



Essar Securities Limited

7th Annual Report 2011-2012



BOARD OF DIRECTORS:

Mr. V. G. Raghavan - Chairman

Mr. S. M. Lodha

Mr. Dhanpat Singh Nahata

Mr. Neeraj Gupta

Mr. N. B. Vyas

REGISTRAR AND TRANSFER AGENT

Data Software Research Co. Pvt. Ltd.

No. 9, Pycroft Garden Road,

Off Haddows Road,

Nungambakkam,

Chennai – 600 006

Tel.: +91-44-2821 2154/44-2821 2207

Fax.: +91-44-2821 2133

Email : dsr cmd@vsnl.com

MANAGER, COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Ashish Vyas

AUDITORS

Nisar and Kumar,

Chartered Accountants

1305, Arcadia Bldg., Near Earnest House,

NCPA Marg, Nariman Point, Mumbai – 400 021

Tel: 022 4000 5394 Fax: 022 6666 9511

BANKERS

ING Vysya Bank Limited

REGISTERED OFFICE

56, New No. 77, C. P. Ramaswamy Road,

Abhiramapuram, Chennai – 600 018

Tel: 91 44 2535 1271 Fax: 91 25351272

CORPORATE OFFICE

Essar House, 11, K. K. Marg,

Mahalaxmi, Mumbai – 400 034

Tel: 91 22 6660 1100

Fax: 91 22 6666 9426

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NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the members of Essar Securities Limited will be held on Friday, 28th September, 2012 at 11.00 a.m. at Chennai House, 5th Floor, 7, Esplanade, Chennai - 600 108 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Balance Sheet as at March 31, 2012, the Statement of Profit and Loss Account for the financial year ended on that date and the Report of the Board of Directors' and Auditors' thereon;
2. To appoint a Director in place of Mr. V. G. Raghavan who retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment;
3. To appoint M/s. Nisar and Kumar, Chartered Accountants, Mumbai, having ICAI Registration number 127820W, as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration;

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Dhanpat Singh Nahata who was appointed as an additional director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of section 260 of the Companies Act, 1956 and in respect of whom Company has received a notice under section 257 of the Companies Act, 1956 in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Mr. Neeraj Gupta who was appointed as an additional director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of section 260 of the Companies Act, 1956 and in respect of whom Company has received a notice under section 257 of the Companies Act, 1956 in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Mr. N. B. Vyas who was appointed as an additional director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of section 260 of the Companies Act, 1956 and in respect of whom Company has received a notice under section 257 of the Companies Act, 1956 in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 385, 386, 387 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof), and subject

to such other approvals as may be required, consent of the Company be and is hereby accorded to the appointment of Mr. Ashish Vyas, Company Secretary of the Company as Manager of the Company within the meaning of section 2(24) of the Companies Act, 1956 at Nil remuneration for a period of three years with effect from August 24, 2012.

By Order of the Board
Ashish Vyas
Manager & Company Secretary

Registered Office:

New No. 77/56,
C. P. Ramaswamy Road,
Abhiramapuram, Chennai – 600 018

Date : August 24, 2012

Place : Mumbai

Notes:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from September 26, 2012 to September 28, 2012 (both days inclusive).
3. Members/Proxies should bring their attendance slips alongwith their copy of the Annual Report to the Meeting. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution / Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members holding shares in physical form are requested to notify any change in their address to the Company's R & T Agent, Data Software Research Co. Pvt. Ltd., No. 9 Pycroft Garden Road, Off Haddows Road, Nungambakkam, Chennai – 600006. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
6. Members desiring any information as regards the accounts are requested to write to the Company at least 7 days before the date of the Meeting as to enable the management to keep the information ready.
7. Brief resume of director seeking re-appointment, nature of his expertise in specific functional areas, names of companies in which he holds directorship and membership/chairmanship of Board committees, shareholding and relationships between directors inter-se as stipulated under clause 49 of the listing agreement with the stock exchange are provided as an annexure to the notice forming part of the Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4 to 6

Mr. Dhanpat Singh Nahata, Mr. Neeraj Gupta and Mr. N. B. Vyas were appointed as an additional director of the Company w.e.f. February 14, 2012, May 14, 2012 and August 24, 2012 respectively. In term of section 260 of Companies Act, 1956 read with article 137 of the Articles of Association of the Company, Mr. Dhanpat Singh Nahata, Mr. Neeraj Gupta and Mr. N. B. Vyas holds the office upto the ensuing Annual General Meeting of the Company.

Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 with requisite deposit proposing the name of Mr. Dhanpat Singh Nahata, Mr. Neeraj Gupta and Mr. N. B. Vyas as the candidate for the office of director of the Company. A brief resume of Mr. Dhanpat Singh Nahata, Mr. Neeraj Gupta and Mr. N. B. Vyas are given as annexure to this notice.

The Board recommends passing of the resolution at item no. 4 to 6 for their appointment as director of the Company.

Except Mr. Dhanpat Singh Nahata, Mr. Neeraj Gupta and Mr. N. B. Vyas, none of the directors of the Company shall be deemed to be concerned or interested in passing of this resolution.

ITEM No. 7

The Board of Directors subject to the approval of shareholders of the Company at their meeting held on August 24, 2012 has appointed Mr. Ashish Vyas, Company Secretary as Manager of the Company for a period of three years commencing from August 24, 2012 on NIL remuneration in accordance with the provisions of section 269 read with Schedule XIII of the Companies Act, 1956. Mr. Ashish Vyas fulfills the conditions for eligibility contained in part I of Schedule XIII to the Companies Act, 1956.

Mr. Ashish Vyas aged about 30 years in a Commerce Graduate, Associate member of Institute of Company Secretaries of India and Law Graduate. He has over 3 years of corporate experience.

The Board of Directors accordingly recommends the resolution set out at Item No. 7 of the accompanying notice for the approval of the members.

Mr. Ashish Vyas is deemed to be concerned or interested in passing of the resolution to the extent of his appointment as Manager in the Company.

ANNEXURE TO THE NOTICE

DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT- (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Mr. Dhanpat Singh Nahata

Mr. Dhanpat Singh Nahata has 16 years of rich experience in the professional field. He was with Ernst & Young where he was a Partner with the Transaction Tax practice. Working at Ernst & Young since 1999, he has managed numerous transactions spread across various industries and sectors.

He has extensive experience in structuring complex transactions—both domestic and international—and offering advisory services for mergers, demergers, acquisitions, etc. He has worked in the areas of corporate restructuring and business re-organizations, as well as inbound and outbound investment structuring, tax planning and advising on diverse regulatory matters.

A Commerce graduate from St. Xavier's College, Kolkata, he is a fellow member of the Institute of Chartered Accountants of India. Additionally, he is a Company Secretary from the Institute of Company Secretaries of India and a Cost Accountant from the Institute of Cost and Works Accountants of India.

Apart from your company, Mr. Dhanpat Singh Nahata is also a director in Essar Investments Limited.

Mr. Neeraj Gupta

Mr. Neeraj Gupta has 20 years of experience in finance and banking and his earlier assignments included N M Rothschild & Sons as Assistant Director, GE Capital Services where he was Vice President, Structured Finance. He has also been Manager Corporate Banking with American Express Bank in New Delhi and Manager Corporate Advisory, Ernst & Young, New Delhi. Neeraj holds a Commerce Degree from Shri Ram College of Commerce, Delhi and is a Chartered Accountant from the Institute of Chartered Accountants of India.

He has also attended a short term course at the London School of Economics titled programme for "Young Indian Bankers".

Apart from your company, Mr. Neeraj Gupta also holds directorship in The MobileStore Services Limited, Essar Telecom Holdings Overseas Private Limited, Essar Satvision Limited, Chilloda Farms Limited, Rupa Investments Limited, Essar Capital Limited, Essar Capital Finance Private Limited, Essar Capital Holdings (India) Limited, Meradata Private Limited and India Securities Limited.

Mr. N. B. Vyas

Mr. N. B. Vyas, aged 58 years, is a Senior Executive with more than 30 years experience at corporate level. He is a Chartered Accountant and Company Secretary. He is at present Managing Director of Essar Investments Limited. Mr. N B Vyas was one of the top 50 students in India passing CA Final Examination as per merit list published by the Institute of Chartered Accountants of India.

Apart from you Company, Mr. N. B. Vyas also holds directorship position in Essar Teleholdings Limited, Essar Procurement Services Limited, Essar Capital Holdings (India) Limited, The MobileStore Services Limited, Essar Investments Limited, Frontier Leasing and Finance Limited and Imperial Consultants and Securities Private Limited.

Mr. V. G. Raghavan

Mr. V. G. Raghavan aged 67 years a Qualified Chartered Accountant and a seasoned Finance executive. Mr. Raghavan was former Director-Finance on the Board of Directors of Essar Steel India Limited apart from gracing the position as Chief Financial Officer of Essar Group. Mr. Raghavan brings a wealth of experience in India and global financial markets and was responsible for financial planning and fund raising for the growth and expansion plans of the Essar Group. After his retirement in December 2010, he has shifted to advisory position as member of the Essar Group's Management and Investment Committees.

Apart from your Company, Mr. V. G. Raghavan also holds directorship position in Essar Steel India Limited, Essar Power (Orissa) Limited, Essar Power Gujarat Limited, Essar Power M P Limited, Essar Capital Finance Private Limited, The Mobilestore Limited, Frontier Leasing and Finance Limited, Essar Power Hazira Limited, Padmarag Project and Corporate services Private Limited, Kris Flexipacks Private Limited, Essar Projects (India) Limited, India Securities Limited, AMW Finance Limited, Mahati Corporate Services Private Limited and Essar Capital Limited.

Apart from being Chairman of Audit Committee and member of Shareholders and Investors Grievance Committee of the Company, Mr. Raghavan is also member of Audit Committee of India Securities Limited, Essar Steel India Limited, The Mobilestore Limited and Essar Project (India) Limited.

He is also member of Shareholder Grievance Committee of Essar Steel India Limited, Essar Projects (India) Limited and Committee of Directors (Operations) of Essar Steel India Limited and remuneration committee of Essar Power M P Limited.

By Order of the Board
Ashish Vyas
Manager & Company Secretary

Registered Office:

New No. 77/56,
C. P. Ramaswamy Road,
Abhiramapuram, Chennai – 600 018

Date : August 24, 2012

Place : Mumbai

The Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance by allowing paperless compliance by companies. Accordingly, companies can now send various documents electronically to those shareholders who registered their email addresses. To receive all communications including Annual Reports by email:

- Holders of shares in physical form are requested to fill up the E- mail registration form set out at page no. 23 and send it to the share transfer agents, M/s Data Software Research Co. Pvt. Limited.
- Members holding shares in demat form may register their email IDs with the Company or the depository participant

DIRECTORS' REPORT

To the Members of Essar Securities Limited,

Your Directors have pleasure in presenting the Seventh Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2012.

1. FINANCIAL RESULTS, BUSINESS AND MANAGEMENT'S DISCUSSION & ANALYSIS:

(₹ In Lakhs)

Particulars	For the year ended on March 31, 2012	For the year ended on March 31, 2011
Income	-	3339.85
Less: Expenditure	18.62	39.69
Profit Before Tax	(18.62)	3300.16
Less: Provision for taxation	4.85	692.03
Profit After Tax	(23.47)	2608.13
Dividend declared	-	(214.32)
Corporate dividend tax	-	(34.77)
Transfer to General Reserve	-	(131.00)
Balance brought forward from previous year	2254.32	26.28
Balance carried forward to Balance Sheet	2230.85	2254.32

DIVIDEND:

During the year under review, the loss after tax was ₹ 23.47 Lakh against the profit after tax of ₹ 26.08 Crore for the previous year. The loss was mainly due to Administrative Expenses.

The directors do not recommend any dividend due to the losses incurred during the year.

Threats, Risks and Concerns

As the Company has major equity investment in Essar Steel India Limited, a company engaged in Steel Business, its operations would also have a bearing on the performance of the Company.

Internal Control Systems and Internal Audit

Your Company has in-built internal control systems commensurate with the size and nature of operations of the Company. The financial statements would be reviewed periodically by the management. The Company has an internal audit system whereby deviations, if any, can be brought to the notice of the management quickly and remedial actions can be initiated immediately.

2. DIRECTORS:

Mr. V. G. Raghavan and Mr. S. M. Lodha continue to be director of your Company. Mr. Dhanpat Singh Nahata, Mr. Neeraj Gupta and Mr. N. B. Vyas were inducted on the Board as Additional Director at the Meeting of Board of Directors held on February 14, 2012, May 14, 2012 and August 24, 2012 respectively. Your company has received a letter from shareholders' nominating them for the post of Director of the Company liable to retire by rotation. Mr. V. G. Raghavan retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment.

Mr. Vikas Saraf resigned from the directorship of the Company w.e.f. April 28, 2012. The Board wishes to place on record their sincere appreciation for the valuable services rendered by Mr. Vikash Saraf during their tenure as a Director of the Company. Mr. Girish Sathe also resigned as Manager of the Company within the meaning of section 2(24) of the Companies Act, 1956 as well as from the post of Company Secretary w.e.f. May 14, 2012.

Mr. Ashish Vyas, Company Secretary was appointed as Manager of the Company within the meaning of section 2(24) of the Companies Act in accordance with section 269 read with Schedule XIII of the Companies Act. Necessary resolution for approval of shareholders with respect to his appointment as Manager also forms part of the notice of the ensuring AGM.

3. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures, wherever applicable;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the accounts for the financial year ended 31st March, 2012 on a going concern basis.

4. PUBLIC DEPOSIT:

The Company has neither invited nor accepted any deposits from the public during the year. There are no unclaimed deposit(s) lying with the Company as on March 31, 2012.

5. AUDITORS:

M/s. Nisar & Kumar, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting of the Company. The Company has received confirmation to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Accordingly, the members' approval is being sought to their appointment as the Auditors of the Company at the ensuing Annual General Meeting.

6. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Considering the nature of activities of your Company, the information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 relating to Energy Conservation, Technology Absorption is not applicable. The Company had no foreign exchange earnings or outgo during the period under review.

7. PARTICULARS OF EMPLOYEES:

The disclosure as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, is not required as there are no employees covered by it.

8. HOLDING COMPANY:

Essar Capital Limited continues to be holding company of your Company. Essar Capital Holdings (India) Limited continues to be the ultimate holding company.

9. CORPORATE GOVERNANCE REPORT:

The Company is committed to maintain the highest standard of Corporate Governance and comply to the Corporate Governance requirements as required under the Listing Agreement entered with the Stock Exchange. The disclosures as required in Clause 49 of the Listing Agreement have been furnished in the Annexure to the Directors' Report under the head "Corporate Governance". The requisite Certificate from the Statutory Auditors of the Company confirming the compliances with the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered with the Stock Exchanges, is attached and forming part of this Annual Report.

10. CAUTIONARY STATEMENT

Estimation & expectation made in the report may differ from actual performance due to various economic conditions, Government policies and other related factors.

11. ACKNOWLEDGEMENT

Your directors also wish to place on record their gratitude for the co-operation and assistance received from banks, stock exchange, shareholders and various departments of Central and State Governments and thank them for their continued co-operation and support.

For and on behalf of the Board

V. G. Raghavan
Director

Dhanpat Singh Nahata
Director

Place: Mumbai

Date: August 24, 2012

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance envisages attainment of high level of transparency, accountability and integrity in the functioning of the Company and the conduct of its business, its relationship with all its stake holders and places due emphasis on regulatory compliance.

2. Board of Directors:

- (i) The total strength of the Board is five directors comprising of all Non-Executive Directors.
- (ii) During the year ended March 31, 2012, five meetings of the Board of Directors were held on May 10, 2011, August 9, 2011, August 24, 2011, November 14, 2011 and February 14, 2012. The maximum time gap between 2 meetings was not more than 4 months.
- (iii) The details of directorship, category, attendance at Board Meetings and at the last Annual General Meeting and number of memberships of Board or Committees of various other public limited companies as on March 31, 2012 are given below:-

Name	Category	Attendance		No. of other Directorship#	Other Committee Position@	
		Board Meeting	Last AGM		Chairman	Member
*Mr. Vikas Saraf Chairman	Independent Non Executive	1	No	1	-	1
Mr. V. G. Raghavan	Independent Non Executive	5	No	10	-	6
Mr. S. M. Lodha	Independent Non Executive	5	No	5	-	3
Mr. Dhanpat Singh Nahta	Non Independent Non Executive	1	No	1	-	-

*Mr. Vikas Saraf ceased to be Director w.e.f. April 28, 2012

Mr. Neeraj Gupta appointed as Additional Director w.e.f. May 14, 2012

Mr. N. B. Vyas appointed as Additional Director w.e.f. August 24, 2012

Notes:

#Directorships held in all private, foreign and companies under section 25 of the Companies Act, 1956 are excluded.

@Represents Membership/Chairmanship of Audit Committee and Shareholders/Investors Grievance Committees of Public Limited Companies.

3. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee are broadly as under:-

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices;
 - Major accounting entries based on exercise of judgment by management;
 - Qualification in draft audit report;
 - Significant adjustments arising out of audit;
 - Compliance with accounting standards;
 - Compliance with stock exchange and legal requirement concerning financial statement;
 - Any related party transactions as per Accounting Standard 18.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders and shareholders.

Five Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

May 10, 2011, August 9, 2011, August 24, 2011, November 14, 2011, February 14, 2012.

The names of members of Audit Committee and their attendance at the meetings are given under:-

Sr. No.	Name of the Directors	Designation	No. of Meetings attended during 2011-2012
1	Mr. V. G. Raghavan	Chairman	5
2	Mr. S. M. Lodha*	Member	5
3	Mr. Vikash Saraf#	Member	1
4	Mr. Dhanpat Singh Nahata@	Member	-

* Mr. S. M. Lodha ceased to be Member w.e.f. May 14, 2012

Mr. Vikas Saraf ceased to be Member w.e.f. April 28, 2012

@ Mr. Dhanpat Singh Nahata appointed as Member w.e.f. February 14, 2012

Mr. Neeraj Gupta is now member of the Committee

The Chairman of the Audit Committee was not present at the last Annual General Meeting held on 28th September, 2011. The Company Secretary of the Company act as the Secretary of the Audit Committee.

The committee meets at regular intervals.

4. Shareholders and Investor Grievance Committee:

The Committee comprises of two non-executive directors viz., Mr. S.M. Lodha– Chairman and Mr. V. G. Raghavan. Mr. Neeraj Gupta has appointed as member as well as Chairman of the Committee in place of Mr. S. M. Lodha w.e.f. May 14, 2012. The Committee looks into various issues relating to the shareholder/ investors grievances relating, inter-alia, to non-receipt of annual report, non-delivery of shares after transfer / delay in transfers etc.

A total of 87 complaints received during the year ended March 31, 2012 most of which being related to non-receipt of share certificates. All the complaints were redressed under the supervision of the committee and no complaints were outstanding as on March 31, 2012.

All the valid share transfer requests received during the year were attended and processed. There were no valid requests for share transfers pending as on March 31, 2012.

The Company Secretary of the Company act as the Secretary of the Shareholders and Investor Grievance Committee.

5. General Body Meetings:

a) Annual General Meeting:

The date, time and venue of the last three Annual General Meetings are given below:-

Financial year	Date	Location	Time
2010-11	September 28, 2011	Chennai House, 5th Floor, 7, Esplanade, Chennai 600 108	11.00 a.m.
2009-10	July 31, 2010	Chennai House, 5th Floor, 7, Esplanade, Chennai 600 108.	11.00 a. m.
2008-2009	August 14, 2009	Chennai House, 5th Floor, 7, Esplanade, Chennai 600 108.	3.00 p. m.

b) Postal Ballot

No resolutions were required to be put through postal ballot last year. Presently there are no proposals to pass any resolution by postal ballot.

6. Disclosures:

- The Company does not have any material related party's transactions which may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in note no. 16 (C) of the Balance Sheet of the Company forming part of the Annual Report.
- There were no penalties or strictures imposed on the Company by Stock Exchange, SEBI or any statutory authority on any matter related to capital markets during the last three years.

7. Means of communications:

Quarterly / Annual Financial Results prepared in accordance with listing provisions are forwarded to Bombay Stock Exchange Limited (BSE) and also published in Free Press Journal (all India edition – English) and in Makkal Kural (Chennai edition – Tamil). The Financial Results are also displayed on the website of the Company www.essar.com. Official press releases and presentations, if any, made to media would also be made available at the Company's website and also sent to BSE. Management Discussion & Analysis forms part of the Annual Report.

8. General Shareholder Information

Annual General Meeting	Date: Friday, September 28, 2012 Time: 11.00 A.M. Venue: Chennai House, 5th Floor, 7, Esplanade, Chennai - 600 108. Tamil Nadu
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Financial Calendar 2012-13

Financial year of Company	April 1, 2012 to March 31, 2013
First Quarter Results	On or before August 16, 2012
Second Quarter Results	On or before November 15, 2012
Third Quarter Results	On or before February 15, 2013
Audited Results for the Year	On or before May 30, 2013

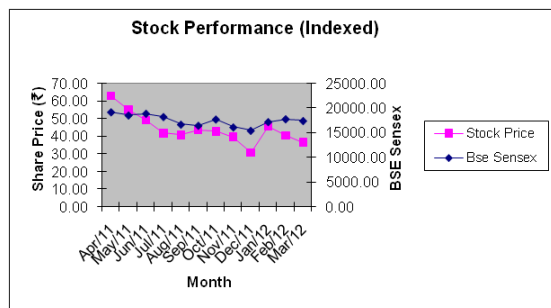
Date of Book Closure	Wednesday, September 26, 2012 to Friday, September 28, 2012 (both days inclusive)
Dividend Payment Date	N.A.
Listing on Stock Exchanges	Bombay Stock Exchange Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 4000 001. Tele. +91 22 2272 1233 Fax. +91 22 2272 3677 www.bseindia.com
Stock Code	533149
NSDL ISIN	INE143K01019
Payment of Listing Fees	Annual Listing Fees for the Financial Year 2012-2013 has been paid to BSE.
Registrar & Transfer Agents	M/s Data Software Research Co. Pvt. Ltd No. 9 Pycroft Garden Road Off Haddows Road, Nungambakkam Chennai 600 006 Tamilnadu Tel.: +91-44-2821 2154 +91-44-2821 2207 Fax.: +91-44-2821 2133 Email address: dsrclmd@vsnl.com

• Market Price Data For The Last Financial Year:

Month	High Price (₹)	Low Price (₹)
April -11	79.50	49.25
May -11	69.85	51.35
June-11	60.00	47.05
July -11	53.00	40.30
August -11	46.90	27.25
September -11	48.00	37.80
October -11	47.40	40.05
November -11	50.75	36.15
December-11	42.45	26.10
January-12	60.90	29.00
February-12	46.50	37.05
March-12	42.30	32.00

- Performance in comparison to BSE Sensex:**

Following chart shows the performance of the Company's share prices compared with BSE Sensex



- Share Transfer System:**

All valid share transfer requests received by the Company in physical form are registered within an average period of 15 days. Half yearly Transfer Audit and Quarterly Secretarial Audit in terms of the Listing Agreement are regularly carried out by an Independent Practicing Company Secretary.

- Distribution of shareholding as on March 31, 2012**

Equity Shares	Shareholders	%	No. of Shares	%
UPTO 500	28138	98.63	1769316	12.38
501 TO 1000	225	0.79	162430	1.14
1001 TO 2000	84	0.29	126146	0.88
2001 TO 3000	21	0.07	52598	0.37
3001 TO 4000	19	0.07	64932	0.45
4001 TO 5000	5	0.02	23847	0.17
5001 TO 10000	18	0.06	149493	1.05
10001 TO 20000	9	0.03	124043	0.87
20001 TO 30000	2	0.01	51320	0.36
30001 TO 40000	2	0.01	77068	0.54
40001 TO 50000	1	0.00	43548	0.30
50001 TO 100000	2	0.01	112520	0.79
100001 & ABOVE	4	0.01	11530493	80.70
TOTAL	28530	100.00	14287754	100.00

Category	No. of Shares	%
Promoters	10,704,557	74.92
Institution / Mutual funds/ Banks	2,556	0.02
Other Companies	5,53,893	3.88
Non Domestic Companies	2,060	0.01
Foreign Institutional/ Investors/Non residential Individuals	2,41,097	1.69
Public	2,783,591	19.48
Total	14,287,754	100.00

- Status of Dematerialization of Shares as on March 31, 2012:**

Mode	No. of Shares	%
Demat	13,210,590	92.46
Physical	1,077,164	7.54
Total	14,287,754	100.00

- Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

As on March 31, 2012 there are no GDRs/ADRs/warrants or any convertible instruments, conversion of which is likely to have an impact on the equity of the Company.

- Nomination facility:**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956 are requested to submit to the R&T agent of the Company the prescribed nomination form.

- Secretarial Audit:**

A qualified Practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Corporate Office	:	Essar House, 11, K.K. Marg, Mahalaxmi, Mumbai – 400 034
Address for Correspondence	:	Registrar and Transfer Agents: M/s Data Software Research Co. Pvt. Ltd No. 9 Pycroft Garden Road, Off Haddows Road, Nungambakkam, Chennai 600 006, Tamilnadu Tel.: +91-44-2821 2154 +91-44-2821 2207 Fax.: +91-44-2821 2133 Email address: dsrclmd@vsnl.com

For any assistance, shareholders may also write to the Company at the following email id exclusively designated for the purpose: eslinvestors@essar.com

Compliance Officer:	:	Mr. Ashish Vyas Manager & Company Secretary
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9. Non-mandatory requirements:-

- The Board**

The expenses, if any incurred by Non-Executive Chairman are reimbursed by the Company. At present there is no policy of fixing tenure of Independent Directors.

- Shareholders' right:**

Quarterly Financial results are displayed on the Company's website i.e. www.essar.com. No separate financials are sent to shareholders of the Company.

- **Audit Qualifications:**

There are no audit qualifications in the Auditors Report on the financial statements to the shareholders of the Company.

- **Training of Board Members:**

There is no formal policy at present for training of the Board Members of the Company. All the members of the Board are eminent and experiences professional persons.

- **Mechanism for evaluating performance of non – executive Board Members:**

There is no formal mechanism existing at present for performance evaluation of non- executive directors.

- **Whistle Blower Policy:**

The Company has not established any whistle blower policy presently.

- **Remuneration Committee:**

No remuneration is being paid to any of the directors. Therefore, no remuneration committee has been constituted.

DECLARATION BY MANAGER

As provided under clause 49 of the Listing Agreement with the Stock Exchange, I confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the year ended March 31, 2012.

Ashish Vyas

Manager & Company Secretary

Date: August 24, 2012

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Essar Securities Limited.

We have examined the compliance of conditions of corporate governance by Essar Securities Limited, for the year ended March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement, except that the chairman of audit committee was not present at the last annual general meeting.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For NISAR & KUMAR,
Chartered Accountants

K. M. Mahadik
Partner
M. No. 48453

Place: Mumbai
Date: August 24, 2012

AUDITORS' REPORT TO THE MEMBERS OF ESSAR SECURITIES LIMITED

We have audited the attached Balance Sheet of Essar Securities Limited as at March 31, 2012, the Statement of Profit and loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the directors as at March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (b) in the case of Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the Cash Flows of the company for the year ended on that date.

For NISAR & KUMAR,
Chartered Accountants
Firm Regn. No. 127820W

K. M. Mahadik
Partner
M. No. 48453

Place: Mumbai
Date: August 24, 2012

ANNEXURE REFERRED TO THE REPORT OF EVEN DATE FOR THE YEAR ENDED MARCH 31, 2012 OF ESSAR SECURITIES LIMITED

- i. Since the company is not having Fixed Assets reporting on Clause (i) (a), (i) (b) and (i) (c) do not arise.
- ii. As there is no inventory, the reporting of the clause ii (a), ii (b) and ii (c) do not arise.
- iii. (a) The company has not granted any loans to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
 - (b) In view of clause (iii) (a) above, clause (iii) (b) is not applicable.
 - (c) In view of clause (iii) (a) above, clause (iii) (c) is not applicable.
 - (d) In view of clause (iii) (a) above, clause (iii) (d) is not applicable.
 - (e) The company has not taken any loans from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - (f) In view of clause (iii) (e) above, clause (iii) (f) is not applicable.
 - (g) In view of clause (iii) (e) above, clause (iii) (g) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of assets and rendering of services. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- v. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301.
 - (b) in view of (v) (a) above, clause (v) (b) is not applicable.
- vi. During the year the company has not accepted any deposits from the public.
- vii. In our opinion, during the year the company does not have an internal audit system.
- viii. As informed to us, the maintenance of cost records have not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- ix. (a) According to the records of the company, there were delays by the company in deposit of undisputed statutory dues of income tax with the appropriate authorities. As per records of the company, there are no dues in respect of provident fund, employees state insurance, Investor Education and Protection Funds, custom duty, wealth tax, sales tax, service tax and excise duty/cess. There are no arrears of statutory dues as at March 31, 2012 outstanding for a period of more than six months from the date they became payable.
 - (b) According to the records of the company, there are no dues of income-tax, sales tax, service tax, customs duty/wealth-tax, excise duty/cess which have not been deposited on account of dispute.
- x. The company does not have accumulated losses at the end of the financial year and the company has incurred cash losses during the financial year covered by our audit and has not cash losses in the immediately preceding financial year.
- xi. As the company has not borrowed any amount from Banks or Financial Institutions, the reporting under this clause do not arise.
- xii. Based on our examination of documents and records, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. Provisions of Chit Fund nidhi/ mutual benefit fund/societies are not applicable.
- xiv. In respect of dealing or trading in shares and debentures by the company, proper records have been maintained of the transactions and contracts and timely entries have been made therein, as per records / information, the investments held by the company are in its own name.
- xv. During the year the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. During the year, the company has not taken term loans.
- xvii. During the year, the company has not raised any short term funds.
- xviii. During the year, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. During the year, the company has not issued secured debentures.
- xx. During the year, the company has not raised money by public issues.
- xxi. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For NISAR & KUMAR,
Chartered Accountants
Firm Regn. No. 127820W

K. M. Mahadik
Partner
M. No. 48453

Place: Mumbai
Date: August 24, 2012

BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at March 31, 2012	As at March 31, 2011
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	142,877,540	142,877,540
Reserves and Surplus	3	342,185,895	344,532,748
		485,063,435	487,410,288
Current Liabilities			
Trade payables	4	80,899	269,400
Other Current Liabilities	5	1,244,353	27,381
Short-Term Provisions	6	-	42,389,918
		1,325,252	42,686,699
Total		486,388,687	530,096,987
ASSETS			
Non-Current Assets			
Non-current investments	7	482,126,928	524,188,800
Current Assets			
Cash and cash equivalents	8	2,696,444	5,865,163
Short-term loans and advances	9	1,565,315	43,024
		4,261,759	5,908,187
Total		486,388,687	530,096,987
Significant Accounting Policies (Note No. 14 to 18 forms integral part of Accounts)	1		

As per our attached report of even date

For Nisar & Kumar
Chartered Accountants

For and behalf of the Board

K. M. Mahadik
Partner

V. G. Raghavan
Director

Dhanpat Singh Nahata
Director

Ashish Vyas
Manager & Company Secretary

Place: Mumbai
Date: August 24, 2012

Place: Mumbai
Date: August 24, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
		₹	₹
Revenue:			
Revenue from operations	10	-	12,860,000
Other Income	11	-	321,124,716
Total Revenue		-	333,984,716
Expenses:			
Other Administrative Expenses	12	1,861,703	3,968,526
Total Expenses		1,861,703	3,968,526
Profit/(Loss) before tax		(1,861,703)	330,016,190
Tax expense:			
Current tax (including adjustment for earlier periods)		(485,150)	(69,202,662)
Profit/(Loss) after tax		(2,346,853)	260,813,528
Basic & Diluted Earning per Share of ₹ 10 each	13	(0.16)	18.25
Significant Accounting Policies	1		
(Note No. 14 to 18 forms integral part of Accounts)			

As per our attached report of even date

For Nisar & Kumar
Chartered Accountants

For and behalf of the Board

K. M. Mahadik
Partner

V. G. Raghavan
Director

Dhanpat Singh Nahata
Director

Ashish Vyas
Manager & Company Secretary

Place: Mumbai
Date: August 24, 2012

Place: Mumbai
Date: August 24, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year ended March 31, 2012	Year ended March 31, 2011
	₹	₹
Cash Flow From Operating Activities		
Profit /(Loss) before taxation	(1,861,703)	330,016,190
Adjustment for:		
Profit on sale of Investments	-	(321,122,008)
Balances written off (net)	38,024	60
Operating Cash Flow before working capital changes	(1,823,679)	8,894,242
Adjustment for:		
(Increase)/Decrease in Receivables	(1,565,315)	3,811,803
Increase / (Decrease) in liabilities & provisions	(13,807)	(171,621)
Cash (used in) / generated from operations	(3,402,801)	12,534,424
Less: Taxes on Income Paid	(17,966,691)	(51,369,187)
Net Cash Flow Used in Operating Activities	(21,369,492)	(38,834,763)
Cash Flow From Investing Activities		
Purchase of Investments	-	(506,222,244)
Sale of Investments	42,061,872	547,316,208
Net cash generated from Investing Activities	42,061,872	41,093,964
Cash Flow From Financing Activities		
Dividend paid (including corporate dividend tax)	(23,861,099)	-
Net cash used in Financing Activities	(23,861,099)	-
Net increase / (decrease) in cash and cash equivalents	(3,168,719)	2,259,201
Cash and cash equivalents at the beginning of the year	5,865,163	3,605,962
Cash and cash equivalents at the end of the year	2,696,444	5,865,163

Note:

The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement.

As per our attached report of even date

For Nisar & Kumar

Chartered Accountants

For and behalf of the Board

K. M. Mahadik

Partner

V. G. Raghavan

Director

Dhanpat Singh Nahata

Director

Ashish Vyas

Manager & Company Secretary

Place: Mumbai

Date: August 24, 2012

Place: Mumbai

Date: August 24, 2012

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting :

The accounts of the company have been prepared on historical cost convention using the accrual basis of accounting on consistent basis.

1.2 Investments :

Long term investments are stated at cost. Incidental expenses incurred in acquiring the investments are added to the cost. Decline in carrying amount of investments, if any, other than of temporary nature is provided for in the Statement of Profit and Loss .

1.3 Revenue Recognition :

Income from Consultancy & Advisory Services is recognised as per the terms of agreement.

Income interest is recognised on time accrual basis.

1.4 Taxation:

The provision for current tax, if any, is computed in accordance with the relevant tax regulations. Deferred Tax is recognised on timing difference between accounting and taxable income for the year by applying applicable tax rates as per Accounting Standard-22 on "Accounting for Taxes on Income". Deferred Tax Assets is recognised wherever there is reasonable certainty that future taxable income will be available against which such Deferred Tax Assets can be realised.

1.5 Provisions and Contingent Liabilities:

Provisions are recognised in the accounts for present probable obligations arising out of past events that require outflow of resources, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company, unless likelihood of an outflow of resources is remote. Contingent assets are not recognised in the accounts, unless there is virtual certainty as to its realisation.

2. SHARE CAPITAL

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
AUTHORIZED CAPITAL		
15,000,000 (P.Y. 15,000,000) Equity Shares of ₹ 10 each	150,000,000	150,000,000
	150,000,000	150,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
14,287,754 (P.Y. 14,287,754) Equity Shares of ₹ 10 each, fully paid up	142,877,540	142,877,540
Total	142,877,540	142,877,540

Notes:

- 10,704,557 (P.Y. 10,704,557) equity shares are held by Essar Capital Ltd, the holding company together with its nominees and Nil by Essar Capital Holdings (India) Limited, the ultimate holding company.)
- There is no change in number of shares outstanding as at March 31, 2012 and March 31, 2011.

3. RESERVES & SURPLUS

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Securities Premium Reserve		
Balance as per last balance sheet	96,000,000	96,000,000
General Reserve		
Balance as per the beginning of the year	13,100,000	-
Add: Amount transferred from surplus balance in the statement of profit and loss	-	13,100,000
Balance at the end of the year	13,100,000	13,100,000
Statutory Reserves		
Balance as per last balance sheet	10,000,000	10,000,000
Surplus in the statement of Profit & Loss		
Balance at the beginning of the year	225,432,748	2,627,597
Add: Profit/(Loss) for the year	(2,346,853)	260,813,528
Less: Appropriations		
Proposed Dividend	-	(21,431,631)
Corporate Dividend Tax	-	(3,476,746)
Transfer to General Reserve	-	(13,100,000)
Balance at the end of the year	223,085,895	225,432,748
Total	342,185,895	344,532,748

4. TRADE PAYABLES

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Trade payables	80,899	269,400
Total	80,899	269,400

5. OTHER CURRENT LIABILITIES

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Statutory liabilities	165	27,381
Unclaimed Dividend	1,047,278	-
Advance from related party	196,910	-
Total	1,244,353	27,381

6. SHORT TERM PROVISIONS

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Proposed Dividend (Including corporate dividend Tax)	-	24,908,377
Provision for Taxation (Net of taxes paid)	-	17,481,541
Total	-	42,389,918

7. NON CURRENT INVESTMENT

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Non Trade, Long Term (fully paid up at cost)		
Investments in Equity Instruments (Unquoted) 10,044,311 (P.Y. 10,920,600) Equity Shares of Rs 10 each of Essar Steel India Limited	482,126,928	524,188,800
Total	482,126,928	524,188,800

8. CASH & CASH EQUIVALENTS

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Earmarked Balances with Bank in Current Accounts (dividend)	1,138,901	-
Balances with Banks in Current Accounts	1,557,543	5,865,163
Total	2,696,444	5,865,163

9. SHORT TERM LOANS AND ADVANCES

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
<u>(Unsecured, considered good)</u>		
Advances paid to creditors	22,325	-
Service Tax Input Credit receivable	-	43,024
Advances to related parties	1,542,990	-
Total	1,565,315	43,024

10. REVENUE FROM OPERATIONS

	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
Consultancy & Advisory services	-	12,860,000
Total	-	12,860,000

11. OTHER INCOME

	Year ended March 31, 2012	Year ended March 31, 2011
	₹	₹
Profit on Sale of Investments	-	321,122,008
Miscellaneous Income	-	2,708
Total	-	321,124,716

12. OTHER ADMINISTRATIVE EXPENSES

	Year ended March 31, 2012	Year ended March 31, 2011
	₹	₹
Communication Expenses (Nil, P.Y. ₹ 11,751 for prior period)	-	27,751
Donations	-	150,000
Travelling and Conveyance Expenses	-	1,041,810
Business Promotion /AGM expenses	32,381	542,240
Advertisement Expenses	219,437	206,838
Bank Charges	110	1,855
Balances written off (net)	38,024	60
Rates & Taxes, filing Fees	2,040	16,803
Printing & Postage Expenses	208,367	363,113
Professional Charges(including P.Y. ₹ 89,267 for prior period)	1,074,057	1,345,369
Listing & Custodial Fees	197,399	171,687
Payment to auditors		
Audit fee	89,888	65,000
Tax audit fee	-	15,000
Certification fees	-	21,000
Total	1,861,703	3,968,526

13. EARNING PER SHARE

There are no potential equity shares and hence the basic and diluted earning per share are same. The calculation of the basic and diluted earning per share is based on following data.

	March 31, 2012	March 31, 2011
Earnings [Net profit for the year after tax (₹)]	(2,346,853)	260,813,528
Weighted average number of equity shares for the purpose of calculating earnings per share	14,287,754	14,287,754
Basic & Diluted Earnings per share of face value of ₹ 10 each (₹)	(0.16)	18.25

14. The company does not have any commitment or contingent liabilities.
15. The company does not have any dues to micro, small and medium enterprises.
16. Related Party Disclosures :

a) Related parties where control exists:

i. **Holding Companies:**

Essar Capital Ltd

Essar Satvision Ltd (Holding company of Essar Capital Ltd)

Essar Capital Holdings (India) Ltd [Holding company of Essar Satvision Ltd]

ii. **Individual owning indirectly an interest in the voting power that gives control:**

Mr. A S Ruia

b) Other related parties, where there have been transactions:

Enterprises controlled or significantly influenced by individual or relatives:

Essar Properties Ltd, Essar Investments Ltd, Imperial Consultants & Securities Private Ltd.

c) Transactions with related parties are summarised as under:

Particulars	Enterprises controlled or significantly influenced by individual or relatives	Total March 31, 2012
	₹	₹
Purchase of Investments (Essar Investments Ltd)	-	-
	(524,188,800)	(524,188,800)
Sale of Investments (Imperial Consultants & Securities Pvt Ltd)	42,061,872	42,061,872
	(26,194,200)	(26,194,200)
Advances Taken (Essar Properties Ltd)	196,910	196,910
	(-)	(-)
Refund of advances taken	-	-
	(347,458)	(347,458)
Essar Properties Limited	-	-
	(118,146)	-
Imperial Consultants & Securities Private Limited	-	-
	(229,312)	-
Advances Given (Essar Investments Ltd)	1,542,990	1,542,990
	(-)	(-)
Balances written off (Essar Investments Ltd)	-	-
	(60)	(60)
e) Balances outstanding at the end of the year:		
Debit balances	1,542,990	1,542,990
	(-)	(-)
Credit balances	196,910	196,910
	(-)	(-)

Notes:

- i) Figures in brackets relates to the previous year.
- ii) The names of the related parties are disclosed under each nature of transaction where the transaction with single party is 10% or more of relevant nature of transactions.

17. The company is having two business segments viz. Consultancy & Advisory Services and Investment Activities. Segment wise data for the year is as under:

Particulars	Consultancy & Advisory Services	Investment Activities	Total March 31, 2012
	₹	₹	₹
Segment Revenue	-	-	-
	(12,860,000)	(321,122,008)	(333,982,008)
Segment Results [Segment Profit / (Loss)]	-	-	-
	(12,860,000)	(321,122,008)	(333,982,008)
Unallocable income			-
			(2,708)
Unallocable expenses			1,861,703
			(3,968,526)
Provision for taxation			485,150
			(69,202,662)
Net Profit / (Loss)			(2,346,853)
			(260,813,528)
Segment assets	-	482,126,928	482,126,928
		(524,188,800)	(524,188,800)
Unallocable assets			4,261,759
			(5,908,187)
Total Assets			486,388,687
			(530,096,987)
Segment liabilities	-	-	-
			(-)
Unallocable liabilities			1,325,252
			(42,686,699)
Total Liabilities			1,325,252
			(42,686,699)

Note :- Figures in brackets relates to the previous year.

18. Previous year figures have been rearranged / regrouped wherever necessary.

As per our attached report of even date

For Nisar & Kumar

Chartered Accountants

For and behalf of the Board

K. M. Mahadik

Partner

V. G. Raghavan

Director

Dhanpat Singh Nahata

Director

Ashish Vyas

Manager & Company Secretary

Place: Mumbai

Date: August 24, 2012

Place: Mumbai

Date: August 24, 2012

ESSAR SECURITIES LIMITED

Regd. Office: New No. 77/ 56, C. P. Ramaswamy Road, Abhiramapuram, Chennai 600 018

7th Annual General Meeting – Friday, September 28, 2012

FORM OF PROXY

I/We of
in the district ofbeing member/members of Essar Securities Limited hereby appoint,.....
of.....or failing him/her.....ofas my/our Proxy to attend and vote for me/
us on my/our behalf at the SEVENTH ANNUAL GENERAL MEETING of the Company to be held on Friday, September 28, 2012 at 11.00 a.m.
at Chennai House, 5th Floor, 7, Esplanade, Chennai - 600 108 and at any adjournment thereof.

Signed this day of 2012

Member's Folio Number

*Client ID and DP ID

No. of shares held

AFFIX
1 RUPEE
REVENUE
STAMP

Signature

*Applicable only in case of investors holding shares in electronic form.

Notes: This form of proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hour before the commencement of the meeting.

ESSAR SECURITIES LIMITED

Regd. Office: New No. 77/ 56, C. P. Ramaswamy Road, Abhiramapuram, Chennai 600 018

7th Annual General Meeting – Friday, September 28, 2012

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

Name of the member / proxy:

Folio / DP ID & Client ID:

No. of equity shares held

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the Seventh Annual General Meeting of Essar Securities Limited held on Friday, September 28, 2012 at 11.00 a. m. at Chennai House, 5th Floor, 7, Esplanade, Chennai - 600 108.

Signature of Member / Proxy

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ESSAR SECURITIES LIMITED

Regd. Office: New No. 77/ 56, C. P. Ramaswamy Road, Abhiramapuram, Chennai 600 018

E - MAIL REGISTRATION

To

M/s Data Software Research Co. Pvt. Ltd

No. 9, Pycroft Garden Road, Off Haddows Road,
Nungambakkam,
Chennai 600006
Tamilnadu.

Dear Sir/s,

Re: Registration of e-mail ID for receiving communication in electronic form

I am a shareholder of the Company. I want to receive all communication from the Company including AGM and other General Meeting notices and explanatory statement(s) thereto, Balance Sheets, Director's Reports, Auditor's Reports etc. through e mail. Please register my e mail ID, set out below, in your records for sending communication through e mail:

Folio No.* :

Name of 1st Registered Holder* :

Name of Joint Holder(s) :

Address :

Pin Code :

E-mail ID (to be registered)* :

Contact Tel Nos. **Mobile**

Landline

Date **Signature of first holder***

Important Notes:

1. Field marked* are mandatory for registration of the e-mail ID.
2. On registration, all the communications will be sent to the e-mail ID registered in the folio
3. The form is also available on the website of the Company www.essar.com
4. Any change in email ID, from time to time, may please be registered in the records of the Company.

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BOOK-POST

If undelivered, please return to:

DATA SOFTWARE RESEARCH COMPANY PRIVATE LIMITED

(Unit : Essar Securities Limited)

No.9, Pycroft Garden Road

Off Haddows Road

Nungambakkam, Chennai 600 006