

**THE CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION
PASSED BY THE MEMBERS OF M/S. ESAAR (INDIA) LIMITED
THROUGH POSTAL BALLOT ON 21ST NOVEMBER, 2020.**

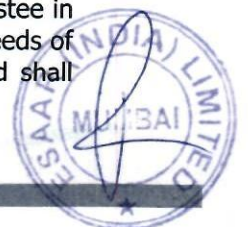
"Resolved That pursuant to Section 66 and other applicable provisions of the Companies Act, 2013, (including any statutory medication(s) or re-enactment thereof for the time being in force) and the rules made thereunder (the "Act"), and pursuant to Article 76(i) of the Articles of Association of the 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

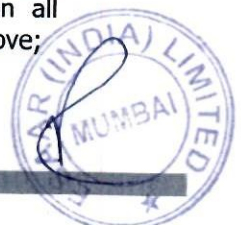


thereafter distribute such sale proceeds to the members of the Company in proportion to their entitlements.

"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."

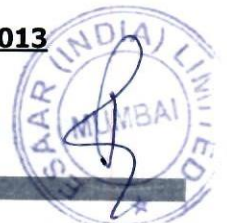
"Resolved Further That the Board of Directors of the Company be and is hereby authorised to take all necessary steps and do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company and its members 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.
- 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."

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.

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 re-align 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
Equity Share Capital	21,50,00,000 shares of face value Rs.10/- each	20,44,25,000 shares of face value Rs.10/- each	13,06,11,230 shares of face value Rs.10/- each
Preference Share Capital	-	-	-

The below table reflects the pre- 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.

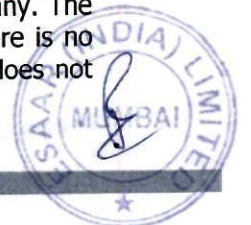
Effective Date of Reduction of Equity Share Capital:

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, as the Capital Reduction does not





CIN: L67120MH1951PLC222871

Regd. Office: 204 B- Wing, New Prabhat SRA
CHS LTD, Chikwadi, Plot No-115, Next to
Bisleri Factory, W. E. Highway, Andheri (East),
Mumbai - 400099

Corp. Office: Unit No. 402, Western Edge-1,
Kanakia Spaces, Western Express Highway,
Borivali (East), Mumbai - 400 066
E: essarindia ltd@gmail.com
T: 022 - 40676000
<http://esaar.in/>

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
Esaar (India) Limited**


Raghvendra Kumar
Director
DIN: 08126531

**Date: December 10, 2020
Place: Mumbai**