



ESAAAR (INDIA) LIMITED

Regd. Office: 204 B -Wing, New Prabhat SRA CHS LTD, Chikwadi, Plot-115, Next to Bisleri Factory, W. E, Highway Andheri East, Mumbai – 400099 | Email: esaarindia ltd@gmail.com Contact: 022-40676000 | CIN: L67120MH1951PLC222871

POSTAL BALLOT NOTICE

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

To,
All Members,
Esaar (India) Limited

NOTICE is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of The Companies Act, 2013 (**the "Act"**), read together with the Companies (Management and Administration) Rules, 2014 (including any statutory modification, amendment or re-enactment thereof for the time being in force) and pursuant to other applicable laws and regulations, that the resolution appended below for Reduction of Share Capital is proposed to be passed by the Members of Esaar (India) Limited (**"the Company"**) through Postal Ballot/ E-voting:

The Ministry of Corporate Affairs, Government of India ("MCA") in terms of the General Circular No.14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 ("MCA Circulars"), in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, have advised the companies to take all decisions of urgent nature requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot / e-voting in accordance with the provisions of the Act and rules made there under, without holding a general meeting that requires physical presence of members at a common venue.

As per the MCA Circulars, the Company will send Postal Ballot Notice only by email to all its members who have registered their email addresses with the Company or depository / depository participants and the communication of assent / dissent of the members on the resolution proposed in this notice will only take place through the remote e - voting system. This Postal Ballot is accordingly being initiated in compliance with the MCA Circulars.

Hence, in compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the members for this Postal Ballot and they are required to communicate their assent or dissent through the remote e-voting system only.

The Board of Directors of the Company, at its meeting held on September 15, 2020, has appointed **Mr. Pankaj Trivedi**, Practicing Company Secretary (Membership No. ACS- 30512 & COP No. 15301), as the Scrutinizer for conducting the Postal Ballot/E-voting process in a fair and transparent manner.

In compliance with Section 108 and other applicable provisions of the Act read with related Rules, the Company is pleased to provide e-voting facility to all its members to enable them to cast their votes electronically, instead of dispatching the physical form by post. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its members. The Members are requested to read the notes to the Notice of the Postal Ballot for necessary details.

You are requested to peruse the proposed resolutions along with their respective Explanatory Statement and thereafter record your assent or dissent by means of remote e-voting facility provided by the Company.

The Scrutinizer after completion of the scrutiny will submit his report to the Chairman/Company Secretary of the Company. Thereafter, the results of the Postal Ballot (E-voting) would be announced by the Company on 24th November, 2020 at the corporate office of the Company. The aforesaid result will be communicated to the BSE Limited, Registrar and Share Transfer Agent, NSDL and will also be displayed on the Company's website.

The last date for e-voting shall be the date on which the resolution would deem to have been passed, if approved by the requisite majority.

E-voting Start date & Time	23 rd October, 2020 (09:00 AM)
E-voting End date & Time	21 st November, 2020 (05:00 PM)

Items of Business requiring consent of members through Postal Ballot / E -voting:

Item No.1 To approve the Reduction of Equity Share Capital of the Company

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

"Resolved That pursuant to Section 66 and other applicable provisions of the Companies Act, 2013, (including any statutory



medication(s) or re-enactment thereof for the time being in force) and the rules made thereunder (the "Act"), and pursuant to Article 76(i) of the Articles of Association of the Company and subject to confirmation by the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") and such other approvals, consents, permissions and sanctions as may be necessary, to be obtained from any government or statutory authority, consent of the members be and is hereby accorded by way of a special resolution, to reduce the issued, subscribed and paid-up capital of the Company from Rs. 20,44,25,000/- (Rupees Twenty Crores Forty Four Lakhs Twenty Five Thousand Only) consisting of 2,04,42,500 (Two Crores Four Lakh Forty Two Thousand and Five Hundred) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 13,06,11,230/- (Rupees Thirteen Crores Six Lakhs Eleven Hundred and Two Thirty only) consisting of 1,30,61,123 (One Crore Thirty Lakhs Sixty One Thousand One Hundred and Twenty Three) equity shares of Rs. 10/- (Rupees Ten) each by cancelling and extinguishing, in aggregate, 36.107996% of the total issued, subscribed and paid-up equity share capital of the Company, comprising 73,81,377 (Seventy Three Lakhs Eighty One Thousand Three Hundred and Seventy Seven) Equity Shares of Rs. 10/- (Rupees Ten) each held by the members of the Company.

"Resolved Further That upon the Capital Reduction being confirmed by the NCLT and becoming effective and operative, without any further act or deed by the equity shareholders (including but not limited to surrendering of share certificates), 73,81,377 (Seventy Three Lakhs Eighty One Thousand Three Hundred and Seventy Seven) equity shares of Rs. 10/- (Rupees Ten) each of the Company held by the Shareholders shall stand cancelled and extinguished and rendered invalid."

"Resolved Further That upon the Capital Reduction being confirmed by the NCLT and becoming effective and operative, and/ or the receipt of such other approvals as may be required, the Shareholders of the Company appearing as registered equity shareholders of the Company as on the date to be determined by the Board of Directors (the "Board") (the "Record Date"), shall be paid sum for fraction entitlement on proportionate basis for the equity shares held by them and which are to be extinguished.

"Resolved Further That upon the Capital Reduction being confirmed by the NCLT and becoming effective and operative and upon payment of consideration to the Shareholders, without any further act or deed by the equity shareholders, the equity shares of Rs. 10/- (Rupees Ten) each of the Company held by the shareholders shall stand cancelled, extinguished and rendered invalid."

"Resolved Further That no shareholder shall be entitled to a fraction of a share and all fractional entitlements resulting from the reduction shall be aggregated into whole shares and the number of shares so arising shall be held by a Trustee appointed by the Board, who shall dispose off the said shares in the market at the best available price in one or more lots and the decision of the Trustee in this regard shall be final and binding to all concerned. The Trustee shall hold the net sale proceeds of all such shares after deducting there from all costs, charges and expenses of such sale and shall thereafter distribute such sale proceeds to the members of the Company in proportion to their entitlements.

"Resolved Further That the payment of consideration to the abovementioned Shareholders shall be made within such number of days of the Record Date and subject to such approvals, if any, as may be required under the applicable law/s or as may be directed by the NCLT, on the reduction becoming effective. All such payments will be made by electronic transfer of funds, cheque, pay order/warrant or demand draft, NEFT/RTGS/IMPS, after payment of appropriate taxes by the Company."

"Resolved Further That the Board of Directors of the Company be and is hereby authorised to take all necessary steps and do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company and its members in connection with and relating to the Capital Reduction, including any directions for settling any question or doubt or difficulty whatsoever that may arise, for the purpose of giving effect to the Capital Reduction, or to any modification thereof, and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, (including but not limited to):

- a) Finalizing, amending and settling the draft scheme, application / petition, and assent to such alterations, conditions and modifications, if any, or effect any other modification or amendment as the Board of Directors of the Company may consider necessary or desirable to give effect to the proposed reduction of share capital;
- b) Filing any affidavit, petition, pleading, application, form or reports before NCLT or any other statutory or regulatory authority including the concerned stock exchanges, SEBI, the Registrar of Companies, the Regional Director or such other authority as may be required in connection with the proposed reduction of capital or its sanction thereof and to do all such acts and deeds as they may deem necessary in connection therewith and incidental thereto;
- c) Making such alterations and changes in the scheme, application to be made to NCLT, as may be expedient or necessary or satisfying the conditions / requirement imposed by NCLT, SEBI and/or any other statutory /regulatory authorities, as may be required, provided that prior approval of the Board shall be obtained for making any material changes in the said application.



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- d) Signing all applications, petitions, affidavits, undertakings, documents, letters relating to the proposed reduction of capital and represent the Company before the NCLT and any other authorities in relation to any matter relating to the proposed reduction of capital or delegate such authority to any other person through a valid power of attorney;
- e) To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, undertake, record all deeds, declarations, instruments, vakalatnamas, applications, petitions, affidavits, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient and all manner of documents, petitions, affidavits and applications under the applicable laws including Companies Act, 2013, and Rules made thereunder and other applicable laws/regulations in relation to the aforesaid matter and to represent the Company in all correspondences, matters and proceedings and any nature whatsoever in relation to the above;
- f) To engage any counsel, consultant firms, advocates, attorneys, pleaders, solicitors, valuers, auditors, accountants, registrars or any other one or more agencies, as may be required in relation to or in connection with the proposed reduction of share capital, on such terms and conditions as they may deem fit, finalize fees, terms and conditions of their appointment letter(s), furnish such information as may be required by them and also to sign, execute and deliver all documents, letters, advertisements, announcements, disclosures, affidavits, undertakings and other related documents in favour of the concerned authorities, advocates or any one or more persons or firms as they may deem fit and to do all such acts, deeds and things as they may deem fit and as may be necessary in this regard.
- g) Incur such other expenses as may be necessary with regard to the above transaction, including payment of fees to solicitors, merchant bankers, advisors, valuers, registrars and other agencies and such other expenses that may be incidental to the above, as may be decided by them.
- h) Make any modifications as they may consider necessary in relation to the procedure and modalities of effecting the transactions contemplated in this resolution.
- i) Consider, approve, sign and execute all other documents, advertisements, announcements, disclosures, etc. which may be sent / required to be sent to concerned authorities on behalf of the Company.
- j) To file requisite forms with the Registrar of Companies in connection with the proposed reduction of share capital during and after the process of sanction thereof.
- k) Sign, execute and deliver such documents as may be necessary and do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect for the purpose of the above resolutions or to otherwise give effect to the transactions contemplated as aforesaid.
- l) To accept services of notices or other processes which may from time to time be issued in connection with the matter aforesaid;
- m) To do all such acts and things and deal with all such matters and take all steps as may be necessary including any modification, if required, and do all such other acts, matters, deeds and things necessary, proper or desirable in connection with or incidental to giving effect to the purposes of this Resolution.
- n) To give such directions as they may think fit and proper, including directions for settling any questions or difficulties that may arise and to do all acts, deeds and tasks, as may be deemed necessary, expedient or proper to give effect to the proposed reduction of capital and for matters connected therewith or incidental thereto.
- o) To delegate any or all of the powers conferred upon it by this resolution to any committee of directors, any other director(s), and/or officer (s) of the Company."

**By order of the Board
Esaar (India) Limited**

**Sd/-
Raghvendra Kumar
Director
(DIN: 08126531)**

**Date: September 15, 2020
Place: Mumbai**



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Notes:

1. The Statement as required under Section 102 of the Companies Act is annexed to the Notice. No Postal Ballot Form is required to be enclosed. A copy of the Notice is also available on the website of the Company - <http://esaar.in/>
2. The Postal Ballot Notice is being sent by email to all the Members, whose names appear on the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') as on 16th October, 2020 (the 'cut-off date') and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Purva Share Registry India Private Limited ("RTA").
3. The voting shall be reckoned in proportion to a Member's share of voting rights on the paid-up share capital of the Company as on the cut-off date. Any recipient of the Postal Ballot Notice who was not a Member of the Company as on the cut-off date should treat this Postal Ballot Notice for information purpose only.
4. Pursuant to the applicable provisions of the Act and Rules framed there under and the SEBI Listing Regulations, the Company can serve notices, annual reports and other communication through electronic mode to those Members who have registered their e-mail addresses either with the Depository Participant(s) or the Company. Members who have not registered their e-mail addresses with the Company can now register the same by sending an e-mail to the RTA on support@purvashare.com Members holding shares in demat form are requested to register their e-mail addresses with their Depository Participant(s) only.
5. The last date specified by the Company for remote e-voting shall be the date on which the Resolution shall be deemed to have been passed, if approved by the requisite majority.
6. Resolution(s) passed by the members through postal ballot is/are deemed to have been passed effectively at a General Meeting of the members. The resolution shall be declared as passed, if votes cast by the members so entitled in favour of the said resolution are two-thirds the number of votes cast against the same.
7. In terms of the MCA Circulars, voting can be done only by remote e-voting. As the remote e-voting does not require a person to attend to a meeting physically, the members are strongly advised to use the remote e-voting procedure by themselves and not through any other person / proxies.
8. A member cannot exercise his vote by proxy on Postal Ballot.
9. In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, if any, read with the Rules made thereunder and the provisions of the MCA Circulars, the Company is providing facility for voting by electronic means ("e-voting") to all the members of the Company to enable them to cast their votes electronically on the items mentioned in the Notice. For this purpose, the Company has entered into an arrangement with National Securities Depository Limited ('NSDL') for facilitating e-voting to enable the members to cast their votes electronically. The instructions for e-voting forms part of this notice.
10. The period for voting through postal ballot and remote e-voting starts from Friday, October 23, 2020 at Indian time 09:00 am and ends on Saturday, November 21, 2020 at Indian time 5:00 pm.
11. Resolution(s), if passed by the Members through postal ballot are deemed to have been duly passed on the last date specified for the e-voting i.e. November 21, 2020 in terms of Secretarial Standard - 2 on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.
12. As required by Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars and the SEBI Listing Regulations, the details pertaining to this Postal Ballot will be published in one English national daily newspaper circulating throughout India (in English language) and one regional daily newspaper circulating in Maharashtra (in vernacular language, i.e. Marathi).
13. In case of any query/grievance in connection with the Postal Ballot including e-voting, Members may contact NSDL by e-mail at evoting@nsdl.co.in or the Company at the contact details given hereinabove or at esaarindia ltd@gmail.com.
14. The Board of Directors of the Company ("the Board") at its meeting held on September 15, 2020 had appointed Mr. Pankaj Trivedi, Practicing Company Secretary (Membership No. ACS- 30512& COP No. 15301) to scrutinize the postal ballot/ e-voting process in a fair and transparent manner. The results of the voting conducted through postal ballot (through the remote e-voting process only) will be announced by the Chairman/Company Secretary on or before 24th November, 2020.



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15. The results of the postal ballot will be placed on the Company's website and on the website of NSDL at www.evoting.nsdl.com and will also be intimated to the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited, in accordance with the provisions of SEBI Listing Regulations.
16. Instructions and other information relating to e-voting are as under:

In compliance with provisions of Sections 108, 110 and other applicable provisions of the Act read with Rules framed there under, Regulation 44 of the SEBI Listing Regulations and SS-2, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their vote electronically instead of dispatching the physical Postal Ballot form by post. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its members.

How do I vote electronically using NSDL e-Voting system?

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

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password 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.
4. Your User ID details are given below :

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***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) 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.
 - c) How to retrieve your 'initial password'?
 - (i) 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'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:



- a) 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.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) 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.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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 pankajtrivedicsllb@gmail.com with a copy marked to evoting@nsdl.co.in.
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.: 1800-222-990 or send a request at evoting@nsdl.co.in.

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 esaarindialtd@gmail.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 esaarindialtd@gmail.com.

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

Item No. 1:

The proposed reduction of the Equity Share Capital of Esaar (India) Limited (“the Company”) is being undertaken in accordance with the provisions of Section 66 (1)(b)(i) of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made there under (the “Act”) and specifically the Hon’ble National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 (“Reduction Rules”), which permits the Company to undertake a reduction of its share capital.



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Subject to the receipt of the requisite approval of the Shareholders and confirmation by the Hon'ble National Company Law Tribunal ("NCLT") and such other approvals as may be required, it is proposed to reduce the issued, subscribed and paid-up capital of the Company from Rs. 20,44,25,000/- (Rupees Twenty Crores Forty Four Lakh Twenty Five Thousand) consisting of 2,04,42,500 (Two Crores Four Lakh Forty Two Thousand and Five Hundred) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 13,06,11,240/- (Rupees Thirteen Crores Six Lakh Eleven Thousand Two Hundred and Forty) consisting of 1,30,61,123 (One Crore Thirty Lakhs Sixty One Thousand One Hundred and Twenty Three) equity shares of Rs. 10/- (Rupees Ten) each by cancelling and extinguishing, in aggregate, 36.11% (Thirty Six point eleven per cent) of the total issued, subscribed and paid-up equity share capital of the Company, comprising 73,81,376 (Seventy Three Lakhs Eighty One Thousand Three Hundred and Seventy Six) equity shares of Rs. 10/- (Rupees Ten) each held by the shareholders of the Company.

As per Section 66 of the Act, the said resolution approving the Capital Reduction has to be passed by the Members of the Company as a Special Resolution.

Background

The issued, subscribed and paid-up capital of the Company is Rs 20,44,25,000 comprising of 2,04,42,500 equity shares of Rs 10 each and the securities premium is Rs.1,24,89,490/- based on the Audited standalone financial statements for the F.Y. ended March 31, 2020. Further, these financial statements reflect accumulated losses (i.e., debit balance of profit and loss account) of Rs.8,63,03,260/- for the period ended March 31, 2020. Such accumulated losses have substantially wiped off the value represented by the share capital.

Considering the future prospects of growth and value addition to the Company and its Shareholders, it is proposed to realign the relationship between its capital and assets in accordance with Section 52 and Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable), by writing-off the accumulated losses of Rs.8,63,03,260/- reflecting in the Audited standalone financial statements for the F.Y. ended March 31, 2020 against the paid-up share capital and Securities Premium Account balance of the Company, to have a rational structure which is commensurate with its remaining business and assets.

It is proposed to effect the reduction of share capital from Rs.20,44,25,000/- to Rs.13,06,11,230/-. Further, it is also proposed that the Securities Premium Account of the Company be reduced from Rs.1,24,89,490/- to Rs. Nil.

Effect of the Scheme

The proposed reduction of capital by reducing the paid-up equity share and securities premium account of the Company against Accumulated losses, pursuant to the Scheme, shall be reflected in the books of Accounts of the Company, on the Effective date.

The capital structure of the Company pre- and post-scheme is reflected in the table below:

Particulars	Authorised Capital	Issued, Subscribed and Paid up Capital	
		Pre	Post
Number of Equity Share	2,15,00,000	2,04,42,500	1,30,61,123
Face Value of the Equity Shares	Rs. 10 /- each	Rs. 10 / - each	Rs. 10 / - each
Total Equity Share Capital	Rs. 21,50,00,000/-	Rs. 20,44,25,000/-	Rs. 13,06,11,230/-
Preference Share Capital	-	-	-

The below table reflects the pre- reduction and post-reduction of Securities Premium Account of the Company against its Accumulated Losses:

Particulars	Pre-reduction (Rs.)	Proposed reduction (Rs.)	Post-reduction (Rs.)
Securities Premium Account	1,24,89,490	1,24,89,490	Nil
Profit and Loss (Dr) i.e. Accumulated Losses	8,63,03,260	8,63,03,260	Nil



Shareholding pattern- Pre and post reduction of capital:

Shareholding pattern	Pre Reduction		Post Reduction	
	No. of Shares of face value of Rs. 10 each	% of holding	No. of Shares of face value of Rs. 10 each	% of holding
Promoter & Promoter group	6,34,688	3.10	4,05,514	3.10
Public	1,98,07,812	96.90	1,26,55,608	96.90
Total	2,04,42,500	100	1,30,61,123	100

Benefits arising out of the Scheme

The Scheme, if approved, the books of the Company would better represent its financial position which would help the Company position itself better in the market, and undertake business activities efficiently. This would be value accretive to the Shareholders as well, as their holdings would yield better results.

The proposed restructuring under the Scheme, if approved, would enable the Company to explore opportunities for the benefit of its Shareholders, including in the form of dividend payments, in terms of the applicable law.

The Scheme, if approved, may enable the Company to avail business opportunities that it was unable to take advantage of, because of it experiencing Accumulated Losses.

The reduction of capital in the manner proposed would enable the Company to have a rational structure which is commensurate with its remaining business and assets.

The Scheme of reduction, after full implementation, will result in making the Company's balance sheet leaner and downsized.

The proposed Scheme would be for the overall benefit of the Company, its creditors, Shareholders and all other stakeholders.

The proposed Scheme will enable the Company to use a part of the amount which is lying unutilized in the Securities Premium Account of the Company in an effective manner for the benefit of the Company.

The Scheme, if approved, would provide greater flexibility to the Company in raising funds either from the capital market or from any Bank/ Financial Institutions in the form of equity or debt, depending upon the business needs of the Company.

SEBI approval:

Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates a listed entity to obtain prior approval of the SEBI if any scheme of arrangement is proposed to be filed before NCLT under Sections 230-234 and Section 66 of the Companies Act, 2013. Thus, on a plain reading of Regulation 37, it can be observed that prior approval is required to be obtained only under a situation which involves both a Scheme of Arrangement under Sections 230-234 along-with Capital Reduction under Section 66 of the Companies Act, 2013.

Effective Date of Reduction of Equity Share Capital:

After the shareholders have passed the requisite resolution in the Extra-Ordinary General Meeting, the Company will file the requisite application with the NCLT in accordance with the provisions of Section 66 and other applicable provisions of the Act and the Reduction Rules, seeking confirmation of the Capital Reduction. Pursuant to Section 66(5) of the Companies Act, 2013, this resolution will be effective from the date of registration of the NCLT order approving the Capital Reduction by the Registrar of Companies, Mumbai to that effect.

General:

The Board of Directors of the Company at their meeting held on 15th September, 2020, has approved the Capital Reduction as per the terms set out in the Resolution. It would be necessary to obtain the approval of the Members of the Company in a General Meeting by passing a Special Resolution for the Capital Reduction under Section 66 of the Act and such reduction of equity share capital would have to be confirmed by the NCLT as provided under Section 66 of the Act and the Reduction Rules.

The Capital Reduction only recognises the losses already suffered by the Company. Hence, the Capital Reduction will not cause any prejudice to the creditors (secured or unsecured) of the Company. The creditors of the Company are in no way affected by the proposed Capital Reduction, as there is no reduction in the amount payable to any of the creditors. Further,



ESAR (INDIA) LIMITED

as the Capital Reduction does not involve any payment to the shareholders, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitment or to pay its debts in the ordinary course of business.

The Company has not accepted any deposits and is therefore not in arrears in the repayment of any deposits or interest payable thereon.

No investigation / proceedings are pending under Section 210 to Section 229 or any other provisions of the Act against the Company.

A copy of the Memorandum of Association and Articles of Association of the Company as amended from time to time, copies of Valuation Report issued by the Independent Valuer are available for inspection at the Registered Office of the Company during 11.00 a.m. to 5.00 p.m., on any working day till the date of the Meeting and also at the Meeting.

The Board of Directors of the Company is of the view that this resolution is in the best interests of the Company, its shareholders and therefore, recommends the passing of the Special Resolution as set out in the notice.

None of the Directors and / or Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested in the resolution set out at Item No.1.

**By order of the Board
Esar (India) Limited**

**Sd/-
Raghvendra Kumar
Director
(DIN: 08126531)**

**Date: September 15, 2020
Place: Mumbai**