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**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD**

CA(CAA) No. 60/NCLT/AHM/2019


Coram: **Hon'ble Mr. HARIHAR PRAKASH CHATURVEDI, MEMBER JUDICIAL**
Hon'ble Ms. MANORAMA KUMARI, MEMBER JUDICIAL

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH OF
THE NATIONAL COMPANY LAW TRIBUNAL ON 12.06.2019**

Name of the Company: Arman Financial Services Ltd.

Section of the Companies Act: Section 230 r.w. 66 of the Companies Act, 2013

<u>S.NO.</u>	<u>NAME (CAPITAL LETTERS)</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
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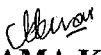
1.	PAVAN S. GODIAWALA	Adv.	Petitioner	
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2.	ISHAN SHAN	Adv.	"
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ORDER

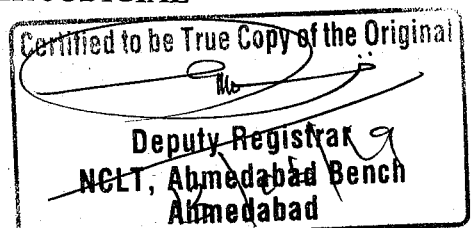
The petitioner is represented through learned counsels.

The Order is pronounced in the open court, vide separate sheet.


MANORAMA KUMARI
MEMBER JUDICIAL

Dated this the 12th day of June, 2019


HARIHAR PRAKASH CHATURVEDI
MEMBER JUDICIAL



**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD**

C.A. (CAA) NO. 60 OF 2019

In the matter of:

Arman Financial Services Limited,

A Company registered under
the Companies Act, 1956
having its registered office at
502-503, Sakar III,
Opp. Old High Court,
Off: Ashram Road,
Ahmedabad – 380 014
Gujarat

.... Applicant Company

Order delivered on 12th June, 2019

**Coram: Hon'ble Mr. Harihar Prakash Chaturvedi, Member(J)
Hon'ble Ms. Manorama Kumari, Member (J)**

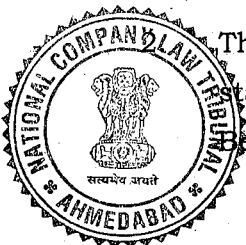
Appearance: Mr. Pavan S. Godiawala and Mr. Ishan Shah, Advocates for
the Applicant Company

ORDER

[Per se: Ms. Manorama Kumari, Member (J)]

1. This Application is filed by the Applicant Company under Section 230 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Section 66 of the Companies Act, 2013. The Scheme of Arrangement is in the nature of reorganization of the Company's Equity Share Capital by consolidation of equity shares of different classes.

The registered office of the Applicant Company is situated in the state of Gujarat and is thus under the jurisdiction of this Tribunal, Bench at Ahmedabad.



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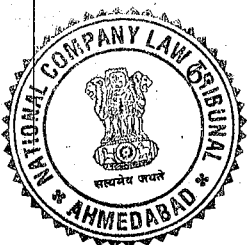
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3. The Applicant Company was incorporated on 26th November, 1992 under the Companies Act, 1956 with the Registrar of Companies, Gujarat as a limited company. A copy of the memorandum and Articles of Association of the Applicant Company is annexed with the application and is marked as **Annexure 1**.
4. It is stated that there are two class of members viz. Ordinary Equity Shareholders and Class 'A' Ordinary Equity Shareholders. The Share Capital of the Applicant Company as on date is as under:

1,12,50,000 Ordinary Equity Shares of Rs. 10/- each	11,25,00,000
37,50,000 Class 'A' Ordinary Equity Shares of Rs. 10/- each	3,75,00,000
Total	15,00,00,000
Issued, Subscribed and Paid-Up Capital	
57,47,824 Ordinary Equity Shares of Rs. 10/- each	5,74,78,240
12,04,474 Class 'A' Ordinary Equity Shares of Rs. 10/- each	1,20,44,740
Total	6,95,22,980

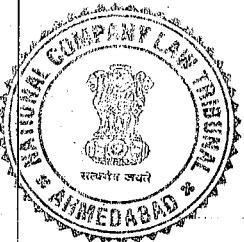
5. The Board of Directors of the Applicant Company in its Board meeting held on 13th October, 2018 passed resolution approving the proposed Scheme placed before it. A Copy of the Board resolution dated 13th October, 2018 is annexed with the application and is marked as **Annexure 13**.

The Applicant Company has also filed its Audited Balance Sheet for the year ended 31st March, 2018 and the same is annexed with the



application as **Annexure 2**. The Applicant Company has also filed certificate of its Auditors certifying compliance with Section 133 of the Companies Act, 2013. A copy of the certificate issued by the Auditor of the Applicant Company is annexed with the application and is marked as **Annexure 12**.

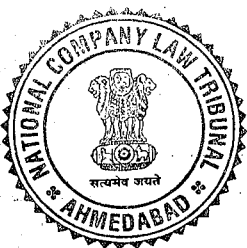
7. Based on the Financial Statement (Balance Sheet) as on 30.11.2018, there are four class of creditors viz. (1) Secured Creditors for secured loans from Banks and Financial Institutions (2) Unsecured Creditors (3) Non-Convertible Debenture holders and (4) Compulsorily Convertible Debenture holders.
8. The Applicant Company is registered with Reserve Bank of India (RBI) as Non-Banking Financial Company (NBFC) and is listed at BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE), regulated by SEBI and does not come under the purview of Competition Commission of India, The BSE and the NSE have conveyed their "No objection" in terms of Regulation 37 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
9. The Applicant Company has annexed with the application, a copy of the proposed Scheme of Arrangement as **Annexure 5**. The salient features of the Arrangement as embodied in the Scheme are summarized below:
 - (i) Upon the Scheme being effective, 12,04,474 Class 'A' Equity Shares by the shareholders on the Effective Date provided in Clause 14 of the Scheme shall stand extinguished and 7,82,908 fresh Ordinary Equity of par value of Rs. 10/- each fully paid-up without any further act, instrument or deed, shall be issued and allotted to the shareholders, free and clear of all liens and charges.
 - (ii) Upon the Scheme being effective, the premium on extinguishment of Class 'A' Equity Shares and fresh issue of Ordinary Equity Shares, the Applicant Company shall, without any further application, act or deed, credit such difference amount (being the difference on account of voting right of the two kinds of



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Equity Share Capital) to its Securities Premium Reserve Account. The proposed credit in the Securities Premium Reserve Account shall be affected as an integral part of the Scheme itself.

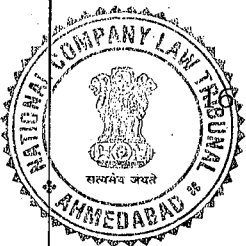
10. The Following are the reliefs prayed by the Applicant Company:
- A. That meeting of the Secured Creditors be dispensed with;
 - B. That meeting of the unsecured creditors be dispensed with;
 - C. That meeting of the Non-Convertible Debenture holders be dispensed with;
 - D. That meeting of the Compulsorily Convertible Debenture holders be dispensed with;
 - E. That meeting of the Class 'A' Ordinary Equity Shareholders be dispensed with;
 - F. That meeting of the Ordinary Equity Shareholders be convened;
 - G. That kindly issue notices to the statutory authorities under section 230 (5) of the Companies Act, 2013;
11. It is stated in the application that there are 13 (Thirteen) Secured Creditors in the Applicant Company, having value of Rs. 87,65,56,217/-. Out of 13 Secured Creditors, 11 (Eleven) Secured Creditors, representing 90.61% in value, have given their consent approving the Scheme. Certificate of Chartered Accountants M/s. Dharmesh Parikh & Co. certifying the number of Secured Creditors is annexed with the application as **Annexure 6**.
12. It is further stated in the application that there are 21 (Twenty-One) Unsecured Creditors in the Applicant Company, having value of Rs 17,06,19,347/-, and out of 21 Unsecured Creditors, 10 (Ten) Unsecured Creditors, representing 98.81% in value, have given their consent approving the Scheme. Certificate of Chartered Accountants M/s. Dharmesh Parikh & Co. certifying the number of Unsecured Creditors is annexed with the application as **Annexure 6**.



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13. The application also mentions that there is only 1 (One) Non-Convertible Debenture holder in the Applicant Company, having value of Rs 27,50,00,000/-. The sole Non-Convertible Debenture holder has given its consent approving the Scheme. Certificate of Chartered Accountants M/s. Dharmesh Parikh & Co. certifying the number of Non-Convertible Debenture Holders is annexed with the application as **Annexure 6.**
14. Further, it is also stated in the application that there is only 1 (One) Compulsorily Convertible Debenture (CCD) holder in the Applicant Company, holding 16,66,667 CCDs having face value of Rs. 300/- each aggregating to Rs 50,00,00,100/-. The sole Compulsorily Convertible Debenture (CCD) holder has given its consent approving the Scheme. Certificate of Chartered Accountants M/s. Dharmesh Parikh & Co. certifying the number of Compulsorily Convertible Debenture (CCD) Holders is annexed with the application as **Annexure 6.**
15. Further, it is stated in the application that there is 1 (One) Class 'A' Equity Shareholder (member) in the Applicant Company, having shareholding of 12,04,474 (Twelve Lakhs Four Thousand Four Hundred Seventy-Four Only) Class A Equity Shares of Rs. 10/- each, representing 100% of shareholders. The sole Class 'A' Equity Shareholder has given its consent approving the Scheme. Certificate of Pinakin Shah & Co. Company Secretary certifying the number of Class A Equity Shareholder of the Applicant Company confirming that the Sole Class 'A' Equity Shareholder has waived its right to attend the meeting of Class 'A' Equity Shareholders of the Applicant Company, for considering and, if thought fit, with or without modification, the Scheme in the nature of Arrangement between the Applicant Company and its shareholders by tendering consent letter in the form of affidavit, annexed with the application and marked as **Annexure 10.**

It is stated in the application that there are 5073 Ordinary Equity Shareholders (Members) in the Applicant Company having



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shareholding of 57,47,824 Shares and the applicant has prayed for convening the meeting of Ordinary Equity Shareholders.

17. Heard the submissions made in this regard by Mr. Pavan Godiawala, Ld. advocate for the Applicant Company, and having perused the application and the documents annexed therewith, this Tribunal passes the following order;

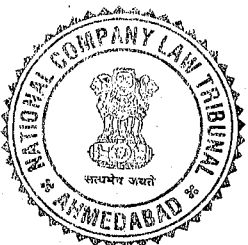
- I. In view of the consent letters given by the Secured Creditors of the Applicant Company representing 90.61% in value, the holding and convening of the meeting of Secured Creditors of the Applicant Company is hereby dispensed with.
- II. In view of the consent affidavits given by the Unsecured Creditors of the Applicant Company representing 98.81% in value, the holding and convening of the meeting of Unsecured Creditors of the Applicant Company is hereby dispensed with.
- III. In view of the consent letter given by the Non-Convertible Debenture holder of the Applicant Company, the holding and convening of the meeting of Non-Convertible Debenture holder of the Applicant Company is hereby dispensed with.
- IV. In view of the consent letter given by the Compulsorily Convertible Debenture holder of the Applicant Company, the holding and convening of the meeting of the Compulsorily Convertible Debenture holder of the Applicant Company is hereby dispensed with.
- V. In view of the consent Affidavit given by the Class 'A' Equity Shareholder of the Applicant Company, the holding and convening of the meeting of Class 'A' Equity Shareholder of the Applicant Company is hereby dispensed with.
- VI. That meeting of the Ordinary Equity Shareholders of the Applicant Company shall be convened and held at The Ahmedabad Textile Mills' Association (ATMA) Hall, Ashram Road, Ahmedabad 380009, on Monday, the 22nd July,



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2019 at 3:00 P.M. for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement in the nature of reorganization of the Company's Equity Share Capital by consolidation of equity shares of different classes.

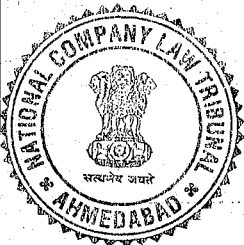
- VII. The quorum for the meeting as aforesaid will be as under:
- a) The quorum for meeting of the Ordinary Equity Shareholders of the Applicant Company shall be thirty in number of the Ordinary Equity Shareholders present either in person or by proxy.
 - b) In case the quorum as noted above for the meeting is not present at the meeting, then the meeting shall be adjourned by half an hour and thereafter the persons present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form duly signed by the person entitled to attend and vote at the meeting is filed with the registered office of the applicant or its Advocates on Record at least 48 hours before the meetings.
- VIII. Mr. Pinakin Shah, Practicing Company Secretary (Mobile No. 92272 23377) failing him, Mr. Aalok J. Patel, Executive Director, is appointed as the Chairperson for the meeting.
- IX. The Scrutinizer for the meeting as aforesaid shall be Mr. Jignesh Shah, Practicing Company Secretary (Mobile No. 93274 32668). The Scrutinizer shall be paid Rs. 25,000/- for his services as Scrutinizer.
- X. At least 30 (thirty) clear days before the aforesaid date of the said meeting, publication about convening of the aforesaid meeting indicating the place, day, date and time, as aforesaid, shall be made in 'The Business Standard - Ahmedabad Edition' the English daily and 'Jaihind - Ahmedabad Edition', the Gujarati Daily. The publication



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shall indicate the time within which copies of the Scheme shall be made available to the concerned persons free of charge from the registered office of the Applicant Company. The publication shall also indicate that the Statement containing necessary details required to be furnished pursuant to Section 102 read with Sections 230 of the Companies Act, 2013 and the prescribed form of proxy can be obtained free of charge at the registered office of the Applicant Company or at the office of its Advocates, Mr. Pavan Godiawala, 709/D, Shiromani Complex, Satellite Road, Opposite Ocean Park, Ahmedabad, Gujarat 380015 or Mr. Ishan Shah, A-201, Siddhi Vinayak Towers, Off. S. G. Highway, Makarba, Ahmedabad 380051 in accordance with second proviso to sub-section (3) of Section 230 of the Act and Rule 7 of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016.

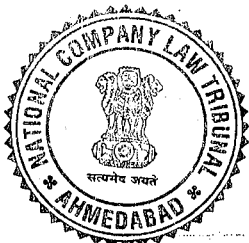
- XI. At least 30 (thirty) clear days before the aforesaid date of the said meeting of the Ordinary Equity Shareholders of the Applicant Company, a notice convening the meeting in Form C.A.A.2 indicating the day, date, place and time as aforesaid together with a copy of the Scheme, copy of statement required to be furnished pursuant to Section 102 of the Act read with Sections 230 to 232 of the Act and Rule 6 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the prescribed form of proxy shall be sent to each of the Ordinary Equity Shareholders of the Applicant Company at its registered or last known addresses either by registered post or speed post/Airmail or through courier or through e-mail.
- XII. The Applicant Company shall provide the facility of voting by postal ballot and e-voting to the Ordinary Equity Shareholders, to consider and approve the Scheme.
- XIII. The Chairperson to file an affidavit not less than 7 (seven) days before the date fixed for holding of the meeting and to report to this Tribunal that the directions regarding publication and issuance of notices of meeting have been



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duly complied with as per Rule 12 of Companies (CAA) Rules, 2016.

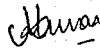
- XIV. Voting by proxy or by authorized representative is permitted provided that the proxy in the prescribed form/ authorization duly signed by the person entitled to attend and vote at the aforesaid meeting is filed with the Applicant Company at its registered office at 502 - 503, Sakar III, Opp. Old High Court, Off Ashram Road, Ahmedabad - 380 014 not later than 48 hours before the meeting vide Rule 10 of Companies (CAA) Rules, 2016 read with Section 105 of the Companies Act.
- XV. It is further ordered that the Chairperson shall report to this Tribunal on the result of the meeting in Form CAA 4, verified by his affidavit, as per Rule 14 of the Companies (CAA) Rules, 2016 in Form CAA 4 within 7 (seven) days after conclusion of the meeting.
- XVI. In compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (CAA) Rules 2016, the Applicant Company shall send a notice in Form No. CAA.3 along with a copy of the Scheme of Arrangement, the explanatory statement and the disclosures mentioned under Rule 6, to (i) the Central Government through the Regional Director, North Western Region, (ii) the Registrar of Companies, Ahmedabad, (iii) Concerned Income Tax Authority (iv) BSE Limited (BSE) (v) The National Stock Exchange of India Limited (NSE) (vi) Securities Exchange Board of India, and (vi) Reserve Bank of India stating that representations, if any, to be made by them shall be made within a period of 30 days from the date of receipt of such notice, failing which it shall be presumed that they have no objection to make on the proposed Scheme. The said notice shall be sent by hand delivery through special messenger or by registered post or speed post within 10 days from the date of this order for filing their representation, if any, within 30 days from the date of notice. The notice shall specify that representation, if any, should be filed before this Tribunal within 30 days of the



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date of receipt of the notice with a copy of such representation being sent simultaneously to the applicant and/or their advocates. If no such representation is received by this Tribunal within the said period, it shall be deemed that the aforesaid statutory authorities have no representation to make on the Scheme of Arrangement.

18. The Company Application is disposed of accordingly.


Ms. Manorama Kumari,
Member (Judicial)


Harihar Prakash Chaturvedi,
Member (Judicial)

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