

# **GALADA FINANCE LIMITED**

## **Notice Pursuant to Section 110 of the Companies Act, 2013**

Dear Member(s),

Notice is hereby given, pursuant to section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 that the resolutions set out below are proposed to be passed by Postal Ballot.

Accordingly, your consent is sought for the proposal as contained in the resolutions attached along with an explanatory statement pertaining to the resolutions setting out all material facts and the reasons thereof. Postal Ballot Form is also enclosed.

The Board of Directors has appointed Mr. T.S. Raju, Practicing Company Secretary to act as the scrutiniser, for conducting the postal ballot process, in a fair and transparent manner.

The members are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form duly completed in all respects in the enclosed self-addressed postage pre-paid envelope, so as to reach the scrutinizer at the corporate office of the Company on or before the close of working hours on 24<sup>th</sup> September 2014. Members may choose to vote using the e-voting facility, the details whereof are also specified under instructions for e-voting as contained under 'Notes'.

### **Special Business**

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

RESOLVED THAT in supersession of the earlier resolution passed as per section 293(1)(d) of the Companies Act, 1956 at the general meeting and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the consent of the Company be and is hereby granted to the Board of Directors of the Company to borrow money, from time to time, at its discretion either from the Company's existing bank(s) or any other bank(s), financial institution(s) or any other lending institution or persons on such terms and conditions, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be considered suitable by the Board of Directors up to a limit not exceeding Rs. 50,00,00,000 (Rupees fifty crores only) notwithstanding that the money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say reserves not set for any specific purpose.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary, expedient and incidental thereto for giving effect to this resolution.

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

RESOLVED THAT in supersession of the earlier resolution passed as per section 293(1)(a) of the Companies Act, 1956 at the general meeting and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions , if any of the Companies Act, 2013 including any statutory modifications or re-enactments thereof the members of the Company hereby accord their consent to the Board of Directors, for the time being exercising the powers conferred on them by this resolution, to create mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities issued/to be issued (In compliance with the companies act 2013) by the Company from time to time, in one or more tranches, upto an aggregate limit of Rs. 50,00,00,000 (Rupees fifty crores only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered / to be entered into between the Company and the lenders in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.

On behalf of the Board  
For **Galada Finance Limited**

Managing director

DIN: 00042295

Place : Chennai

Date : 02.08.2014

## Notes:

1. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting our material facts is annexed hereto.
2. The Notice is being sent under Registered Post Acknowledgement Due to all the Members whose names would appear in the Register of Members/ Record of Depositories as on Thursday, the 14<sup>th</sup> August, 2014.
3. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form/s.
3. Postal Ballot Notice and Form is being sent through e-mail to the Members whose e-mail addresses are registered with the Company.
4. The Board of Directors at its meeting held on August 02<sup>nd</sup>, 2014 has appointed Mr. T.S. Raju, Practicing Company Secretary as Scrutinizer to receive and scrutinize the completed ballot papers received from the Members in a fair and transparent manner. The postal ballot form is enclosed for use of the Members. Shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
5. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form duly completed with the assent (for) or dissent (against), so as to reach the Scrutinizer not later than close of working hours on Wednesday, September 24, 2014 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. The Scrutinizer will submit his report after completion of the scrutiny and the results of postal ballot will be announced on or before Saturday, September 27<sup>th</sup>, 2014, at the registered office of the Company at 3.30 p.m.
6. The resolutions shall be taken as passed effectively on the date of declaration of the result. The result of the Postal Ballot will be posted on the website of the Company [www.galadafinance.in](http://www.galadafinance.in) besides communicating the same to the Madras Stock Exchange.
7. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays and Sundays between 10:00 a.m. and 12:00 noon up to Wednesday, September 24, 2014.
8. The Postal Ballot form and the self-addressed business reply envelope are enclosed for use of members. Shareholders are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.
98. The Company is extending its offer of e-voting facility as an alternate, for its Members to enable them to cast their vote electronically instead of dispatching Postal Ballot.

The procedure and instructions for e-voting are as follows:

- (i) The voting period begins on 24th August 2014 and ends on 24<sup>th</sup> September 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14<sup>th</sup> August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.(Sequence number has been provided as Serial Number (SL NO.) in the Address Label.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(viii) After entering these details appropriately, click on “SUBMIT” tab.\

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) Corporate/Institutional Members (corporate /Fls/Flls/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to Scrutiniser email id [raju.raju.ts@gmail.com](mailto:raju.raju.ts@gmail.com) with copy to Cameo email id [Investor@cameoindia.com](mailto:Investor@cameoindia.com) . The file scanned image of the Board Resolution should be in the naming format “Corporate Name\_ Event no.”
- (xxi) Kindly note that the members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting done through Physical Ballot shall prevail and voting done by e-voting will be ignored.

On behalf of the Board  
For Galada Finance Limited

Managing director  
DIN: 00042295

Place: Chennai

Date : 02.08.2014

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated July 2, 2014**

**Item No. 1**

The Company, in order to meet its working capital requirements, may have to borrow money from banks and other financial institutions as a means of finance. The members of the Company at its Extra Ordinary General Meeting held on 15.03.95 had fixed a limit of Rs. 30,00,00,000/- (Rupees Thirty Crores only) up to which the Board of Directors can borrow in excess of the paid up share capital and free reserves in terms of the erstwhile Section 293(1)(d) of the Companies Act, 1956.

Section 180(1)(c) of the Companies Act, 2013 supersedes Section 293(1)(d) of the Companies Act, 1956 and accordingly it is necessary to obtain fresh consent of the members of the Company to enable the Board of Directors of the Company to borrow moneys [excluding temporary loans obtained from the Company' Bankers in the ordinary course of business] in excess of the aggregate of paid-up share capital and free reserves of the Company. The Board of Directors proposes to keep the borrowing limit at Rs. 50,00,00,000 (Rupees fifty crores only).

The Board therefore, places the proposed resolution for your consideration and recommends that it be passed as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

**Item No.2**

The Company may be required to create security for the said facilities as mentioned under Item No. 1 above in favour of the Lenders/ financial assistance availed by the Company, by way of creation of mortgage and/ or charge on the assets of the Company, as stated in the resolution.

In furtherance to the Resolution No. 1 of this notice, the said borrowings/ issue of securities may be required to be secured by way of mortgage/ charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180 (1) (a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company.

Accordingly, it is proposed to pass an enabling resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding Rs. 50 Crores (Rupees Fifty Crores Only).

In terms of the provisions of Section 110 of the Act read with Companies (Management and Administration) Rules, 2014 the approval of the Members has to be obtained, mandatorily through Postal Ballot process.

The Board therefore, places the proposed resolution for your consideration and recommends that it be passed as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

On Behalf of the Board  
For Galada Finance Limited

Managing director

DIN: 00042295

Place: Chennai

Date : 02.08.2014