VLS FINANCE LTD.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting of the Members of VLS FINANCE LTD. will be held on Saturday, the 21st day of December, 2013 at 12:30 p.m. at "Mikky House", K-Block, Kidwai Nagar, Kanpur, U.P.-208011 to transact the following business: -

SPECIAL BUSINESS:-

1. **Revision of remuneration of Shri S. K. Agarwal - Managing Director of the Company.**

   To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310, 316 and other applicable provisions including any amendments thereof, read with Schedule XIII of the Companies Act, 1956 as amended up to date and other applicable laws, subject to such approvals, permission and sanctions, if any, as may be required from appropriate authorities or bodies from time to time and in partial modification of the resolution passed at the Annual General Meeting of the Company held on 25/09/2013, approval of the Company be and is hereby accorded to the revision in remuneration of Shri S. K. Agarwal - Managing Director of the Company and the revised remuneration package of Shri S. K. Agarwal – Managing Director shall be as under:

   a. **Salary**

      Basic salary of Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand Only) per month.

   b. **Perquisites**

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

      i. HRA/ Leased Accommodation: Rs.37,500/- (Rupees Thirty Seven Thousand Five Hundred only) per month.

      ii. Medical Reimbursement:

      Expenses incurred for the Managing Director and the family subject to a ceiling of Rs.15,000/- (Rupees Fifteen Thousand only) per annum.

      iii. Leave Travel Concession: For the Managing Director and his family incurred not exceeding Rs.54,000/-(Rupees Fifty Four Thousand only) per annum.

      iv. Reimbursement of expenses for Books and Periodicals upto Rs. 55,800/-(Rupees Fifty five Thousand Eight Hundred only) per annum.

      v. Reimbursement of secretarial services upto Rs. 1,50,000/- (Rupees One Lac Fifty Thousand only) per annum.

      vi. Reimbursement of expenses for Business Promotion upto Rs. 24,000/-(Rupees Twenty Four Thousand only) per annum.

      vii. Provident Fund, Gratuity payable, entitlement & encashment of leave as per rules of the Company.

      viii. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.

      ix. Facility of Telephones or provision of similar equipments/ 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.

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

   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.

   All other terms and conditions of service as contained in the agreement dated 22.07.2013 entered into between the Company and the Managing Director will remain unchanged.

   RESOLVED FURTHER THAT the revision in remuneration shall be effective from 1st April, 2013, for residual period of appointment of Managing Director unless enhanced during the intervening period, in accordance with applicable provisions of Companies Act, 1956 and/or other law(s), for the time being in force.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to vary and/or revise the remuneration of the Managing Director within the permissible limits under the provisions of the Companies Act, 1956 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 revision 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.

   RESOLVED FURTHER THAT the Board be and is hereby also authorised to take all necessary steps in this regard in order to comply with all the legal, procedural and other formalities and further to authorise any of its committee or any of its directors and/or any of the officer of Company to do all such acts, deeds or things to give effect to the aforesaid resolution."

2. **Appointment of Shri K. K. Soni as Director.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT Shri K. K. Soni, who was appointed as an Additional Director on 14th November, 2013 and who would hold office till the date of next Annual General Meeting under Section 260 of the Companies Act, 1956 and for whose appointment as a Director, a notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

3. **Appointment of Shri K. K. Soni as the Director-Finance & CFO of the Company.**

   To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 316, Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded for appointment of Shri K. K. Soni who is also the Managing Director of VLS Capital Ltd., as the Director-Finance & CFO of the Company w.e.f. 14th November, 2013 on such terms and conditions as are expressed and contained in the agreement dated 28/1/2013 entered into for this purpose between the Company and Shri K. K. Soni, except that Shri K. K. Soni will henceforth be Director-Finance & CFO, as a member of the Board as against Executive Director & CFO and that he shall not be liable to retire by rotation and also that the remuneration of Shri K. K. Soni as Director-Finance & CFO of the Company shall be as under:

   a. **Salary**

      Basic salary of Rs. 66,500/- (Rupees Sixty Six Thousand Five Hundred Only) per month.

   b. **Perquisites**

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

      i. Leave Travel Concession: For the Director-Finance & CFO and his family incurred not exceeding Rs.4,500/- (Rupees Four Thousand Fifty Hundred only) per month.

      ii. Reimbursement of expenses for Books and Periodicals upto Rs. 4,670/-(Rupees Four Thousand Six Hundred Seventy only) per month.

      iii. Reimbursement of expenses for Business Promotion upto Rs. 3,000/-(Rupees Three Thousand only) per month.

      iv. Provident Fund, Gratuity payable, entitlement & encashment of leave as per rules of the Company.

      v. Facility of Chauffeur driven car for use on Company's business as per rules of the Company.

      vi. Facility of Telephones or provision of similar equipments/ 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 Director-Finance & CFO.

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

   c. **Sitting Fees :-** The Director-Finance & CFO shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof.

   RESOLVED FURTHER THAT the above remuneration shall be effective from 14th November, 2013, for residual period of appointment of Director-Finance & CFO unless enhanced during the intervening period, in accordance with applicable provisions of Companies Act, 1956 and/or other law(s), for the time being in force.

   RESOLVED FURTHER THAT the Board 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, 1956 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 the said revision."

By Order of the Board
For VLS Finance Ltd.

Place: New Delhi
Date: 14/11/2013

H. Consul
Company Secretary

NOTES: -

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member of the Company. The appointment of proxy in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the meeting in the form, enclosed hereto, duly filled and authenticated.
2. The shares of the Company are being traded in demat segment only, w.e.f. 28th August, 2000. Members who still hold the shares of Company in physical form are advised to contact their depository participant for dematerialization of their holdings in their own interest. **The ISIN No**. allotted to Company **is INE709A01018** for both the Depositories viz. The National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
3. The Company has retained *M/s RCMC Share Registry Pvt. Ltd., B-106, Sector -2, Noida, U.P. 201301 (Phone Nos. 0120 - 4015880, 4015886) as its Registrar & Transfer Agents w.e.f. 01/04/2003* for entire shareholder services viz. processing request for transfer, other shareholder services including change of address for shares held in physical form, dematerialisation of holding, providing connectivity services with depositories in compliance of SEBI's circular No.D&CC/F/TTC/CIR-15/2002 dated 27/12/2002. All correspondence, therefore, may be addressed to the said Registrar. However, for any further assistance in said matters, queries may be addressed to the Company Secretary at the Registered Office at 2nd floor, 13, Sant Nagar, East of Kailash, New Delhi-110065 Phone No. 46656666, Fax: 46656699. Dedicated Investor Services e-mail: hconsul@vlsfinance.com. Members holding shares in Demat (Electronic) form are requested to notify any change in address, mandate/bank details to their Depository Participants.
4. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all days between 11.00 a.m. and 1.00 p.m. up to the date of the Extraordinary General Meeting, except on Saturdays, Sundays and other Holidays.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 1

Shri S. K. Agarwal was appointed as the Managing Director of the Company with effect from 21st August, 2013 for a period of 3 years and his terms of appointment were approved by the members of the Company at the Annual General Meeting held on 25/09/2013 with liberty to the Board to revise the remuneration component as and when deemed fit. The Board in its meeting held on 14/11/2013, concurring to the recommendations made by Remuneration Committee of the Board had approved the revision in the remuneration payable to Managing Director effective from 1st April, 2013 as set out in the resolution sought to be approved in the accompanying notice. All other terms and conditions of service of Managing Director will remain unchanged.

The remuneration package of Shri S. K. Agarwal – Managing Director prior to the proposed revision was as under:

a. **Salary**
   Basic salary of Rs. 1,15,000/- (Rupees One Lac Fifteen Thousand 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.33,500/- (Rupees Thirty Three Thousand Five Hundred only) per month.
   ii. Medical Reimbursement:
   Expenses incurred for the Managing Director and the family subject to a ceiling of Rs.15,000/- (Rupees Fifteen Thousand only) per annum.
   iii. Leave Travel Concession: For the Managing Director and his family incurred not exceeding Rs.48,000/-(Rupees Forty Eight Thousand only) per annum.
   iv. Reimbursement of expenses for Books and Periodicals upto Rs. 47,400/-(Rupees Forty Seven Thousand Four Hundred only) per annum.
   v. Reimbursement of secretarial services upto Rs. 1,50,000/- (Rupees One Lac Fifty Thousand only) per annum.
   vi. Provident Fund, Gratuity payable, entitlement & encashment of leave 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 equipments/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.
   Explanation : 'Family' for the purpose of this clause means spouse & dependent children of the Managing Director.

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.

A copy of the resolution passed by the Board of Directors on 14/11/2013 modifying the remuneration of Shri S. K. Agarwal as Managing Director and the agreement entered into between the Company and Shri S. K. Agarwal on 22/07/2013 is 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 Extraordinary General Meeting except on Saturdays, Sundays and Holidays. This Statement may also be construed as an abstract of variation in terms and conditions of appointment of Managing Director in terms of Section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolution for your approval. Shri S. K. Agarwal does not hold any shares in the Company.

None of the Directors except Shri S. K. Agarwal is concerned or interested in the resolution.

ITEM NO. 2 and 3

Shri K. K. Soni has been appointed as an Additional Director by the Board on 14/11/2013 in terms of Article No. 80 of Articles of Association of the Company and designated as Director-Finance & CFO of the Company. Shri K. K. Soni is a qualified Chartered Accountant and Company Secretary with over 36 years of experience in the field of Accounts, Finance, Taxation and other Corporate Affairs. At present he is the Managing Director of VLS Capital Ltd. besides directorships in VLS Securities Limited, South Asian Enterprises Limited, Om Sai Sports Ltd. and VLS Asset Management Ltd. He was appointed as Executive Director & CFO of the Company w.e.f. 1/02/2007 on 3 year contract basis renewable with consent of parties thereto. The present contract is effective from 1/2/2013 till 31/01/2016 as per agreement dated 28/01/2013. As per terms of said agreement the CFO will be overall in charge of all financial matters of the Company including accounting, taxation and other allied areas. Additionally, CFO may be assigned such duties as deemed fit from time to time. Upon designated as Director-Finance & CFO, as a member of the Board, the said agreement stands modified mutatis-mutandis inter-alia for this purpose and remuneration. All other terms and conditions of said agreement shall remain unchanged. As per provisions of Companies Act, 1956, where an employee is inducted in Board the said person is deemed to be a Executive Director, hence separate approval of members for appointment in that capacity is also sought.

A notice has been received from a member of the Company pursuant to Section 257 of the Companies Act, 1956 signifying intention to propose the resolution for appointment of Shri K. K. Soni as a Director of the Company. Being Executive Director, Shri K. K. Soni shall not be liable to retire by rotation, until he ceases to be Executive Director.

Shri K. K. Soni as Managing Director of VLS Capital Ltd. also draws remuneration from that Company. The overall remuneration of Shri K. K. Soni is within the prescribed limits of the relevant provisions of the Companies Act, 1956. In terms of Section 269 read with other applicable provisions of the Companies Act, 1956 the appointment and any modification in terms and conditions of appointment including remuneration of managerial personnel is subject to the approval of members. This Statement may also be construed as an abstract of terms and conditions of appointment of Director-Finance & CFO in terms of Section 302 of the Companies Act, 1956. Shri K. K. Soni does not hold any share in the Company.

Your Directors recommend his appointment. None of the Directors except Shri K. K. Soni is concerned or interested in the resolution.

By Order of the Board
For VLS Finance Ltd.

Place: New Delhi
Date: 14/11/2013

H. Consul
Company Secretary

VLS FINANCE LTD.

2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065

ATTENDANCE CARD
EXTRAORDINARY GENERAL MEETING
Saturday, the 21st Day of December, 2013

Folio No./DP ID & CL ID	No. of Shares
Name	
Address	

I hereby record my presence at the EXTRAORDINARY GENERAL MEETING of the Company at "Mikky House", K-Block, Kidwai Nagar, Kanpur, U.P.-208011 at 12:30 P.M. ON **SATURDAY, the 21ST DAY OF DECEMBER, 2013.**

Proxy's Name _____

Proxy's Signature _____ Member's Signature

NOTE :

1. **Member/Proxy wishing to attend the meeting must present this card duly filled in at the Entrance of the Venue.**
2. **No Gift/Coupons or equivalent will be given to members who are present in the meeting.**
3. **For convenience of members, person other than member/proxy will not be allowed inside the venue.**

VLS FINANCE LTD.

2nd Floor, 13, Sant Nagar, East of Kailash, New Delhi-110 065

FORM OF PROXY

I/We _____

of _____ being a member/members of

VLS FINANCE LIMITED hereby appoint _____

of _____ or failing him _____

of _____ or failing him _____

of _____ as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held on Saturday, the 21st Day of December, 2013 at 12:30 P.M. and at any adjournment thereof.

Dated this _____ day of _____ 2013.

Reg. Folio/DP ID & CL ID	No. of Shares

FOR OFFICE USE ONLY
Proxy No.

Affix Revenue Stamp

Member's Signature

NOTE :

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
3. A Proxy need not be a Member.
4. In case of jointholding, all the jointholders must sign the proxy form.

Book Post

If not delivered, please return to :
VLS FINANCE LIMITED
2nd Floor, 13, Sant Nagar,
East of Kailash,
New Delhi-110 065
Phone : 011-46656666
Fax : 011-46656699

print at : Delhi press email : delhipress@yahoo.com