



Arman Financial Services Limited

Registered Office: 502-503, SAKAR III, OPP. OLD HIGH COURT, OFF ASHRAM ROAD, AHMEDABAD-380014, GUJARAT, INDIA
PH.: +91-79-40507000, 27541989 E-mail: finance@armanindia.com CIN: L55910GJ1992PLC018623

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, each as amended]

E-VOTING STARTS ON	E-VOTING ENDS ON
Monday, June 5, 2023 from 9:00 a.m. (IST)	Tuesday, July 4, 2023 till 5:00 p.m. (IST)

Dear Member(s),

NOTICE is hereby given pursuant to Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013, (**'the Act'**) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, (**'Rules'**), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'SEBI Listing Regulations'**) and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (**'SS-2'**), each as amended, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs (**'MCA'**) vide its General Circulars dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 8, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as (**'MCA Circulars'**), to transact the special businesses as set out hereunder by passing Special Resolution, as applicable, by way of postal ballot only by voting through electronic means (remote e-voting).

In compliance with the aforesaid MCA Circulars, this Postal Ballot Notice (**'Notice'**) is being sent by Arman Financial Services Limited (**'the Company'**) only through electronic mode to those Members whose email addresses are registered with the Company / Registrar and Transfer Agent (**'RTA'**) / Depository Participants (DPs). Accordingly, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope are not being sent to the Members for this Postal Ballot. In compliance with Regulation 44 of the SEBI Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules, MCA Circulars and SS-2, the Company is providing remote e-voting facility to its Members, to enable them to cast their votes electronically instead of submitting the Postal Ballot Form physically. The communication of the assent or dissent of the Members would only take place through the remote e-voting system. The Company has engaged the services of the National Securities Depository Limited (**'NSDL'**) for the purpose of providing remote e-voting facility to its Members.

The Explanatory Statement pursuant to Sections 102 and 110 and other applicable provisions of the Act, pertaining to the said Resolutions setting out the material facts and the reasons/ rationale thereof are annexed to this Notice.

Members desiring to exercise their vote through the remote e-voting facility arranged by the Company are requested to carefully read the instructions and follow the procedure as stated in the Notes forming part of this Notice for casting of votes not later than 5:00 p.m. (IST) on Tuesday, July 4, 2023. The remote e-voting facility will be disabled by NSDL immediately thereafter and voting shall not be allowed beyond the said time and date.

The Board of Directors of the Company has appointed Mr. Ishan P. Shah, Advocate as the Scrutiniser to scrutinise the remote e-voting process in a fair and transparent manner.

After completion of scrutiny of the votes cast, the Scrutiniser will submit his report to the Chairman or any other person authorised by him. The results declared, along with the Scrutiniser's Report, shall be announced by the Chairman or such person as authorised, within the stipulated timelines. The Scrutiniser's decision on the validity of votes cast will be final.



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The said results will be displayed on the website of the Company at www.armanindia.com, the website of NSDL at www.evoting.nsdl.com and shall also be communicated to the Stock Exchanges where the Company's Ordinary Shares are listed viz. BSE Limited ('BSE') and The National Stock Exchange of India Limited ('NSE') and be made available on their respective websites viz. at www.bseindia.com and www.nseindia.com.

SPECIAL BUSINESS

1. APPROVAL OF 'ARMAN -EMPLOYEE STOCK OPTION PLAN – 2023' ("ESOP PLAN 2023")

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the applicable provisions, if any, of the Companies Act, the Memorandum and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **"the Board"** which term shall be deemed to include any Committee, which the Board may constitute to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or benefit of such person(s) who are in permanent employment of the Company, whether working in India or out of India, including any Director of the Company, whether whole time or otherwise, options exercisable into not more than 300,000 (Three lacs only) equity shares of face value Rs. 10/- each of the Company, under 'Arman - Employee Stock Option Plan 2023' ("**ESOP Plan 2023**"), in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, for the purpose of making a fair and reasonable adjustment, the number of options to be granted and / or the exercise price payable under the ESOP Plan 2023 shall be appropriately adjusted, without affecting any other rights or obligations under the Schemes."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity shares upon exercise of options from time to time in accordance with the employee stock option Schemes and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company."

"RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, the Memorandum and Articles of Association of the Company and any other applicable laws."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matter and things as it may at its absolute discretion, deem necessary including authorizing the Board to appoint Advisors, Consultants or Representatives, being incidental to the effective implementation and



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administration of ESOP Plan 2023 or desirable for issue, offer, allocate, allot and utilize proceeds and to make modifications, changes, variations, alterations, revisions in the terms and conditions of the ESOP Plan 2023 in accordance with any regulations or guidelines that may be issued from time to time by the appropriate authority unless such variation(s) modification(s) or alteration(s) is detrimental to the interest of Eligible Employees including but not limited to amendments with respect to the vesting period, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the plan without any form of further reference, confirmation, approvals or sanctions from Members of the Company, to the extent permissible by SEBI Regulations and other relevant regulations in force, Companies Act 2013 (including any modifications, amendment and reenactment thereof) the Memorandum and Articles of Association of the Company and any other applicable laws.

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things, as it may in its absolute discretion, deem necessary, expedient, proper or desirable for such purpose and with the power on behalf of Company to settle all questions, difficulties, doubts that may arise in this regard at any stage including at the time of Listing of Securities without being required to seek any further consent or approval of members of the company.”

“RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP Plan 2023.”

2. APPROVAL OF EMPLOYEE STOCK OPTION PLAN - 2023 FOR THE ELIGIBLE EMPLOYEES OF THE SUBSIDIARY COMPANY (IES) OF THE COMPANY

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the applicable provisions, if any, of the Companies Act, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **"the Board"** which term shall be deemed to include any Committee, which the Board may constitute to exercise its powers, including the powers, conferred by this resolution) to extend the benefits of 'Arman - Employee Stock Option Plan 2023' (**"ESOP Plan 2023"**) of the Company as proposed in the Resolution No. 1 in this Notice to such person(s) who are in permanent employment, whether working in India or out of India, including any Director, whether whole time or otherwise, of any present or future Subsidiary Company(ies) of the Company, on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority.”

3. RE-APPOINTMENT OF MR. ALOK PRASAD (DIN: 00080225) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE SECOND TERM

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 {including any statutory modification(s) or re-enactment thereof for the time being



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in force} and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Alok Prasad (DIN: 00080225), Independent Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for second term of 5 consecutive years commencing from August 1, 2023.”

NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (**‘the Act’**) read with Section 110 of the Act and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, setting out the material facts relating to the aforesaid resolutions and the reasons thereof is annexed hereto and forms part of this Postal Ballot Notice (**‘Notice’**).
2. In compliance with the MCA Circulars, the Company is sending this Notice only in electronic form to those Members whose names appear in the Register of Members/List of Beneficial Owners as received from Bigshare Services Private Limited, the Company’s Registrar and Transfer Agent (**‘RTA’**) / Depositories as on **Friday, May 26, 2023 (‘Cut-Off date’)** and whose email addresses are registered with the Company/RTA/Depository Participants (in case of electronic shareholding). The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-Off date i.e. **Friday, May 26, 2023**.
3. The Company is pleased to provide remote e-voting facility to its Members, to enable them to cast their votes electronically. The instructions for remote e-voting are mentioned in Note No.11 of this Notice. A Member shall only avail this facility as per the instructions provided herein.
4. Only those Members whose names are appearing in the Register of Members / List of Beneficial Owners as on the Cut-Off date shall be eligible to cast their votes through postal ballot by remote e-voting. A person who is not a Member on the Cut-Off date should treat this Notice for information purposes only.

It is however clarified that, all Members of the Company as on the Cut-Off date (including those Members who may not have received this Notice due to non-registration of their email addresses with the Company / RTA / Depositories) shall be entitled to vote in relation to the aforementioned resolutions in accordance with the process specified in this Notice.

5. The remote e-voting shall commence on **Monday, June 5, 2023 at 9:00 a.m. (IST)** and shall end on **Tuesday, July 4, 2023 at 5:00 p.m. (IST)**. During this period, Members of the Company holding shares in physical or electronic form as on the Cut-Off date may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
6. A copy of this Postal Ballot Notice is also available on the website of the Company at www.armanindia.com, the relevant section of the website of BSE at www.bseindia.com and NSE at www.nseindia.com, on which the Ordinary Shares of the Company are listed and on the website of NSDL at www.evoting.nsdl.com.
7. The voting for this Postal Ballot cannot be exercised through proxy.



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8. Members who wish to inspect the documents referred to in the Notice or Explanatory Statement may send their requests at secretarial@armanindia.com from their registered email address mentioning their Name, Folio Number / DP ID & Client ID until the last date of remote e-voting period of this Postal Ballot i.e. Tuesday, July 4, 2023.
9. The Resolutions, if passed by the requisite majority, will be deemed to have been passed on the last date specified for remote e-voting i.e. Tuesday, July 4, 2023. Further, resolutions passed by the Members through postal ballot are deemed to have been passed as if they are passed at a General Meeting of the Members.
10. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
11. **The instructions for remote e-voting by Members are as under:**

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

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

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.


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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp



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	<ol style="list-style-type: none">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on    
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none">1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting



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	link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

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

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

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

- iv. Your User ID details are given below:



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

- v. Password details for shareholders other than Individual shareholders are given below
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- vi. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.



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- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL
- vii. After entering your password, tick on Agree to “Terms and Conditions” by selecting the check box.
- viii. Now, you will have to click on ‘Login’ button.
- ix. After you click on the ‘Login’ button, Home page of e-Voting will open

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 all the companies “EVEN” in which you are holding shares and whose voting cycle.
- B) Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
- C) Now you are ready for e-Voting as the Voting page opens.
- D) 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.
- E) Upon confirmation, the message “Vote cast successfully” will be displayed.
- F) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- G) Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ipshah13@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. 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.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in



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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@armanindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@armanindia.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

By Order of the Board of Directors

Jaimish Patel
Company Secretary
M. No. A42244
Date: May 30, 2023

Registered Office:

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Opp. Old High Court,
Off Ashram Road,
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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102(1) of the Companies Act, 2013, the following explanatory statement sets out all the material facts relating to the special businesses mentioned under Item No. 1, 2 and 3 of this notice.

Item no. 1 and 2

Your Company believes that equity-based compensation plan is effective tools to attract and reward the talents working exclusively with the Company and its subsidiary(ies). With the objective to motivate key employees for their contribution to the corporate growth, to create an employee ownership culture and also to retain the best talent in the competitive environment and to encourage them in aligning individual goals with that of the Company's objectives, your Company intends to implement an employee stock option plan namely "**Arman Employee Stock Option Plan 2023**" ("**ESOP Plan 2023**") seeking to cover eligible employees of the Company and its subsidiary(ies).

The Nomination & Remuneration Committee ("**the Committee**") of the Board of Directors of the Company shall grant Options to employees on the basis of eligibility criteria and also determine the quantum of distribution of Options which could vary from employee to employee or any class thereof under ESOP Plan 2023.

As per provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEB Regulations**"), the Company seeks your approval for:

- i. Implementation of the ESOP Plan 2023; and
- ii. Grant of Options to the eligible employees of the Company / its subsidiary company(ies) as per terms of the ESOP Plan 2023;

Accordingly, the Committee and the Board of Directors the Company ("**Board**") at their respective meetings held on May 30, 2023 has approved the ESOP Plan 2023, subject to the members approval.

The main features of the ESOP Plan 2023 are as under:

a) Brief description of the ESOP Plan 2023:

The Company proposes to introduce ESOP Plan 2023 primarily with a view to:

- (i) Attract, retain and incentivise employees and directors of the Company and its subsidiary(ies) ("**Employees**") but excluding an independent director;
- (ii) Motivate such employees and directors for performance, higher productivity and sustained Corporate growth; and
- (iii) Assist in aligning such employee's and director's interests with that of the shareholders.

The ESOP Plan 2023 contemplates grant of Options to the eligible Employees as may be determined in due compliance of SEBI SBEB Regulations. After vesting, the eligible Employees earn a right (but not obligation) to exercise the vested Options within the predefined exercise period.



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The Committee shall administer the ESOP Plan 2023. All questions of interpretation of the ESOP Plan 2023 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP Plan 2023. The Company shall issue equity shares upon exercise subject to payment of exercise price and satisfaction of consequential tax obligations.

The liability of paying taxes if any, in respect of the Options granted pursuant to the ESOP Plan 2023 and the equity shares issued pursuant to exercise of Options shall be on the Option grantee and/ or the Company in such cases where the Company decides to pay on behalf of the Option grantee, and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.

The Company shall have the right to deduct from the Option grantee's salary or recover any of the Option grantee's tax obligations arising in connection with the transactions in respect of Options or Shares acquired upon the exercise thereof.

b) Total number of options to be granted:

Employee Stock Options exercisable into not more than 300,000 (Three lakhs only) equity shares of face value Rs. 10/- each of the Company would be available for being granted to eligible employees of the Company / subsidiary(ies) Company, under Employee Stock Option Plan 2023. Each option when exercised would be converted into one equity share of Rs. 10/- each fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

c) Identification of classes of employees entitled to participate in the Employee Stock Option Scheme:

All the permanent employees and Directors of the Company, the subsidiaries and the holding company, as may be decided by the Board of the Company from time to time, would be entitled to be granted stock options under the Employee Stock Option Scheme(s) except –

- a) an employee who is a Promoter or belongs to the Promoter Group;
- b) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed shares of the Company; and
- c) an independent director.

d) Requirements of vesting and period of vesting:

The options granted shall vest so long as the employee continues to be in the employment of the Company and its subsidiaries, as the case may be. The Board may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which options granted would vest (subject to the maximum vesting period as specified below).

The options would vest not earlier than one year and not later than five years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Board.



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In case of death and permanent incapacity of an eligible Employee in employment or service, condition of minimum vesting period of 1 (one) year shall not apply, in which case all the Options granted up to the death or permanent incapacity, as the case may be, shall vest as on date of such event. However, in the event of superannuation, the Options shall vest as per original vesting schedule even after superannuation unless otherwise determined by the Board as per policy of the Company and SEBI SBEB Regulations.

e) Maximum period within which the Options shall be vested:

Options granted under ESOP Plan 2023 shall vest not later than a maximum of 5 (five) years from the date of grant.

f) Exercise Price:

The options will be granted at a discount as determined by the Board, to the market price, being latest available closing price, prior to the date of the meeting of the Board, in which options are granted, on the stock exchange on which the shares of the Company are listed, subject to the minimum of the face value per share of Rs. 10/-.

g) Exercise Period and the process of Exercise:

The Exercise period shall be two years from the date of vesting. The process and conditions subject to which options can be exercised shall be laid down by the Board of the Company.

The options will be exercisable by the employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board of the Company from time to time. The options will lapse if not exercised within the specified exercise period.

h) Appraisal Process for determining the eligibility of the employees to ESOP:

The appraisal process for determining the eligibility of the employee will be specified by the Board of the Company, and will be based on criteria such as criticality of the role, designation, length of service, past performance record, future potential of the employee and / or such other criteria that may be determined by the Board of the Company at its sole discretion.

i) Maximum number of options to be issued per employee and in aggregate:

The total number of options that may be granted to any specific employee under one or more Schemes during any one year shall not exceed 1% and in aggregate shall not exceed 300,000 (Three lakh only).

j) Maximum quantum of benefits to be provided per employee under a scheme

No benefit other than by way of grant of Options is envisaged under the ESOP Plan 2023.

k) Implementation or administration of the ESOP Plan 2023:

The ESOP Plan 2023 shall be implemented and administered directly by the Company.

l) Source of acquisition of shares under the ESOP Plan 2023:

ESOP Plan 2023 envisages issue of primary shares against exercise of vested Options



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m) Amount of loan to be provided for implementation of the scheme by the company to the trust, its tenure, utilization, repayment terms, etc

This is currently not contemplated under the present ESOP Plan 2023

n) Maximum percentage of secondary acquisition:

ESOP Plan 2023 envisages issue of primary shares and there is no contemplation of secondary acquisition.

o) Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Regulations.

p) Method of option valuation

To calculate the employee compensation cost, the Company shall use Fair Value Method for valuation of the options granted.

q) Declaration:

So long as the Company opts for expensing of Options using the intrinsic value method, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("**EPS**") of the Company shall also be disclosed in the Directors' report.

r) Lock in period

The Shares arising out of Exercise of Vested Options shall not be subject to any lock in period after such Exercise.

s) Terms & conditions for buyback, if any, of specified securities covered granted under the ESOP Plan 2023:

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of Options granted under the ESOP Plan 2023 if to be undertaken at anytime by the Company, and the applicable terms and conditions thereof.

t) Transferability of employee stock options

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

u) Conditions under which option vested in employees may lapse

The options which are vested may lapse in the following events:

- a) If not exercised within the exercise period mentioned in the ESOP Plan 2023.



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- b) Termination due to misconduct / breach of company policies,
 - c) Surrender of options and
 - d) Abandonment.
- v) **Specified time period within which employees shall exercise vested options in event of a proposed termination or resignation**

The vested options can be exercised before the employee's last working day.

Item no. 3

Mr. Alok Prasad (DIN: 00080225) is currently an Independent Director of the Company, Chairperson of the Board, Chairperson of the Risk Management Committee and Member of the Audit Committee. Mr. Prasad was appointed as an Independent Director of the Company by the Members at the 26th Annual General Meeting of the Company held on September 7, 2018 for a period of 5 (five) consecutive years commencing from August 1, 2018 upto July 31, 2023 (both days inclusive) and is eligible for re-appointment for a second term on the Board of the Company.

Based on the recommendation of the Nomination & Remuneration Committee ('NRC'), the Board of Directors at its meeting held on May 30, 2023, proposed the re-appointment of Mr. Prasad as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from August 1, 2023 upto July 31, 2028 (both days inclusive), not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

Mr. Prasad holds a Master of Arts from University of Delhi. He is a veteran banker with over 40 years of regulatory, banking, and financial services experience. He is regarded as an expert for financial inclusion and more broadly, access to finance matters. Currently, he is connected with a number of Banks and NBFCs as a Strategic Adviser and Board Member. From 2010-15, He was the Founder Chief Executive Officer of Microfinance Institutions Network (MFIN), the premier industry body and Self-Regulatory Organisation (SRO) for Microfinance Institutions (MFIs) in India. Prior to that, he held very senior positions at the Reserve Bank of India (RBI), National Housing Bank (NHB) and Citibank. Amongst his many accomplishments in his career, Mr. Prasad steered the Microfinance industry through its crisis phase. The subsequent mainstreaming of MFIs and their integration into the national financial architecture was an outcome of the advocacy work and constructive policy level engagement by MFIN under his leadership. He is an expert in connecting the Government & Regulatory world with that of the private sector and has served on a number of committees of the Ministry of Finance, Govt of India. From 2013-15, he also served as the Chairperson of South Asia Micro-entrepreneurs Network (SAMN).

The NRC taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board that Mr. Prasad's qualifications and the rich experience of over four decades in the abovementioned areas meets the skills and capabilities required for the role of Independent Director of the Company. The Board is of the opinion that Mr. Prasad continues to possess the identified core skills, expertise and competencies fundamental for effective functioning in his role as an Independent Director of the Company and his continued association would be of immense benefit to the Company. The Company has received a declaration from Mr. Prasad confirming that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Act, read with the rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). In terms of Regulation 25(8) of the SEBI Listing Regulations, Mr. Prasad has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated



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that could impair or impact her ability to discharge his duties. Mr. Prasad has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, Mr. Prasad has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members. Mr. Prasad has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA'). Mr. Prasad is exempt from the requirement to undertake online proficiency self-assessment test conducted by IICA. In the opinion of the Board, Mr. Prasad fulfils the conditions specified in the Act, rules thereunder and the SEBI Listing Regulations for re-appointment as an Independent Director and that he is independent of the Management. The terms and conditions of the appointment of Independent Directors is uploaded on the website of the Company at www.armanindia.com and would also be made available for inspection to the Members of the Company upto July 4, 2023, by sending a request from their registered email address to the Company at secretarial@armanindia.com along with their Name, DP ID & Client ID/Folio No. In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Mr. Prasad as an Independent Director is now placed for the approval of the Members by a Special Resolution.

The Board commends the Special Resolution set out in Item No. 3 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Mr. Prasad and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice.

By Order of the Board of Directors

Jaimish Patel
Company Secretary
M. No. A42244
Date: May 30, 2023

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DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT

[Pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard–2 on General Meetings]

Particulars	Re-appointment
Name of Director	Mr. Alok Prasad
DIN	00080225
Date of Birth (Age)	September 08, 1952 (70 years)
Date of first appointment	August 1, 2018
Expertise / Brief Resume	<p>Expertise: Banking & Finance Brief Profile: Mr. Alok Prasad is a veteran banker with over 40 years of regulatory, banking, and financial services experience. He is regarded as an expert for financial inclusion and more broadly, access to finance matters. Currently, he is connected with a number of Banks and NBFCs as a Strategic Adviser and Board Member.</p> <p>From 2010-15, Mr. Prasad was the Founder Chief Executive Officer of Microfinance Institutions Network (MFIN), the premier industry body and Self- Regulatory Organisation (SRO) for Microfinance Institutions (MFIs) in India. Prior to that, he held very senior positions at the Reserve Bank of India (RBI), National Housing Bank (NHB) and Citibank.</p> <p>Amongst his many accomplishments in his career, Mr. Prasad steered the Microfinance industry through its crisis phase. The subsequent mainstreaming of MFIs and their integration into the national financial architecture was an outcome of the advocacy work and constructive policy level engagement by MFIN under his leadership. Mr. Prasad is an expert in connecting the Government & Regulatory world with that of the private sector and has served on a number of committees of the Ministry of Finance, Govt of India.</p> <p>From 2013-15, Mr. Prasad also served as the Chairperson of South Asia Micro-entrepreneurs Network (SAMN).</p>
Remuneration	Sitting fee is paid to him for attending the Board / Committee Meeting
Qualification	Master of Arts from University of Delhi
No. of Equity Shares held	Nil
Terms and conditions of appointment/re-appointment	Mr. Prasad is getting re-appointed as an Independent Director w.e.f. August 1, 2023 for a period of 5 yaers
No. of Board meetings attended during FY 2022-23	6
List of other Companies in which directorship are held	Muthoot Microfin Limited; Fincare Small Finance Bank Limited Gang-Jong Development Finance Private Limited
Chairmanship / Membership of Committees (includes only Audit and Stakeholder Relationship Committee)	<p>Arman Financial Services Limited Member – Audit Committee Chairman – Stakeholders Relationship Committee</p> <p>Fincare Small Finance Bank Limited Member – Audit Committee</p>



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	Chairman – Stakeholders Relationship Committee Muthoot Microfin Limited Member – Audit Committee Chairman – Stakeholders Relationship Committee
Listed entities from which the person has resigned in the past 3 years	Nil
Skills and capabilities required for the role and manner in which the proposed person meets such requirements	Refer Item No. 3 of the Notice and Explanatory Statement
Inter-se relationship with other Directors and Key Managerial Personnel of the Company	None

By Order of the Board of Directors

Jaimish Patel
Company Secretary
M. No. A42244
Date: May 30, 2023

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