

VLS FINANCE LIMITED

Regd. Office: 2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065
CIN: L65910DL1986PLC023129, **E-mail:** vls@vlsfinance.com, **Website:** www.vlsfinance.com
Ph.: 011-4665 6666, **Fax:** 011-4665 6699

NOTICE of 33rd Annual General Meeting (“AGM”)

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of VLS FINANCE LTD. will be held on Thursday 10th December 2020 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, 2020, the statement of Profit & Loss for the year ended on that date 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 Suresh Kumar Agarwal (DIN: 00106763) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. (Mrs.) Neeraj Arora (DIN: 07191167) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

5. **To approve the re-appointment of Shri Mahesh Prasad Mehrotra (DIN: 00016768) as the whole time Director designated as Executive Vice-Chairman.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Article No. 108 of the Articles of Association of the Company and subject to such other approvals as may be required, the consent of the Company be and is hereby accorded for the re-appointment of Shri Mahesh Prasad Mehrotra (DIN: 00016768) aged about 80 years as whole time Director of the Company designated as Executive Vice- Chairman for a period of 3 (Three) years w.e.f. 1st August, 2020, on such remuneration and on such other terms and conditions as are expressed and contained in the agreement entered into for this purpose between the Company and the Executive Vice-Chairman.

RESOLVED FURTHER THAT Shri Mahesh Prasad Mehrotra will be liable to retire by rotation notwithstanding the contrary provision contained in Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and/or revise upwards the remuneration of the Executive Vice-Chairman within the permissible limits under the provisions of the Companies Act, 2013 or any statutory amendment / 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 deemed necessary or expedient for giving effect to said appointment and in case it is required to obtain the consent of Company in this regard, to the end and intent that it shall be deemed to have been accorded expressly by authority of this resolution.”

6. **To approve the appointment of Dr. Rajeev Lochan Bishnoi (DIN: 00130335) as Independent Director of the Company.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with applicable rules and relevant provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Dr. Rajeev Lochan Bishnoi (DIN: 00130335) aged about 60 years, who was appointed as Additional Director in the category of Independent Director in terms of Section 161(1) of the Act, by the Board of Directors concurring to the recommendation of Nomination and Remuneration Committee and who in the opinion of the Board fulfills the criteria given under Section 149(6) of the Act for an Independent Director of the Company and in respect of whom a notice under Section 160 of the Act has been received from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as Non-Executive

Director in the category of Independent Director not liable to retire by rotation, for the first term of five consecutive years commencing from 25/11/2019 till 24/11/2024 or till such earlier date to conform with the policy on retirement as may be determined by the Board of Directors or statute(s), as the case may be.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to aforesaid resolution.”

By order of the Board
for VLS Finance Ltd.

Place: New Delhi
Date : 26/09/2020

(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. 5 and 6 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
2. In view of the continuing restrictions on the movement of people at several places in the country, due to global outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 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) during the calendar year 2020. 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 33rd AGM of the Company shall be conducted through VC / OAVM. 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. 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 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 04/12/2020 to Thursday 10/12/2020 (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. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/ CIR/P/2020/79 dated 12th May, 2020 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 2019-20, 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 besides updating other information as per SEBI's directive dated 20/04/2018, if not done already. Please refer clause no. 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 2019-20, 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. 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 EGM/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 EGM/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, 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. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile

number at vls@vlsfinance.com. Questions / queries received by the Company till 5.00 p.m. on Wednesday, 2nd December, 2020 shall only be considered and responded during the AGM.

16. Members 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 Thursday, 3rd December, 2020 and 5.00 p.m. on Sunday, 6th December, 2020. 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.
17. 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:

18. The Members, whose names appear in the Register of Members / list of Beneficial Owners at the closing hours on Thursday, 3rd December, 2020, i.e. the date preceding to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
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 Monday 07/12/2020 and end at 5.00 pm. on Wednesday 09/12/2020. 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.
20. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com>

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

- (a) Visit the e-voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com> either on a personal computer or on mobile.
- (b) Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
- (c) A new screen will open. You will have to enter your User ID, your Password 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.

- (d) Your User ID details are given below :

| Manner of holding shares | 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 your User ID is 101456001*** |

- 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 in Note No. 6 above.
- (f) If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
- i. 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.
 - ii. Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - iii. 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.

Step 2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically on NSDL e-voting system?

- (a) After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- (b) After click on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- (c) Select 'EVEN' of Company for which you wish to cast your vote.
- (d) Now you are ready for e-voting as the voting page opens.
- (e) 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.
- (f) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for Members for e-voting on the day of the AGM are as under:

- (a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (b) Only those Members, 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.
- (c) 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.
- (d) For details of the person who may be contacted for any assistance connected with the facility for e-voting on the day of the AGM, please refer Note No. 11 above.

GENERAL INFORMATION:

21. 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.
22. The voting rights shall be reckoned on paid-up value of equity shares held by the Member(s) as on Thursday, 3rd December, 2020, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date. Corporate and institutional

shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF/JPG format) of the relevant Board Resolution/ appropriate authorisation, with the specimen signature(s) of the authorised signatory(ies) duly attested, to the Scrutinizer through e-mail at vls@vlsfinance.com with a copy marked to NSDL's e-mail ID evoting@nsdl.co.in. In case of joint holders, any or all of the holders may attend the meeting though the login provided for relevant folio/ securities account because separate login for each joint holder is not permitted. The voting can also be done only once i.e. one time irrespective of number of joint holders for such folio/ securities account.

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 10/12/2020, the Board of Directors of the Company has appointed Shri V. B. Aggarwal - Company Secretary (M. No. A-4240) and failing him Shri Ashutosh Aggarwal (M. No.A9972 and CoP No. 7467) of A. Aggarwal & Associates - Company Secretaries to act as the scrutinizer. Both Shri V. B. Aggarwal and 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 Director -Finance & CFO of the Company who shall countersign the same and declare the result not later than 48 hours of conclusion of AGM. The Members desiring to vote through remote e-voting/ e-voting at AGM are requested to refer to the detailed procedure given hereinbefore.
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.

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 vls@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 close of business hours on Thursday, 3rd December, 2020, i.e. the date prior to the commencement of book closure, being the cut-off date will be paid the Dividend for the financial year ended 31st March, 2020, as recommended by the Board on or before 09/01/2021, 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, 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.
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 vlsv@vlsfinance.com or its Registrar and transfer agent at investor.services@rcmcdelhi.com followed by physical copy thereof. It is advisable to update all information sought as per SEBI directive dated 20/04/2018 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 vlsv@vlsfinance.com. 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 upon normalisation of the postal services, 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 7.5% on the amount of Dividend declared and paid by the Company during financial year 2020-21 provided 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.
- 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 2020-21 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 2020-21.
- 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.
- b) 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.
 - 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:
 - i. Member is and will continue to remain a tax resident of the country of its residence during the financial year 2020-21;
 - ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - iv. Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and
 - v. Member does not have a taxable presence or a permanent establishment in India during the financial year 2020-21.
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> on or before Wednesday, 25th November, 2020 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 Wednesday, 25th November, 2020. 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.
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 and 2018-19 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 12/09/2019 (date of last AGM) are available on the website of the Company at <https://www.vlsfinance.com/investorrelations/unclaimed-and-unpaid-dividends/> and on IEPF's website.
35. 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 |
|-------------------------|------------|---------------|---|-----------------------------|
| 31/03/2017 | 25/09/2017 | 10% | 31/10/2017 | 30/10/2024 |
| 31/03/2018 | 20/09/2018 | 10% | 26/10/2018 | 25/10/2025 |
| 31/03/2019 | 12/09/2019 | 10% | 18/10/2019 | 17/09/2026 |
36. 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 application in Form IEPF-5 available on the website www.iepf.gov.in alongwith fee specified by the Authority.
37. 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:

38. Members of the Company had approved the appointment of M/s. M. L. Puri & Co, Chartered Accountants (FRN: 002312N), as the Statutory Auditors for period of 5 years at the 30th AGM of the Company which is valid till conclusion of 35th AGM of the Company. In accordance with the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.
39. 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 33rd AGM on the Company's website or on the website of NSDL. 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
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:

2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065
Phone No. 4665 6666, Fax: 4665 6699.
Dedicated Investor Services e-mail: hconsul@vlsfinance.com

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 has been fixed as 31/03/2021 as per SEBI Circular No. SEBI/HOO/MIRSD/RTAMB/CIR/P/2020/166 dated 07/09/2020. Accordingly after cutoff date, no request for transfer of share in physical form will be entertained. However, for such cases compulsory procurement of PAN by the Companies of both transferor and transferee is required to effect the share transfer in physical form of listed companies, whether off market or not. 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. Further, Members holding shares in physical form are again requested to promptly respond to Company's letter requesting them to provide PAN and Bank details besides other information. The format thereof is available on website of the Company and also appended to this notice. For further assistance, the Company or its Registrar & Transfer Agent may be contacted.

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. Members can avail the facility of 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 desiring to avail of this facility may send their nomination in prescribed Form no. SH-13/ SH-14 as the case may be, duly filled in, to the RTA of Company.
44. 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).
45. Information regarding Directors retiring by rotation and seeking reappointment as required under secretarial standard-2 and Regulation 36(3) of SEBI (Listing regulations and disclosure requirements) Regulation, 2015:

(A)

| Sl. No. | Name of the Director | Date of Birth | Date of Appointment | Qualifications and Expertise in specific functional areas | List of Companies in which Directorship held as on 26/09/2020 | Chairman/ Member of the Committees of other companies as on 26/09/2020 | Whether qualified u/s 164(2) of the Companies Act, 2013. |
|---------|--|---------------|---------------------|--|--|--|--|
| | | | | No. of Board meetings attended during the year | | | |
| | | | | Relationship between Directors inter-se | | | |
| 1. | Shri S. K. Agarwal DIN: 00106763 | 22/10/1951 | 27/07/2003 | He is a former banker with over 4 and half decades of rich and varied experience in banking, financial services, asset management, portfolio management and all capital market related activities. He is also former executive trustee PNB mutual fund. 4 of 4 Shri S. K. Agarwal is not related to any other Director of the Company. | a) Risk Software Solution Pvt. Limited b) VLS Securities Ltd. c) VLS Asset Management Ltd. | Nil Nil Nil | Yes |
| 2. | Dr. (Mrs.) Neeraj Arora DIN: 07191167 | 26/04/1955 | 30/05/2015 | She is a qualified medical practitioner having experience of more than 44 years in medical field, administration and allied areas. 3 of 4 She is related to Shri M. P. Mehrotra and Shri Vikas Mehrotra - Directors of the Company. | South Asian Enterprises Ltd. | Nomination and Remuneration - Member | Yes |

(B) Shareholding of above Directors as on 26/09/2020

| S. No. | Name | No. of shares held in the Company | Percentage |
|--------|-------------------------|-----------------------------------|------------|
| 1 | Shri S. K. Agarwal | Nil | Nil |
| 2 | Dr. (Mrs.) Neeraj Arora | Nil | Nil |

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

ITEM NO. 5:

Appointment of Shri Mahesh Prasad Mehrotra (DIN:00016768) as Whole Time Director designated as Executive Vice-Chairman.

Shri Mahesh Prasad Mehrotra is a Chartered Accountant by profession and a law graduate with over 57 years of rich experience in areas of taxation, administration and financial services besides being the promoter of the Company. He is member of Audit committee and CSR Committee of the Board. Shri Mahesh Prasad Mehrotra had been on Board from 1991 to 2001 and then from 2007 to 2014. He was again appointed as Director w.e.f. 12/09/2015. Shri Mahesh Prasad Mehrotra (DIN: 00016768) was appointed as Whole Time Director designated as Executive Vice-Chairman w.e.f. 01/08/2017 for 3 years i.e. upto 31/07/2020.

Further, on the recommendation of Nomination and Remuneration Committee, Shri Mahesh Prasad Mehrotra was re-appointed as Whole Time Director designated as Executive Vice-Chairman w.e.f. 1st August, 2020, by the Board of Directors in its meeting held on 16/07/2020 on the terms and conditions as contained in agreement entered into between the Company and Shri Mahesh Prasad Mehrotra for this purpose on that date, subject to such approvals as may be required.

Shri Mahesh Prasad Mehrotra's reappointment as Executive Vice-Chairman is being made in accordance with the conditions specified in Part 1 of Schedule V of the Companies Act, 2013 and the remuneration payable is within the ceiling laid down in Part II thereof and the requirements of Part III thereof are being complied alongwith Nomination and Remuneration Policy of the Company. The agreement entered into by the Company and Shri Mahesh Prasad Mehrotra inter-alia contains following terms and conditions:

a. Salary

Basic salary of Rs. 5,00,000/- (Rupees Five Lac Only) per month.

b. Perquisites

In addition to the aforesaid salary, the Executive Vice-Chairman will be entitled to the following Perquisites:

- i. Rent free furnished Leased Accommodation for himself and his family, the company bearing the cost of society charges, repairs, maintenance and electricity for the said accommodation.
- ii. Medical Reimbursement:
Expenses incurred for self on actual basis.

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 for the time being in force and the perquisites shall be valued at actual cost or as per income tax rules where the actual cost is not ascertainable.

- iii. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.
- iv. 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 Executive Vice-Chairman.

c. Sitting Fees

The Executive Vice-Chairman shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his reappointment.

Shri Mahesh Prasad Mehrotra as Executive Director will not be liable to retire by rotation during his tenure as per Article 109 of Articles of Association of the Company. However, in order to comply with requirement of section 152 (6) of the Companies Act, 2013, it is imperative to place him in category of Director liable to retire by rotation, notwithstanding clause to the contrary in Articles of Association of the Company.

The Board may also be authorised that it may from time to time, review and if deemed fit, revise the remuneration payable to the Executive Director within the limits permissible and in the manner permitted under the Companies Act, 2013 or any other applicable law, for the time being in force. The other terms and conditions of Shri Mahesh Prasad Mehrotra appointment as Executive Director may be varied, altered or otherwise revised from time to time by the Board as it may in its discretion deem fit, subject to the provisions of the Companies Act, 2013 and other applicable laws, for the time being in force.

The appointment of Shri Mahesh Prasad Mehrotra as Executive Director on the terms and conditions as set out in the agreement entered into between Shri Mahesh Prasad Mehrotra and the Company is subject to the approval of the members. The Board recommends his appointment as set out in Item no. 5 of the accompanying Notice.

The re-appointment of Shri Mahesh Prasad Mehrotra as Executive Vice-Chairman on the terms and conditions as set out in the agreement entered into between Shri Mahesh Prasad Mehrotra and the Company is subject to the approval of the members by special resolution in terms of clause (c) of part I of schedule V of the Companies Act, 2013 because he is aged over 70 years. The Board recommends the appointment of Shri Mahesh Prasad Mehrotra as Executive Vice-Chairman of the Company as set out in item No.5 of the Notice.

A copy of agreement entered into between the Company and Shri Mahesh Prasad Mehrotra is available for inspection by the members of the Company both electronically and at the 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.

Shri Vikas Mehrotra (Son) and Dr. (Mrs.) Neeraj Mehrotra (Sister-in-law) both Non Executive and Non - Independent Director are related to Shri Mahesh Prasad Mehrotra. Except Shri Mahesh Prasad Mehrotra and his relatives, none of the Directors or Key Managerial Personnel or their relatives are concerned or interested directly or indirectly in the resolution.

Shri Mahesh Prasad Mehrotra does not hold any shares in the Company and his brief profile is given below:

Other information as required under secretarial standard-2 and Regulation 36(3) of SEBI (Listing regulations and disclosure requirements) Regulation, 2015

| | | | |
|---|--|-------------|--|
| Name of Director | Shri Mahesh Prasad Mehrotra (DIN 00016768) | | |
| Age | 80 years. | | |
| Qualification | B. Com. FCA, LL.B. | | |
| Date of appointment | 12/09/2015 | | |
| No. of Board meetings attended during the year | 3 out of 4 meetings. | | |
| Other Directorship | a. Dhampur Sugar Mills Ltd. b. South Asian Enterprises Ltd. c. VLS Commodities Pvt. Ltd. d. VLS Capital Ltd. e. Jinhuvish Power Generations Private Ltd. f. Maxim Infracon Private Ltd. | | g. Delton Cables Ltd. h. Moonrock Hospitality (P) Ltd. i. Baroda Asset Management India Ltd. j. Vinu Promoters (P) Ltd. k. Big Wong Hospitality (P) Ltd. |
| Chairman/ Member of Audit Committee as on 26/09/2020. | a. Dhampur Sugar Mills Ltd. b. Delton Cables Ltd. c. Baroda Asset Management India Ltd. | - - - | Chairman Chairman Member |
| Chairman/ Member of Stakeholders Relationship Committee as on 26/09/2020. | Nil | | |
| Chairman/ Member of Nomination and Remuneration Committee as on 26/09/2020. | a. Dhampur Sugar Mills Ltd. b. Baroda Asset Management India Ltd. c. Delton Cables Ltd. | - - - | Chairman Member Member |
| Chairman/ Member of CSR Committee as on 26/09/2020. | a. Dhampur Sugar Mills Ltd.- Member | | |
| Shareholding in the Company | Nil | | |
| Relationship between directors inter-se | He is related to Shri Vikas Mehrotra (DIN: 06476150) and Dr. (Mrs.) Neeraj Arora (DIN: 07191167) - Non-Executive Directors of the Company. | | |

ITEM NO. 6
Appointment of Dr. Rajeev Lochan Bishnoi (DIN:00130335) as Independent Director for his first term of five years.

The Board in its meeting held on 25/11/2019, concurring to the recommendation of the Nomination and Remuneration Committee had appointed Dr. Rajeev Lochan Bishnoi (DIN:00130335) aged about 60 years, as an Additional Director of the Company in the category of Independent Director subject to requisite approvals. Subsequent to his appointment as an Additional Director, Dr. Bishnoi was nominated as a member of the Audit Committee, the Nomination and Remuneration Committee and CSR Committee of the Board. He has attended 2 (Two) Meetings of the Board held during the financial year 2019-2020. As an Additional Director, Dr. Bishnoi would hold office till the date of ensuing

Annual General Meeting according to provisions of section 161 (1) of the Companies Act, 2013.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member proposing the appointment of Dr. Bishnoi as an Independent Director of the Company. In the opinion of the Board, Dr. Bishnoi fulfils the conditions prescribed in the Companies Act, 2013 and other applicable regulations of appointment as Independent Director. Dr. Bishnoi has consented for said appointment. Having regard to his expertise and experience it will be in the interest of the Company to appoint him as Independent Director.

Other information as required under secretarial standard -2 and Regulation 36(3) of SEBI (Listing regulations and disclosure requirements) Regulation, 2015

| Name of Director: DIN | Dr. Rajeev Lochan Bishnoi (DIN: 00130335) | Other Details |
|--|---|---|
| Age/Occupation | 60 years/Business | Term would be 5 (five) consecutive years subject to applicable regulations. |
| Qualification | B.Com. FCA, Ph.D. (Management) | |
| Date of appointment | 25/11/2019 | |
| Brief profile | He is a Fellow member of the Institute of Chartered Accountants of India. He also holds a doctorate in Management from Shobhit University. Dr. Bishnoi is a credit specialist and advises corporates and banks on balance sheet stress, risk processes and improving the overall financial health of the enterprise. He was a Government of India nominee Director on the Board of one of India's largest Government owned banks viz. Bank of India, from October 18, 2013 to October 18, 2016, where he also served as the Chairman of its Audit Committee and a member of its Board Committees on Credit, Human Resource, Wilful-Defaulters, Risk Management, Customer Service and Remuneration & Nomination. He is currently director on the board of BOI Merchant Bankers Limited. As an advisor and as an Educationist Dr. Bishnoi was associated with starting up several leading graduate and post graduate institutions and universities in UP and Rajasthan. A Former Advisor to the UP Export Corporation Ltd., he was invited by the Government of Kazakhstan to deliver the Keynote Address at a seminar on 'The Role of Small & Medium Enterprises in the National Economy' held at Kazakhstan. Besides, Dr. Bishnoi was a lead organizer of two national level conclaves i.e. Economic Conclave in 2017 and Banking Conclave in 2018 under aegis of the India Policy Foundation and Centre for Economic Research. He had been awarded Ph.D. on the subject of "Vision and Strategy for the Development of Entrepreneurship through Microfinance and Micro Enterprises in the Developing World". | |
| Other Directorship as on 26/09/2020. | 1. VLS Capital Ltd. 2. BOI Merchant Banker Ltd. 3. Jammu & Kashmir Bank Ltd. 4. South Asian Enterprises Ltd. 5. VLS Securities Ltd. | Independent Directors meeting attended – 1 (one) on 13/02/2020. |
| Chairman/ Member of Audit Committee of other Companies as on 26/09/2020. | 1. VLS Capital Ltd.-Member 2. Jammu & Kashmir Bank Ltd.-Chairman 3. South Asian Enterprises Ltd.-Member 4. VLS Securities Ltd.- Member 5. BOI Merchant Banker Ltd. -Member | Sitting fee paid for attending meeting of the Board and Committees thereof during the year: Rs.1,10,000/- |
| Chairman/ Member of Stakeholders Relationship Committee of other Companies as on 26/09/2020. | 1. Jammu & Kashmir Bank Ltd.-Member | |
| Chairman/ Member of Nomination and Remuneration Committee of other Companies as on 26/09/2020. | 1. VLS Capital Ltd.-Member 2. Jammu & Kashmir Bank Ltd.- Member 3. South Asian Enterprises Ltd.-Member 4. VLS Securities Ltd. -Member 5. BOI Merchant Banker Ltd. -Member | |
| Chairman/ Member of CSR Committee of other Companies as on 26/09/2020. | Nil | |
| Shareholding in the Company | Nil | |
| Relationship between directors inter-se | Dr. R. L. Bishnoi is not related to any of the Directors of the Company. | |

It is proposed to appoint Dr. Bishnoi as an Independent Director for a period of 5 years w.e.f. 25/11/2019 subject to stipulation for age of retirement if any, prescribed from time to time. Dr. Bishnoi shall not be liable to retire by rotation during his tenure as independent director. Your Directors recommend his appointment as an Independent Director of the Company as set out in item no. 6 of the accompanying Notice.

A copy of notice received from member and other documents is available for inspection by the members of the Company both electronically and at the 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.

None of the Directors or Key Managerial Personnel or their relatives except Dr. Bishnoi and his relatives are directly or indirectly interested in the resolution.

By order of the Board
for VLS Finance Ltd.

Place: New Delhi
Date : 26/09/2020

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

VLS FINANCE LIMITED

Regd. office: - 2nd Floor, 13, Sant Nagar , East of Kailash, New Delhi-110 065

Phone: 011-4665 6666, Fax: 011-4665 6699,

CIN: L65910DL1986PLC023129, E-mail: vls@vlsfinance.com, Website: www.vlsfinance.com

Form for furnishing the Contact, PAN and Bank Details, *By the Members holding shares in physical form*

Inward Sr No. :

RCMC Share Registry Pvt. Ltd.,
B-25/1, First Floor,
Okhla Industrial Area Phase – II,
New Delhi – 110 020.

Dear Sir/Madam,

We hereby request you to incorporate following information furnished by us herein below in your records The relevant documents required to be tendered for this purpose are enclosed.

| | |
|---------------------|----------------------------|
| Name of the Company | VLS FINANCE LIMITED |
| Folio Number | |

| | Name | PAN # |
|--------------------|------|-------|
| First /Sole Holder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |

Please attach self-attested copy of PAN Card of each holder.

| | |
|----------------------------------|--|
| E-mail ID for communication | |
| Contact number for communication | |

Bank Details of Sole / First Holder

| | |
|-----------------------|----------------------------|
| Bank Name * | |
| Branch Address | |
| Bank Account No. | |
| Account type | Saving/Current/Cash Credit |
| MICR Code (9 digits) | |
| IFSC Code (11 digits) | |

* It is mandatory to enclose a cancelled cheque in original bearing name of Sole / first holder. In case cancelled cheque does not have name of such holder printed on it, it is mandatory to enclose a copy of the relevant passbook/bank statement duly attested by bank.

I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information or the said facility is not available at my location, I / We would not hold South Asian Enterprises Limited and /or its agents or associates responsible for any loss/damage etc. resulting therefrom.

Signature of First/Sole Holder

Signature of Joint Holder 1
(As appearing in Company's Record)

Signature of Joint Holder 2

Place :
Date :

This form needs to be submitted by Member(s) holding shares in physical form. Members holding shares in electronic form (in demat account) are advised to update their PAN, bank details and email id with their respective depository participant ('DP'). Post updation with DP, no further action is required from member's side as Company will get these details automatically through depositories.

For Office Use Only

| | |
|--------------|--------------|
| Entered on : | Checked By : |
| Entered by : | Remarks : |
| Signature : | Signature : |