

VLS FINANCE LIMITED

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NOTICE OF 35th Annual General Meeting ("AGM")

NOTICE is hereby given that the 35th Annual General Meeting of the Members of VLS FINANCE LTD. will be held on Friday, 30th September, 2022 at 3:30 p.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2022, the statement of Profit & Loss for the year ended on that date, the enclosures thereto together with the report of Auditors and Directors thereon and the consolidated Financial Statements for the said period.
2. To approve dividend of Rs.1.50/- per equity share.
3. To appoint a Director in place of Shri Mahesh Prasad Mehrotra (DIN: 00016768) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Kishan Kumar Soni (DIN: 00106037) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, M/s. Agiwal & Associates, Chartered Accountants, (Firm's Registration No. 000181N) be and are hereby appointed as Statutory Auditors of the Company for a period of 5 (five) years to hold office from the conclusion of this Annual General Meeting until the conclusion of the 40th Annual General Meeting subject to such other confirmation as may be required under applicable regulations from time to time and at such remuneration as may be determined by the Board of Directors of the Company / Committee of the Board from time to time and that the said remuneration may be paid on a progressive billing basis or as mutually agreed between the Auditors and the Board/Committee of Board or such other officer of Company as may be authorized by the Committee/ Board."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass the following resolution as Special Resolution for re-appointment of Shri Suresh Kumar Agarwal (DIN: 00106763) as Managing Director:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 read with Article No. 108 of the Articles of Association of the Company and such other Laws, Rules and Regulations as may be applicable and subject to such other approvals as may be required, consent of the members of the Company be and are hereby accorded for reappointment of Shri Suresh Kumar Agarwal (DIN: 00106763) who is also Managing Director of VLS Securities Ltd., as Managing Director, subject to retirement by rotation, for a period of 3 (three) years w.e.f. 21st August, 2022 (i.e. from 21/08/2022 to 20/08/2025) on such remuneration as set out in explanatory statement annexed to this notice and on such other terms and conditions as are expressed and contained in the agreement dated 28/05/2022 entered into for this purpose between the Company and Shri Suresh Kumar Agarwal which agreement be and is hereby also approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and / or revise the remuneration of the said Managing Director within the permissible limits under the provisions of the Companies Act, 2013 or any statutory modification thereof, from time to time, to settle any question or difficulty in connection therewith or incidental thereto and to do all such things, deeds and acts including delegation of powers herein to any person/committee as may be necessary or expedient for giving effect to said appointment."

7. To consider and if thought fit, to pass the following resolution as Special Resolution for re-appointment of Shri Kishan Kumar Soni (DIN:00106037) as Director- Finance & CFO:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with applicable Rules, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and such other laws rules and regulations as may be applicable and subject to such other approvals as may be required, consent of the members of the Company be and are hereby accorded for re-appointment of Shri Kishan Kumar Soni (DIN: 00106037), as the Director-Finance & CFO of the Company subject to retirement by rotation, for a period of

three years w.e.f. 01/08/2022 upto 31/07/2025, on such remuneration as set out in explanatory statement annexed to this notice and other terms and conditions which are expressed and contained in the agreement dated 28/05/2022 entered into for this purpose between the Company and Shri Kishan Kumar Soni, which agreement be and is hereby also approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and / or revise the remuneration of the said Director-Finance & CFO within the permissible limits under the provisions of the Companies Act, 2013 or any statutory modification thereof, from time to time, to settle any question or difficulty in connection therewith or incidental thereto and to do all such things, deeds and acts including delegation of powers herein to any person/committee as may be necessary or expedient for giving effect to said appointment."

8. To approve modification of remuneration of Shri Vikas Mehrotra (DIN: 06476150) - Managing Director- International Operations of the Company and in this connection to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 197, 203 read with Schedule V of the Companies Act, 2013 as amended and other applicable laws, subject to such approvals, permission and sanctions, if any, as may be required, the consent of the members of the Company be and is hereby accorded to the revision in remuneration of Shri Vikas Mehrotra (DIN: 00016768) - Managing Director- International Operations of the Company and the revised remuneration package of Shri Vikas Mehrotra - Managing Director-International Operations shall be as under:

a. Salary

Basic salary of Rs. Rs. 4,46,429/- (Rupees Four Lac Forty-Six Thousand Four Hundred Twenty Nine Only) per month.

b. Perquisites

In addition to the aforesaid salary, the Managing Director-International Operations will be entitled to the following Perquisites:

- i. Provident Fund as per rules of the Company.
- ii. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.
- iii. Facility of Telephones or provision of similar equipment/ facilities for official purpose will be free & not to be considered as perquisites except that the charges for personal long-distance calls will be billed by Company to Managing Director- International Operations.
Provided that the total value of salary and perquisites herein above shall not exceed at any time, the ceiling of remuneration prescribed in relevant regulations in force, for the time being.

- c. Sitting Fees: The Managing Director- International Operations shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the effective date of his appointment except that any such fee paid for any reason shall be adjusted from remuneration payable for said period.

RESOLVED FURTHER THAT all other terms and conditions of service as contained in the agreement dated 13/11/2021 entered into between the Company and the Managing Director-International Operations will remain unchanged.

RESOLVED FURTHER THAT the aforesaid revision in remuneration shall be effective from 1st June, 2022, for residual period of appointment of Managing Director- International Operations unless enhanced during the intervening period, in accordance with applicable provisions of Companies Act, 2013 and/or other law(s), for the time being in force.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and/or revise upwards the remuneration of the Managing Director- International Operations within the permissible limits under the provisions of the Companies Act, 2013 or any statutory amendment/modification thereof, from time to time, to take all necessary steps in this regard in order to comply with all the legal, procedural and other formalities to settle any question or difficulty in connection therewith or incidental thereto and to do all such things, deeds and acts including delegation of powers herein to any person/committee as may be deemed necessary or expedient for giving effect to said revision

and in case it is required to obtain the consent of Company in this regard, to the end and intent then it shall be deemed to have been accorded expressly by authority of this resolution."

By order of the Board
for VLS Finance Ltd.

Place: New Delhi
Date : 13/08/2022

(H. Consul)
Company Secretary
M. No. A11183

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto and form part of this notice. The Board of Directors have considered and decided to include the Item Nos. 6 to 8 as Special Business in the forthcoming AGM, as they are unavoidable in nature. The details pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this notice.
2. In view of the continuing restrictions on the movement of people due to global outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 02/2022 dated 05/05/2022 read with Circular No. 21/2021 dated 14/12/2021; Circular No. 19/2021 dated 08/12/2021; Circular No. 02/2021 dated 13/01/2021, Circular No. 20/2020 dated 5th May, 2020 and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021 and May 13, 2022 respectively, issued by the Securities and Exchange Board of India ('SEBI'), collectively referred to as the Circulars, hereinafter and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without physical presence of members at common venue during the calendar year 2022. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the 35th AGM of the Company shall be conducted through VC / OAVM. The National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. Hence, the members can participate in AGM through VC/OAVM only. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 8 herein and is also available on the website of the Company at www.vlsfinance.com.
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. The proceedings of AGM shall be deemed to be conducted from registered office of the Company being the deemed venue for AGM. The term 'member' or 'shareholder' appearing anywhere herein refers to person whose name stands in register of members of the Company on the relevant date.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 23/09/2022 to Friday 30/09/2022 (both days inclusive).

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

5. In accordance with, the General Circular No. 02/2022 dated 05/05/2022 read with General Circular No. 20/2020 dated 05/05/2022 issued by MCA and Circular No. SEBI/HO/CFD/ CMD2/ CIR/P/2021/11 dated 15/01/2021 read with SEBI/HO/CFD/ CMD2/ CIR/P/2022/62 dated 13/05/2022 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith) for the year 2021-22, such statements including the Notice of AGM are to be sent in electronic mode only, to Members whose e-mail address is registered with the Company or the depositories, as per records of the Company on the date of sending the documents. Attention of members is also invited to the Ministry of Corporate Affairs "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and it has been clarified through circulars that service of notice/ documents including Annual Report can be made by e-mail or other electronic means to its members for compliance of relevant provisions of the Act. To support this green initiative of the Government in full measure, members who have not registered their e-mail address so far are requested to register their email address as per procedure enumerated hereinafter.

6. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at its registered office or email at vls@vlsfinance.com followed by physical copy of the signed request in Form ISR-1 besides updating other information as per SEBI's directive dated 03/11/2021, if not done already. Please refer clause 42 herein for details.

Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulty in registering the e-mail address, Members may write to vls@vlsfinance.com or hconsul@vlsfinance.com.

7. This Notice of AGM along with Annual Report for the financial year 2021-22, is available on the website of the Company at www.vlsfinance.com, on the website of Stock Exchanges i.e. BSE Limited, National Stock Exchange of India Limited, the Calcutta Stock Exchange Association Ltd. and on the website of NSDL at www.evoting.nsdl.com.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

8. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Members login where the EVEN of Company will be displayed. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in Note No. 20 herein. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
9. For convenience of the Members and proper conduct of AGM, Members can login and join 15 (Fifteen) minutes before the time scheduled for the AGM and facility to join shall be kept open throughout the proceedings of AGM.
10. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
11. Members who need assistance before or during the AGM with use of technology, can:
 - Send a request at evoting@nsdl.co.in or use Toll free no.: 1800-222-990; or
 - Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone number +91-99202 64780; or
 - Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone number +91-75066 82281.
12. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM. Any Institutional Member, facing issues for participating in AGM can write to vls@vlsfinance.com or investor.services@rcmcdelhi.com.
13. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

15. The Members, whose names appear in the Register of Members / list of Beneficial Owners at the closing hours on Thursday, 22nd September, 2022, i.e. the date preceding to the commencement of book closure, being the cut-off date, are entitled to attend the AGM and vote on the Resolutions set forth in this Notice. The voting right of shareholders shall be in proportion to their share in the paid-up share capital of the Company as on cut off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
16. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members holding shares as on

cut off date are encouraged to express their views / send their queries in advance mentioning their name, securities account number / folio number, email id, mobile number at vls@vlsfinance.com. Questions / queries received by the Company between Thursday, 22nd September, 2022 till 5.00 p.m. on Friday 25th September, 2022 shall only be considered and responded during the AGM.

17. Members holding shares as on cut off date who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address to vls@vlsfinance.com mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number between 9.00 a.m. on Friday, 23rd September, 2022 and 5.00 p.m. on Sunday, 25th September, 2022. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
18. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

19. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at

9.00 a.m. on Tuesday 27/09/2022 and end at 5.00 p.m. on Thursday 29/09/2022. The remote e-voting facility will be disabled by NSDL for voting thereafter. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at <https://www.evoting.nsdl.com/>. The e-voting module on the day of the AGM shall be disabled by NSDL for voting, 15 minutes after the conclusion of the meeting.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

20. **How do I vote electronically using NSDL e-Voting system?**




The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

- Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?

- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 - After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Now, you will have to click on "Login" button.
 - After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vls@vlsfinance.com with a copy marked to evoting@nsdl.co.in.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to any of the officials as per note no. 11 herein at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate

(front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to vis@vlsfinance.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to vis@vlsfinance.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
 3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
21. Members holding multiple folios/securities (demat) account shall choose the voting process separately for each folio/ securities account. Voting for each item of notice has to be done separately unless option for enbloc 'assent' or 'dissent' is exercised.
 22. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 23. In terms of provisions of Sections 108 and 109 of the Companies Act, 2013('the Act') read with Rules 20 and 21 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the listing regulations for votes cast through remote e-voting and by e-voting at AGM on the business to be transacted in AGM of the Company on 30/09/2022, the Board of Directors of the Company has appointed Shri Ashutosh Aggarwal (M. No.A9972 and CoP No. 7467) of A. Aggarwal & Associates - Company Secretaries to act as the scrutinizer. Shri Ashutosh Aggarwal has consented to act as Scrutinizer for conducting voting process in fair and transparent manner. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The scrutinizer after completion of scrutiny of the voting (Votes casted through remote e-voting prior to AGM and votes casted during AGM) shall submit a consolidated scrutinizer report of votes cast in favour or against for each items of notice to the chairman of the meeting or in his absence to the Managing Director or in his absence to the Director -Finance & CFO of the Company who shall countersign the same and declare the result not later than 2 working days from the conclusion of AGM.
 24. The results of the electronic voting upon declaration shall be disseminated forthwith to the concerned Stock Exchanges. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company at www.vlsfinance.com and at the registered office of the company.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

25. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode or at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of AGM. Request for inspection may be sent on vis@vlsfinance.com.
26. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection electronically upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>.

DIVIDEND RELATED INFORMATION:

27. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 22nd September, 2022, i.e. the cutoff date will be paid the Dividend for the financial year ended 31st March, 2022, as recommended by the Board on or before 30/10/2022, if approved at the AGM.
28. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts as on cutoff date, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants and also ensure that complete and correct updation is done by concerned depository participant before cutoff date.
29. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. RCMC Share Registry Pvt. Ltd., Registrar and Share Transfer Agent of the Company or Corporate Secretarial Department of the Company by sending a request on email at vis@vlsfinance.com or its Registrar and transfer agent at investor.services@rcmcdelhi.com followed by physical copy thereof in prescribed format. It is advisable to update all information sought as per SEBI directive dated 03/11/2021 in prescribed format to facilitate serving to members by the Company. The format is available on the website of the Company and can also be obtained by sending email at vis@vlsfinance.com. Please refer clause 42 herein for details. In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant to such shareholder by post.
30. Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of payment of dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with, the provisions of the Income Tax Act, 1961.
 - a) For Resident Shareholders, TDS shall be made under Section 194 of the Income Tax Act, 1961 at 10% on the amount of Dividend declared and paid by the Company during financial year 2022-23 provided Permanent Account Number ("PAN") is registered by the Shareholder. If PAN is not registered, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961. Members are therefore, requested to update their PAN in their folio/demat account by approaching Company or RTA/Depository Participant respectively.

However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by him during financial year 2022-23 does not exceed Rs. 5,000/-. Please note that this includes the future dividends if any which may be declared by the Board in the financial year 2022-23. Further tax will be deducted at higher rate of 20% in case PAN is not linked with Aadhar besides freezing of such folio/securities account after 31/03/2023 unless extended, if aforesaid linking is not done.

Further, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.

Section 206AB introduced by the Finance Act, 2021 effective 1st July, 2021 (amended by Finance Act, 2022 effective 1st April, 2022), provides for deduction of higher rate of tax in case a person:

- Had not filed Income Tax return (ITR) for the preceding previous year where the time limit to file the return of income prescribed u/s 139 (1) of the Income-tax Act, 1961 has expired; and
- Had aggregate TDS/TCS credit of C50,000 or more in that preceding year.

Accordingly, in case both the above conditions are not fulfilled, tax would be deducted at a higher rate.

- For Non-resident Shareholders, taxes are required to be withheld in accordance with, the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (plus applicable Surcharge and Cess) on the amount of Dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident for the financial year 2022-23.
- Self declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
- Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
- Self-declaration, certifying the following points:
 - Member is and will continue to remain a tax resident of the country of its residence during the financial year 2022-23;
 - Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and
 - Member does not have a taxable presence or a permanent establishment in India during the financial year 2022-23.
 - Non-Resident Shareholder is satisfying the Principle Purpose Test as per the respective tax treaty effective 1st April, 2020 (if applicable).

31. Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident shareholder.

32. Kindly note that the aforementioned documents are required to be submitted at <https://rcmcdelhi.com> with copy to vls@vlsfinance.com on or before Friday, 16th September, 2022 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination / deduction shall be entertained post Friday, 16th September, 2022. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. *The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.*

33. The Company shall arrange to email the soft copy of TDS certificate to you at your registered email ID in due course, post payment of the said Dividend.

34. The Unpaid/unclaimed dividends up to 31/03/1995 had been transferred to General Revenue Account of Central Government and can be claimed from the Central Government in prescribed form.

Pursuant to Section 205A of the Companies Act, 1956 ("the Act") all unclaimed/unpaid dividends after 31/03/1995 up to the financial year 1997-1999 (18 months) has been credited to Investor Education & Protection Fund ('IEPF'). At present no unpaid/unclaimed dividend remains liable to be transferred to IEPF. The Member(s) whose dividend/shares have been transferred to the IEPF Authority can now claim their dividend / shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>. The amount remaining unpaid/unclaimed of the dividend declared for the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 would be transferred to IEPF as per applicable procedure i.e. after 7 years. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 30/09/2021 (date of previous AGM) are available on the website of the Company at <https://www.vlsfinance.com/investorrelations/unclaimed-and-unpaid-dividends/> and on IEPF's website.

- Members are requested to claim the Dividend for following years by writing to the Company or its RTA, alongwith complete details of their Bank Account and the expired dividend instrument/undertaking for loss of instrument, at the earliest.

| Financial year ended on | AGM Date | Dividend rate | Date of transfer to Unpaid Dividend A/c | Due for Transfer to IEPF on | Amount of unclaimed Dividend as on 31/03/2022 (Rs.) |
|-------------------------|------------|---------------|---|-----------------------------|---|
| 31/03/2017 | 25/09/2017 | 10% | 31/10/2017 | 31/10/2024 | 25,72,269.00 |
| 31/03/2018 | 20/09/2018 | 10% | 26/10/2018 | 26/10/2025 | 26,71,709.00 |
| 31/03/2019 | 12/09/2019 | 10% | 18/10/2019 | 18/10/2026 | 26,44,351.00 |
| 31/03/2020 | 10/12/2020 | 15% | 16/01/2021 | 16/01/2028 | 36,21,133.25 |
| 31/03/2021 | 30/09/2021 | 15% | 06/11/2021 | 06/11/2028 | 36,05,392.76 |

- The investors details of amount remaining unpaid /unclaimed of the dividend declared for the year 1995-96, 1996-97 (18 months), 1997-99 (18 months) and refund of unpaid amount belonging to the public issue in the year 1993 and 1994 had been filed with the IEPF (MCA portal) in Excel format in compliance of Investor Education and Protection fund Authority (Accounting, Audit, Transfer and Refund) Second amendment Rules 2019 effective from 20/08/2019. The list of Members whose dividend/refund for aforesaid years is unclaimed/unpaid is available inter alia on Company's website. Members are requested to claim the said Dividend/refund by applying online in Form IEPF-5 available on the website www.iepf.gov.in alongwith fee specified by the Authority.

- The Company in adherence to its policy to provide par excellence investor service, periodically undertakes to locate members whose share certificate are lying undelivered and promptly sends share certificates upon identification of members. In terms of regulation 39 of SEBI listing regulations, the undelivered shares will be credited to "Unclaimed Suspense Account" with a depository participant and the company has initiated procedural compliance in this regard. As a consequence, inter-alia, the voting rights in respect of such shares shall stand frozen till shares are restored to members. Further, the said shares will be transferred to 'IEPF' alongwith the dividend remaining unpaid/unclaimed as and when the first of such dividend remaining unpaid/unclaimed is liable to be transferred to 'IEPF' i.e. upon expiry of seven years.

OTHERS:

- The shares of the Company are traded in demat segment only w.e.f. 28th August, 2000 for all categories of investors in Stock Exchanges. **The ISIN allotted to Company is INE709A01018** for both the Depositories viz. The National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
- Those persons, who become members of the Company after the dispatch of this notice of the AGM by the Company and whose names appear in the register of members or register of beneficial holders as on the cut-off date may view the notice of the 35th AGM on the Company's website or on the website of NSDL or concerned Stock Exchanges. Such members may exercise their e-voting rights either through remote e-voting by following the procedure as mentioned above or by voting at the AGM. In case of any difficulty Members may contact the Company or its Registrar and Transfer Agent.

40. Members who wish to obtain information about the Company or view the financials of Company may visit the Company's website viz. www.vlsfinance.com
41. The Company has retained **M/s RCMC Share Registry Pvt. Ltd., as its Registrar & Transfer Agent ("RTA")** w.e.f. 01/04/2003 for entire shareholder services. All correspondence, therefore, may be addressed to the said Registrar & Transfer Agent at

B-25/1 First Floor, Okhla Industrial Area Phase II, New Delhi-110 020
Email: investor.services@rcmcdelhi.com, website: www.rcmcdelhi.com
(Phone Nos. 011 – 26387320-21-23 and Fax 011-26387322)

However, for any further assistance in said matters, queries may be addressed to the Company Secretary at its Registered Office at:

First Floor, 90, Okhla Industrial Estate, Phase - III, New Delhi - 110020
Phone No. 011-4665 6666, Fax: 4665 6699.
Dedicated Investor Services e-mail: hconsul@vlsfinance.com
Website: www.vlsfinance.com

The Registered Office of the Company has been shifted from 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 to First Floor, 90, Okhla Industrial Estate, Phase-III, New Delhi-110020 w.e.f. 01/06/2022 pursuant to Board's decision to this effect on 28/05/2022.

42. The extant SEBI listing regulations mandate that no transfer of securities of listed Companies be effected in physical form after 31/03/2019. However, transmission and transposition of physical shares are allowed. Exception is provided under SEBI Press Release No. 12/2019 dated 27/03/2019 only for those transfers of which transfer deed(s) were lodged prior to deadline and returned due to deficiency. The cutoff date for such lodgment was fixed as 31/03/2021 as per SEBI Circular No. SEBI/HOO/MIRSD/RTAMB/CIR/P/2020/166 dated 07/09/2020. Accordingly, after aforesaid cutoff date, no request for transfer of share in physical form can be entertained. Further, Members holding shares in physical form are again requested to provide PAN and Bank details besides other information in Form ISR-1. Please use correct form for specific requests viz. ISR-1, ISR-2, ISR-3, ISR-4 and SH-13 for prompt action. The formats thereof are available on the website of the Company and its RTA.

43. Members, who are holding shares in identical order of names in more than one Folio i.e. physical form, are requested to write to the RTA of the Company or the Company at its registered office, to enable the Company to consolidate their holding under one Folio. The copy of PAN card of all holders is required to be furnished to the Company/ RTAs for transposition of shares and in case of transmission the PAN details of claimant is mandatory. As per SEBI directive dated 03/11/2021, it is mandatory for individuals to provide nomination in respect of shares held by them in physical form in accordance with the provisions of Section 72 of the Companies Act, 2013. Members may send their nomination in prescribed Form no. SH-13/ SH-14/ISR-3 as the case may be, duly filled in, to the RTA of Company. As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25/01/2022 the issuance of securities in dematerialized form only has been mandated for service request relating to transmission, transposition, endorsement, duplicate share certificate/ renewal/ exchange of securities amongst others for securities held in physical form. So, after approval of investor's service requests relating to above, letter of confirmation will be issued by the RTA for enabling generation of demat request for credit of relevant securities in claimants' demat account. No physical certificate will be issued after transmission/folio consolidation and other requests aforesaid are approved and physical certificate, if any tendered, will be destroyed as in case of request for dematerialization after demat request on the basis of letter of confirmation has been approved by Company. The process will not only facilitate updation of information with the Company from single point i.e. depository in future sent also save time and resources of investor from spending on separate updation of information with each company by investor where securities are held in physical form. For securities held in electronic (demat) form, all service requests i.e. transfer/transmission/nomination or updation of PAN, address, email etc. will be dealt by concerned depository participant which securities account is maintained.
44. Information regarding Directors retiring by rotation or otherwise seeking appointment/reappointment as required under Secretarial Standard-2 and Regulation 36(3) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015:

| Name of the Director & DIN | Shri Mahesh Prasad Mehrotra (DIN: 00016768) | Shri Kishan Kumar Soni (DIN: 00106037) |
|--|---|---|
| Date of Birth/ Age | 26/09/1940 / 82 years | 14/09/1953 / 69 years |
| Date of first Appointment on the Board | 07/11/2015 | 14/11/2013 |
| Whether qualified u/s 164(2) of the Companies Act, 2013 | Yes | Yes |
| Qualifications and Expertise in specific functional areas | B.Com., FCA, LL. B. He is a Chartered Accountant by profession and a law graduate with over 58 years of rich experience in areas of taxation, administration and financial services besides being the promoter of the Company. Shri M. P. Mehrotra had been on Board earlier from 1992 to 2001 and then from 2007 to 2014. He was again appointed on the Board w.e.f. 12/09/2015. He was appointed as Wholtime Director w.e.f. 01/07/2017 designated as Executive Vice- chairman and his current term is upto 31/07/2023. | B. Com, FCA, FCS He is a qualified Chartered Accountant and Company Secretary with around 45 years of experience in the field of Accounts, Finance, Taxation and other Corporate Affairs. In his first stint with the Company, He served as President (Corporate Affairs) from 1995 to 1998 before resigning. Subsequently, he was appointed as Non-Executive Director of the Company w.e.f. 25/05/2005 and on 28/07/2006 was designated as Director -Finance & CFO which position he held till 31/01/2007. He served as Executive Director & CFO from 01/02/2007 till 14/11/2013. Upon appointment as Director, w.e.f. 14/11/2013 he was re-designated as Director- Finance & CFO till 31/01/2016 and re-appointed thereafter for said position for 3 years till 31/01/2019 and had been reappointed for said position since then. |
| No. of Board meetings attended during the year | 6/6 | 6/6 |
| Relationship between Directors inter-se | Shri M.P. Mehrotra is related to Dr. (Mrs.) Neeraj Arora, Ms. Divya Mehrotra Directors of the Company and Mr. Vikas Mehrotra-Managing Director- International Operations. | None |
| List of Companies in which Directorship held as on 31/03/2022. | 1. Dhampur Sugar Mills Ltd. 2. VLS Commodities (P) Ltd. 3. VLS Capital Ltd. 4. South Asian Enterprises Ltd. 5. Maxim Infracon (P) Ltd. 6. Moonrock Hospitality (P) Ltd. 7. Vinu Promoters (P) Ltd. (Nominee of Moonrock Hospitality Pvt. Ltd.) 8. VLS Real Estate Ltd. 9. Big Wong Hospitality (P) Ltd. 10. Delton Cables Ltd.* 11. Mehrotra & Mehrotra, Chartered Accountants - (Sr. Partner) | 1. South Asian Enterprises Limited 2. VLS Securities Ltd. 3. VLS Asset Management Ltd. 4. VLS Real Estate Limited |

| Name of the Director & DIN | Shri Mahesh Prasad Mehrotra (DIN: 00016768) | Shri Kishan Kumar Soni (DIN: 00106037) |
|---|--|---|
| Chairman ("C") / Member ("M") of the Committees of other Companies as on 31/03/2022. | Audit | 1. Dhampur Sugar Mills Ltd. (C) 2. VLS Capital Ltd. (M) 3. Delton Cables Ltd. * (C) |
| | Nomination and Remuneration | 1. Dhampur Sugar Mills Ltd. (C) 2. VLS Capital Ltd. (M) 3. Delton Cables Ltd. * (M) |
| | Stakeholders Relationship | 1. Delton Cables Ltd. * (C) |
| | CSR | 1. Dhampur Sugar Mills Ltd. (M) 2. VLS Capital Ltd. (M) |
| | Finance sub-Committee | 1. Dhampur Sugar Mills Ltd. (M) |
| Listed entities from which director has resigned in past 3 years as on 31/03/2022. | None | None |
| Shareholding in the Company including shareholding as beneficial owner and percentage | 1 (Nil) | 1 (Nil) |

| Name of the Director & DIN | Shri Suresh Kumar Agarwal (DIN:00106763) | Shri Vikas Mehrotra (DIN:06476150) |
|---|---|--|
| Date of Birth/ Age | 22/01/1951 /71 years | 25/04/1968 /54 years |
| Date of first Appointment on the Board | 27/07/2003 | 28/05/2016 |
| Whether qualified u/s 164(2) of the Companies Act, 2013 | Yes | Yes |
| Qualifications and Expertise in specific functional areas | B. Com(H), C.A.I.I.B He is Commerce Graduate & Associate of Indian Institute of Bankers. He is former banker having vast experience in the Banking and Financial Services. He had been associated with VLS Group since 1995 and was positioned as Senior President in the Company w.e.f. 01/01/1998. He was appointed as Managing Director of the Company for the first Tenure w.e.f. 21/08/2004 and had been reappointed for said position since then. | He is a Commerce Graduate from the University of Delhi with MBA from Rochester Institute of Technology (USA). He is the Founder CEO of Venus Capital, actively investing in Asia since 1989. He is regular speaker at various conferences on Emerging markets. He is Investment adviser and Consultant. |
| No. of Board meetings attended during the year | 6/6 | 5/6 |
| Relationship between Directors inter-se | None | Shri Vikas Mehrotra is related to Shri M. P. Mehrotra - Executive Vice-Chairman and Promoter, Dr. (Mrs.). Neeraj Arora and Ms. Divya Mehrotra - Directors of the Company. |
| List of Companies in which Directorship held as on 31/03/2022. | 1.VLS Asset Management Ltd 2.VLS Real Estate Ltd. 3.Risk Software Solution (P) Ltd. 4.VLS Securities Ltd. | 1. Venus India Asset Finance (P) Ltd. 2. VLS Securities Ltd. 3. VLS Capital Ltd. 4. VCM Portfolio Management Services (P) Ltd. 5. Vinu Promoters (P) Ltd. 6. Moonrock Hospitality (P) Ltd. 7. Venus India Structured Finance Master Ltd. (BVI Fund/Company) 8. Venus India Structured Finance (Offshore) Fund Ltd. (BVI Fund/Company) 9. Venus Global Macro Fund Ltd. 10. Venus Relative Value Master Ltd. (BVI Fund/Company) 11. Venus Relative Value (Offshore) Fund QP Ltd. (BVI Fund/Company) 12. Venus Capital Management Company (Mauritius) 13. Visff No.1 Ltd. (Mauritius) 14. Vacuf Ltd. (Mauritius) 15. Venus Capital Management Inc. (USA). |
| Chairman/ Member of the Committees of other Companies as on 31/03/2022. | Audit | - |
| | Nomination and Remuneration | - |
| | CSR | - |
| | Stakeholders Relationship | - |
| Listed entities from which director has resigned in past 3 years as on 31/03/2022. | None | None |
| Shareholding in the Company including shareholding as beneficial owner and percentage | 1 (Nil) | 485783 (1.26%) |

EXPLANATORY STATEMENT IN TERMS OF REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 5 To appoint the auditors and to fix their remuneration.

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Companies Act, 2013 and rules framed thereunder.

The Members at the 30th Annual General Meeting ("AGM") of the Company held on September 25, 2017, had approved appointment of M/s. M. L. Puri & Co. - Chartered Accountants, (Firm's Registration No. 002312N), as the Statutory Auditors of the Company to hold office for first term of five years from the conclusion of the 30th AGM till the conclusion of the 35th AGM of the Company to be held in the year 2022. The present term of M/s. M. L. Puri & Co. - Chartered Accountants ('Retiring Auditors') shall terminate on the conclusion of 35th AGM to be held on September 30, 2022.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, for compulsory rotation of Statutory Auditors after completion of their term, has proposed the appointment of M/s. Agiwal & Associates, Chartered Accountants having ICAI Firm Registration No. 000181N as the Statutory Auditor of the Company, in place of Retiring Auditors, for a term of 5 years from the conclusion of the 35th AGM of the Company till the conclusion of the 40th AGM tentatively to be held in the year 2027. The remuneration of Statutory Auditors as per past practice is fixed by the Board after their appointment / reappointment, as the case may be, based on authorization made by members to the Board in the General Meeting. Accordingly, the remuneration for the year 2022-23 for the Statutory Auditors will be fixed after their appointment in forthcoming AGM by the board as per authorisation sought from the members. It is perceived that there would not be any material change in remuneration fixed for Statutory Auditors appointed vis-a-vis Retiring Auditors requiring explanation for rationale thereof by the Board. The remuneration fixed for Statutory Auditors will be exclusive of applicable taxes and out of pocket expenses unless agreed otherwise. The remuneration proposed to be paid to the Statutory Auditors during their first term would be in line with the remuneration approved for existing auditors and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

Besides the audit the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by banks, statutory authorities and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms.

M/s. Agiwal & Associates, Chartered Accountants (FRN: 000181N) have given their consent for their appointment as Statutory Auditors of the Company besides a certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. Further, they have confirmed their eligibility for appointment as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 besides holding valid certificate for peer review by Peer Review Board of ICAI.

The Brief profile of the proposed Statutory Auditor is as under:

M/s. Agiwal & Associates was founded in 1968 by CAD.C. Maheshwari. The firm is managed by twelve partners including CA Prakash Chand Agiwal, CA Prakash Gurbuxani, CAG. D. Chaudhary and CA R. K. Agarwal as senior partners each having experience of over 4 decades. The firm has a team of Chartered Accountants,

semi-qualified Chartered Accountants and article assistants commensurate with its area of activities. The partners have extensive experience in the field of Audit, Tax Advisory, Accounting Services including Ind AS and allied areas and has handled audit of various listed and non-listed companies in private sector as well as public sector.

None of the Directors/ Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the Ordinary Resolution set out at item No. 5 for the approval of members.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 6 Appointment of Shri Suresh Kumar Agarwal as Managing Director.

On the recommendation of Nomination and Remuneration Committee, Shri Suresh Kumar Agarwal was reappointed as Managing Director of the Company w.e.f. 21st August, 2022 for a period of 3 (Three) years by the Board of Directors in its meeting held on 28/05/2022 on the terms and conditions as contained in agreement entered into between the Company and Shri Suresh Kumar Agarwal for this purpose on that date, subject to such approvals as may be required. Shri Suresh Kumar Agarwal aged about 71 years, is a Commerce Graduate & Associate of Indian Institute of Bankers. He is former banker having vast experience in the Banking and Financial Services. Shri Suresh Kumar Agarwal had been associated with VLS Group since 1995 and was positioned as Senior President in the Company w.e.f. 01/01/1998. He was appointed as Managing Director of the Company for the first tenure of three years w.e.f. 21/08/2004 and had been re-appointed for said position since then. Shri Suresh Kumar Agarwal is member of CSR Committee, Stakeholders Relationship Committee and Operations Management Committee of the Company. Please refer to Clause 44 of accompanying notice for further information on Shri Suresh Kumar Agarwal. Keeping in view the track-record besides extensive experience of Shri Suresh Kumar Agarwal who has attained age of 70 years and is physically fit, it is perceived that his continued association would be in the interest of the Company.

Shri Suresh Kumar Agarwal, at the time of his reappointment as Managing Director of the Company, was also the Managing Director of VLS Securities Ltd., a subsidiary of the Company. He continues to hold said position by virtue of his reappointment by the Board of Directors of VLS Securities Ltd. in its meeting held on 14/05/2022 for a further period of 3 years w.e.f. 01/07/2022. He is not drawing any remuneration from said subsidiary.

Shri Suresh Kumar Agarwal's appointment as Managing Director is being made in accordance with the conditions specified in Part I of Schedule V and the remuneration payable to him is within the ceiling laid down in Part II thereof and the requirements of Part III thereof are being complied with. The Nomination and Remuneration Committee had recommended following remuneration package for Shri Suresh Kumar Agarwal upon reappointment as Managing Director which was approved by the Board on 28/05/2022:

a. Salary

Basic salary of Rs. 2,72,500/- (Rupees Two Lacs Seventy Two Thousand Five Hundred Only) per Month.

b. Perquisites

In addition to the aforesaid salary, the Managing Director is entitled to the following Perquisites:

- i. HRA/ Leased Accommodation: Rs.71,350/- (Rupees Seventy One Thousand Three Hundred Fifty Only) per Month.
- ii. Leave Travel Concession: For the Managing Director and his family incurred not exceeding Rs.24,000/- (Rupees Twenty Four Thousand only) per annum as per rules of the Company.

- iii. Reimbursement of expenses for Books and Periodicals upto Rs. 6,570/- (Rupees Six Thousand Five Hundred Seventy only) per Month.
- iv. Reimbursement of secretarial services upto Rs.19,000/- (Rupees Nineteen Thousand only) per Month.
- v. Reimbursement of expenses for Business Promotion upto Rs. 8,500/- (Rupees Eight Thousand Five Hundred only) per Month.
- vi. Provident Fund, Gratuity payable, entitlement & encashment of leave, bonus and other benefits as per rules of the Company.
- vii. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.
- viii. Facility of Telephones or provision of similar equipment/ facilities for official purpose will be free & not to be considered as perquisites except that the charges for personal long-distance calls will be billed by Company to the Managing Director as per rules of the Company.

Explanation: 'Family' for the purpose of this clause means spouse & dependent children of the Managing Director subject to rules of the Company.

- c. Sitting Fees:-** The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment."

Notwithstanding anything contrary contained in Articles of Association of the Company, Shri Suresh Kumar Agarwal shall be liable to retire by rotation during his tenure as Managing Director of the Company.

In terms of Section 196 read with other applicable provisions of the Companies Act, 2013 the appointment and any modification in terms and conditions of appointment including remuneration of managerial personnel is subject to the approval of members.

The copy of the resolution passed by the Board of Directors in its meeting held on 28/05/2022 appointing Shri Suresh Kumar Agarwal as Managing Director and the agreement entered into between the Company and Shri Suresh Kumar Agarwal dated 28/05/2022 are available for inspection by the members of the Company at Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting except on Saturdays, Sundays and Holidays. Further, pursuant to section 196(3) of the Companies Act, 2013 consent of the members by way of Special Resolution is required for appointment of an Executive Director aged over 70 years or who would attain age of 70 years during the tenure of such appointment.

Accordingly, approval by members is sought for the aforesaid appointment of Shri Suresh Kumar Agarwal as Managing Director on the terms and conditions as set out in the agreement entered into between Shri Suresh Kumar Agarwal and the Company. The Board recommends the appointment of Shri Suresh Kumar Agarwal as Managing Director of the Company as set out in item no. 6 of the Notice by way of Special Resolution in terms of Section 196 of the Companies Act, 2013 and other applicable regulations.

None of the Directors, Key Managerial Personnel of the Company and their relatives in any way is concerned or interested, financially or otherwise, in the said resolution except Shri Suresh Kumar Agarwal- Managing Director and his relatives.

ITEM NO. 7 Appointment of Shri Kishan Kumar Soni as Director- Finance & CFO.

On the recommendation of Nomination and Remuneration Committee Shri Kishan Kumar Soni was reappointed as Director – Finance & CFO of the Company for a period of 3 (Three) years w.e.f. 01/08/2022 by the Board of Directors in its meeting held on 28/05/2022 on the terms and conditions as contained in agreement entered into between the Company and Shri Kishan Kumar Soni for this purpose on that date, subject to such approvals as may be required. Shri Kishan Kumar Soni aged about 69 years, is a Commerce Graduate besides qualified Chartered Accountant and Company Secretary. He has over 45 years of experience in the area of finance, taxation, corporate planning and other corporate affairs. Shri Kishan Kumar Soni had been associated with the Company since 1995 except for the period between January 1998 till mid-May 2005. He has served the Company in different capacities during this period. Shri Kishan Kumar Soni is member of Stakeholders Relationship Committee and Operations Management Committee of the Company. Keeping in view the track-record besides extensive experience of Shri Kishan Kumar Soni who would attained age of 70 years during the tenure of proposed re-appointment and is physically fit, it is perceived that his continued association would be in the interest of the Company.

Shri Kishan Kumar Soni's appointment as Director- Finance & CFO is being made in accordance with the conditions specified in Part I of Schedule V and the remuneration payable to him is within the ceiling laid down in Part II thereof and the requirements of Part III thereof are being complied with. The Nomination and Remuneration Committee had recommended following remuneration package for Shri Kishan Kumar Soni upon reappointment as Director- Finance & CFO which was approved by the Board on 28/05/2022:

a. Salary

Basic salary of Rs. 2,64,000/- (Rupees Two Lac Sixty-Four Thousand Only) per Month.

b. Perquisites

In addition to the aforesaid salary, the Director-Finance & CFO is entitled to the following Perquisites:

- i. HRA/ Leased Accommodation: Rs.66,000/- (Rupees Sixty-Six Thousand only) per Month.
- ii. Leave Travel Concession: For the Director-Finance & CFO and his family incurred not exceeding Rs.24,000/- (Rupees Twenty-Four Thousand only) per annum as per rules of the Company.
- iii. Reimbursement of expenses for Books and Periodicals upto Rs.5,570/- (Rupees Five Thousand Five Hundred Seventy only) per Month.
- iv. Reimbursement of secretarial services upto Rs.19,000/- (Rupees Nineteen Thousand only) per Month.
- v. Reimbursement of expenses for Business Promotion upto Rs. 8,500/- (Rupees Eight Thousand Five Hundred only) per Month.
- vi. Provident Fund, Gratuity payable, entitlement & encashment of leave, bonus and other benefits as per rules of the Company.
- vii. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.
- viii. Facility of Telephones or provision of similar equipment/ facilities for official purpose will be free & not to be considered as perquisites except that the charges for personal long-distance calls will be billed by Company to the Director-Finance & CFO as per rules of the Company.

Explanation: 'Family' for the purpose of this clause means spouse & dependent children of the Director-Finance & CFO subject to rules of the Company.