

# ANNUAL REPORT



## ESAAR (INDIA) LIMITED



## 66<sup>th</sup> ANNUAL GENERAL MEETING

204-Wing, New Prabhat SRA CHS LTD,  
Chikuwadi, Plot-115, Next to Bisleri Factory  
W.E. Highway, Andheri East,  
Mumbai-400099

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Upendra Patel – Independent Director  
Mrs. Narmada Patel – Independent Director  
Mr. Mehul Kadiya – Independent Director  
Mr. Raghvendra Kumar – Executive Director  
Mr. Ankit Maheshwari - Independent Director

### **STATUTORY AUDITORS**

M/s R. Soni & Co.

### **INTERNAL AUDITORS**

M/s A.M. Gohel & Co.

### **SECRETARIAL AUDITORS**

Nitesh Chaudhary, Practising Company Secretaries

### **REGISTERED OFFICE**

204 B-Wing, New Prabhat SRA CHS LTD, Chikuwadi, Plot-115, Next to Bisleri Factory, W. E, Highway Andheri East Mumbai City- 400099

### **CORRESPONDENCE OFFICE**

402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (E), Mumbai - 400 066 Tel : +91 22 40676000

### **REGISTRAR & SHARE TRANSFER AGENTS**

M/s. Purva Shareregistry India Private Limited  
9 Shiv Shakti Industrial Estates, J.R. Boricha Marg  
Lower Parel (east), Mumbai- 400011  
Tel: 022-2306761/8261  
Email: [busicomp@vsnl.com](mailto:busicomp@vsnl.com) Website: [www.purvashare.com](http://www.purvashare.com)

### **ANNUAL GENERAL MEETING**

Date: 29<sup>th</sup> September, 2018

Time: 4.00 P.M.

Venue: 2nd Floor, Indoor Badminton Court, Western Edge I, Western Express Highway, Borivali East, Mumbai – 400066

## **Forward Looking Statement**

In this Annual Report, we might have disclosed forward-looking statements that set out anticipated results based on the management's plans and assumptions. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## Directors' Report

To,  
The Members,

Your Directors are pleased to present the 66th Annual Report of the Company together with the Audited Statements of Accounts and Auditors' Report for the year ended 31st March, 2018.

### FINANCIAL RESULTS (Rs. In Lacs)

Particulars	2017-18	2016-17
Revenue from sale of shares	14.90	-
Revenue from interest income	98.25	127.69
Revenue from Sale of commodity	-	342.35
Revenue from other income	-	1.25
<b>Total Revenue</b>	<b>113.15</b>	<b>471.283</b>
Profit before Dep & Tax	(18.29)	27.70
Depreciation	-	-
Interest	17.59	13.21
Profit after Dep & Interest & before tax	(0.7)	14.49
Provision for taxation	-	-
Provision for tax (deferred)	-	-
Tax adjustment for earlier years	-	0.66
Profit/loss after Tax	(21.68)	0.019
<b>Net Profit/(Loss)</b>	<b>(21.68)</b>	<b>0.019</b>
EPS	0.01	0.00

### PERFORMANCE HIGHLIGHTS:

During the year under review the company has generated the revenue of Rs. 113.15 lacs as compared to Rs. 471.283 lacs in the previous year, which is approximately 76% decrease from the previous year. The net losses Rs. 21.68 lacs as compared to profit of Rs.0.019 lacs in the previous year.

In details it can be clearly seen from the figures available the Company traded in securities during the year under review which resulted into revenue of Rs. 14.90 lacs from Share Trading Segment as compare to Rs. NIL in previous year and interest income has decreased to Rs. 98.25 lacs as compared to the previous year which was Rs.127.69. The company has not traded in Sale of Commodities Segment as compared to Rs. 342.25 Lacs in previous year.

### DIVIDEND:

With the view to conserve financial resources of the Company, your Directors do not recommend any dividend on equity shares for the year ended 31st March, 2018.

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, Mr. Nitesh Pandirkar, Whole Time Director of the company resigned from the Directorship of the company w.e.f 14/05/2018. The Board of Directors of the Company appreciates the Contributions made by them during their tenure of Directorship. Mr. Ankit Maheshwari was appointed as an Additional Director w.e.f. 14/05/2018 and the Board recommends his appointment as an Independent Director to the members. Your Directors also

recommends to the members, the office of Mr. Ankit Maheshwari as an Independent Director of the Company for the period of five years as per item no.5 of the notice.

As required under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 with the stock exchanges, the information on the particulars of directors proposed for appointment/re-appointment has been given in the notice of annual general meeting.

Mr. Raghvendra Kumar was appointed as an Additional Director w.e.f 14/05/2018 and the Board recommends his appointment as an Executive Director of the Company to its members.

## **GENERAL**

The Directors would like to inform you the following:

1. The Registered Office of the company was shifted within the local limits w.e.f 14th May, 2018 from 705, Morya Bluemoon, Near Monginis Cake Factory, New Link Road, Opp. City Mall, Andheri (West), Mumbai – 400053 to 204 B-Wing, New Prabhat SRA CHS LTD, Chikuwadi, Plot-115, Next to Bisleri Factory, W. E, Highway Andheri East Mumbai 400099;
2. The Board approved the consolidation of face value of equity shares of the Company from Re.1/- each fully paid to Rs.10/- each fully paid at the Board Meeting of the company held on 23<sup>rd</sup> August, 2017.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) In the preparation of the annual accounts for the financial year ended 31st March, 2018 the applicable accounting standards have been followed.
- b) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the State of affairs of the corporation as at the end of March 31, 2018 and of the profit of the Company for the year ended on that date.
- c) 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Annual Accounts of the Company have been prepared on the ongoing concern basis.
- e) That they have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively.
- f) That system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively.

## **STATUTORY AUDITORS**

M/s. R. Soni & Co, Chartered Accountants having Registration No. 130349W, were appointed as the Statutory Auditors of the Company at 64th Annual General Meeting held in F.Y. 2015-16 for five years i.e. from financial year 2015-16 to the financial year 2019-20 to hold office up to the conclusion of 68<sup>th</sup> Annual General Meeting subject to ratification at each Annual General Meeting.

In terms of Section 40 of the Companies (Amendment) Act, 2017 notified on May 7, 2018, the requirement of appointment of Statutory Auditors by Members at every Annual General

Meeting has been omitted and accordingly, Members' approval is not required for ratification of their appointment annually.

#### **SECRETARIAL AUDIT:**

The Audit Committee recommended the name of Mr. Nitesh Chaudhary, Company Secretary in Practice, for conducting Secretarial Audit for F.Y. 2017-18 pursuant to the requirements of Section 204(1) of the Act, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr. Nitesh Chaudhary has shown his eligibility and willingness to conduct Secretarial Audit for F.Y. 2017-18 and has been appointed by the board in their meeting held on May 14, 2018. The Secretarial Audit Report as received from Mr. Nitesh Chaudhary is appended to this Report as Annexure I.

#### **AUDITORS REPORT**

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 134(1) of the Companies Act, 2013.

#### **COMMENT/EXPLANATION ON REMARKS/OBSERVATIONS/QUALIFICATION MADE BY THE AUDITORS**

M/s. R. Soni & Co., Practicing Chartered Accountant and Mr. Nitesh Chaudhary, Practicing Company Secretary in their respective Auditor Report for financial year 2017-18 have drawn the attention of the management on some Prudential Norms of NBFC, which have been marked as qualification/observation/remarks in their report.

#### **CORPORATE GOVERNANCE CERTIFICATE**

The Report on Corporate Governance as stipulated in the Listing Regulations forms part of the Annual Report. The requisite Certificate from M/s. Zalak Mehta & Associates, Practising Company Secretaries, and confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Listing Regulations, is annexed hereto with Annexure I.

#### **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

##### **A. Conservation of Energy and Technology Absorption**

The Company is not required to give information relating to conservation of energy and technology absorption as the Company is not engaged in any activities referred to in Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

##### **B. Foreign Exchange earnings and Outgo**

The Company does not have any Foreign exchange earnings / expenses during the year under review and therefore the information in respect of Foreign Exchange Earnings and Outgo as required by Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not provided.

## **EXTRACT OF ANNUAL RETURN**

The extract of the Annual return in Form MGT-9 is annexed herewith as Annexure II.

## **BOARD EVALUATION**

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The Board of Directors has expressed its satisfaction with the evaluation process.

## **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the year, Nine Board Meetings were convened and held, details of which are given in the Report on Corporate Governance forming part of the Annual Report.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES**

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism / Whistle Blower Policy are posted on the website of the Company and the web link to the same is [https://esaarindia.files.wordpress.com/2016/03/whistle-blower-policy\\_esaar.pdf](https://esaarindia.files.wordpress.com/2016/03/whistle-blower-policy_esaar.pdf)

## **AUDIT COMMITTEE**

The Audit Committee currently comprises of three members:

1. Mr. Ankit Maheshwari – Independent Director and Chairman of the committee
2. Mr. Raghvendra Kumar – Executive Director
3. Mr. Upendra Patel – Independent Director

Audit committee composition for F.Y. 2017-18:

1. Mr. Upendra Patel – Independent Director
2. Mr. Mehul kumar Kadiya – Independent Director
3. Ms. Narmadaben Patel – Independent Director
4. Mr. Nitesh Pandirkar – Executive Director

Further details of the Audit Committee are provided in detail in the Report on Corporate Governance forming part of the Annual Report.

## **NOMINATION AND REMUNERATION POLICIES**

The Board of Directors has formulated a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of Directors.

The Board has also formulated a Policy relating to remuneration of Directors, members of Senior Management and Key Managerial Personnel.

The Nomination Policy and the Remuneration Policy are given in Annexure III.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of investments covered under section 186 of the Companies Act, 2013 will be produced for verification to the members at the Registered Office of the company on their request.

## **MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules are provided in the Annual Report. The disclosures as specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been appended to this Report as Annexure IV.

## **RISK MANAGEMENT POLICY**

The Company has a robust Risk Management framework to identify measure and mitigate business risk and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantage. This risk framework thus helps in managing market, credit and operations risks.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Contracts/arrangements/transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 are given in Annexure V.

Prior omnibus approval of the Audit Committee has been obtained on an annual basis for transactions with related parties which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted a statement giving details of all transactions with related parties are placed before the Audit Committee for their review on a periodic basis.

Your Company has formulated a policy for dealing with related party transactions which is also available on website of the Company at [www.esaarindia.com](http://www.esaarindia.com)

## **OTHERS**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Your Company has been registered as a NBFC since 1998 in terms of the provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Your company is categorized as a Non-Deposit taking Non-Banking Financial Company. The Company has not accepted any deposits during the year from the public within the meaning of Section 73 of The Companies Act, 2013.
2. Details relating to issue of equity shares including sweat equity shares and shares with differential rights as to dividend, voting or otherwise, since there was no such issue of shares.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. During the year under review, no Stock Options were granted, vested or exercised. No Stock Options are in force as on date. Hence, there are no disclosures required to be made pursuant

to the applicable requirements of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

5. Your Directors further state that during the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **ACKNOWLEDGMENTS**

We take this opportunity to thank the employees for their dedicated service and contribution to the Company.

We also thank our business associates and shareholders for their continued support to the Company.

### **By Order of the Board**

**Sd/-**

**Raghvendra Kumar  
(Director)  
DIN: 08126531**

**Date: 14/08/2018  
Place: Mumbai**

**Sd/-**

**Upendra Patel  
(Director)  
DIN: 06854187**

## ANNEX I

### **Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

**For the financial year ended 31st March 2018**

**[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**To**

**The Members**

**M/s. Esaar (India) Limited.**

204B-Wing, New Prabhat SRA CHS Ltd,  
Chikuwadi, Plot-115, Next to Bisleri Factory, W. E,  
Highway Andheri East Mumbai City-400099

I have conducted the Secretarial Audit of the of applicable compliance & statutory provisions and the adherence to corporate practices by **M/s. Esaar (India) Limited** (hereinafter called the 'Company') for the audit period covering the financial year from 01<sup>st</sup> April 2017 to 31st March 2018 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the **M/s. Esaar (India) Limited** for the financial year ended on 31st March, 2018 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; ***As the company has not issued any shares***