



## **AARVI ENCON LTD**

Registered office: B1-603, Marathon Innova, Marathon Nextgen Complex,  
Lower Parel (West), Mumbai – 400 092.

CIN : L29290MH1987PLC045499

Tel: 022 – 4049 9999/4049 9998

Email id: [info@aarviencon.com](mailto:info@aarviencon.com) / [www.aarviencon.com](http://www.aarviencon.com)

### **NOTICE OF POSTAL BALLOT**

**[Notice pursuant to Section 110 of the Companies Act, 2013, read with Rule 22(1) of the Companies (Management and Administration) Rules, 2014]**

**Dear Member(s),**

Notice is hereby given that, pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") and other applicable Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), Secretarial Standard on General Meetings ("SS-2") and pursuant to provisions laid down in Chapter IX of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), for the approval of the Members of the Company through Postal Ballot for the resolution set out hereinafter.

The Explanatory Statement pertaining to the resolution proposed in this notice setting out all material facts and reasons thereof along with Postal Ballot Form is annexed herewith.

The notice is sent to all members/beneficiaries whose names appear on the Record of Depositories as on 25<sup>th</sup> Day of October 2019. ('Cut-off date').

Pursuant to rule 22(5) of the Rules, the Board of Directors of the Company (the "Board"), has appointed Mr. Sunil Agarwal & Co., Practicing Company Secretary, having CP No. 3286, to act as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the Form in original duly completed and signed in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer at Mr. Sunil Agarwal & Co., Practicing Company Secretary, Scrutinizer, '124-125, Ostwal Ornate, "A-Wing" Building No.1 Opp. Jain Temple, Bhayander (East) Thane - 401 105.

With reference to the Rule 20 of Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the Company is also providing remote e-voting facility to its members to exercise their votes by electronic voting system. Furthermore, the Company has engaged the services of National Depository Services Ltd (NSDL) to provide the E-voting facility.

The instructions for e-voting are annexed to this notice. A reference to Postal Ballot in this notice includes votes received electronically (e-voting).

The Scrutinizer will submit his report to the Chairman or any other person authorized by him after completion of the scrutiny of Postal Ballots on or before 5:00 P.M on Saturday, November 30, 2019 at the Registered Office of the company at 603, B1 Wing, Marathon Innova, Marathon Nextgen Complex, Lower Parel (West) Mumbai- 400 013.

The Resolutions, if approved, will be taken as passed effectively on the date of the declaration of result i.e. November 30, 2019 & it will be placed on the website of the Company: [www.aarviencon.com](http://www.aarviencon.com) and on the website of National Stock Exchange [www.nseindia.com](http://www.nseindia.com) along with the Scrutinizer's Report.

#### **SPECIAL BUSINESS:-**

#### **1. VARIATION IN THE OBJECT CLAUSE OF THE PROSPECTUS DATED SEPTEMBER 14, 2017 FOR UTILIZATION OF ISSUE PROCEEDS.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to provisions of Section 27 read with Section 13 (8) of the Companies Act, 2013, Rule 7 read with Rule 3(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Regulation 32 (1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2014 and all other necessary applicable provisions under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time and subject to the necessary approvals, if any required, the consent of the Members be and is hereby accorded for the variation in spending of IPO proceeds within the objects of issue mentioned in the prospectus filed with the Registrar of Companies, Mumbai for the purpose of raising money through IPO to an extent of 21.24 Crores and subsequent spending of the proceeds, which are as follows:

(Amt in Lakhs)

Sr. No.	Original Object of the Issue	Amount as mentioned in prospectus	Amount Utilized	Balance Unutilized Amount	Deviation, if any.	Amount proposed to be altered within the objects.
1	Working Capital Requirements	1078.00	(1485.40)	-	407.4	-
2.	Acquisitions and Other Strategic Initiatives	400.00	-	400.00	-	Rs. 400 Lakhs to be used for working capital requirements.
3.	General Corporate Purposes	415.00	-	-	(415)	-
4.	Issue Expenses	231.36	(238.96)	-	7.6	-
<b>Total</b>		<b>2124.36</b>	<b>1724.36</b>	<b>400.00</b>		

**RESOLVED FURTHER THAT** pursuant to provisions of Section 27 read with Section 13 of the Companies Act, 2013 and relevant regulations made thereunder consent of the Members be and is hereby accorded for utilizing the unutilized amount of Rs. 4 Crores available from the proceeds of IPO for the purpose of “working capital requirement” which were reserved earlier for “Acquisitions and Other Strategic Initiatives” in the objects of the IPO.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary to comply with the provisions of Section 27 of the Companies Act, 2013 and Rules made there under for the time being in force or and any modification or changes implemented during the course of the postal ballot and desirable including without limitation, to make modifications, changes, variations, alterations or revisions in the matters relating to working capital requirements as it may deem fit, seek requisites approvals from the appropriate authorities, appoint consultants, advisors and other agencies.

By Order of the Board,  
**For Aarvi Encon Limited**

Sd/-  
**Jay H. Shah**  
Company Secretary  
**Membership No. A45556**

## NOTES:

1. The explanatory statement and reasons for the proposed resolution pursuant to Section 102 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("The Rules") setting out material facts is annexed herewith and forms part of this notice.
2. The Board of Directors of the Company has appointed Sunil Agarwal, Practicing Company Secretary, having CP No. 3286 to act as the Scrutinizer, for conducting the Postal Ballot in a fair and transparent manner by way of circular resolution passed on 25<sup>th</sup> October, 2019.
3. The Postal Ballot Notice is being sent to all the members, whose names appear in the Register of Members/List of Beneficial Owners, received from Registrar and Transfer Agents (RTA) as on October 25, 2019. The Postal Ballot Notice is being sent to Members whose address is registered with their Depository Participants (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agents (in case of physical shareholding) the physical copies of the Postal Ballot Notice are being sent by permitted mode along with postage prepaid self-addressed envelope.
4. A copy of this notice has been placed on the website of the Company [www.aarviencon.com](http://www.aarviencon.com) and shall remain on the website until the last date for receipt of postal ballots from the shareholders.
5. The postal ballot form for voting by shareholders is enclosed.
6. In accordance with the sub rule (3) of Rule 22 of the Rules, after the postal ballot is dispatched, an advertisement will be published at least once in a vernacular newspaper in the principal vernacular language and at least once in English language in an English newspaper having a wide circulation in the district.
7. Members whose names appear on the Register of Members / List of Beneficial Owners on October 25, 2019 will only be considered for the purpose of voting.
8. Members who have received Postal Ballot notice by email and who wish to vote through physical Postal Ballot Form or in case a member is desirous of obtaining a duplicate Postal Ballot Form, he or she may send an e-mail at [jay.shah@aarviencon.com](mailto:jay.shah@aarviencon.com) and Company shall forward the same along with postage prepaid self-addressed Business Reply Envelope to the Member.
9. A Member cannot exercise his/her vote by proxy on postal ballot.
10. Members exercising their vote are requested to read carefully the instructions printed in the Postal Ballot form and record their assent (for) or dissent (against) therein by filling necessary details and affixing the signature at the designated place in the Form and return the duly

completed Form and signed, in the enclosed self-addressed pre-paid postage business reply envelope, so as to ensure that votes reach the Scrutinizer not later than 05:00 P.M, on or before November 28, 2019 ("Last Date"). Postal ballot Form(s) received after the Last Date will be treated as if reply from the Shareholder has not been received and the same shall not be considered for the purpose of Postal Ballot.

11. The Scrutinizer will submit his report to the Chairman as soon as possible after the last date of receipt of all Postal Ballots but not later than 48 hours thereof. Upon completion of the scrutiny of the Postal Ballot votes, the result of the voting by Postal Ballot will be announced by the Chairman of the Company duly at the Registered Office of the Company at B1-603, Marathon Innova, Marathon Nextgen Complex, Lower Parel (West), Mumbai – 400 0013. The result of postal ballot along with the Scrutinizer's report will be placed on the Company website at [www.aarviencon.com](http://www.aarviencon.com) and will also be communicated to the Stock Exchange where the equity shares of the Company are listed.
12. All the documents referred to in this notice and in the explanatory statement shall be available for inspection at the Registered Office of the Company during working hours on all working days from the date of dispatch of notice till 05:00 PM, November 28, 2019.
13. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.
14. Please note that any postal ballot form(s) received after the last date (i.e. November 28, 2019) will be treated as not having been received.
15. The last date of receipt of postal ballot i.e. November 28, 2019 shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.
16. Resolution passed by the Members by means of Postal Ballot is deemed to have been passed at a General Meeting of the Members.

## EXPLANATORY STATEMENT PURSUANT SECTION 102 OF THE COMPANIES ACT, 2013

### RESOLUTION 1: VARIATION IN TERMS OF OBJECTS OF THE ISSUE

Pursuant to the board resolution dated July 17, 2017 and the special resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 in the Extra-Ordinary General Meeting ("EGM") by the shareholders of the Company held on July 24, 2017, the Company had raised Rs. 2124.36 Lakhs from the public via IPO of its equity shares (the 'Issue'). The net proceeds from the Issue were Rs. 1885.40 Lakhs (hereinafter referred to as "IPO Proceeds").

The Company had, in terms of Prospectus dated September 14, 2019, proposed to utilise the IPO Proceeds towards;

- i) Working Capital Requirements
- ii) Acquisition and other strategic initiatives
- iii) General Corporate Purpose
- iv) Issue Expense

Whilst the Company has made best efforts to utilize the IPO Proceeds as per the terms of the Issue, however **Rs. 400 Lakhs is still unutilized as on October 29, 2019 (the 'Unutilized Amount') which is kept as deposit in the bank.** The Company believes that this unutilized issue proceeds of Rs. 4 Crores earmarked for the purpose of "**Acquisition and other strategic initiatives**" if used for working capital requirement then it will be beneficial for the Company to maintain the adequate liquidity and will improve its cash flow in the near future.

Therefore, the Company intends to vary the Objects of the Issue as referred to in the Prospectus dated September 14, 2017. The relevant and material information as per Rule 7 of The Companies (Prospectus and Allotment of Securities) Rules, 2014 is set out below:

(Amt in Lakhs)

Sr. No.	Original Object of the Issue	Amount as mentioned in prospectus	Amount Utilized	Balance Unutilized Amount	Deviation, if any.	Amount proposed to be altered within the objects.
1	Working Capital Requirements	1078.00	(1485.40)	-	407.4	-
2.	Acquisitions and Other Strategic Initiatives	400.00	-	400.00	-	Rs. 400 Lakhs to be used for working capital requirements.
3.	General Corporate Purposes	415.00	-	-	(415)	-
4.	Issue Expenses	231.36	(238.96)	-	7.6	-
<b>Total</b>		<b>2124.36</b>	<b>1724.36</b>	<b>400.00</b>		

**The particulars of the proposed alteration or change in the objects:** The unutilized IPO proceeds of Rs. 4 Crores is intended to be utilized for Working Capital Requirements.

**The reason for the alteration or change in the objects:**

"The Company was evaluating various options since it had come up with the Initial public offer (IPO) for the acquisition opportunities domestic and internationally however, the Company unable to tap the right opportunity or find suitable companies which will complement its growth in the future.

Presently Aarvi Encon is growing at an average annual CAGR of 20% since last 5 years and it believes that this unutilized issue proceeds of Rs. 4 Crores earmarked for the purpose of "Acquisition and other strategic initiatives" if used for working capital requirement then it will be beneficial for the Company to maintain adequate liquidity and will improve its cash flow in the near future..

In future, if the Company comes across any good opportunity for acquisition or other strategic initiatives then it will strive to use its internal accruals to materialize the deal. The Company at presently requires the financial support to run its business smoothly as the major amount of money has been locked in Income Tax Refunds of more than 15 Cr., Security Deposits with Clients of approx 3 Cr. and Recovery from Sundry debtors of Rs. 40 Cr. as on October, 2019.

**The amount proposed to be utilised for the existing object i.e mentioned in the prospectus:**  
Rs. 400 Lakhs.

**The proposed time limit within which the proposed varied objects would be achieved:** Within 24 months subject to obtaining any requisite approval wherever required.

**The estimated financial impact of the proposed alteration on the earnings and cash flow of the Company:** The management of the Company foresees that after the utilization of unutilized proceeds in the aforesaid existing object, the earnings and cash flows of the Company would improve in long term. The management of the Company is of the view that the proposed variation in terms of the Objects of the Issue will ensure optimum utilization of IPO Proceeds and maximize the return on investment for members.

**The place from where any interested person may obtain a copy of the notice of resolution to be passed:** Any interested person may obtain a copy of the notice of the resolution from the registered office of the Company at business hours or can access from the Company's website [www.aarviencon.com](http://www.aarviencon.com)

**The risk factors pertaining to the new objects:** Market conditions, performance of economy at the country and global levels, Regulatory controls etc., that may come in future, unforeseen circumstances in spite of best efforts.

Accordingly, in terms of the provisions of Sections 27 of the Companies Act, 2013 and any other applicable provisions and the rules made thereunder, **the Company seeks approval of the members by way of Special Resolution through postal ballot for variation in the Objects of the Issue as disclosed in the Prospectus dated September 14, 2017 for utilization of the issue proceeds** pursuant to applicable provisions of the Companies Act, 2013 and relevant rules made there under (including any amendment thereto or reenactment thereof for the time being in force) and subject to compliance of such other applicable provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.

The intention of the Board and the Management is to enhance shareholder value by utilizing the issue proceeds adequately which will lead to increased profitability. Your Board recommends the resolution for the members' approval by way of Special Resolution.

The promoter/shareholders in control shall provide an exit opportunity to the dissenting shareholders to the proposed resolution subject to the conditions as prescribed in the SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2018. The Promoters shall also appoint merchant banker, if required to determine the said exit offer price in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the aforesaid resolution of this Notice except to the extent of their shareholdings in the Company, if any.

By Order of the Board,  
**For Aarvi Encon Limited**

Sd/-  
**Jay H. Shah**  
**Company Secretary**  
**Membership No. A45556**



**AARVI ENCON LTD**

Registered office: B1-603, Marathon Innova, Marathon Nextgen Complex,  
Lower Parel (West), Mumbai – 400 092.

CIN : L29290MH1987PLC045499

Tel: 022 – 4049 9999/4049 9998

Email id: [info@aarviencon.com](mailto:info@aarviencon.com) / [www.aarviencon.com](http://www.aarviencon.com)

**POSTAL BALLOT FORM**

(Please read the instructions printed overleaf carefully before filling this form)

Sl. No. :

1. Name and Registered address of the Member :
2. Name(s) of Joint holder(s),if any :
3. Registered Folio No. / DP ID No./ Client ID  
No.\* : (\*Applicable to investors  
holding shares in dematerialised  
form)
4. Number of Equity Shares held as on October 25, 2019:

I/We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot as stated in the Postal Ballot Notice of the Company dated October 25, 2019, by sending my/our Assent (For) or Dissent (Against) to the said Resolution by placing a tick (v) mark at the appropriate box below:

Sl. No.	Description of Resolutions	I/We assent to the Resolution (FOR) (Number of Shares)	I/We dissent to the Resolution (AGAINST) (Number of Shares)
1.	Variation in the object clause of the Prospectus dated September 14, 2019 for utilization of the issue proceeds.		

Place:

Date:

Signature of the Member

**Important Note: Please complete and return this Postal Ballot Form to the Scrutinizer by using the enclosed postage pre-paid self-addressed Business Reply Envelope. Last Date for Receipt of this Postal Ballot Form by the Scrutinizer is November 28, 2019.**

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**ELECTRONIC VOTING PARTICULARS (Please visit <https://www.evoting.nsdl.com/> to cast your vote online)**

EVENT (E-Voting Event Number)	USER ID	PASSWORD

**INSTRUCTIONS:-**

1. A shareholder desiring to exercise vote by postal ballot may complete this postal ballot form and send it to the Scrutinizer in the attached self-addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballot forms, if sent by courier or registered post at the expense of the registered shareholder will also be accepted.
2. The self-addressed envelope contains the address of the scrutinizer appointed by the Board of Directors.
3. This Postal Ballot form should be completed and signed by the shareholder as per the specimen signature registered with the Company or the Depository Participant. In case of joint holding, this Postal Ballot forms should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named joint shareholder.
4. There will be only one Postal ballot Form for every Folio/ Client ID irrespective of the number of Joint holders.
5. The votes should be cast either in favor or against by putting the tick (v) mark in the column provided for assent or dissent. Postal Ballot form bearing tick marks in both the columns for the same shares will render the Postal Ballot form invalid.
6. Unsigned, incorrectly signed or incomplete postal ballot forms will be rejected.
7. Duly completed Postal Ballot Form should reach the Scrutinizer not later than 5 p.m. on November 28, 2019. All postal ballot forms received after this date will be strictly treated as if reply from such shareholder has not been received and the same will not be considered for the purpose of Postal Ballot.
8. A shareholder may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at item 7 above.
9. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholder on the cut-off date i.e. October 25, 2019.
10. In case of shares held by companies, trusts, societies etc. the duly filled in postal ballot form should be accompanied by a certified true copy of the appropriate Resolution.

11. In case of the postal ballot is signed by the holder of power of attorney reference to the power of attorney registration with the Company should be mentioned in the postal ballot form. In case a postal ballot form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorization to vote on the postal ballot should accompany the postal ballot form. Where the postal ballot form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the postal ballot form.
12. Shareholders are requested not to send any other paper along with the postal ballot form in the enclosed self- addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
13. The result of the Postal Ballot will be uploaded on the Company's website [www.aarviencon.com](http://www.aarviencon.com), On the website of NSE Ltd at [www.nseindia.com](http://www.nseindia.com) and on the NSDL evoting website at <https://www.evoting.nsdl.com>. The scrutinizer's decision on the validity of Postal Ballot will be final.
14. The results of e-voting & Postal Ballot form shall be aggregated and declared by the Chairman on Saturday, November 30, 2019.