



## Arman Financial Services Limited

501-504, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad-380 014 Gujarat, India. CIN:L55910GJ1992PLC018623  
Phone: +91 79 40507000, 27541989 Fax: +91 79 27543666 Website: www.armanindia.com E-Mail: finance@armanindia.com

### Notice of Postal Ballot

**(Pursuant to provisions of Section 110 of the Companies Act, 2013 and Rules made there under)**

To,

The Members,

Notice is hereby given to the Members of Arman Financial Services Limited (the “Company”) pursuant to the Section 110 of the Companies Act, 2013 (the “Companies Act”) (which shall include any statutory modifications, amendments or re-enactments thereto) read with the Companies (Management and Administration) Rules, 2014 (which shall include any statutory modifications, amendments or re-enactments thereto), for seeking consent of Members of the Company by passing resolutions by way of Postal Ballot, for the following Special Business:-

#### **Item No: 1 - Private Placement of Non-Convertible Debentures to the extent Rs. 100 Crores**

To consider and if thought fit, to give ASSENT / DISSSENT to the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Rules made there under, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Issue and Listing of Debt Securities) (Amendment) Notification, 2012 and 2014 and other applicable SEBI regulations and guidelines including any amendment, modification, variation or re-enactment thereof and the provisions of the Memorandum and Articles of Association of the Company and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for issuing, making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures (‘NCDs’) on private placement, in one or more tranches, such that the total amount does not exceed Rs. 100 Crores during a period of one year from the date of passing of this Resolution.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to determine the terms of issue including the class of investors to whom NCDs are to be issued, time, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium/ discount, listing and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writings, as may be required in this regard.”

#### **Item No: 2 - To Increase Borrowing Limits up to Rs. 200 Crores**

To consider and if thought fit, to give ASSENT / DISSSENT to the following resolution as a Special Resolution:

“**RESOLVED THAT** in supersession of earlier resolution passed by the Company in its 22<sup>nd</sup> Annual General Meeting of the Company held on September 24, 2014, pursuant to Section 180(1) (c) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, the consent of the Board be and is hereby accorded for borrowing from time to time any sum or sums of money by way of cash credit, loan, overdraft, discounting of bills, operating of letters of credit, for standing guarantee or counter-guarantee and any other type of credit line or facility up to an amount not exceeding Rupees 200 Crores (including the money already borrowed by the Company) on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans

obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution."

**Item No: 3- Creation of charge on all or any of the movable and / or immovable properties of the Company up to Rs. 200 Crores**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

**"RESOLVED THAT** the consent of the Company be and is hereby granted in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the rules made there under, as may be amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agent(s) and Trustee(s)/Trustee(s), for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and Securities (comprising fully / partly Convertible Debentures and / or Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments), issued / to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made there under, as may be amended from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) and Trustee(s), in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) / Trustee(s)."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board / Committee be and is hereby authorised to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and 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 arise in regard to creating mortgages / charges as aforesaid."

Place: Ahmedabad

**By Order of the Board**

Date: 08/07/2016

**Registered Office:**

502-503, Sakar III, Opp. Old High Court,  
Off Ashram Road, Ahmedabad 380014, Gujarat

**Jayendra Patel**

(Vice Chairman & Managing Director)

DIN: 00011814

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses is annexed hereto.
2. The notice is being sent to all the Members, whose names appear on the Register of Members / List of beneficial owners as received from National Securities Depository Limited (NSDL)/ Central Depository Services Limited (CDSL) on 8<sup>th</sup> July, 2016.
3. The Postal Ballot Notice is being sent by e-mail to those Members who have registered their e-mail address with the Company or with their Depository Participants (“DP”) unless any member has requested for a physical copy of the same. Members who have not registered their e-mail address will receive this Postal Ballot Notice along with the Postal Ballot Form (“Ballot Form”) through permitted mode.
4. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
5. The Postal Ballot Notice is uploaded on the website of the Company, i.e., [www.armanindia.com](http://www.armanindia.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).
6. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with rules made there under and Regulation 44 of SEBI (Listing Obligations & Discloser Requirements) Regulations, 2015 the Company is offering e-voting facility to all Members of the Company to send their assent or dissent in respect of the resolutions through postal ballot/e-voting contained in Notice dated 8<sup>th</sup> July, 2016. For the purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Members to cast their votes electronically.
7. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. However, in case Members cast their vote by Ballot Form and e-voting, then voting done through e-voting shall prevail and voting done by Ballot Form will be treated as invalid.
8. In case a Member is desirous of obtaining Ballot Form in printed form, the Member may write to [secretarial@armanindia.com](mailto:secretarial@armanindia.com). The Company will forward the same along with self-addressed pre-paid postage Business Reply Envelope upon receipt of a request from the Member.
9. M/s. I. P. Shah & Associate, Advocate, has been appointed as Scrutinizer to receive and scrutinize the completed Ballot Papers received from the Members in a fair and transparent manner. The postal ballot form and the self addressed business reply envelope are enclosed for use of the Members.
10. You are requested to carefully read the instructions printed in the Postal Ballot form and return the Form duly completed with the assent (for) or dissent (against), in the attached pre-paid envelope, so as to reach the Scrutinizer not later than close of working hours i.e. 6.00 p.m. on 14<sup>th</sup> August, 2016 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
11. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny and the results of postal ballot will be announced on or before 16<sup>th</sup> August, 2016, The result of the Postal Ballot will be posted on the website of the Company at [www.armanindia.com](http://www.armanindia.com) and intimated to the Stock Exchanges where the shares of the Company are listed.

---

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

---

**Item No: 1**

The Board of Directors of the Company has been exploring various fund raising options, in order to augment the long-term resources of the Company. There is potential to raise resources through issue of Non-Convertible Debentures (“NCDs”) on private placement. Your Directors considered that the Company should broaden the base of resource mobilization to ensure availability of adequate funding for future business growth and development and propose to raise these funds through issue of NCDs on private placement.

The funds raised through this issue of NCDs will be utilized for various financing activities, loans to its subsidiary, working capital requirements and general corporate purposes of the Company, after meeting the expenditures of and related to the issue.

At present, your Company is proposing to issue Non Convertible Debenture on a private placement basis worth Rs. 25 Crore to AAV Sarl (Luxembourg), through its Indian custodian Deutsche Bank AG, Mumbai branch.

As per Sections 42 and 71 of the Companies Act, 2013 (“the Act”) read with the Rules framed there under, a company offering or making an invitation to subscribe to NCDs on private placement basis is required to obtain the prior approval of the Shareholders by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.

The Board of Directors of the Company at its meeting held on 8<sup>th</sup> July, 2016 has approved the issue of NCDs for an amount not exceeding Rs. 100 Crores, subject to the approval of the shareholders of the Company. It is also proposed to issue NCDs in one or more tranches within a period of 1 (One) year from the date of passing this Special Resolution. Further, the issue amount of NCDs will be within the overall borrowing limits of the Company, as approved by the Shareholders from time to time.

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the aforesaid resolution.

#### **Item No: 2 & 3**

The members of the Company in their 22<sup>nd</sup> Annual General Meeting held on 24<sup>th</sup> September, 2014 approved by way of an Special Resolution under Section 180(1)(c) of the Companies Act, 2013, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs 150 Crores (Rupees One Hundred Fifty Crores).

The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 (“the Act”) and its rules there under.

The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company, in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, as set out at Item No. 2 and Item No. 3 of the Notice, enable to the Board of Directors to borrow money upto Rs 200 Crores (Rupees Two Hundred Crores) and inter alia, authorised the Board to secure its borrowing by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the aforesaid resolution.

Place: Ahmedabad

Date: 08/07/2016

#### **Registered Office:**

502-503, Sakar III, Opp. Old High Court,  
Off Ashram Road, Ahmedabad 380014, Gujarat

**By Order of the Board**

**Jayendra Patel**

(Vice Chairman & Managing Director)

DIN: 00011814