

VLS FINANCE LTD.

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

CIN: L65910DL1986PLC023129, email: vls@vsnl.com, Website: www.vlsfinance.com

Phone: 011-46656666, FAX: 011-46656699

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th Annual General Meeting of the Members of **VLS FINANCE LTD.** will be held at The Auditorium, Sri Sathya Sai International Centre, Institutional Area, Lodhi Road, Pragati Vihar, New Delhi-110003, on Thursday, 25th day of September, 2014 at 3:30 P.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014, the statement of Profit & Loss for the year ended on that date and the consolidated Financial Statements for the said period together with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Somesh Mehrotra (DIN: 00109902) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass following resolution, with or without modification(s), 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 Regn. No. 000181N) the present Statutory Auditors of the Company be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting of the Company and at such remuneration as may be determined by the Board of Directors of the Company / Committee of the Board and that the remuneration may be paid on a progressive billing basis if so agreed between the Auditors and Audit Committee or such other officer of Company as may be authorised by the Audit Committee/ Board."

SPECIAL BUSINESS:

4. To consider approval of borrowing limits and in this connection to consider and if thought fit, to pass following resolution, with or without modification(s), as a **Special Resolution**:
"RESOLVED THAT in supersession of resolution passed at the Annual General Meeting held on 23rd May, 1995, the consent of the Company be and is hereby accorded to the Board of Directors ("Board") in terms of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), to borrow from time to time any sum or sums of money for the purpose of Company's business, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate for the time being of paid-up capital of the Company and Free Reserves (Reserves not set apart for any specific purpose) provided that the aggregate of the monies so borrowed and / or to be borrowed and outstanding at any time shall not exceed Rs. 500.00 Crores (Rupees Five Hundred Crores only).
RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may be necessary, proper, desirable or expedient to give effect to this resolution."
5. To approve mortgage/creation of charge on assets of Company to secure its borrowing and in this connection to consider and if thought fit, to pass following resolution, with or without modification(s), as a **Special Resolution through Postal Ballot**:
"RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting held on 23rd May, 1995, the consent of the Company be and is hereby accorded to authorise the Board of Directors of the Company, in terms of Section 180 (1)(a) of the Companies Act, 2013:-
 - a) to mortgage and/or charge the immovable and/or movable properties of the Company, all or in part, wheresoever situate, present and future, in favour of, or
 - b) to confer power to enter upon and take possession of the assets of the Company, on the Public Financial Institutions, Scheduled Banks and/or Foreign Banks/

Institutions/other entities to secure any Rupee loan/foreign Currency Loan/Assistance sanctioned in favour of the Company by the said Institutions/Banks/other entities together with interest, costs charges and other amounts payable in respect thereof with such ranking and other terms of the sanctions for amounts not exceeding at any time in aggregate Rs 500.00 Crores (Rupees Five Hundred Crores only).

RESOLVED FURTHER THAT mortgage/ charge/ hypothecation / encumbrance to be created by the Company aforesaid may rank prior / pari-passu / subservient with/to the mortgage / charge / hypothecation / encumbrance already created or to be created by the Company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt relating thereto that may arise in regard to creating mortgage / charge/ hypothecation / encumbrance as aforesaid."

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

"RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 and Schedule V and other applicable provisions of the Companies Act, 2013 and such other laws, rules and regulations as may be applicable and other approvals as may be required, consent of the Company be and is hereby accorded to the revision in the remuneration and terms of appointment of Shri S.K. Agarwal - Managing Director, as follows:

a. Salary

Basic salary of Rs. 1,60,000/-(Rupees One Lac Sixty Thousand Only) per month.

b. Perquisites

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

- i. HRA/ Leased Accommodation: Rs.54,400/- (Rupees Fifty Four Thousand Four 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.60,000/-(Rupees Sixty 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. 12,500/-(Rupees Twelve Thousand five Hundred only) per month.
- vi. Reimbursement of expenses for Business Promotion upto Rs. 36,000/-(Rupees Thirty Six 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.

RESOLVED FURTHER THAT Shri S. K. Agarwal will be liable to retire by rotation notwithstanding the contrary provision contained in Articles of Association of the Company and 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 except as modified herein above or earlier by the members.

RESOLVED FURTHER THAT the revision in remuneration shall be effective from 1st April, 2014, for residual period of appointment of Managing Director 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 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, 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 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."

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

"RESOLVED THAT subject to the provisions of Section 196, 197 and 203 and Schedule V and other applicable provisions of the Companies Act, 2013 and such other laws, rules and regulations as may be applicable and other approvals as may be required, consent of the Company be and is hereby accorded to the revision in the remuneration and terms of appointment of Shri K.K. Soni - Director-Finance & CFO, as follows:

a. Salary

Basic salary of Rs. 1,55,000 /-(Rupees One Lac Fifty Five Thousand Only) per month.

b. Perquisites

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

- i. HRA/ Leased Accommodation: Rs.50,000/- (Rupees Fifty Thousand) per month.
- ii. Medical Reimbursement: Expenses incurred for the Director-Finance & CFO and the family subject to a ceiling of Rs.15,000/- (Rupees Fifteen Thousand only) per annum.
- iii. Leave Travel Concession: For the Director-Finance & CFO and his family incurred not exceeding Rs.60,000/- (Rupees Sixty 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. 12,500/- (Rupees Twelve Thousand five Hundred only) per Month.
- vi. Reimbursement of expenses for Business Promotion upto Rs. 36,000/-(Rupees Thirty Six 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 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 Shri K. K. Soni will be liable to retire by rotation notwithstanding the contrary provision contained in Articles of Association of the Company and all other terms and conditions of service as contained in the agreement dated

28.01.2013 entered into between the Company and him will remain unchanged except as modified herein above or earlier by the members.

RESOLVED FURTHER THAT the revision in remuneration shall be effective from 1st October, 2014, for residual period of appointment of Director-Finance & CFO 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 be and is hereby authorized to vary and/or revise the remuneration of the Director-Finance & CFO 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 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."

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

"RESOLVED THAT, in terms of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the rules/ directives made thereunder, the Clause 49 of Listing Agreement including any statutory modification or re-enactment thereof for the time being in force, Shri B. M. Oza (DIN 00138488) who was appointed as director liable to retire by rotation be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this meeting upto conclusion of 32nd Annual General Meeting of the Company to be held in calendar year 2019, or till such earlier date to conform with the policy on retirement as may be determined by Board of Directors and/or applicable statutes, rules, regulations or guidelines."

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

"RESOLVED THAT, in terms of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the rules/ directives made thereunder, the Clause 49 of Listing Agreement including any statutory modification or re-enactment thereof for the time being in force, Dr. S. Ramesh (DIN 00126120) who was appointed as director liable to retire by rotation be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this meeting upto conclusion of 32nd Annual General Meeting of the Company to be held in calendar year 2019, or till such earlier date to conform with the policy on retirement as may be determined by Board of Directors and/or applicable statutes, rules, regulations or guidelines."

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

"RESOLVED THAT, in terms of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the rules/ directives made thereunder, the Clause 49 of Listing Agreement including any statutory modification or re-enactment thereof for the time being in force, Shri Ajit Kumar (DIN 00106597) who was appointed as director liable to retire by rotation be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this meeting upto conclusion of 32nd Annual General Meeting of the Company to be held in calendar year 2019, or till such earlier date to conform with the policy on retirement as may be determined by Board of Directors and/or applicable statutes, rules, regulations or guidelines."

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

"RESOLVED THAT, in terms of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the rules/ directives made thereunder, the Clause 49 of

Listing Agreement including any statutory modification or re-enactment thereof for the time being in force, Shri M. G. Diwan (DIN 00001097) who was appointed as director liable to retire by rotation be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this meeting upto conclusion of 32nd Annual General Meeting of the Company to be held in calendar year 2019, or till such earlier date to conform with the policy on retirement as may be determined by Board of Directors and/or applicable statutes, rules, regulations or guidelines."

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

"**RESOLVED THAT**, in terms of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the rules/directives made thereunder, the Clause 49 of Listing Agreement including any statutory modification or re-enactment thereof for the time being in force, Shri B. B. Tandon (DIN 00740511) who was appointed as director liable to retire by rotation be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this meeting upto conclusion of 32nd Annual General Meeting of the Company to be held in calendar year 2019, or till such earlier date to conform with the policy on retirement as may be determined by Board of Directors and/or applicable statutes, rules, regulations or guidelines."

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

"**RESOLVED THAT**, in terms of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the rules/directives made thereunder, the Clause 49 of Listing Agreement including any statutory modification or re-enactment thereof for the time being in force, Shri Gian Vijeshwar (DIN 00009686) who was appointed as director liable to retire by rotation be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this meeting upto conclusion of 32nd Annual General Meeting of the Company to be held in calendar year 2019, or till such earlier date to conform with the policy on retirement as may be determined by Board of Directors and/or applicable statutes, rules, regulations or guidelines."

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

"**RESOLVED THAT**, in terms of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the rules/directives made thereunder, the Clause 49 of Listing Agreement including any statutory modification or re-enactment thereof for the time being in force, Shri A. K. Puri (DIN 00106469) who was appointed as director liable to retire by rotation be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from the date of this meeting upto conclusion of 32nd Annual General Meeting of the Company to be held in calendar year 2019, or till such earlier date to conform with the policy on retirement as may be determined by Board of Directors and/or applicable statutes, rules, regulations or guidelines."

*By Order of the Board
For VLS Finance Ltd.*

H. Consul
Company Secretary

Place: New Delhi
Date: 11/08/2014

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. A proxy may not vote except on a poll.
2. The submission of form of proxy by a member does not preclude such member from attending and voting at the meeting. The proxy in such event shall not be eligible to attend the meeting. Only bonafide members of the Company whose names appear on the Register of Members/ Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as

may be deemed necessary to restrict non-members from attending the meeting.

3. In the case of joint holders, the vote of the senior shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting ("AGM").
 4. 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
 5. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its member. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their Depository Participant. Members holding shares in physical form are requested to send their e-mail address to the Registrar and Transfer Agents M/s. RCMC Share Registry Pvt. Ltd., B-25/1, First Floor, Okhla Industrial Area Phase-II, New Delhi-110020.
 6. In terms of provisions of Section 108, 109 and 110 of the Companies Act, 2013 read with Rule 20, 21 and 22 of Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement for votes cast through e-voting, ballot by post and by poll at Annual General Meeting on the business to be transacted in Annual General Meeting of the Company on 25/09/2014 along with item to be transacted through postal ballot, the Board of Directors of the Company has appointed Shri V. B. Aggarwal, Practicing Company Secretary, as the Scrutinizer.
- The procedure with respect to e-voting is provided below: -
- A. In case of Members who receive the Notice in electronic mode:
 - (a) Open e-mail and open PDF file viz. 'VLS e-voting.pdf' with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (b) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/> and click on 'Shareholder - Login'.
 - (c) Insert user ID and password as initial password stated in (a) above. Click on 'Login'.
 - (d) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits/ characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
 - (e) Home page of e-voting opens. Click on 'e-voting: Active E-voting Cycles' and select the Electronic Voting Event Number (EVEN) of VLS Finance Limited.
 - (f) Now you are ready for e-voting as 'Cast Vote' page opens.
 - (g) Cast your vote by selecting appropriate option and click on 'Submit'. Thereafter click on 'Confirm' when prompted.
 - (h) Upon confirmation, the message 'Vote cast successfully' will be displayed. Thereafter you will not be allowed to modify your vote.
 - (i) 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 complianceofficer@vlsfinance.com with a copy marked to NSDL's e-mail ID evoting@nsdl.co.in
 - B. In case of Members who receive the Notice by post:
 - (a) User ID and initial password is provided in the separate slip.
 - (b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (A) above, to cast your vote.
 - C. Members already registered with NSDL for e-voting can use their existing user Id and password for Login. Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (A) above, to cast your vote.
 - D. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for

Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com. You may also address your queries relating to e-voting to the e-mail ID complianceofficer@vlsfinance.com.

- E. **The period for e-voting starts at 9.00 a.m. on Friday, 19th September, 2014 and ends at 6.00 p.m. on Sunday, 21st September, 2014. E-voting shall be disabled by NSDL at 6.00 p.m. on 21st September, 2014.**

F. General Information

- Every Client ID No./ Folio No. shall have one e-vote, irrespective of the number of joint holders.
 - Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on Thursday, 18th September, 2014.
 - E-voting right cannot be exercised by a proxy.
 - The members may cast their vote by either of the three means viz. e-voting facility, ballot form by post and ballot form at general meeting. In case vote is cast by more than one means then vote cast by e-voting will be counted and vote by other means will be treated as invalid. In case of item relating to postal ballot vote cast by e-voting will be counted and voting by postal ballot will be treated as invalid.
 - The results of e-voting alongwith the Scrutinizer's Report, will be available on the Company's corporate website www.vlsfinance.com under the section 'Investor Relations' and on the website of NSDL within two days of passing of resolution at the AGM. Such Results will also be forwarded to the Stock Exchange where the Company's shares are listed. The result of postal ballot will be declared within seven days after 30th day of dispatch of notice.
- The Register of Members of the Company shall remain closed from 18.09.2014 to 25.09.2014 (both days inclusive).
 - The Company has retained M/s RCMC Share Registry Pvt. Ltd., ("Registrar & Transfer Agent") at B-25/1 First Floor, Okhla Industrial Area Phase II, New Delhi-110020 (Phone Nos. 011 - 26387320, 26387321, 26387323 and Fax 011-26387322) w.e.f. 01/04/2003 for entire shareholder services. All correspondence, therefore, may be addressed to the said Registrar & Transfer Agent. However, for any further assistance in said matters, queries may be addressed to the Company Secretary at **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**
 - SEBI vide circular ref. no. MRD/DoP/Cir-05/2009 dated May 20, 2009 has clarified that providing the PAN information will be mandatory for transactions in securities in physical form as well. Amongst others, all transactions involving transfer/ transmission/ transposition of shares in physical form of listed companies, whether off market or not, will require copy of PAN card of transferee(s) be furnished to the Company/RTAs for transfer/ transmission/ transposition of shares. This is for information of all investors.
 - Members are requested to intimate the change in address, if any, to the Company's Registrar or the Company at its Registered Office for shares held in physical mode. 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-14 duly filled in, to the Registrar & Transfer Agent of Company. Members holding shares in demat (Electronic) form are requested to notify any change in address, mandate/bank details/nominations to their respective Depository Participants. The changes effected by depository participants will automatically be reflected in Company's records upon updation of beneficiary owners list provided by Depositories.
 - The shares of the Company are traded in demat segment only w.e.f. 28th August, 2000 for all categories of investors. 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).

- All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the AGM.
- Member/Proxies are requested to bring their copies of the Annual Report to the meeting and the attendance slip duly filled in, for attending the meeting. As a measure of economy, copies of Annual Report and Admission Slips may not be distributed at the AGM.
- Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM is annexed hereto and forms part of this notice.
- The Unpaid/unclaimed dividends up to 31/03/95 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 31/03/95 up to the financial year 1997-99 (18 months) has been credited to Investor Education & Protection Fund (IEPF). Please note that once unclaimed dividend is transferred to IEPF of the Central Government in accordance with the regulations, no claim shall lie against the Company or IEPF in respect thereof. Since no dividend has been declared since 1999, no unpaid / unclaimed dividend remains liable to be transferred to IEPF.
- Information regarding Directors:

(A)Retiring by rotation and seeking re-appointment:

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 11/08/2014.	Chairman/ Member of the Committees of other companies as on 11/08/2014.	Whether qualified u/s 164(2) of the Companies Act, 2013.
1.	Shri Somesh Mehrotra (DIN:00109902)	06/04/1967	06/06/1994	M.Com. Industrialist having over 25 years experience in financial services, administration and amusement industry.	a) VLS Capital Ltd. b) VLS Commodities (P) Ltd. c) Om Sai Sports Ltd.	NL NL NL	Yes

(B) Shareholding of above Director as on 11/08/2014

S. No.	Name of Directors	No. of Shares held in Company	Percentage
1.	Shri Somesh Mehrotra	884691	2.29

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

ITEM NO.4

As per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("CA-2013"), the borrowings in excess of the paid-up Capital and free reserves require approval of members in General Meeting by way of special resolution. The existing borrowing limits as sanctioned by the members in the Annual General Meeting held on 23rd May, 1995 were upto a ceiling of Rs. 500 crores u/s 293(1)(d) read with 293(1)(a) of the Companies Act, 1956 and which was otherwise valid at present upto 11/09/2014 by virtue of repealing provisions of the CA-2013 and Ministry's circular No. 4/2014 dated 23/03/2014. However, in view of validity period being till 11/09/2014 only, the said approval is needed to be obtained afresh under the provisions of CA-2013 to avoid any ambiguity.

The approval of the Members by way of special resolution for borrowing upto the maximum limit of Rs. 500 Crores (Rupees Five Hundred Crores only) is therefore now being sought, by way of a Special Resolution, pursuant to Section 180(1)(c) of the Companies Act, 2013.

The Directors recommend the Special Resolution at item no. 4 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

ITEM NO.5

The Board already has the approval of members of the Company under section 293(1)(a) of the companies Act, 1956 vide resolution dated 23/05/1995 for creation of charge/encumbrance on assets of the Company to secure its borrowings.

Under Section 180 of the Companies Act, 2013 ("the Act"), notified as on September 12, 2013, the powers of the Board are required to be exercised only with the consent of the Company by a Special Resolution through postal ballot which includes e-voting. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolution passed under Section 293(1)(a) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification of Section 180 of the Act i.e. upto 11/09/2014.

The approval of the Members by way of special resolution for creation of a mortgage or charge on the assets of the Company through postal ballot in terms of section 110 of the Act, read with Rule 22(16)(i) of Companies (Management and Administration) Rules 2014, is therefore now being sought, pursuant to Section 180(1)(a) of the Act for borrowings upto Rs. 500 Crores (Rupees Five Hundred Crores Only).

Members are requested to carefully follow the instructions before filling postal ballot form. The duly completed postal ballot form should be received within 30 days of dispatch of notice. Forms received after that date will be deemed to have not been received. The result of postal ballot will be placed on noticeboard and website of the Company after 30th day of dispatch of notice, as soon as it is received from scrutinizer and the resolution shall be taken as passed effectively on the date of announcement of result on notice board/ website if the result indicate that requisite majority have assented to the resolution.

The Directors recommend the Special Resolution at item no.5 of the accompanying Notice for the approval of the Members of the Company through postal ballot.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

ITEM NO.6

Shri S. K. Agarwal (DIN: 00106763) 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 members had also approved revision in remuneration of Shri S. K. Agarwal- Managing Director w.e.f. 01/04/2013 in the Extraordinary General Meeting of the Company held on 21/12/2013. The Board in its meeting held on 11/08/2014, concurring to the recommendations made by Nomination and Remuneration Committee of the Board had approved the revision in the remuneration payable to Managing Director effective from 1st April, 2014 as set out in the resolution sought to be approved in the accompanying notice. The Board had also approved modification in terms of appointment of Managing Director by categorizing him as director liable to retire by rotation during his tenure as Managing Director in order to comply with provisions of section 152(6) of the Companies Act, 2013 subject to approval of members. All other terms and conditions of service of Managing Director will remain unchanged.

The remuneration package of Shri S. K. Agarwal – Managing Director proposed to be revised is given in the accompanying notice.

A copy of the resolution passed by the Board of Directors on 11/08/2014 revising 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 on all working days till the date of the Annual General Meeting from 11.00 a.m. to 1.00 p.m.

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 or Key Managerial Personnel or their relatives directly or indirectly except Shri S. K. Agarwal is concerned or interested in the resolution.

ITEM NO.7

The Company has renewed the appointment of Shri K. K. Soni as CFO of the Company on the terms stated in agreement dated 28/01/2013 with tenure upto 31/01/2016. Shri K. K. Soni (DIN: 00106037) was appointed as director on 14/11/2013 and on said appointment, he was redesignated as Director-Finance & CFO with tenure upto 31/01/2016 and his terms of appointment were approved by the members of the Company as contained in agreement dated 28/01/2013 at the Extraordinary General Meeting of the Company held on 21/12/2013 with liberty to the Board to revise the remuneration as and when deemed fit.

Shri K. K. Soni is also Managing Director of VLS Capital Ltd. and is drawing remuneration from that Company. In compliance of provisions of Companies Act, 2013, he will be resigning as Managing Director from that Company w.e.f. closing hours of 30/09/2014 as he can not be Key Managerial Personnel ("KMP") at more than one place. He would continue as Director in VLS Capital Ltd. As he will continue as Director-Finance & CFO of the Company which is a KMP post, it is proposed to revise the remuneration of Director-Finance & CFO w.e.f. 01/10/2014 to commensurate with remuneration structure of organization, in general.

The Board in its meeting held on 11/8/2014, concurring to the recommendations made by Nomination and Remuneration Committee of the Board had approved the revision in the remuneration payable to Director-Finance & CFO effective from, 1st October, 2014 as set out in the resolution sought to be approved in the accompanying notice. The Board had also approved modification in terms of appointment of Director-Finance & CFO by categorizing him as director liable to retire by rotation during his tenure as Director-Finance & CFO in order to comply with provisions of section 152(6) of the Companies Act, 2013 subject to approval of members. All other terms and conditions of service of Director-Finance & CFO will remain unchanged.

A copy of the resolution passed by the Board of Directors on 11/08/2014 revising the remuneration of Shri K. K. Soni as Director-Finance & CFO and the agreement entered into between the Company and Shri K. K. Soni on 28/01/2013 is available for inspection by the members of the Company at Registered office of the Company on all working days till the date of the Annual General Meeting from 11.00 a.m. to 1.00 p.m.

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

None of the Directors or KMP or their relatives directly or indirectly except Shri K. K. Soni is concerned or interested in the resolution.

ITEM NO.8 to 14

Section 149 of Companies Act, 2013 provides that Independent Directors shall hold office for a term upto 5 (Five) consecutive years. The Board of Directors has decided to appoint the Independent Directors for a term of 5 (Five) consecutive years.

Further, pursuant to the provisions of Section 152 of Companies Act, 2013, Independent Directors are not liable to retire by rotation. Therefore, considering the provisions of Companies Act, 2013, the Independent Directors shall not be liable to retire by rotation.

Copy of the draft letters for respective appointments of Directors as Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office on all working days of the Company upto and including the day of the Meeting from 11.00 a.m. to 1.00 p.m.

Further, in the opinion of the Board, all the proposed appointees as Independent Directors, fulfill the conditions specified in the Act and the Rules made thereunder and that the proposed Independent Directors are independent of the management.

None of the Directors or Key Managerial Personnel or their relative(s) is/are in any way concerned or interested, in passing of the above mentioned resolution, except the appointee Director(s) and their relatives.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting.

(In pursuance of clause 49 of the Listing Agreement with Stock Exchanges)

Name of director	Shri B. M. Oza IFS (Retd.) (DIN 00138488)	Shri M.G. Diwan(DIN 00001097)
Age	78 years	83 years
Qualification	M.A. (Economics) Diploma in Demographic Training	M.Sc., F.I.A., F.A.S.I., F.I.I.I.
Date of appointment	30/06/2001	17/03/1994
Expertise	He is a distinguished Diplomat with over 50 years of experience in administration and international affairs	He is former Chairman of LIC of India having experience of more than 58 years in the field of Insurance, Actuarial Services Finance, Investments and administration.
Directorship as on 31/03/2014	NIL	G.M. Breweries Ltd., Marketing Research Corporation of India Ltd., Shriram Chits (Maharashtra) Ltd., GDA Trusteeship Ltd., Indian Institute of Public Opinion Pvt. Ltd., D.S. Actuarial Education Services Pvt. Ltd., M/s. K. A. Pandit Consultants & Acturics- Partner, Ville Parle Kalpataru Co-operative Housing Society Ltd.- Member
Chairman/ Member of Audit committee as on 31/03/2014	NIL	G.M. Breweries Ltd. - Member
Chairman/ Member of Shareholders'/ Investors Grievance committee as on 31/03/2014	NIL	NIL
Chairman/ Member of Remuneration committee as on 31/03/2014	NIL	G.M. Breweries Ltd.- Member
Shareholding in the Company	NIL	NIL
Relationship between directors inter-se	NIL	NIL

Name of director	Shri Ajit Kumar IAS (Retd.) (DIN 00106597)	Dr. S. Ramesh IAS (Retd.) (DIN 00126120)
Age	72 years	78 years
Qualification	M.A. (English)	M.A., M.P.A. (Harvard), Ph.d
Date of appointment	29/10/2003	30/06/2001
Expertise	He has held various important positions in Government of India including that of Defence Secretary, Finance Secretary and Secretary, Ministry of Industries. He has vast experience in administration, planning and government affairs.	He is former Secretary to the Govt. of U.P. having over 5 decades experience in administration, planning and govt. affairs.
Directorship as on 31/03/2014	Singer India Ltd.	South Asian Enterprises Ltd.
Chairman/ Member of Audit committee as on 31/03/2014	Singer India Ltd. - Member	South Asian Enterprises Ltd.- Member
Chairman/ Member of Shareholders'/ Investors Grievance committee as on 31/03/2014	NIL	NIL
Chairman/ Member of Remuneration committee as on 31/03/2014	Singer India Ltd. - Chairman	NIL
Shareholding in the Company	NIL	NIL
Relationship between directors inter-se	NIL	NIL

Name of director	Shri Gian Vijeshwar(DIN 00009686)
Age	69 years
Qualification	M.A. (Public Administration)
Date of appointment	31/01/2007
Expertise	He is an eminent figure in Indian amusement industry and had pioneered in establishment of amusement parks in India, the first being 'Appu Ghar' in Delhi. He has over 40 years of rich experience in general management, financial administration and project management.
Directorship as on 31/03/2014	Appu Ghar Entertainment Pvt. Ltd., International Recreation Parks Pvt. Limited, Unitech Amusement Parks Limited, Appu

	Ghar Securities and Solutions Private Limited, Appu Ghar Holdings Private Limited, G.K. Holdings Pvt. Ltd., International Amusement Solutions Limited, International Amusement and Infrastructures Limited, International Amusement Limited, South Asian Enterprises Ltd., VLS Capital Limited, GKMR Corporate Solutions Pvt. Limited, Incomtra International Commodities Traders Pvt. Ltd., International Recreation and Amusement Limited, RV Buildtech & Amusement Pvt. Ltd., VGRM Infrastructure & Amusement Pvt. Ltd., GV Buildcon & Amusement Pvt. Ltd., Appu Ghar Recreation Parks Pvt. Ltd.
Chairman/ Member of Audit committee as on 31/03/2014	International Amusement and Infrastructures Limited - Member International Amusement Limited- Member
Chairman/ Member of Shareholders'/ Investors Grievance committee as on 31/03/2014	International Amusement Limited- Chairman
Chairman/ Member of Remuneration committee as on 31/03/2014	International Amusement and Infrastructures Limited - Member
Shareholding in the Company	NIL
Relationship between directors inter-se	NIL

Name of director	Shri B. B. Tandon (DIN 00740511) IAS (Retd.)	Shri A. K. Puri (DIN 00106469)
Age	73 years	79 years
Qualification	M.A., LL.B, CAIIB	M.Sc., LL.B., C.A.I.I.B.
Date of appointment	22/10/2008	07/05/1998
Expertise	He is a retired IAS officer of 1965 batch and was Chief Election Commissioner of India from 16/05/2005 to 29/06/2006. He has held various top-level posts in the Government of India including as Additional Secretary- Ministry of Company Affairs and at State level as Principal Secretary (Power) - Govt. of Himachal Pradesh. He has also served on the Board of several Public Sector Undertakings. He has over 4 decades of experience in policy making, administration and Government affairs	He is former Deputy Managing Director of State Bank of India and Ex-Member of the Board for Industrial Finance & Reconstruction, Ministry of Finance, Government of India. He has over 52 years experience in the field of Banking, Finance and Administration.
Directorship as on 31/03/2014	Ambuja Cement Foundation u/s 8 of the Companies Act, 2013, Adani Power Ltd., ACB (India) Ltd., Oriental Carbon & Chemicals Ltd., Jaiprakash Power Ventures Ltd., Exicom Tele-Systems Ltd., Birla Corporation Ltd., Dhampur Sugar Mills Ltd., Bhushan Steel Ltd., Filatex India Ltd., Schrader Duncan Ltd., Jaypee Infratech Ltd., Ambience Pvt. Ltd., Jinbhuvish Power Generations Private Limited, JPVL Trust- Trustee	NIL
Chairman/ Member of Audit committee as on 31/03/2014	Adani Power Ltd. -Chairman Oriental Carbon & Chemicals Ltd.-Member, Jaiprakash Power Ventures Ltd. - Member, Birla Corporation Ltd. - Member, Bhushan Steel Ltd.-Chairman, Filatex India Ltd.-Member, Schrader Duncan Ltd.-Member.	NIL
Chairman/ Member of Shareholders'/ Investors Grievance committee as on 31/03/2014	Adani Power Ltd.-Member, Ambience Pvt. Ltd.-Member.	NIL
Chairman/ Member of Remuneration committee as on 31/03/2014	Adani Power Ltd.- Chairman, ACB (India) Ltd.-Member, Oriental Carbon & Chemicals Ltd.- Member, Exicom Tele-Systems Ltd.- Member, Birla Corporation Ltd.-Member, Dhampur Sugar Mills Ltd.- Member.	NIL
Shareholding in the Company	NIL	NIL
Relationship between directors inter-se	NIL	NIL

Place: New Delhi
Date :11/08/2014

By Order of the Board
For VLS Finance Ltd.
H. Consul
Company Secretary

Annual Report for financial year 2013-14 is being sent separately.