

February 20, 2021

The Manager – Listing Compliance  
**BSE Limited**  
Floor 25, P J Towers, Dalal Street  
Mumbai -400 001

The Manager- Listing Compliance  
**The National Stock Exchange of India Ltd.**  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex  
Bandra (East), Mumbai-400051

Scrip code: 532640

Symbol: CYBERMEDIA

Sub.: **Notice of Postal Ballot**  
Ref.: **Our letter dated February 19, 2021**

Dear Sir/Madam,

In continuation of our intimation dated February 19, 2021, please find enclosed a copy of the Postal Ballot Notice dated February 19, 2021 together with the Explanatory Statement thereto, seeking approval of the members of the Company on the special business as set out in the Postal Ballot Notice by means of postal ballot/electronic voting (remote e-voting) in accordance with the applicable laws.

The Company, today on February 20, 2021 has e-mailed the Notice of Postal Ballot along with Explanatory Statement to those members who have registered their email addresses with the Company/Depositories, as on February 12, 2021 (cut-off date). A copy of Postal Ballot Notice is also available on the website of the Company i.e. [www.cybermedia.co.in](http://www.cybermedia.co.in).

In this connection, we also wish to inform that the e-voting in respect of the resolutions contained in the Postal Ballot Notice will commence at 09:00 a.m. (IST) on Monday, February 22, 2021 and shall be concluded at 5:00 p.m. (IST) on Tuesday, March 23, 2021.

Kindly take note of the above information on your record.

Thanking you,  
**For Cyber Media (India) Limited**



**Anoop Singh**  
Company Secretary  
M. No. F8264

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**Cyber Media (India) Limited**

**Corporate Office:** Cyber House, B-35, Sector-32, Gurugram -122001 Haryana, India. Tel: +91-124- 482-2222, Fax: +91-124- 238-0694,  
**Bangaluru Office:** # 205, 2nd Floor, Shree Complex, 73, St. John's Road, Bangalore -560042. Tel: +91-80-2286 8282, Fax:+91-80-2286 2971  
**Registered Office:** D-74, Panchsheel Enclave, New Delhi-110017, India. Tel: +91-11-26491320  
Website: [www.cybermedia.co.in](http://www.cybermedia.co.in), CIN: L92114DL1982PLC014334. Email: info@cybermedia.co.in



**CYBER MEDIA (INDIA) LIMITED**

CIN: L92114DL1982PLC014334

**Registered Office:** D-74, Panchsheel Enclave, New Delhi-110017, Tel.:011-26491320

**Corp. Office:** Cyber House, B-35, Sector-32, Gurugram-122001, Haryana, Tel.: 0124-4822222 Email: [investorcare@cybermedia.co.in](mailto:investorcare@cybermedia.co.in). Website: [www.cybermedia.co.in](http://www.cybermedia.co.in)

**POSTAL BALLOT NOTICE**

**NOTICE** is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, General Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 33/2020 dated September 28, 2020 and Circular No. 39/2020 dated December 31, 2020, issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "MCA Circulars"), and SEBI Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 including any statutory modification or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations, that the resolutions appended below is proposed to be passed by the Members through postal ballot / electronic voting (e-voting).

In view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, MCA in terms of its General Circulars, has advised the companies to take all decisions of urgent nature requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of Postal Ballot/ E-Voting in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue.

Further, in terms of the General Circulars, the Company shall send Postal Ballot Notice by email to all its Members who have registered their email addresses with the Company or depository / depository participants and the communication of assent / dissent of the Members shall only take place through the remote e-voting system. This Postal Ballot is accordingly being initiated in compliance with the General Circulars.

The Board of Directors of the Company has appointed Mr. Akhilesh Kumar Jha, Company Secretary (Membership No. FCS 9031) of M/s. Akhilesh & Associates, Practicing Company Secretaries (C.P. No. 18250), as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.

The Company is desirous of seeking your consent for the proposal as contained in the Resolutions given hereinafter. The Explanatory Statement pursuant to Sections 102 of the Act pertaining to the Resolutions setting out the material facts concerning the same and the reasons thereof are annexed hereto for your consideration.

Members are requested to send their assent or dissent only through the remote E-voting system. The voting must be submitted not later than 05:00 p.m. (IST) on Tuesday, March 23, 2021 to be eligible for being considered to the scrutinizer, failing which it will be strictly considered that no reply has been received from the Member.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes.

The Scrutinizer will submit his report to the Chairman of the Company after the completion of the scrutiny of the postal ballot e-voting process. The results shall be declared on or before Wednesday, March 24, 2021 by 5:00 p.m. (IST) and communicated to the Stock Exchanges, Depository, Registrar and Share Transfer Agent and would also be uploaded on the Company's website at [www.cybermedia.co.in](http://www.cybermedia.co.in).

## **SPECIAL BUSINESS:**

### **ITEM 1: Increase in Authorized Share Capital and consequent alteration to the Memorandum of Association:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof), subject to approval of the Registrar of Companies, NCT of Delhi & Haryana, New Delhi and such other approvals as maybe required in this regard, consent of members of the Company be and is hereby accorded to increase the authorized share capital of the Company from Rs. 14,35,00,000/- (Rupees Fourteen Crore Thirty Five Lakh Only) divided into 1,43,50,000 (One Crore Forty Three Lakh Fifty Thousand Only) equity shares of Rs. 10/- each to Rs. 15,70,00,000/- (Rupees Fifteen Crore Seventy Lakh Only) divided into 1,57,00,000 (One Crore Fifty Seven Lakh Only) equity shares of Rs. 10/- each by creating additional 13,50,000 (Thirteen Lakh Fifty Thousand Only) equity shares of Rs. 10/- each ranking pari-passu in all respects with the existing equity shares of the Company.”

**“RESOLVED FURTHER THAT** pursuant to provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof), the existing Clause V of the Memorandum of Association of the Company be altered and substituted by the following new clause:

*V.(a) The Authorized Share Capital of the Company is Rs. 15,70,00,000/- (Rupees Fifteen Crore Seventy Lakh Only) divided into 1,57,00,000 (One Crore Fifty Seven Lakh) Equity Shares of Rs.10/- (Rupees Ten) each.”*

**RESOLVED FURTHER THAT** all or any of the powers conferred on the Company and the Board of Directors vide this Resolution may be exercised by the Board or any Committee of the Board (with power to delegate to any Officer of the Company), as the Board or any Committee, for the purpose of giving effect to this Resolution, may in its absolute discretion deem necessary, desirable or expedient and to do all acts, deeds and things in connection therewith and incidental thereto.”

### **ITEM NO. 2: Alteration in the terms of loan agreement entered into with the Promoter & Promoter Group:**

To consider and, if thought fit, to pass the following resolution as a Special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (hereinafter referred to as “the Act”), consent of members of the Company be and is hereby accorded for alteration of terms of the existing loan agreement for an amount of Rs. 2,80,00,000/- (Rupees Two Crore Eighty Lakh only) executed by the Company with promoter and promoter's group by adding the following clause in the said agreement-

*“Loan whether secured or unsecured extended by the promoters & promoter group may be converted into equity shares of the company as and when agreed between the parties, i.e. the company and the promoter(s) and promoter group, in due compliances of applicable laws”.*

**RESOLVED FURTHER THAT** all or any of the powers conferred on the Company and the Board of Directors vide this Resolution may be exercised by the Board or any Committee of the Board (with power to delegate to any Officer of the Company), as the Board or any Committee, for the purpose of giving effect to this Resolution, may in its absolute discretion deem necessary, desirable or expedient and to do all acts, deeds and things in connection therewith and incidental thereto.”

**ITEM 3: Issue and allotment of equity shares on Preferential Basis to Mr. Pradeep Gupta and Mr. Dhaval Gupta, (Promoter & Promoter Group) of the Company.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 42, Section 62, and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the relevant Rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (“SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), and other applicable regulations of Securities and Exchange Board of India (SEBI), if any, as may be applicable, other applicable rules, notifications, guidelines, regulations issued by various authorities including BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) and any other competent authorities and subject to the approval(s), consent(s), permission(s) and/ or sanction(s), if any, of any statutory/regulatory authorities, Stock Exchange(s), Securities and Exchange Board of India (“SEBI”), institutions or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution), and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, consent of members of the Company be and is hereby accorded to create, offer, issue and allot on preferential basis, in one or more tranches, to Mr. Pradeep Gupta and Mr. Dhaval Gupta, Promoter & Promoter Group of the Company (“Promoter & Promoter Group”) up to maximum of 28,00,000 (Twenty Eight Lakh only) Equity Shares of face value of Rs.10/- (Rupees Ten Only) each, fully paid up, at an issue price of Rs. 10/- (Rupees Ten only) per Equity Share, which is in compliance with the provisions of Chapter V of SEBI ICDR Regulations, aggregating upto Rs. 2,80,00,000 (Rupees Two Crore Eighty Lakh only) upon the conversion of unsecured loan outstanding as on date,

Sr. No.	Name of Proposed Allottee	Number of Equity Shares proposed to be allotted
1.	Pradeep Gupta	18,00,000
2.	Dhaval Gupta	10,00,000
	Total	28,00,000

**“RESOLVED FURTHER THAT** the new equity shares shall rank pari-passu with the existing Equity shares of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any declared by the Company.”

**“RESOLVED FURTHER THAT** the aforesaid equity shares allotted in terms of this resolution shall be subject to lock-in requirements as per the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 and any amendment(s) thereto from time to time.”

**“RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of Equity Shares shall be subject to following terms:

- a. The said Equity Shares shall be issued and allotted by the Company to the Promoter & Promoter Group within a period of 15 (Fifteen) days from the date of passing of resolution by the members of the Company provided that where the allotment of the said Equity Shares is pending on account of pendency of any approval, if any, for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 (Fifteen) days from the date of such approval.
- b. The pre-preferential allotment shareholding of the proposed allottees shall be under lock-in for such period as may be prescribed under Chapter V of the SEBI ICDR Regulations.

- c. The Equity Shares to be so allotted under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in as provided under SEBI (ICDR) Regulations except to the extent and in the manner permitted there under.
- d. The Equity Shares to be so allotted shall be in dematerialised form.

**RESOLVED FURTHER THAT** all or any of the powers conferred on the Company and the Board of Directors vide this Resolution may be exercised by the Board or any Committee of the Board (with power to delegate to any Officer of the Company), as the Board or any Committee, for the purpose of giving effect to this Resolution, may in its absolute discretion deem necessary, desirable or expedient and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the Members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

By order of the Board of  
Cyber Media (India) Limited

Sd/-  
Anoop Singh  
Company Secretary  
M. No. F8264

Place: Gurugram  
Date: February 19, 2021

**NOTES:**

1. In view of the continuing Covid-19 pandemic, requiring social distancing, MCA in terms of its General Circulars, has advised the companies to take all decisions of urgent nature requiring members’ approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of Postal Ballot/ E-Voting in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue.
2. The Postal Ballot Notice is being sent to all the Members of the Company, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”), (NSDL together with CDSL, the “Depositories”) and as available with the Company as at Friday, February 12, 2021 (“**Cut-off Date**”).

A copy of this Postal Ballot Notice shall also be available on the website of the Company ([www.cybermedia.co.in](http://www.cybermedia.co.in)), the relevant section of the websites of the Stock Exchanges on which the Equity Shares of the Company are listed and the website of Link Intime Private Limited, Registrar and Transfer Agent of the Company. Members holding equity shares as on the Cut-off Date can cast their vote using remote e-voting facility only.

3. On account of the threat posed by the COVID-19 pandemic and in terms of the MCA Circulars, the Company will send this Postal Ballot Notice in electronic form only as permitted under MCA Circulars. Accordingly, the communication of the assent or dissent of the Members would take place through e-voting only.
4. Members holding shares in physical form and who have not yet registered their e-mail address are requested to register the same with the Company by sending an e-mail at [investocare@cybermedia.co.in](mailto:investocare@cybermedia.co.in). Members holding shares in electronic form are requested to get their e-mail address registered with their respective Depository Participant. Thereafter, the Company would endeavor to send the Postal Ballot Notice to such Members to enable them to cast their vote through e-voting.
5. All documents referred to in this Notice and other statutory registers are available for inspection by the Members at the Registered Office of the Company during office hours on all working days from the date of this Notice.

6. Instructions for remote e-voting as follows:
- i) Pursuant to the provisions of Section 108 of the Act read with the Rules thereunder and Regulation 44 of Listing Regulations, the Company is providing e-voting facility to its Members in respect of the resolutions proposed to be passed in terms of Postal Ballot Notice.
  - ii) The Company has engaged the services of Link Intime India Private Limited as the Authorized Agency to provide e-voting facilities. The remote e-voting facility shall commence on Monday, February 22, 2021 at 9:00 a. m. (IST) and ends on Tuesday, March 23, 2021 at 5:00 p. m. (IST).
  - iii) The Board of Directors of the Company has appointed Mr. Akhilesh Kumar Jha, Company Secretary of M/s. Akhilesh & Associates, Company Secretaries as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
  - iv) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. February 12, 2021.
7. The Scrutinizer shall submit his Report on the resolutions proposed to be passed through Postal Ballot/ E-Voting to the Chairman or Company Secretary after completion of the scrutiny.

The result of the voting by Postal Ballot shall be announced on or before Wednesday, March 24, 2021 by 05:00 p.m. (IST) and shall be communicated to BSE Limited and National Stock Exchange of India Limited (“Stock Exchanges”) where the equity shares of the Company are listed, depository, registrar and share transfer agents and shall also be displayed on the Company’s website at [www.cybermedia.co.in](http://www.cybermedia.co.in).

8. Instructions for remote e-voting

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

➤ Click on “**Sign Up**” under “**SHARE HOLDER**” tab and register with your following details: -

**A. User ID:** Enter your User ID

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Event No + Folio Number** registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in **CDSL demat account shall provide either ‘C’ or ‘D’, above**
- Shareholders/ members holding shares in **NSDL demat account shall provide ‘D’, above**

- Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under '**SHARE HOLDER**' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

**If you have forgotten the password:**

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.**

### **Item No. 1**

Presently, the Authorized Share Capital of your Company is Rs. 14,35,00,000/- (Rupees Fourteen Crore Thirty Five Lakh Only) divided into 1,43,50,000 (One Crore Forty Three Lakh Fifty Thousand Only) Equity shares of Rs. 10/- (Rupees Ten only). In order to enable the Company to raise additional long-term finance, the Board seeks approval of shareholders of the Company for issue of equity shares upon conversion of loan to Promoter & Promoter Group on preferential basis. The existing Authorized Share Capital may not be sufficient for the aforesaid purpose. It is therefore, considered necessary to increase the Authorized Share Capital of the Company to the extent mentioned in Item No. 1 of the Notice, with the consequential alterations in the Capital Clause of the Memorandum of Association. The provisions of the Companies Act require the Company to seek approval of the members for increase in Authorized Share Capital and for the consequent alteration of Capital Clause of the Memorandum of Association; accordingly, the Board recommends the resolution set forth in Item No. 1 for the approval of the members as an Ordinary Resolution.

Therefore, the Board of Directors accordingly recommends the Resolution set out in Item No. 1 of the accompanying Notice for your approval.

None of the Directors / Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution except to the extent of their shareholding in the Company.

### **Item Nos. 2 & 3**

Your Company has taken money from time to time basis to meet the business requirements of the Company from Mr. Pradeep Gupta, Chairman and Managing Director and Mr. Dhaval Gupta, Whole-Time Director (Promoter & Promoter Group) of the Company (hereafter referred to as "Promoter & Promoter Group"), as unsecured loan. The total outstanding amount of loan due to the Promoter & Promoter Group as on the date of this notice is Rs. 2,80,00,000 (Rupees Two Crore Eighty Lakh Only).

The Board of Directors of the Company at its meeting held on February 19, 2021 has decided to convert the said entire outstanding loan amount aggregating to Rs. 2,80,00,000 (Rupees Two Crore Eighty Lakh Only) into Equity Shares of the Company, subject to approval of Members by way of Special Resolution and such other approvals as may be required under applicable laws.

It is proposed to create, offer, issue and allot on preferential basis to the Promoter & Promoter Group up to maximum of 28,00,000 (Twenty Eight Lakh Only) Equity Shares of face value of Rs.10/- (Rupees Ten Only) each, at a price of Rs.10 (Rupees Ten only) per Equity Share, which is in compliance with the provisions of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ("SEBI ICDR Regulations"), aggregating to Rs. 2,80,00,000 (Rupees Two Crore Eighty Lakh Only) upon the conversion of unsecured loan of Rs. 2,80,00,000 (Rupees Two Crore Eighty Lakh Only) outstanding as on date.

Pursuant to the provisions of Section 42 and Section 62 of Companies Act, 2013 ("the Act") and Chapter V of SEBI ICDR Regulations, any preferential allotment of securities needs to be approved by the Members of the Company by way of a Special Resolution. Further, in terms of Chapter V of the SEBI ICDR Regulations, certain disclosures are required to be made to the Members of the Company which form part of this Explanatory Statement. Details of Issue are as under:

Details of the Issue are as under:

1. The 'Relevant Date' for the purpose of proposed issue of equity shares to the Promoter and Promoter Group on preferential basis as per SEBI (ICDR) Regulations, 2018 shall be February 20, 2021 as February 21, 2021 is weekend.
2. The allotment of the Equity Shares is subject to the Promoter & Promoter Group not having sold any Equity Shares of the Company during the 6 (Six) months preceding the Relevant Date (i.e. February 20, 2021). The Promoter & Promoter Group has represented that it has not sold any Equity Shares of the Company during the 6 (Six) months preceding the Relevant Date.



3. The relevant disclosures as required under the Companies Act, 2013 and Chapter V of the SEBI ICDR Regulations are set out below:

- a. Object of the Preferential Issue: The Members are informed that the object of the issue of the Equity Shares by way of the proposed preferential offer is to convert an amount aggregating to Rs. 2,80,00,000 from the outstanding amount of unsecured loans given by the Promoter & Promoter Group to the Company at the request of the Promoter & Promoter Group. The Board of Directors of the Company have decided to convert the outstanding unsecured loan into Equity Shares which is in best interest of the Company and it will also strengthen the financial position of the Company which may increase net worth of the Company. The unsecured loan was used for business expansion and growth of loan portfolio of the Company.
- b. Type/kind and maximum number of Shares to be issued, price and amount which the Company intends to raise by way of such securities:

It is proposed to issue and allot on preferential basis to Mr. Pradeep Gupta and Mr. Dhaval Gupta, Promoter & Promoter Group of the Company up to 28,00,000 Equity Shares of face value of Rs.10/- (Rupees Ten Only) each, at a price of Rs. 10/- (Rupees Ten only) per Equity Share, aggregating to Rs. 2,80,00,000 (Rupees Two Crore Eighty Lakh Only) upon the conversion of existing outstanding unsecured loan into Equity Shares.

- c. Proposal/intent of the Promoters/Directors/Key Management Personnel of the Company to subscribe the Preferential Issue:

The preferential issue is being made to Mr. Pradeep Gupta and Mr. Dhaval Gupta, Promoter & Promoter Group of the Company, which intends to subscribe to the Equity Shares in lieu of outstanding unsecured loan amount. No shares being offered to any Directors or Key Managerial Personnel.

The details of the Promoter & Promoter Group and the unsecured loan outstanding to the Promoter & Promoter Group as on date are as under:

- i. Proposed Allottees: Mr. Pradeep Gupta and Mr. Dhaval Gupta;
  - ii. Total Amount of Unsecured Loan outstanding: Rs. 2,80,00,000/-.
  - iii. Amount of unsecured loan which will be adjusted against issue of Equity Shares: Rs. 2,80,00,000/-.
  - iv. No. of Equity Shares to be Allotted: 28,00,000 (Twenty Eight Lakh only), out of which 18,00,000 Equity Shares shall be allotted to Mr. Pradeep Gupta and 10,00,000 Equity Shares to Mr. Dhaval Gupta.
- d. Shareholding Pattern of the Issuer before and after the Preferential Issue: Shareholding pattern before and after the proposed preferential issue of Equity Shares arising out of the conversion of loan is provided as **Annexure- A** to the Notice.
  - e. Time frame within which the Preferential Issue shall be completed: As required under Chapter V of the SEBI ICDR Regulations, the Company shall complete the allotment of Equity Shares as aforesaid within a period of 15 (Fifteen) days from the date of passing of the Special Resolution by the shareholders granting consent for preferential issue or in the event allotment of Equity Shares would require any approval(s) from any regulatory authority or the Central Government, the allotment shall be completed within 15 (Fifteen) days from the date of such approval(s), as the case may be.
  - f. Identity of the natural persons who are the ultimate beneficial owners of the shares / proposed to be allotted and / or who ultimately control the proposed Allottees, the percentage of pre and post preferential issue capital that may be held by them:

1. Name of the Proposed Allottees: Mr. Pradeep Gupta and Mr. Dhaval Gupta.

2. PAN of the Proposed Allottees: Mr. Pradeep Gupta: AAEPG4410C and Mr. Dhaval Gupta: AFNPG7718M.
3. Address: Address of both the proposed Allottees is same. This is: D-74, Panchsheel Enclave, New Delhi-110017.
4. Category: Promoter & Promoter Group.
5. Natural person who are ultimate beneficial owners: Mr. Pradeep Gupta and Mr. Dhaval Gupta.
6. Pre and Post preferential issue Shareholding:

Sr. No.	Name of the Proposed Allottee	Pre-Issue Shareholding		Present Issue	Post Issue of Shareholding	
		No. of Shares	% of Shareholding		No. of Shares	% of Shareholding
1.	Pradeep Gupta	46,61,236	36.23	18,00,000	64,61,236	41.24
2.	Dhaval Gupta	9,22,697	7.17	10,00,000	19,22,697	12.27

- g. Undertaking by the Company under the provisions of Regulations 163(1)(g) of the SEBI ICDR Regulations: It is hereby undertaken that the Issuer shall re-compute the price of the equity shares to be issued in terms of the provision of the SEBI ICDR Regulations where it is required to do so.
- h. Undertaking by the Company under the provisions of Regulations 163(1)(h) of the SEBI ICDR Regulations: It is hereby undertaken that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.
- i. Basis on which the price has been arrived at along with report of the registered valuer: As the shares of the Company are not frequently traded, hence, the Equity Shares will be allotted in accordance with the price determined in terms of Regulation 165 of the SEBI ICDR Regulations. Therefore, the basis for the price has been arrived at as per report of registered valuer i.e. based on the Valuation Report obtained from Mr. Rajeev Bhargav, Registered Valuer (Securities or Financial Assets), IBBI Registration No. IBBI/RV/06/2019/10661, ICAI RVO Membership No.: ICAIRVO/06/RV-P00094/2018-2019. It is agreed that the issue price shall be Rs. 10/- (Rupees Ten only) per Equity Share which is higher than the fair value i.e. Rs. 7.70 per equity share as per valuation report dated February 19, 2021 of the registered valuer.
- (i) Auditor's Certificate: A copy of the certificate from the Statutory Auditors of the Company, M/s. Goel Mintri & Associates, Chartered Accountants, (FRN:013211N), certifying that the issue of the Equity Shares to be issued upon conversion of the Loan, is being made in accordance with the requirements of SEBI ICDR Regulations for Preferential Issues. A copy of the certificate shall be available for inspection at the registered office of the company during business hours.
- j. Lock-in Period: The Equity Shares issued on preferential basis will be subject to lock-in as provided in the SEBI ICDR Regulations. The entire pre-preferential allotment shareholding of the Promoter, if any, shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval granted by the Stock Exchange.
- k. Change in control: There shall be no change in management or control of the Company pursuant to this proposed issue.
- l. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer: A report from Registered Valuer, Mr. Rajeev Bhargav, (Registered Valuer -Securities or Financial Assets) has been obtained justifying valuation of the consideration which is the amount of loan being converted. Further, the proposed allotment of equity shares is conversion of amount of loan received by the Company from the Promoter & Promoter Group.
- m. Details of earlier allotment on preferential basis: The Promoter & Promoter Group was allotted 23,66,000 (Twenty Three Lakh Sixty Six Thousand only) Equity Shares of face value of Rs.10/- each, at a price of Rs.

10/- per Equity Share, upon exercise of conversion of outstanding unsecured loan of Rs. 2,36,60,000/-, details of which are as under.

Name of Allottee	No. of Equity Shares Allotted		Total
	31/03/2017	06/04/2017	
Pradeep Gupta	8,55,000	10,40,000	18,95,000
Dhaval Gupta	2,11,000	2,60,000	4,71,000
Total	10,66,000	13,00,000	23,66,000

n. Other Terms and Conditions for Issue of Equity Shares:

1. The allotment of Equity Shares will not require making of a public offer as it is below the prescribed threshold limit for making of an open offer in terms of SEBI SAST Regulations. Due to above preferential allotment of the Equity Shares, no change in management control is contemplated. The aforesaid Allottees shall be required to comply with the relevant provisions of the SEBI SAST Regulations.
2. The Equity Shares arising out of issue of Equity Shares pursuant to the proposed resolution shall rank pari-passu in all respects with the existing Equity Shares of the Company and will be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") where the Equity Shares of the Company are listed.
3. Other Disclosures:
  - i. It is hereby confirmed that neither the Company nor any of its Promoters or Directors are a wilful defaulter.
  - ii. The Board, in its meeting held on February 19, 2021 has approved the issue of Equity Shares on preferential basis to the Promoter & Promoter Group in the manner stated hereinabove, subject to the approval of members and other approvals, as may be required.

The consent of the Members is being sought by a Special Resolution to enable the Board to approve the alternation into the loan agreement to convert the outstanding unsecured loan into equity and issue the Equity Shares to Mr. Pradeep Gupta and Mr. Dhaval Gupta, (Promoter & Promoter Group) in accordance with the provisions of the Companies Act, 2013 and the rules made there under, SEBI ICDR Regulations, as amended, SEBI LODR Regulations and any other applicable laws.

In view of the above, the Board recommends the Resolution set out in Item Nos. 2 & 3 of the Notice for approval by the Members as Special Resolution.

As per Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, related parties of the Company shall abstain from voting on said resolutions.

Except Mr. Pradeep Gupta and Mr. Dhaval Gupta, and their relatives, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolutions except to the extent of their shareholding in the Company.

**Annexure-A**

Sr. No.	Category	Pre Issue		Post Issue *	
		No. of Shares Held	% of Share holding	No. of Shares Held	% of Share holding
A	Promoters' holding				
1.	Indian:				
	Individual	68,80,135	53.47	96,80,135	61.79
	Body Corporate				
	Sub-Total				

	Foreign Promoters				
	Sub Total (A)	68,80,135	53.47	96,80,135	61.79
<b>B</b>	Public holding				
1.	Institutional Investors				
2.	Non- Institution:				
	Corporate bodies	13,84,441	10.76	13,84,441	8.84
	Directors & Relatives				
	Indian Public	44,14,404	34.31	44,14,404	28.18
	Others (Including NRIs)	1,88,262	1.46	1,88,262	1.20
	Sub-Total (B)	59,87,107	46.53	59,87,107	38.21
	Grand Total	1,28,67,242	100.00	1,56,67,242	100.00

\*The post- issue shareholding pattern includes 28,00,000 Equity shares proposed to be issued and allotted on conversion of unsecured loan into Equity Shares.