

**NOTICE OF FIRST (01) EXTRA ORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE FIRST (01-2020-2021) EXTRA ORDINARY GENERAL MEETING OF BHARAT DIAMOND BOURSE WILL BE HELD ON FRIDAY, 5<sup>TH</sup> FEBRUARY, 2021 AT 3.00 P.M. AT BDB CONVENTION HALL, BHARAT DIAMOND BOURSE, G- BLOCK, BANDRA-KURLA COMPLEX, BANDRA (E), MUMBAI- 400051 TO TRANSACT THE FOLLOWING BUSINESS:**

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**SPECIAL BUSINESS:**

- 1. TO SUPERSEDE THE RESOLUTION EARLIER PASSED AT THE ANNUAL GENERAL MEETING OF THE MEMBERS DATED 28.12.2020 IN RELATION TO THE REDUCTION OF SHARE CAPITAL OF THE COMPANY IN THE MATTER OF LUNAR GEMS (OFFICE NO. DE5090A) AND APPROVAL OF REDUCTION OF EQUITY SHARE CAPITAL OF THE COMPANY UNDER SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT 2013:**

“RESOLVED THAT, in supersession to the earlier resolution passed at the Managing Committee Meeting held on 18<sup>th</sup> December, 2020 in relation to the reduction of share capital of the Company in the matter of Lunar Gems (Office No. DE5090A), the Board of Directors be and hereby accorded their consent to approve the reduction of equity share capital pursuant to Section 66 and other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder (the “Act”), read with Article 20 of the Articles of Association of Bharat Diamond Bourse (“the Company”); and subject to approval by Members and the confirmation by the Hon’ble National Company Law Tribunal (“NCLT”); and such other approvals as may be required and subject to the terms and conditions and modifications, if any, as may be prescribed by the Members and NCLT and any other appropriate authority while granting approval or confirmation, to reduce the issued, subscribed and paid-up equity share capital of the Company from INR 159,25,44,000/- (Rupees One Hundred Fifty-Nine Crores Twenty-Five Lakhs Forty-Four Thousand Only) consisting of 15,92,544 (Fifteen Lakhs Ninety-Two Thousand Five Hundred and Forty Four Only) equity shares of INR 1000 (Rupees Thousand Only) each to INR 159,25,00,000/- (Rupees One Hundred Fifty-Nine Crores Twenty-Five Lakhs Only) consisting of 15,92,500 (Fifteen Lakh Ninety-Two Thousand Five Hundred Only) equity shares of INR 1000 (Rupees Thousand only) each by paying off, cancelling and extinguishing, in aggregate, 0.0025% of the total issued, subscribed and paid-up equity share capital of the Company, comprising 44 (Forty Four) equity shares of INR 1000 (Rupees Thousand only) held by the holder of the equity shares of the Company, other than the promotor-shareholder of the Company, namely ‘LUNAR GEMS’ (DE5090A), (the “Public Shareholder”) (the “Capital Reduction”).”

**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 Public Shareholder of the Company as determined by the members, shall be paid a sum of INR 44,000/- (Rupees Forty-Four Thousand Only) per equity share being the face value of INR 1,000 (Rupees Thousand Only) of the Company for the equity shares held by him and thereby cancelling and extinguishing all such shares.”

**RESOLVED FURTHER THAT**, upon the Capital Reduction being confirmed by the NCLT and becoming effective and operative and upon payment of consideration to the Public Shareholder, without any further act or deed by the equity shareholders, 44 (Forty-Four) equity shares of INR 1000 (Rupees Thousand) each of the Company held by the Public Shareholder shall stand cancelled, extinguished and rendered invalid.”

**RESOLVED FURTHER THAT**, the payment of consideration to the Public Shareholder shall be made within such number of days 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 Capital Reduction becoming effective, through any of the permissible modes, after payment of appropriate taxes by the Company.”

**RESOLVED FURTHER THAT**, the Board of Directors of the Company (“the Board”) be and is hereby jointly and/or severally authorized to take all necessary steps and do all such acts, deeds, matters and things, as they may, in their 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 issuing 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 without being required to seek any further consent or approval of the Members or otherwise, (including but not limited to the following):

- a. To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and perfect all deeds, declarations, instruments, affidavits, applications, petitions, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient and all type of documents, petitions, affidavits and applications in relation to the matters aforesaid;
- b. To accept services of notices or other processes which may from time to time be issued in connection with the matters aforesaid;
- c. To produce all documents or other evidences in connection with the matters aforesaid and all and any of other proceedings incidental thereto or arising thereat;
- d. To make, prepare and submit any applications, petitions, appeals and judges summons before the NCLT, and/or any court, tribunal, or all relevant authorities and respond to the appropriate authorities;
- e. To file applications /petitions, and affidavits and/or other legal documents with the NCLT, as may be required for confirmation of the Capital Reduction

- by the NCLT upon the Capital Reduction becoming effective and operative, and/or any other regulatory authorities for obtaining its approval;
- f. To engage advocates, counsels and any other consultants, advisors, declare and file all pleadings, reports, and sign and issue public advertisements and notices in connection with the matters aforesaid;
  - g. To make any alterations/changes, modification or amendments in the application/petition as may be expedient or necessary, including any alteration, modification or amendment required to be made for complying with the requirements or conditions imposed by the NCLT and/or any other appropriate authorities, if any;
  - h. To prepare or get the interim financial statements prepared, if required, along with relevant annexures, schedules and other necessary supporting and to pass such accounting entries and/or making such other adjustments in the books of accounts, as are considered necessary to give effect to the above resolution;
  - i. To deposit the amount to be paid to the Public Shareholder in lieu of cancellation and extinguishment of the equity shares of the Company held by such Public Shareholder pursuant to the Capital Reduction in a separate account to be opened with a bank in this regard or as per the directions of the NCLT;
  - j. To discharge the payment due to the Public Shareholder of the Company in lieu of and for cancellation and extinguishment of the equity shares of the Company held by such Public Shareholder pursuant to the Capital Reduction, in accordance with applicable laws, by payment through any of the permissible modes, after payment of appropriate taxes by the Company;
  - k. To call for the bank account details and other personal details of the Public Shareholder of the Company for discharging consideration (viz KYC documents, documents asked by bank, payment processing intermediaries, etc.);
  - l. To provide necessary declarations /certificates in relation to the Capital Reduction capturing the true and factual aspects of the Company;
  - m. To comply with all the necessary formalities, compliances and disclosures in this regard and to sign and file the necessary forms or documents with the relevant authorities, including the Registrar of Companies;
  - n. To authenticate all the necessary documents as 'certified copies' or in any other manner as may be required, including affixing the Common Seal of the Company on any documents in connection with this resolution;
  - o. To do all such acts, deeds, matters and things as may be deemed necessary, expedient, usual or proper and to settle any question or difficulty that may arise; and;
  - p. To delegate any or all of the powers conferred upon it by this resolution to any committee of the Board, any other director(s), and/or officer(s) of the Company."

**RESOLVED FURTHER THAT,** the Board be and is hereby authorized, in its

absolute discretion, to bring into effect the resolution on such other terms and conditions as it may consider appropriate and to accept such other conditions and modifications as may be prescribed by the NCLT and other appropriate bodies / authorities while according their sanction or consent to the Capital Reduction or to suspend, withdraw or revive the proposal for Capital Reduction from time to time as may be specified by any statutory authority or as the Board may suo-moto decide in its absolute discretion.”

**By Order of the Board of Directors,  
For Bharat Diamond Bourse**

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**Mr. Kiran Gandhi**

**Director**

**DIN: 00234339**

**Date: 18/01/2021**

**Place: Mumbai**

**NOTES:**

- A. The Explanatory Statement pursuant to Section 102(1) of the Act, in respect of Special Business under item no. 1 is annexed and forms a part of this Notice, is annexed hereto.
- B. General instructions to the Members participating in the First (01) EOGM through VC/OAVM facility:**
1. In view of the continuing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EOGM venue is dispensed with and annual general meeting (EOGM) is being held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing EOGM through VC/OAVM.
  2. In accordance with the MCA Circulars and the provisions of the Companies Act, 2013 ('the Act'), since the EOGM of the Company is being held through VC / OAVM. The deemed venue for the EOGM shall be the Registered Office of the Company and the detailed procedure for participation in the meeting through VC/OAVM is annexed hereto.
  3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EOGM. However, the Body

Corporates are entitled to appoint authorized representatives to attend the EOGM through VC/OAVM and participate thereat and cast their votes through e-voting.

4. Body Corporates whose Authorized Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company at [Reshma.Thomas@BDBIndia.org/support@BDBIndia.org](mailto:Reshma.Thomas@BDBIndia.org/support@BDBIndia.org), a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting through e-voting.
5. The attendance of the Members attending the EOGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Since the EOGM will be held through VC/OAVM facility, the Route Map is not annexed in the Notice
7. The Members may join the EOGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EOGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EOGM without restriction on account of first come first served basis.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EOGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the EOGM will be provided by NSDL.
9. The Company has fixed 16<sup>th</sup> day, January, 2021 as the 'Cut-off Date' for the purpose of remote e-voting.
10. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-off Date only shall be entitled to avail the facility of remote e-voting or e-voting during the EOGM.

11. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Pursuant to MCA Circulars, the Notice of the First (01) EOGM are being sent only by email to the Members, whose email addresses are registered with the Company. Therefore, those Members, whose email address is not registered with the Company and who wish to receive the Notice of the First (01) EOGM and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:

For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address **[Reshma.Thomas@BDBIndia.org/support@BDBIndia.org](mailto:Reshma.Thomas@BDBIndia.org/support@BDBIndia.org)**.

13. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EOGM has been uploaded on the website of the Company at **[Reshma.Thomas@BDBIndia.org/support@BDBIndia.org](mailto:Reshma.Thomas@BDBIndia.org/support@BDBIndia.org)**. The EOGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
14. During the First (01) EOGM, Members may access the electronic copy of the documents referred to in the accompanying Notice of the EOGM and the Explanatory Statement through the link <https://eservices.nsdl.com>.
15. Mr. Pramod S. Shah (Membership No. FCS 334 CP No. 3804) on behalf of M/s Pramod S. Shah & Associates, Company Secretaries, Mumbai, has been appointed as the Scrutinizer to scrutinize the e-voting process and vote casted through e-voting during the meeting in a fair and transparent manner. Members may note that the scrutinizer will provide consolidated report for the votes casted through remote e-voting and e-voting during the meeting.

**C. The Instructions for remote e-voting by Members are as under:**

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (remote e-voting).

**The remote e-voting period begins on 2<sup>nd</sup> February, 2021 at 09:00 A.M. and ends on 4<sup>th</sup> February 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

## **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:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 is 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 team2psaprofessionals.com <**Please mention the e-mail ID of Scrutinizer**> with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto: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 [Reshma.Thomas@BDBIndia.org/support@BDBIndia.org](mailto:Reshma.Thomas@BDBIndia.org/support@BDBIndia.org).
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 [Reshma.Thomas@BDBIndia.org/support@BDBIndia.org](mailto:Reshma.Thomas@BDBIndia.org/support@BDBIndia.org).

#### **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EOGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the EOGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the EOGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EOGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EOGM. However, they will not be eligible to vote at the EOGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EOGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EOGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholder's/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. The facility for joining the EOGM shall open 15 minutes before the scheduled time for commencement of the EOGM and shall be closed after the expiry of 15 minutes after such scheduled time.
3. Members are encouraged to join the Meeting through Laptops using Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox for better experience.
4. Further Members will be required to grant access to the web-cam to enable two-way video conferencing.
5. Members are advised to use stable Wi-Fi or LAN connection to participate at the EOGM through VC in a smooth manner. Participants may experience audio/video loss due to fluctuation in their respective networks.
6. Members who would like to express their views/have questions may send their questions in advance mentioning their name Demat Account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
7. In addition to the above-mentioned step, the Members may register themselves as speakers for the EOGM to pose their queries. Accordingly, the Members may visit <https://evoting.nsdl.com/> and click on "Speaker Registration" during the remote e-voting period. Members shall be provided a 'queue number' before the EOGM. The company reserves the right to restrict the speakers at the EOGM to only those

Members who have registered themselves, depending on the availability of time at the EOGM.

8. During the EOGM, the Chairman will announce the start of voting through e-voting facility provided at the EOGM.
9. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available at the EOGM. Members may cast votes at the EOGM by clicking on the “**Instapoll**” icon on the left side of the screen. Members are requested to follow the instructions as displayed to vote on the resolutions.
10. Members who may require any technical assistance or support before or during the EOGM are requested to contact NSDL at Toll-free No.: 1800-222-990.
11. The Members who are eligible and interested to cast their votes at the EOGM can do so till the time fixed for closure of Instapoll at First (01) EOGM

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## ANNEXURE TO THE NOTICE

### **Explanatory Statement annexed to the notice pursuant to section 102(1) of the Companies Act, 2013:**

The following explanatory statement set out all material facts relating to the Special Business set out at Item No. 1 of the Notice of EOGM.

#### **Background:**

As per the last audited balance sheet as at March 31, 2020, the Company has a paid-up share capital of INR 159,25,44,000/- divided into 15,92,544 equity shares of INR 1000 each fully paid up.

During the year 2020-21, the Board of Directors received a complaint from Lunar Gems, one of the allottees of the Company who had purchased 147 Sq. Ft. Built-up Area (allotted 147 equity shares) office by paying the full amount as per the prevailing market price at that time. Currently, at the time of sale of this office, the purchaser came to know that there is variation in the office area and that the actual area is 103 Sq. Ft. Built-up Area (allotment should have been of 103 shares). As per the Articles of Association of the Company it is determined that 1 Sq. Ft Built-up Area represents 1 share and accordingly 147 shares were allotted to him which is currently forming part of the paid up equity share capital of the company.

The Board of Directors in their meeting held on January 14, 2021 considered the aforesaid matter, examined and analyzed the options available with the Company and after its detailed discussions and deliberations came to a conclusion that the earlier resolution passed at the Managing Committee dated 18<sup>th</sup> December, 2020 shall be superseded and selective reduction of equity share capital of the Company in accordance with the provisions of Section 66 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder (the "Act") read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("Reduction Rules") would be the best available practical approach, considering the interest of minority shareholder, the need to provide a permanent liquidity for his shares, paying off the paid-up capital in excess of the Company's requirement and the operational and administrative flexibilities for the Company.

Post reduction of share capital of the Company, Lunar Gems the shareholder of the Company would get back his investment in 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 equity share capital of the Company from INR 159,25,44,000/- (Rupees One Hundred Fifty-Nine Crores Twenty-Five Lakhs Forty-Four Thousand Only) consisting of 15,92,544 (Fifteen Lakhs Ninety-Two Thousand Five Hundred and Forty Four Only) equity shares of INR 1000 (Rupees Thousand Only) each to INR 159,25,00,000/- (Rupees One Hundred Fifty-Nine Crores Twenty-Five Lakhs Only) consisting of 15,92,500 (Fifteen Lakh Ninety-Two Thousand Five Hundred Only) equity shares of INR 1000 (Rupees Thousand only)

each by paying off, cancelling and extinguishing, in aggregate, 0.0025% of the total issued, subscribed and paid-up equity share capital of the Company, comprising 44 (Forty Four) equity shares of INR 1000 (Rupees Thousand only) held by the holder of the equity shares of the Company, other than the promotor-shareholder of the Company, namely 'LUNAR GEMS' (DE5090A), (the "Public Shareholder") (the "Capital Reduction")."

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.

**Consideration:**

The Board has proposed to reduce the equity share capital of the Company by way of cancelling and extinguishing 44 (Forty-Four) equity shares of INR 1000 (Rupees Thousand) each of the Company held by the Public Shareholder by paying an amount of INR 44,000/- (Rupees Forty-Four Thousand only) so extinguished.

**Effective Date of Reduction of Equity Share Capital:**

After the shareholders have passed the requisite resolution in the Annual 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.

**Payment to Public Shareholders:**

The Company shall, upon the receipt of confirmation of the proposed Capital Reduction by the NCLT and upon the Capital Reduction becoming effective and operative, deposit the consideration of INR 44,000/- (Rupees Forty-Four Thousand Only) in a separate bank account.

Subject to the ensuing paragraphs, the consideration to be paid to the Public Shareholder in lieu of the extinguishment of the equity shares held by him shall be discharged by any of the permissible modes. It will be paid within such number of days and subject to such approvals, if any, as may be permissible under applicable law or as may be directed by the NCLT, Mumbai Bench, on the Capital Reduction becoming effective.

Subject to the ensuing paragraphs, the consideration to be paid to the Public Shareholder in lieu of the extinguishment of the equity shares held by him shall be discharged by any of the permissible modes. It will be paid within such number of days and subject to such approvals, if any, as may be permissible under applicable law or as may be directed by the NCLT, Mumbai Bench, on the Capital Reduction becoming effective.

**Taxation:**

As per provisions of prevailing Income-tax Act, 1961: • Since the Company has sufficient accumulated profits, the payment towards proposed reduction would be considered as dividend as per the provisions of Section 2(22) (d) of the Income-tax Act, 1961, the

Company will become liable to pay Tax Deductible at Source ('TDS') at an applicable rate in accordance with the provisions of the Income-tax Act, 1961.

Further, please note that in the event where the payment by the Company to such Public Shareholder exceeds the accumulated profits of the Company (at such point in time), then the same would need to be considered for calculation of capital gains by respective Public Shareholder.

Please note that the above implications may change depending on provisions of Income-tax Act, 1961, as may be applicable, at the time of payment of consideration.

The Public Shareholder is advised to consider their own tax position, after due consultation from their tax advisors (if required) and pay appropriate tax (as may be applicable) on the amount received from the Company upon reduction of equity share capital.

**General:**

The Board of Directors of the Company at their meeting held on January, 14, 2021, has approved the Capital Reduction as per the terms set out in the Resolution.

Article 20 of the Articles of Association of the Company provides for the reduction of capital of the Company in any way authorized by the applicable law. It would be necessary to obtain the approval of the Members of the Company in an Extra Ordinary 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 will not cause any prejudice to any of the creditors of the Company. The creditors (secured or unsecured) 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, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honor its commitment or to pay its debts in the ordinary course of business. A copy of the Memorandum of Association and Articles of Association of the Company as amended from time to time.

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 addendum to 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 of the notice.