earlier closure, subject to the Company having deployed an amount equivalent to the Minimum Buy-back Size (even if the Maximum Buy-back Size has not been reached or the Maximum Buy-back Shares have not been bought back), however, that all payment obligations relating to the shares bought back shall be completed before the last date for the Buy-back

4. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUY-BACK

(i) The Buy-back is open to all eligible shareholders of the Company holding Equity Shares in dematerialised form (**"Demat Shares"**). Shareholders holding shares in physical form can participate in the Buy-Back after such Equity Shares are dematerialized by approaching depository participant.

(ii) Further, as required under the Companies Act and SEBI Buy-back Regulations, the Company shall not purchase Equity Shares which are partly paid-up, Equity Shares with call-in-arrears, locked-in Equity Shares or nontransferable Equity Shares, in the Buy-back, until they become fully paid up, or until the pendency of the lock-in, or until the Equity Shares become transferable, as applicable.

(iii) The Buy-back will be implemented by the Company by way of open market purchases through the Stock Exchanges, through the order matching mechanism except "all or none" order matching system, as provided under the SEBI Buy-back Regulations.

(iv) For the implementation of the Buy-back, the Company has appointed Globe Capital Market Limited as the registered broker (**"Company's Broker"**) through whom the purchases and settlements on account of the Buy-back would be made by the Company.

The contact details of the Company's Broker are as follows:

Name: Globe Capital Market Limited
Registered Office: 609, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi -110001, India
Contact Person: Gautam Gupta
Phone: +91-011-30412345
Email: compliance@globecapital.com
Website: www.globecapital.com
SEBI Registration number: INZ000177137
CIN: U74100DL1985PLC021350

Contd.

(v) The Equity Shares are traded in compulsory dematerialised mode under the trading code(s) 511333 at BSE and VLSFINANCE at NSE. The Company had filed the application for voluntary delisting of its shares from the Calcutta Stock Exchange Limited (CSE) during the year 2018-19 and the same is pending. The ISIN of the Equity Shares of the Company is INE709A01018. For detailed procedure with respect to tendering of shares, Stock Exchanges will be issuing notice with detailed procedures. Sellers may refer the notice to understand procedure on how to tender the shares in this buyback.

(vi) The Company, shall, commencing from Monday, January 16 ,2023 (i.e., the date of opening of the Buy-back), place "buy" orders on the BSE and/or NSE on the normal trading segment to Buy-back the Equity Shares through the Company's Broker in such quantity and at such price, not exceeding the Maximum Buy-back Price of ₹200/- (Rupees Two Hundred Only) per Equity Share, as it may deem fit, depending upon the prevailing market price of the Equity Shares on the Stock Exchanges. When the Company has placed an order for Buy-back of Equity Shares, the identity of the Company as a purchaser would be available to the market participants of the Stock Exchanges.

(vii) **Procedure for Buy-back of Demat Shares:** Beneficial owners holding Demat Shares who desire to sell their Equity Shares in the Buy-back, would have to do so through their stock broker, who is a registered member of either of the Stock Exchanges by indicating to their broker the details of the equity shares they intend to sell whenever the Company has placed a "buy" order for Buy-back of the equity shares. The Company shall place a "buy" order for Buy-back of Demat Shares, by indicating to the Company's Broker, the number of Equity Shares it intends to buy along with a price for the same. The trade would be executed at the price at which the order matches the price tendered by the beneficial owners and that price would be the Buy-back price for that beneficial owner. The execution of the order, issuance of contract note and delivery of the stock to the member and receipt of payment would be carried out by the Company's Broker in accordance with the requirements of the Stock Exchanges and SEBI.

(viii) It may be noted that a uniform price would not be paid to all the shareholders/ beneficial owners pursuant to the Buy-back and that the same would depend on the price at which the trade with that shareholder/beneficial owner was executed on Stock Exchanges.

(ix) Procedure for Buy-back of Physical Shares:

As per the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), read with SEBI's press releases dated December 3, 2018, and March 27, 2019, effective from April 1, 2019, transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository ("LODR Amendment"). In light of the LODR Amendment and SEBI circular bearing reference no. SEBI/ HO/ CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the Company shall not accept the Equity Shares tendered under the Buyback unless such Equity Shares are in dematerialised form.

ACCORDINGLY, ALL ELIGIBLE SHAREHOLDERS OF THE COMPANY HOLDING EQUITY SHARES IN PHYSICAL FORM AND DESIROUS OF TENDERING THEIR EQUITY SHARES ARE ADVISED TO APPROACH THE CONCERNED DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED. IN CASE ANY ELIGIBLE SHAREHOLDER HAS SUBMITTED EQUITY SHARES IN PHYSICAL FORM FOR DEMATERIALIZATION, SUCH ELIGIBLE SHAREHOLDERS SHOULD ENSURE THAT THE PROCESS OF DEMATERIALIZATION IS COMPLETED WELL IN TIME SO THAT THEY CAN PARTICIPATE IN THE BUY-BACK BEFORE BUY-BACK CLOSING DATE.

(x) Shareholders are requested to get in touch with the SMC Capitals Limited (**"Manager to the Buyback"**) or the Company's Broker or the Investor Service Centre to clarify any doubts in the process.

(xi) Subject to the Company purchasing Equity Shares for an amount equivalent to the Minimum Buy-back Size, nothing contained herein shall create any obligation on the part of the Company or the Board to Buy-back any Equity Shares or confer any right on the part of any shareholder to have any Equity Shares bought back, even if the Maximum Buy-back Size has not been reached, and/or impair any power of the Company or the Board to terminate any process in relation to the Buy-back, to the extent permissible by law. If the Company is not able to complete the Buy-back equivalent to the Minimum Buy-back Size, the amount held in the Escrow Account up to a maximum of 2.5% of the Maximum Buy-back Size, shall be liable to be forfeited and deposited in the Investor Protection and Education Fund of SEBI except for the reasons mentioned in the SEBI Buy-back Regulations or as directed by SEBI in accordance with the SEBI Buy-back Regulations.

(xii) The Company shall submit the information regarding the Equity Shares bought back by it, to the Stock Exchanges on a daily basis in accordance with the SEBI Buy-back Regulations. The Company shall also upload the information regarding the Equity Shares bought back by it on its website (www.vlsfinance.com) on a daily basis.

(xiii) Eligible Sellers who intend to participate in the Buyback should consult their respective tax advisors for applicable taxes.

5. METHOD OF SETTLEMENT

(i) **Settlement of Demat Shares:** The Company will pay consideration for the Buyback to the Company's Broker on or before every pay-in date for each settlement, as applicable to the respective Stock Exchanges where the transaction is executed. The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company designated for the Buyback (**"Company Demat Account"**), on receipt of such Demat Shares and after completion of the clearing and settlement obligations of the Stock Exchanges. Beneficial owners holding Demat Shares would be required to transfer the number of such Demat Shares sold to the Company pursuant to the Buy-back, in favour of their stock broker through whom the trade was executed, by tendering the delivery instruction slip to their respective depository participant ("DP") for debiting their beneficiary account maintained with the DP and crediting the same to the broker's pool account as per procedure applicable to normal secondary market transactions.

(ii) **Extinguishment of Demat Shares:** The Demat Shares bought back by the Company shall be extinguished in the manner specified in the Securities and Exchange Board of India (Depository and Participants) Regulations, 2018 and its bye-laws, in the manner specified in the SEBI Buy-back Regulations and the Companies Act. The Company undertakes to ensure that all Demat Shares bought back by the Company are extinguished within seven (7) days of expiry of the Buy-back Period.

(iii) Consideration for the Equity Shares bought back by the Company shall be paid only by way of cash through normal banking channel.

6. BRIEF INFORMATION ABOUT THE COMPANY

(i) The Company was originally incorporated in the name of Vardhman Leasing and Services Limited on January 20, 1986 with the Registrar of Companies, Delhi & Haryana. The name of the Company was changed to VLS Finance Limited on September 08, 1994. The registered office of the Company is situated at Ground Floor, 90, Okhla Industrial Estate, Phase III, New Delhi – 110020; Tel: +91 11 46656666. The Company's Corporate Identification Number (CIN) is L65910DL1986PLC023129.

(ii) VLS Finance Limited is a SEBI Registered Stock Broker being a Trading Member of the BSE Limited. The company is a public limited company registered under the Companies Act, 1956. The Company was holding certificate of registration as Non-Banking Finance Company (NBFC) issued by RBI. The Company ceased to be an NBFC w.e.f. January 01, 2014 consequent to voluntarily surrender of its certificate of registration as NBFC and the same has been duly accepted by RBI vide their letter dated February13, 2014.

(iii) 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, Mumbai, Calcutta, Madras, UP at Kanpur and at 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. Presently the equity shares of the company are listed on BSE, NSE & CSE. However, its equity shares are traded only on BSE & NSE. 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.

(iv) The Company has two wholly owned subsidiaries namely VLS Securities Limited and VLS Real Estate Limited. The Company has also another subsidiary by the name of VLS Asset Management Limited. VLS Securities Limited is a SEBI Registered Stock Broker and Merchant Banker. VLS Asset Management and VLS Real Estate are currently not doing any business activity.

7. FINANCIAL INFORMATION ABOUT THE COMPANY

(i) The brief financial statement of the Company is as under:

(₹ in Lakhs)

Particulars	Standalone				Consolidated			
	Unaudited	Audited			Unaudited	Audited		
	For six months ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For six months ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations	2,113.82	28,555.38	21,461.45	2,764.13	2,614.91	22,933.15	22,098.46	3,049.66
Other Income	18.04	73.35	2.17	9.24	88.67	301.30	119.34	535.14
Total Income	**2,131.86**	**28,628.73**	**21,463.62**	**2,773.37**	**2,703.57**	**23,234.45**	**22,217.80**	**3,584.80**
Total Expense (excluding Finance Cost, Depreciation & Amortization, Tax and Exceptional Items)	729.22	1,814.68	1,203.58	3,879.22	842.31	2,081.69	1,353.48	3,944.51
Finance Cost	3.05	2.22	1.63	6.56	10.44	3.24	3.77	6.56
Depreciation & Amortization	205.06	146.69	76.17	115.60	205.27	147.58	77.64	116.30
Exceptional Items	-	-	-	-	-	-	-	-
Profit Before Tax	**1,194.54**	**26,665.14**	**20,182.24**	**(1,228.01)**	**1,645.55**	**21,001.94**	**20,782.91**	**(482.57)**
Tax Expenses	311.09	(1,226.20)	1,399.94	4,476.77	217.25	20.51	1,353.44	4,407.64
Profit After Tax	**1,505.63**	**25,438.94**	**21,582.18**	**3,248.76**	**1,862.80**	**21,022.45**	**22,136.35**	**3,925.07**
Other Comprehensive Income	(6,057.47)	10,882.43	25,042.83	15,437.22	(12,806.54)	33,078.63	57,071.84	43,220.50
Total Comprehensive Income	(4,551.84)	36,321.37	46,625.01	18,685.98	(10,943.74)	54,101.08	79,208.19	47,145.57
Paid Up equity Share Capital	3,878.42	3,878.42	3,878.42	3,878.42	3,878.42	3,878.42	3,878.42	3,878.42
Other Equity	1,61,965.78	1,67,097.53	1,31,356.11	85,311.03	2,81,130.09	2,92,653.76	2,39,257.78	1,71,286.79
General & Free Reserves	10,68,30.86	104,935.12	74,422.42	46,148.65	109,636.14	107,383.24	76,275.29	48,786.09
Net Worth*	1,02,087.09	1,08,813.54	78,300.84	50,027.07	1,08,143.64	1,11,261.66	80,153.71	52,664.51
Total Debt	126.01	91.33	-	22.89	126.01	91.33	-	22.89

**Net Worth Includes Equity Share Capital and General & free reserves (excluding Capital Reserve, Capital redemption reserve, Non-controlling interest, fair value gain through other comprehensive income). For September 30, 2022 the net worth is considered average by taking of net worth as on September 30, 2021 and September 30, 2022*

Key Financial Ratios

Particulars	Standalone				Consolidated			
	Unaudited	Audited			Unaudited	Audited		
	For six months ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For six months ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic/Diluted Earning Per Share (₹) (1)	3.89	65.80	55.82	8.40	4.82	54.37	57.26	10.15
Book Value Per share (₹) (2)	264.05	281.45	202.53	129.40	279.72	287.78	207.32	136. 22
Total Debt Equity Ratio (3)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Return on Net worth (%) (4)	14.46%	23.38%	27.56%	6.49%	7.10%	18.89%	27.62%	7.45%

Notes:

(1) Earning Per Share = Net Profit after tax / Number of equity shares outstanding during the period/year. Earnings Per Share figures are not annualized figures and are computed for the particular period only

(2) Book Value per Share = Net Worth/Number of equity shares outstanding during the period/year. For calculation of Book Value as on September 30, 2022 the Net Worth is considered by taking average of Net Worth as on September 30, 2021 and September 30, 2022

(3) Debt/Equity Ratio = Total Debt/Net Worth. The Net Worth as on September 30, 2022 is average of Net Worth of September 30, 2021 and September 30, 2022

(4) Return on Net Worth = Net Profit After Tax/ Net Worth. Return on Net Worth is computed as Profit After Tax for the last 12 months ending September 30, 2022 divided by average Net Worth (average of September 30, 2021 and September 30, 2022)

Financial Ratios on standalone and consolidated basis (Pre and Post-Buy- back) are as under:

Particulars	Standalone		Consolidated	
	Pre-Buy-Back	Post Buy-Back(7)	Pre-Buy-Back	Post Buy-Back(7)
Net worth (1) (in ₹ Lakhs)	1,02,087.09	95,087.09	1,08,143.64	1,01,143.64
Return on Net Worth (%) (2)	14.46%	15.53%	7.10%	7.59%
Basic/Diluted earnings per share (₹) (3)	3.89	4.28	4.82	5.30
Book value per share (₹) (4)	264.05	270.43	279.72	287.65
Price/Earnings Ratio (P/E) (%) (5)	4.20	3.82	8.07	7.35
Total Debt/Equity Ratio (%) (6)	0.00	0.00	0.00	0.00

Notes:

(1) average Net Worth (average of September 30, 2021 and September 30, 2022)

(2) Return on Net Worth is computed by taking Profit After Tax for the last 12 months ending September 30, 2022 divided by average Net Worth (average of September 30, 2021 and September 30, 2022)

(3) Earning Per Share = Net Profit after tax / Number of equity shares outstanding during the period/year. Earnings Per Share is for 6 months ended September 30, 2022 and are not annualized figures

(4) Book Value per Share = Net Worth (average of September 30, 2021 and September 30, 2022)/Number of equity shares outstanding during the period

(5) Share price to calculate P/E has been taken as closing price of January 5, 2023 on BSE i.e. ₹160.45.

(6) Debt/Equity Ratio = Total Debt/Net worth. The Net Worth as on September 30, 2022 is average Net Worth of September 30, 2021 and September 30, 2022

(7) The post Buyback numbers are calculated by reducing the net worth with the proposed Buyback of ₹7000.00 lakhs (assuming buy-back being exercised for maximum buy-back size) without factoring in any other impact to the net worth).

(ii) The Company shall comply with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever applicable. The Company hereby declares that it is in compliance with Sections 68, 69 and 70 of the Companies Act and the Companies (Share Capital and Debentures) Rules, 2014.

8. DETAILS OF ESCROW ACCOUNT

(i) In accordance with Regulation 20 of the SEBI Buy-back Regulations, an escrow agreement dated January 5, 2023 ("Escrow Agreement") has been entered into amongst the Company, the Manager to the Buyback and HDFC Bank Limited ("Escrow Agent"). The Escrow Agent has its registered office at HDFC Bank House, Senapati Bapat Road, Lower Parel Mumbai, Maharashtra - 400 013

(ii) In accordance with the Escrow Agreement, the Company has opened an escrow account the Company has opened an escrow account in the name and style **"VLS Finance Limited- Buy back Escrow A/c"** (**"Escrow Account"**) bearing the account number 57500001149696 with the Escrow Agent.

(iii) In accordance with Regulation 20 of the Buyback Regulations, the Company shall deposit with the Escrow Agent in cash an amount of **₹17,50,00,000 (Rupees Seventeen Crore Fifty Lakhs only)** (**"Cash Escrow"**) being 25% of the Maximum Buyback Size prior to the opening of the Buyback. In accordance with the SEBI Buy-back Regulations, the Merchant Banker to the Buyback has been empowered to operate the Escrow Account.

(iv) If the Company is not able to complete the Buy-back equivalent to the Minimum Buy-back Size, except for the reasons mentioned in the SEBI Buy-back Regulations, the amount held in the Escrow Account (up to a maximum of 2.5% of the Maximum Buy-back Size), shall be liable to be forfeited and deposited in the Investor Protection and Education Fund of SEBI or as directed by SEBI in accordance with the SEBI Buy-back Regulations.

9. LISTING DETAILS AND STOCK MARKET DATA

(i) The Equity Shares are currently listed on BSE, NSE and CSE. However, its equity shares are traded only on BSE and NSE. The equity shares of the Company have 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.

(ii) The high, low and average of closing market prices in preceding three (3) financial years and for the six (6) months preceding the date of publication of Public Announcement and the corresponding volumes on the BSE are as follows:

Period	High Price (Rs)	Date of High Price	Number of shares traded on that date	Low Price	Date of Low Price	Number of shares traded on that date	Average Price	Total Volume Traded in the period (No. of shares)
Preceding three financial years								
April 1, 2021 to March 31, 2022	264.85	July 27,2021	69,320	78.00	April 19,2021	5,509	176.12	50,81,137
April 1, 2020 to March 31, 2021	96.55	March 1, 2021	43,399	32.75	April 1, 2020	1,359	59.77	30,32,417
April 1, 2019 to March 31, 2020	64.80	May 27,2019	10,526	26.50	March 24,2020	1,674	52.26	18,61,320
Preceding 6 months								
December 2022	143.30	December 14,2022	8,320	120.50	December 23,2022	3,982	134.75	1,15,445
November 2022	152.90	November 10,2022	7,739	131.85	November 18,2022	2,953	136.17	72,717
October 2022	142.00	October 14,2022	4,321	115.00	October 17,2022	6,920	133.93	55,619
September 2022	159.75	September 15, 2022	4,043	133.85	September 28,2022	5,627	145.78	1,24,573
August 2022	165.55	August 11,2022	5,571	140.00	August 16, 2022	21,866	147.55	1,08,239
July 2022	154.80	July 18,2022	4,130	138.20	July 28,2022	4,305	144.66	45,483

Source : www.bseindia.com

Note: High and Low price for the period are based on intraday prices and Average Price is based on average of closing price

(iii) The high, low and average of closing market prices in preceding three (3) financial years and for the six (6) months preceding the date of publication of Public Announcement and the corresponding volumes on the NSE are as follows:

Period	High Price (Rs)	Date of High Price	Number of shares traded on that date	Low Price	Date of Low Price	Number of shares traded on that date	Average Price	Total Volume Traded in the period (No. of shares)
Preceding three financial years								
April 1, 2021 to March 31, 2022	256.00	July 27, 2021	5,35,897	77.70	April 19,2021	29,157	176.10	3,53,33,956
April 1, 2020 to March 31, 2021	100.90	February 24,2021	63,427	31.65	April 3,2020	11,523	59.75	1,62,35,990
April 1, 2019 to March 31, 2020	67.30	May 20,2019	35,985	25.20	March 24,2020	12,007	52.28	49,87,555
Preceding 6 months								
December 2022	143.90	December 15, 2022	72,917	120.50	December 23,2022	55,126	134.64	10,34,281
November 2022	151.80	November 10,2022	1,06,782	130	November 1, 2022	1,06,107	136.21	10,06,982
October 2022	147.85	October 4,2022	33,422	128.90	October 17,2022	17,009	133.75	3,76,743
September 2022	158.00	September 15,2022	1,27,138	133.75	September 28,2022	48,847	145.65	11,18,419
August 2022	164.65	August 11, 2022	64,780	140.10	August 16,2022	1,60,105	147.70	8,95,237
July 2022	155.00	July 11,2022	6,204	140.15	July 1, 2022	6,151	144.51	2,49,879

Source : www.nseindia.com

Note: High and Low price for the period are based on intraday prices and Average Price is based on average of closing price

(iv) There has been no change in the equity share capital of the Company including by way of bonus issue, rights issue or consolidation of Equity Shares during the period for which data has been disclosed in the tables.

(v) Stock Price Data for relevant dates

Date	Description	BSE			NSE		
		High ₹	Low ₹	Closing ₹	High ₹	Low ₹	Closing ₹
December 30,2022	Day on which Notice of Board Meeting to consider Buyback Proposal	137.70	141.05	138.80	141.50	135.20	138.30
January 4, 2023	Trading day Prior to Board Meeting to consider Buyback Proposal	164.40	156.05	158.75	164.40	148.30	158.25
January 5, 2023	Board Meeting day passing the resolution	163.45	158.30	160.45	163.50	158.25	160.05
January 6, 2023	First Trading Day post Board Meeting day	160.45	151.55	153.85	160.00	151.15	153.80

Source : www.bseindia.com & www.nseindia.com

10. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

(i) The capital structure of the Company pre and post completion of the Buyback, as on the date of the Public Announcement is as follows:

Particulars	Present	Post Completion of the Buy-back #
Authorized equity share capital	₹15,000.00 Lakhs (15,00,00,000 equity shares of ₹10 each)	₹15,000.00 Lakhs (15,00,00,000 equity shares of ₹10 each
Issued, subscribed and paid up share capital	₹3878.42 Lakhs* (3,86,62,017 equity shares of ₹10 each)	₹3528.42 Lakhs (3,51,62,017 equity shares of ₹10 each)

** 4,67,500 Equity Shares were forfeited and capital received on forfeited shares was ₹ 12.22 Lakhs, hence the paid up capital as on date is ₹ 3878.42 Lakhs.*

 # Assuming the full acceptance of the Buy-back Size at the Maximum Buy-back Price. However, the post Buy-back issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

Notes:

1. Equity shares issued on May 7, 1998, pursuant to the 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 equity shares.
2. The Company had issued bonus equity shares on August 6, 1998, in ratio of 1: 1. 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) and CSE is pending as on date. However, the Company has received listing & trading permission from NSE for the said equity shares.
3. The Company had issued bonus equity shares on July 11, 2000 in the ratio of 2:1. Out of the said bonus issue 400000 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 equity shares.

Therefore the listed number of equity shares at BSE is 38062017 equity shares of ₹ 10/- each & CSE is 38462017 equity shares of ₹ 10/- each.

(ii) There are no partly paid-up or Equity Shares or calls in arrears as on the date of this Public Announcement.

(iii) There are no outstanding instruments convertible into equity shares

(iv) The shareholding pattern of the Company pre Buy-back as on date of the Board meeting approving the Buy-back i.e. January 5, 2023 and the post Buy-back shareholding pattern assuming full acceptance, is as follows:

Category of Shareholder	Pre- Buy-Back		Post Buy-Back #	
	No. of Equity Shares	% to the existing Equity Share capital	No. of Equity Shares	% to the post-Buyback Equity Share Capital
Promoters and persons acting in Concert (**Collectively "the Promoters"**)	1,76,91,936	45.76	1,76,91,936	50.32
Pubic	2,09,70,081	54.24	1,74,70,081	49.68
Total	**3,86,62,017**	**100.00**	**3,51,62,017**	**100.00**

Assuming the full acceptance of the Buy-back Size at the Maximum Buy-back Price. However, the post Buy-back issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back

(v) There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act.

(vi) The aggregate shareholding of the promoter, promoter group and of the directors of the corporate promoters is disclosed in Paragraph 4(i) of Part A of this Public Announcement and none of these persons have purchased or sold any Equity Shares of the Company during a period of twelve months preceding the date of this Public Announcement i.e. January 7, 2023

11. MANAGEMENT DISCUSSION AND ANALYSIS ON THE LIKELY IMPACT OF THE BUY-BACK ON THE COMPANY

(i) The Buy-back is not likely to cause any material impact on the earnings of the Company, except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards the Buy-back.

(ii) The Buy-back of Equity Shares will result in a reduction in share capital and consequently, is expected to be EPS accretive. The Company believes that the Buy-back will contribute to the overall enhancement of shareholders' value going forward. The amount required by the Company for the Buy-back (including the cost of financing the Buy-back and the transaction costs) will be invested out of the internal accruals of the Company.

(iii) Pursuant to Regulation 16(ii) of the SEBI Buy-back Regulations, the Promoters are not entitled to participate under the Buy-back. The Buy-back of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.

(iv) Consequent to the Buy-back and based on the number of Equity Shares bought back from the shareholders excluding the promoters, the shareholding pattern of the Company would undergo a change, however public shareholding shall not fall below 25% of the total fully paid-up equity share capital of the Company.

(v) As required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves post Buy-back.

(vi) Unless otherwise determined by the Board and the Buy-back Committee, duly authorized by the Board, the Buy-back will be completed within a maximum period of six (6) months from the date of opening of the Buy-back. The Company shall not withdraw the Buy-back after this Public Announcement has been made except as permitted under relevant rules, regulations and laws.

(vii) Further, the Company shall not issue any equity shares or other securities including by way of bonus issue or convert any outstanding instruments into equity shares, till the expiry of the Buy-back Period in accordance with the Companies Act and the SEBI Buy-back Regulations. In compliance with the provisions of the Companies Act, the Company shall not raise further capital for a period of six (6) months from the expiry of the Buy-back period except by way of a bonus issue or in the discharge of subsisting obligations. Further, in accordance with the SEBI Buy-back Regulations, the Company shall not raise further capital for a period of one (1) year from the expiry of the Buy-back Period, except in discharge of its subsisting obligations

(viii) Consequent to the Buy-back and based on the number of equity shares bought back by the Company from its shareholders as permitted under the SEBI Buy-back Regulations, the shareholding pattern of the Company would undergo a change.

12. STATUTORY APPROVALS

(i) Pursuant to Sections 68, 69, 70 and other applicable provisions of the Companies Act and the Rules, if any, there under and the SEBI Buy-back Regulations, the Company has obtained the Board approval as mentioned above.

(ii) The Buy-back from each eligible shareholder of the Company is subject to all statutory consents and approvals as may be required by such shareholder under applicable laws and regulations. The shareholders shall be solely responsible for obtaining all such statutory consents and approvals (including, without limitation the approvals from the RBI, if any) as may be required by them in order to sell their equity shares to the Company pursuant to the Buy-back. Shareholders would be required to provide copies of all such consents and approvals obtained by them to the Company's Broker.

(iii) The Buy-back shall be subject to such necessary approvals as may be required and the Buy-back from overseas corporate bodies and other applicable categories, shall be subject to such approvals of the RBI, if any, under the Foreign Exchange Management Act, 1999.

(iv) To the best of the knowledge of the Company, no other statutory approvals are required by it for the Buy-back, as on the date of this Public Announcement. Subject to the obligation of the shareholders to obtain the consents and approvals necessary for transfer of their equity shares to the Company as set out in Paragraph 12(ii) above, the Company shall obtain such statutory approvals as may be required, from time to time, if any, for completion of the Company's obligations in relation to the Buy-back.

13. COLLECTION AND BIDDING CENTRES

The Buy-back will be implemented by the Company by way of open market purchases through the Stock Exchanges using their nationwide trading terminals. Therefore, the requirement of having collection centres and bidding centres is not applicable.

14. COMPLIANCE OFFICER AND INVESTOR SERVICE CENTRE

Investors may contact the Compliance Officer and Investor Service Centre of the Company for any clarifications or to address their grievances, if any, during office hours between 10:30 a.m. to 5:00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

H. Consul, Company Secretary & Compliance Officer
Ground Floor, 90, Okhla Industrial Estate, Phase III, New Delhi – 110020.
Tel: +91 11 46656666; **E-mail:** hconsul@vlsfinance.com; **Website:** www.vlsfinance.com

15. REGISTRAR TO THE BUY-BACK

In case of any query, the equity shareholders may contact the following, during office hours between 10.30 a.m. to 5:00 p.m., on any day except Saturday, Sunday and public holidays at the following address

RCMC Share Registry Private Limited
B-25/1, Okhla Industrial Area, Phase -2, Near Rana Motors, New Delhi – 110020
Tel: 011-26387320; **Fax:** 011-26387322; **Email:** investor.services@rcmcdelhi.com

16. MANAGER TO THE BUY-BACK

smc capitals

A- 401/402, Lotus Corporate Park, Off Western Express Highway, Jai Coach Signal, Goregaon (East), Mumbai – 400063, Maharashtra, India
Tel: 022 - 66481818; **E-mail:** buyback@smccapitals.com;
Investor Grievance e-mail: investor.grievance@smccapitals.com
Website: www.smccapitals.com
Contact person: Satish Mangutkar/ Bhavin Shah
SEBI Registration Number: INM000011427

17. DIRECTORS' RESPONSIBILITY

As per Regulation 24(i)(a) of the Buy-back Regulations, the Board accepts responsibility for the information contained in this Public Announcement and for the information contained in all other advertisements, circulars, brochures, publicity materials etc. which may be issued in relation to the Buy-back and confirm that the information in such documents contains and will contain true, factual and material information and does not and will not contain any misleading information.

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

S.K.Agarwal	K.K. Soni	H.Consul
Managing Director	**Director (Finance & CFO)**	**Company Secretary & Compliance Officer**
DIN : 00106763	**DIN :** 00106037	**Membership Number :** A11183

Date: January 7, 2023
Place: New Delhi

CONCEPT