

Annual Report 2022-23 71st Annual General Meeting



CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. Shruti Rahul Joshi	: Chairperson & Whole Time Director
Mr. Bipin Varma	: Executive Director
(w.e.f January 27, 2023)	
Ms. Dipti Yelve	: Non- Executive, Independent Director
Mr. Vaibhav Shastri	: Non- Executive, Independent Director
Mr. Mehul Shah	: Non- Executive, Non-Independent Director
Mr. Rajesh Kumar A. Pandey	: Non- Executive, Independent Director
(w.e.f January 27, 2023)	

CHIEF FINANCIAL OFFICER

Ms. Shruti Rahul Joshi

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Palak Jain (w.e.f. May 12, 2023)

STATUTORY AUDITORS:

M/s. Harish Arora & Associates
Chartered Accountants

REGISTERED OFFICE

Shop No. 06, Prathamesh Avenue,
Datta Mandir Road, Malad East,
Mumbai - 400097, India
CIN: L67120MH1951PLC222871
Tel No.: 02240676000
Email Id: cs@esaar.in
Website: www.esaar.in

CORPORATE OFFICE

Unit No. 101, Western Edge I, Kanakia Spaces,
Western Express Highway, Borivali (East) Mumbai 400 066
Email Id: cs@esaar.in
Tel No. 02240676000

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Purva Sharegistry India Private Limited

9 Shiv Shakti Industrial Estates, J R Boricha Marg.
Opp. Lodha Excelus, Lower Parel (East), Mumbai – 400 011
Tel: 022-23012518
Email: support@purvashare.com
Website: www.purvashare.com

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DIRECTOR'S REPORT

**To,
The Members,
Esaar (India) Limited**

Your Directors are pleased to present the 71st Annual Report of Esaar (India) Limited together with Director's Report, Audited Financial Statements and Auditors' Report for the financial year ended March 31, 2023.

1. FINANCIAL RESULTS

Your Company financial performance during the year 2022-23 is summarized below:

(Rs. in Lakhs except EPS)

Particulars	2022-23	2021-22
Income from operations	1846.20	898.80
Other Income	288.52	2796.92
Total Income	2134.72	3695.72
Depreciation & Amortization	3.50	0
Finance Cost	729.60	262.74
Other Expenses	668.40	1345.72
Extraordinary Items	-	-
Profit/Loss After Depreciation & Interest & Extraordinary Items	580.06	2136.70
Provision for Tax	80	16.25
Deferred Tax	52.35	18.45
Profit After Tax	447.70	2102
EPS (Basic and diluted)	2.19	10.28

2. RESULTS OF OPERATIONS

During the year under review, your Company has generated a revenue of Rs. 1846.20 lakhs as compared to Rs. 898.80 lakhs in the previous year. The Company's net profit for the financial year ended March 31, 2023 stood at Rs. 447.70 lakhs as against the net profit of Rs. 2102 lakhs in the previous year.

3. CHANGE IN THE NATURE OF THE BUSINESS

There were no change in the nature of business of the Company for the year under review. Further, information on the business overview and outlook and state of the affairs of the Bank is covered under the Management Discussion & Analysis section of the Annual Report.

4. CHANGE IN THE NAME OF THE COMPANY

During the year under review, there was no change in the name of the Company.

5. MATERIAL CHANGES OR COMMITMENTS

There were no material changes or commitments that took place after the closure of FY 2022-23 till date which will have any material or significant impact on the financials of the Company.

6. CHANGE IN SHARE CAPITAL

During the financial year, the authorized share capital of the Company has been increased from Rs. 21,50,00,000/- (Rupees Twenty-One Crores Fifty Lakhs Only) consisting of 2,15,00,000 (Two Crores Fifteen Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 61,50,00,000 /- (Rupees Sixty-One Crores Fifty Lakhs only) consisting of 6,15,00,000 (Six Crores Fifteen Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The approval of the members was sought via. Extra-ordinary General Meeting dated June 16, 2022.

Further, at the 70th Annual General Meeting held on Thursday, September 29, 2022, the Members had approved to increase the authorized share capital of the Company from Rs. 61,50,00,000 /- (Rupees Sixty-One Crores Fifty Lakhs only) to Rs. 71,50,00,000/- (Rupees Seventy-One Crores Fifty Lakhs only), but as circumstances have evolved, and it has become evident that the need to raise capital is no longer required at the moment therefore, Company decided not to further increase the authorized share capital during the year.

7. TRANSFER TO RESERVE AND SURPLUS

Your Company transferred 20% of the profit i.e. Rs 89.54/- Lakhs to Statutory Reserves during the year ended March 31, 2023.

8. DIVIDEND

With a view to strengthening the financial position of the Company, your Board have not recommended any dividend on equity shares for the FY 2022-23.

9. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

The Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

10. PUBLIC DEPOSITS

Your Company has been registered as a NBFC 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 Non-Deposit taking Non-Banking Financial Company. The Company has not accepted/invited any deposits during the year from the public falling within the ambit of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

11. BUY-BACK / SWEAT EQUITY / BONUS SHARES / Employee stock options

The Company has neither bought back its shares nor has issued any sweat equity or Bonus shares during the year under review.

During the period under review, the Company has not issued any shares or shares with differential voting rights. It has neither issued Employee stock options nor Sweat equity

shares of the Company and does not have any scheme to fund its employees to purchase the shares of the Company.

12. ISSUE OF DEBENTURES, BONDS OR ANY NON-CONVERTIBLE SECURITIES

The Company has not issued any Debentures, bonds or any Non-Convertible Securities.

13. ISSUE OF CONVERTIBLE WARRANTS ON PREFERENTIAL BASIS

The Company had issued 3,50,00,000 convertible equity warrants at a price of Rs. 10/- each in accordance with the SEBI guidelines and the Companies Act, 2013, but the same has not been allotted due to non-receipt of upfront payment of 25% of total consideration within 15 days of in-principle approval received from BSE as per SEBI guidelines.

14. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES, IF ANY

The Company neither have any Subsidiary, Joint venture or Associate Company nor there are Companies/ Body Corporate which have become/ ceased to be subsidiary / Joint Venture / Associate during the FY 2022-23.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is put up on the Company's website at www.esaar.in.

15. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Harish Arora & Associates, Chartered Accountant (Firm Registration No. 015226C) was appointed as the Statutory Auditors by the Members at the 67th Annual General Meeting of the Company to hold office for the term of 5 consecutive year from 67th AGM to 72nd AGM of the Company.

16. INTERNAL AUDITOR

The Company has appointed M/s. Grandmark & Associates as an Internal Auditor of the Company for the FY 2022-23.

17. STATUTORY AUDIT REPORT

The Auditors' Report on the financial statement for the current year is self-explanatory, therefore does not require any further explanation. The Company has already submitted declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, ("SEBI LODR") to the Stock Exchange.

18. COST AUDITOR REPORT AND COST RECORD

The Directors state that Section 148(1) of the Companies Act, 2013, is not applicable to the Company.

19. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

M/s. HD & Associates (Membership No.: A47700, COP No. 21073), Practicing Company Secretary was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the FY 2022-23, pursuant to Section 204 of the Companies Act, 2013 and rules made there under. The Secretarial Audit Report for the Financial Year 2022-2023 forms part of the Annual Report. The Secretarial Audit Report is annexed to this Report.

The Secretarial Audit report for the current year is self-explanatory, therefore does not require any further explanation.

Further, Company had appointed M/s. NVB & Associates (Membership No: 12268; CP No. 6069), Practicing Company Secretary, as a Secretarial Auditor of the Company with effect from September 4, 2023, to conduct the Secretarial Audit of the Company for the FY 2023-24.

20. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2023, the Company has Seven (7) Directors consisting of two (2) Executive Director, One (1) Non - Executive, Non- Independent Director and Four (4) Non- Executive, Independent Directors.

(i) Independent Director:

Pursuant to the recommendations of the Nomination and Remuneration Committee, Mr. Rajesh A. Pandey (DIN: 03560331) has been appointed as an Additional Director (Independent Director) of the Company at the Board Meeting held on January 27, 2023, and further regularized as Independent Director by the members at the Extra Ordinary General Meeting held on April 20, 2023.

During the FY 2022-23, no director had resigned from the Board.

On June 30, 2023, Mr. Raju Kishan Darade, had resigned from the post of Independent Director of the Company. the Board places on record their appreciation for the assistance and guidance provided by Mr. Raju Kishan Darade during his tenure as an Independent Director of the Company.

(ii) Executive Director:

Pursuant to the recommendations of the Nomination and Remuneration Committee, Mr. Bipin Dinesh Varma (DIN: 05353685) has been appointed as an Additional Director of the Company at the Board Meeting held on January 27, 2023 and further regularized by the Members at the Extra Ordinary General Meeting held on April 20, 2023.

(iii) Women Director:

Your Company's Board is represented by two Woman Directors viz. Ms. Shruti Rahul Joshi, Chairperson & WTD of the Company and Ms. Dipti Yelve Shashank, Non-Executive, Independent Directors.

(iv) Directors Retiring by Rotation:

In accordance with the provision of Section 152 of the Companies Act, 2013, Mr. Mehul Hasmukh Shah (DIN:00338356), Non-Executive, Non-Independent Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

The information of Directors seeking appointment/re-appointment as required pursuant to Regulation 36(3) of the SEBI LODR is provided in the notice covering the Annual General Meeting of the Company.

(v) Key Managerial Personnel

The Board noted the resignation of Ms. Disha Shah from the post of Company Secretary and Compliance Officer of the Company with effect from September 3, 2022, and subsequently appointed Ms. Jai Vaidya (Membership No. A 42246) with effect from September 6, 2022 as a Company Secretary and Compliance Officer of the Company. Ms. Jai Vaidya tendered her resignation on November 16, 2022, due to some personal reasons.

On May 12, 2023, Company has appointed Ms. Palak Jain (Membership No. A57361) as a Company Secretary and Compliance Officer of the Company.

21. ANNUAL RETURN

Pursuant to Sections 92 and 134 of the Act, the Annual Return along with Notice of AGM is available on the website of the Company. The web link for the same is www.esaar.in

22. FAMILIARIZATION PROGRAMME

Through the Familiarization programme, the Company apprises the Independent Directors about the business model, corporate strategy, business plans and operations of the Company. Directors are also informed about the financial performance, annual budgets, internal control system, statutory compliances etc. They are also familiarized with Company's vision, core values, ethics and corporate governance practices.

Details of Familiarization programme of Independent Directors with the Company are available on the website of the Company at www.esaar.in

23. INDEPENDENT DIRECTOR'S MEETING

The Independent Directors of the Company meets once in every financial year without the presence of Executive Directors and management of the Company. The role of the Independent Directors is as per the provisions of Companies Act, 2013, as well as the SEBI LODR.

24. DECLARATION BY INDEPENDENT DIRECTOR

Pursuant to Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Independent Directors of the Company have given the declaration to the Company that they qualify the criteria of independence as required under the Act.

25. NOMINATION AND REMUNERATION POLICY

An extract of the Company's policy relating to directors appointment, payment of remuneration and discharge of their duties is annexed herewith. The policy is available on the website of the Company at www.esaar.in.

26. A STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

In the opinion of the board, the Independent Directors fulfill the conditions specified in SEBI LODR, and are independent of the management of the Company. The Independent

Directors have complied with the code prescribed in schedule IV of the Companies Act, 2013.

27. MEETING OF BOARD OF DIRECTORS

Details of meeting of the board of directors is mentioned in Corporate Governance report.

28. PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of Companies Act, 2013 and SEBI LODR, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee, including the Chairperson of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairperson and the Non Independent Directors was carried out by the Independent Directors.

The Directors has expressed its satisfaction with the evaluation process.

29. PARTICULARS OF EMPLOYEES

The Directors and employees do not exceed the remuneration criteria prescribed in Section 197 of the Companies Act, 2013 ("the Act") read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Details attached as **Annexure II**.

The said information in detail is available for inspection at Registered Office of the Company during working hours. Any member interested in obtaining such information may write to the Company Secretary, at the registered office and the same will be furnished on request.

30. CORPORATE GOVERNANCE

Pursuant to Regulation 15(2) of the SEBI LODR, compliance of Corporate Governance is not mandatory. However, the company has complied with the provisions of Regulation 17 to 27 of the SEBI LODR, to the extent possible. A separate section on Corporate Governance forms part of the Directors' Report as stipulated in SEBI LODR, is included in the Annual Report as **Annexure III**.

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis report is annexed as **Annexure IV**.

32. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has adequate internal financial controls besides timely statutory audit and limited reviews of performance taking place periodically.

33. RISK MANAGEMENT POLICY

The Board of Directors of the Company has put in place a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk-reward tradeoff.

The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

34. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. The Board has framed the “Whistle Blower Policy” as the vigil mechanism for Directors and employees of the Company. The web link for the policy is: www.esaar.in

35. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility was not applicable for the FY 2022-2023. However, the same is applicable from FY 2023-2024. The policy on Corporate Social Responsibility is disclosed on the website of the Company. The web link for the policy on Corporate Social Responsibility is: www.esaar.in

36. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. The Board thereafter constituted a sexual harassment committee where Ms. Shruti Rahul Joshi is the Chairperson of the Committee and Ms. Dipti Yelve and Mr. Bipin Dinesh Varma are the Members. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- a. number of complaints filed during the financial year - None
- b. number of complaints disposed of during the financial year - None
- c. number of complaints pending as on end of the financial year – None

37. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditor and Secretarial Auditor of your Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

38. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees given and investments made during the year, as required under Section 186 of the Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, are given in the notes to the financial accounts forming part of the Annual Report.

39. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013. The related party