

**59<sup>th</sup> ANNUAL REPORT**

**BOARD OF DIRECTORS**

<b>SHRI VIJAY JAIDEO PODDAR</b>	-	<b>Additional Director</b>
<b>SHRI DHEERAJ SHAH</b>	-	<b>Managing Director</b>
<b>SHRI MANOJ BATRA</b>	-	<b>Additional Director</b>

**AUDITORS:**

M/S. PRAVIN CHANDAK & ASSOCIATES,  
403, NEW SWAPANALOK CHS LTD,  
NATAKWALA LANE, BORIVALI(W),  
MUMBAI-400 092.

**REGISTERED OFFICE :**

4-A, COUNCIL HOUSE ST.,  
KOLKATA - 700 001.

**REGISTAR & TRANSFER AGENT:**

S.K. COMPUTERS,  
34/1A, S.K. CHATTERJEE STREET,  
KOLKATA – 700 006.

### NOTICE

Notice is hereby given that the **59<sup>th</sup>** Annual General Meeting of the Members of **ESAAR (INDIA) LTD.** will be held on **8<sup>TH</sup> August 2011 at 3:30 P.M** at the Registered Office at 4-A, Council House St., Kolkata - 700001 to transact the following business.

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2011, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Vijay Poddar as Director of the company, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :

**“RESOLVED** that pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and the provisions of Article 47 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, (a) each of the 81,77,000 equity shares of the nominal value of Rs.10/- each in the authorised share capital of the Company be sub-divided into 8,17,70,000 equity shares of Rs. 1/- each **AND THAT** Clause 5 (being Capital Clause) of the Memorandum of Association of the Company relating to equity shares be altered accordingly.

**RESOLVED FURTHER** that the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and they are hereby authorised to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and /or credit the shareholders’ accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) or Company Secretary, to give effect to the aforesaid resolution.”

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

**“RESOLVED THAT** Mr. Vijay Jaideo Poddar, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and who hold office up to the date of Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

**“RESOLVED THAT** Mr. Manoj Batra, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and who hold office up to the date of Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

**7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re- enactment thereof, for time being in force) and subject to provisions of Articles of Association of Company, the consent of the Company be and is hereby accorded for appointment of Mr. Dheeraj Shah as Managing Director of the Company, for a period of 5 (Five) years with effect from July 7, 2011 till July 6, 2016 on the terms and conditions including remuneration as set out in the agreement entered into between the Company and Mr. Dheeraj Shah and reproduced in the Explanatory Statement enclosed herewith, which is hereby specifically sanctioned, with liberty to the Board of Directors (hereinafter referred to as “the Board” which shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration and / or agreement in the best interest of the Company so as not to exceed the limits specified in Schedule XIII to the Companies Act 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendments and / or modification that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Dheeraj Shah.

RESOLVED FURTHER THAT the board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**REGISTERED OFFICE**

4-A, Council House St.  
Kolkata - 700 001.  
DATED : 11 / 07/2011

**BY ORDER OF THE BOARD**

Sd/-  
**DHEERAJ SHAH**  
Chairman

### **NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.
3. The Register of Members and the Transfer Book of the Company will remain closed from 7<sup>th</sup> August, 2011 to 8<sup>th</sup> August, 2011 (both days inclusive.)
4. Members / Proxies should bring attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.
5. Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat / physical form at S.K. COMPUTERS, 34/1 A Sudhir Chatterjee Street, Kolkata -700006.
6. Printed copies of the Balance Sheet, Profit and Loss Account, Director's Report, the Auditor's Report and every other documents required by the law to be annexed or attached to the Balance Sheet for the period ended 31st March, 2011 are enclosed herewith.
7. Members seeking any information with regard to accounts are requested to write to the company at least one week in advance so as to enable the management to keep the information ready.
8. Proxies in order to be effective must be deposited duly stamped and signed at the Registered Office of the Company not less than 48 hours before the meeting.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES, 1956.**

#### **Item Nos. 4**

The shareholders to note that the equity shares of your Company are listed on the Stock Exchange, Mumbai (BSE).

In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on 11 July, 2011 considered it desirable to sub-divide the nominal value of the equity portion of the authorised share capital of the Company.

The shareholders may please note that presently the nominal value of the equity shares is Rs.10/- each and consequent to the sub-division it is being divided into 10 (Ten ) equity shares of Rs. 1/- each. The date on which this sub-division would become effective, will be decided by the Board after obtaining the shareholders' approval, which will be notified through the Stock Exchanges.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause 5 in the Memorandum of Association of the Company relating to equity shares also need relevant amendment to give effect to the sub-division.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

#### **Item Nos. 5**

Mr Vijay Jaideo Poddar have been appointed as Additional Directors of the Company pursuant to Section 260 of the Companies Act, 1956 read with Articles of Association of the Company with effect from 18/03/2011. The terms of the directors expire at the ensuing Annual General Meeting of the Company. The Company has received notice from the member proposing to appoint Mr Vijay Poddar as Directors of the Company.

None of the Directors of the Company are interested in passing the resolution, except Mr Vijay Poddar to the extent of their appointment as Directors of the Company.

**Item Nos. 6**

Mr Manoj Batra have been appointed as Additional Directors of the Company pursuant to Section 260 of the Companies Act, 1956 read with Articles of Association of the Company with effect from 18/03/2011. The terms of the directors expire at the ensuing Annual General Meeting of the Company. The Company has received notice from the member proposing to appoint Mr Manoj Batra as Directors of the Company.

None of the Directors of the Company are interested in passing the resolution, except Mr Manoj Batra to the extent of their appointment as Directors of the Company.

**Item Nos. 7**

The Board of Directors at their meeting held on July 7, 2011 have subject to such consents, approvals and permissions as may be required including that of members in the ensuing general meeting and subject to the provisions of the Articles of Association of the Company, appointed Mr. Dheeraj Shah as the Managing Director of the Company for a period of period of 5 (Five) years with effect from July 7, 2011 till July 6, 2016 on the remuneration determined by the Board in this behalf.

The remuneration payable to and the terms of appointment of Mr. Dheeraj Shah during the tenure of his appointment for a period of five years is briefed as follows:

Salary (Basic Per Annum)	Rs.12,00,000/- (Rupees Twelve Lakh Only)
2 Allowances / Perquisites:-	
a) Special Allowance	Rs.5,500/- per month
b) Medical allowance	Rs.10,000/- per month (equal to 10% of month's basic salary)
c) Conveyance Allowance	Rs.7,000/- per month
d) Company's Contribution to Provident Fund	Rs.12,000/- per month (equal to 12% of month's basic salary)
e) Expenses incurred on superannuation and ex-gratia payment	Rs.15,000/- per month (equal to 15% of month's basic salary)
f) Gratuity	Rs.5,000/- per month
g) LTA	Rs.8,330/- per month (equal to 8.33% of month's basic salary)

Your Directors, therefore, recommend the resolution for your approval.

The above may also be treated as an abstract of the terms of the contract/agreement between the Company and Mr. Dheeraj Shah pursuant to Section 302 of the Companies Act, 1956.

Except Mr. Dheeraj Shah, none of the Directors is, in any way, concerned or interested in the said Resolution.

**REGISTERED OFFICE**  
4-A, Council House St.  
Kolkata - 700 001.  
DATED : 11/07/2011

**BY ORDER OF THE BOARD**  
Sd/-  
**DHEERAJ SHAH**  
Chairman

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING  
ANNUAL GENERAL MEETING  
(In pursuance of Clause 49 (vi) (A) of the Listing Agreement)**

Director seeking re-appointment

Name of the Director	Vijay Jaideo Poddar
Date of Birth	21/03/1972
Date of Appointment.	18/03/2011
Expertise in any specific functional Area	Finance
Qualification	Graduate
Directorships held in other companies(excluding foreign – Companies)	1
Committee position held in other Companies	Nil

Director seeking re-appointment

Name of the Director	Manoj Batra
Date of Birth	01/04/1978
Date of Appointment.	18/03/2011
Expertise in any specific functional Area	Finance
Qualification	Graduate
Directorships held in other companies(excluding foreign – Companies)	Nil
Committee position held in other Companies	Nil

**BOARD OF DIRECTORS' REPORT**

**To  
The Members**

Your Directors present their 59<sup>th</sup> Annual Report with Audited Statement of Accounts for the year ended on March 31, 2011.

**Financial Results**

Particulars	(Amt. In Lacs)	
	For the year ended on	
	31/03/2011	31/03/2010
<b>Income</b>	<b>128.07</b>	<b>261.59</b>
<b>Profit before Dep. &amp; Int.</b>	<b>1.08</b>	<b>12.08</b>
<b>Depreciation</b>	<b>10.31</b>	<b>10.79</b>
<b>Interest</b>	<b>0.00</b>	<b>0.00</b>
<b>Profit after Depreciation &amp; Interest</b>	<b>(9.23)</b>	<b>1.29</b>
<b>Provision for Taxation</b>	<b>0.00</b>	<b>0.20</b>
<b>Provison for Tax (deferred)</b>	<b>(2.68)</b>	<b>(2.70)</b>
<b>Profit after Tax</b>	<b>(6.55)</b>	<b>3.79</b>
<b>Net profit/ (Loss)</b>	<b>(6.55)</b>	<b>3.79</b>
<b>Amount Available for Appropriation</b>	<b>(6.55)</b>	<b>3.79</b>
<b>Balance carried to Balance Sheet</b>	<b>(6.55)</b>	<b>3.79</b>

**FINANCIAL HIGHLIGHTS**

During the year Company's total sales including other income is Rs 128.07 lacs as compared to Rs. 261.59 lacs in the previous year and thereby registering an decrease of 51.04 % as compared to the previous year.

**DIVIDEND**

Your Directors decided to plough back the profit and therefore dividend is not declared.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Vijay Poddar retire by rotation at the ensuing Annual General Meeting, and being eligible offers himself for reappointment.

Mr. Vijay Poddar and Mr. Manoj Batra were appointed as Additional Directors with effect from 18th March, 2011. Pursuant to Section 260 of the Companies Act, 1956, Mr. Vijay Poddar and Mr. Manoj Batra holds office only upto the date of the ensuing Annual General Meeting. Their appointment needs to be confirmed by the members in the General Meeting.

Mr. Dheeraj Shah Promoter Director of the Company is appointed as Managing Director of the Company with effect from 11<sup>th</sup> July, 2011 for period of five years subject to the approval of shareholders in the ensuing Annual General Meeting.

Mr. Girraj Kishor Agrawal, Mrs. Tanu Agrawal, Mr. Prasanta Bandyopadhyay and Mr. Om Prakash Saxena has resigned as the directors from the Board of the Company with effect from 18/03/2011. During their tenure as Directors, they had greatly contributed to the performance of the Company by their vast knowledge and experience.

**DEPOSITS**

Your company has not accepted any deposits within the meaning of Section 58 A of The Companies Act, 1956.

### **FOREIGN EXCHANGE**

There is no inflow and outflow of Foreign Exchange.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March 2011 the applicable accounting standards have been followed, along with proper explanation relating to all material departures.
- (ii) That they have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period.
- (iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2011 on a going concern basis.

### **RESERVE BANK OF INDIA GUIDELINES FOR NBFCs (Non Banking Financial Companies)**

The Guidelines of Reserve Bank of India have been revised time and again during the year under review. The company has observed all the prudential norms prescribed by Reserve Bank of India.

### **AUDITORS**

Shareholders have appointed M/s. Pravin Chandak & Associates, Chartered Accountants as the Statutory Auditor in the Extraordinary General Meeting held March 18, 2011, in order to fill in the casual vacancy created by the resignation of the previous auditor, M/s Agarwal Gupta Nokari & Rustagi Associates

You are requested to re-appoint M/s. Pravin Chandak & Associates, Chartered Accountants as Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and fix their remuneration.

The appointment if made would be according to Section 224 (1B) and any other applicable provisions, if any, of the Companies Act, 1956.

### **AUDITORS REPORT**

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The particulars under the companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, on conservation of energy and Technology absorption is not applicable.

### **PARTICULARS OF EMPLOYEE**

The information required under section 217(2A) of the Companies Act 1956, read with the Companies (particulars of employees) Rules 1975, forms part of this report - Not applicable.



**LISTING OF SHARES**

Equity shares of your Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing fees for the year 2010 – 2011.

**Company has filed application to Ahemadabad Stock Exchange, the Kolkata Stock Exchange and Jaipur Stock Exchange for delisting of shares.**

**PREFERENTIAL ALLOTMENT**

During the year Company has issued 31,77,000 equity shares at Rs.10/- each at premium of Rs 40/- on preferential basis to non promoters.

**POSTAL BALLOT**

Postal ballot was conducted by the company for the approval of change in Registered Office of the Company from State of West Bengal to Maharashtra.

**INCREASE IN AUTHORISED CAPITAL**

During the period under review, in order to strengthen its capital base, your Company has increased its Authorised, Issued and Paid-up Share Capital from Rs.5,50,00,000/- (Rupees Five Crores Fifty Lakhs only) to Rs. 15,50,00,000/- (Rupees Fifteen Crores Fifty Lakhs only).

**GREEN INITIATIVE IN CORPORATE GOVERNANCE'**

The ministry of corporate Affairs (vide circular nos.17/2011 and 18/2011 dated April 21 and April 29,2011 respectively), has undertaken 'Green initiative in corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support their green initiative by registering/updating their email addresses, in respect of shares held in dematerialised form with their respective depository participants and in respect of shares held in physical form with TSRDL.

**CORPORATE GOVERNANCE COMPLIANCE**

As required under the listing agreement with the stock exchange, corporate governance and management discussion and analysis report form part of this Annual Report.

**ACKNOWLEDGEMENT**

The Board of Directors wishes to express sincere thanks to Bankers, Shareholders, clients, Financial Institutions, customers, sup-pliers and employees of Companies for extending support during the year.

**PLACE: MUMBAI  
DATED :11/07/2011**

**FOR & ON BEHALF OF THE BOARD  
Sd/-  
DHEERAJ SHAH  
Managing Director**

**CORPORATE GOVERNANCE REPORT****A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company believes in transparent dealings and integrity and compliance of rules and regulations. The Company firmly believes that good corporate governance is pre-requisite to meet the stakeholders' requirements and needs. The mandatory requirements of the code of Corporate Governance as per clause 49 of the listing agreement have been implemented by your Company.

**B) BOARD OF DIRECTORS**

The Board of Directors comprises of Mr. Dheeraj Shah as Executive Director, Mr. Vijay Jaideo Poddar and Mr. Manoj Batra as Non Executive Independent Directors. .

- a) The composition of the Board of Directors and their attendance at the meetings during the period and at the last Annual General Meeting as also number of other directorships, membership of committees are as follows: -

Name of Director	Status	No. of Board Meetings Attended	Attendance at Last AGM	No. of other Directorship	Committee Membership	
Mr. Dheeraj Shah	E.D	-	No	-	3	-
Mr. Vijay Poddar	I.N.E.D	-	No	-	3	2
Mr. Manoj Batra	I.N.E.D	-	No	-		3

N.E.D Non Executive Director

W.T.D Whole Time Director

I.N.E.D Independent Non Executive Director

**Notes:**

During the period ended 31<sup>st</sup> March 2011, 12 Board Meetings were held on the following dates:

30/04/2010, 26/07/2010, 01/07/2010, 08/07/2010, 31/07/2010, 25/08/2010, 15/09/2010, 25/10/2010, 30/10/2010, 17/11/2010, 31/01/2011 and 18/03/2011.

As against the minimum requirement of 4 meetings. The maximum time gap between any two meetings was not more than four calendar months.

**CODE OF CONDUCT**

The Board has laid down a code of conduct for Board members and senior management staff of the Company. The Board members and senior management staff have affirmed compliance with the said code of conduct.

**C) AUDIT COMMITTEE**

The Audit Committee comprises of viz Mr. Vijay Poddar, non-executive Independent Director as Chairman of Audit Committee, Mr. Manoj Batra and Mr. Dheeraj Shah as committee members and Mr. Dheeraj Shah Compliance Officer is the Secretary of the Committee.

The Committee met four times during the period ended 31<sup>st</sup> March 2011.

The terms of reference of the Committee are as per the guidelines set out in Clause 49 of the listing agreement with the Stock Exchanges and section 292A of the Companies Act, 1956 and inter alias it briefly includes review of quarterly and Annual financial statements, the statutory Auditor's Report on the financial statements, Internal audit reports, internal controls, Accounting policies and to generally interact with the Internal Auditors and Statutory Auditors.