



Essar Securities Limited

Annual Report 2016 - 17



Board of Directors:

Mr. S. V. Venkatesan
 Mr. N. B. Vyas (upto November 4, 2016)
 Mr. Sujay Sheth
 Ms. Suparna Singh
 Mr. Somshekhar B. Malagi

Mr. Girish Vyas – Chief Financial Officer
 (Upto April 27, 2017)

Auditors:

Nisar and Kumar,
 Chartered Accountants
 1305, Arcadia Bldg.,
 Near Earnest House, NCPA Marg,
 Nariman Point, Mumbai - 400 021

Bankers:

Kotak Mahindra Bank
 Axis Bank Limited

Registered Office:

New No. 77/56,
 C. P. Ramaswamy Road,
 Abhiramapuram,
 Chennai - 600 018
 Tel: 91 44 2499 1992

Corporate Office:

Essar House,
 11, K. K. Marg,
 Mahalaxmi,
 Mumbai - 400 034
 Tel: 91 22 6660 1100
 Fax: 91 22 6666 9432
 Visit us at www.essar.com

Registrar and Transfer Agent:

Data Software Research Co. Pvt. Ltd.
 19 Pycroft Garden Road,
 Off Haddows Road,
 Nungambakkam
 Chennai - 600 006
 Tamilnadu
 Tel. : +91-44-4510 5120, +91-44-2821 3738,
 +91-44-2821 4487
 Fax : +91-44-2821 4636
 Email : essar.securities@dsr-cid.in

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NOTICE

NOTICE is hereby given that the **Twelfth Annual General Meeting** of **Essar Securities Limited** (CIN - L65990TN2005PLC071791) will be held on Friday, September 29, 2017 at 11.00 a.m. at Essar House, 5th Floor, 7, Esplanade, Chennai - 600 108, Tamil Nadu to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2017 together with the Report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Ms. Suparna Singh (DIN 07142898), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration and in this regard 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 139,142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, (any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and pursuant to the recommendations of the Audit Committee, M/s. D K S K & COMPANY (Firm Registration Number 017224S) be and is hereby appointed as Statutory Auditors of the Company in place of retiring auditors M/s. Nisar & Kumar, Chartered Accountants, (Firm Registration No.127820W) to hold office from the conclusion of 12th Annual General Meeting (AGM) till the conclusion of 17th AGM schedule to be held in the year 2022 subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company".

SPECIAL BUSINESS

4. **Appointment of Mr. Somashekar B. Malagi (DIN : 07626139) as Independent Director**

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

"RESOLVED THAT pursuant to Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) and 25 of the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Somashekar B. Malagi (DIN 07626139), who has been appointed as an Additional Director of the Company by the Board of Directors on November 4, 2016 in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who has submitted a declaration of independence under Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from April 1, 2017 to March 31, 2022 and whose office shall not be liable to retire by rotation".

5. **Re-appointment of Mr. S. V. Venkatesan (DIN : 00004010) as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. S. V. Venkatesan (DIN 00004010), who was appointed as an Independent Director and who holds office of Independent Director up to September 25, 2017 and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years w.e.f. April 1, 2017 to March 31, 2022 on the Board of the Company."

6. **Re-appointment of Mr. Sujay Sheth (DIN : 03329107) as an Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment

and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Sujay Sheth, (DIN 03329107), who was appointed as an Independent Director and who holds office of Independent Director up to September 25, 2017 and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years w.e.f. April 1, 2017 to March 31, 2022 on the Board of the Company."

For and on behalf of the Board of Directors

Somashekhar B. Malagi
Director
DIN: 07626139

Date: August 10, 2017

Place: Mumbai

Registered office:

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

Notes:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person.

2. Members / Proxies should bring the duly filled Attendance Slip at the AGM. Proxies submitted by corporates, society members to attend the meeting are requested to send to the Company a certified copy of the Board Resolution/ authority letter as applicable.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the meeting is annexed

hereto.

4. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2017 to September 29, 2017 (both days inclusive) for the purpose of AGM of the Company.
5. 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.
6. Members are requested to:
 - a) intimate to the Company's Share Transfer Agents (STA), changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
 - b) intimate to the respective Depository Participant (DP), changes, if any, in their registered addresses/email ID or bank mandates to their DP with whom they are maintaining their demat accounts.
 - c) quote their Folio Numbers/Client ID/DP ID in all correspondence; and
 - d) consolidate their holdings into one Folio in case they hold shares under multiple Foliros in the identical order of names.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices etc., from the Company electronically.
8. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
9. Members wishing to claim dividends, which remain unclaimed are requested to correspond with Data Software Research Co. Pvt. Ltd., (RTA) of the Company at 19 Pycroft Garden Road, Off Haddows Road, Nungambakkam, Chennai – 600 006. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's unpaid dividend account, will as per section 125 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
10. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies in the meeting.
11. Route Map showing directions to reach to the venue is attached to this report.

12. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

13. Voting through electronic means

- (a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 and Regulations 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions at the AGM by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').
- (b) The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as agency to provide e-voting facility.
- (c) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot papers.
- (d) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- (e) The remote e-voting shall commence on September 26, 2017 (9.00 a.m.) and ends on September 28, 2017 (5.00 p.m.). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 22, 2017, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (f) A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- (g) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. September 22, 2017.
- (h) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the

depositories as on the cut-off date, only shall be entitled to avail the facility of remote e-voting and voting at Meeting through ballot paper.

- (i) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (j) Mr. I. B. Harikrishna, (Membership No. FCS 5829), Prop. M/s. IBH & Co., Company Secretaries has been appointed as Scrutinizer to scrutinize the voting through ballot paper and remote e-voting process in a fair and transparent manner.
- (k) The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot paper and through remote e-voting, will, not later than 3 days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company viz. www.essar.com and on the website of the CDSL viz. www.evotingindia.com. The results shall simultaneously be communicated to the stock exchange.
- (l) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. September 29, 2017.

The process and manner for remote e-voting are as under

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'PASSWORD CREATION' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Essar Securities Limited on which you choose to vote.

- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (xviii) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Annexure to Notice of AGM

This statement is provided under Secretarial Standard on General Meetings (SS-2)

ITEM NO. 3 OF THE NOTICE

Though not mandatory, this statement is provided for reference.

M/s. Nisar & Kumar, Chartered Accountants, (Firm Registration No.127820W) were auditors of the Company, they are holding office of the auditors upto the conclusion of the 12th AGM.

As per second proviso to Section 139 (2) of the Companies Act, 2013, (the Act), a transition period of three years from the commencement of the Act is provided to appoint a new auditor if the existing auditors firm has completed two terms of five consecutive years.

Accordingly, as per the said requirements of the Companies Act, 2013 M/s. D K S K & COMPANY (Firm Registration Number 017224S) are proposed to be appointed as auditors for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2022, subject to ratification by members every year, as may be applicable.

M/s. D K S K & COMPANY (Firm Registration Number 017224S) have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), 141(2) and 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

The Board recommends the Resolution set out at Item no. 3 of the Notice for approval of the shareholders.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4 OF THE NOTICE

The Board of Directors, on the recommendation of Nomination and Remuneration Committee appointed Mr.

Somashekhar B. Malagi as an Additional Director at its meeting held on November 4, 2016. Mr. Somashekhar B. Malagi be appointed as an Independent Director of the Company for a term of five years from April 1, 2017 subject to the approval of members.

A notice, in writing, under Section 160 of the Companies Act, 2013 has been received from a Member of the Company signifying his intention to propose Mr. Somashekhar B. Malagi as a candidate for the office of Independent Director. Mr. Somashekhar B. Malagi is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has consented to act as Director of the Company.

The Company has also received declaration from him that he meets the criteria of independence as prescribed both under Section 149 (6) of the Act and under Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). In the opinion of the Board, he fulfills the conditions specified in the Act and the rules made thereunder and also under the SEBI LODR for appointment as Independent Director and is independent of the Management.

A copy of the draft letter of appointment which will be issued to Mr. Somashekhar B. Malagi setting out the terms and conditions of his appointment as Independent Director is available for inspection by Members at the Registered Office of the Company on any working day (Monday to Friday) between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

Except Mr. Somashekhar B. Malagi, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution set out at item no.4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item no. 4 of the Notice for approval by the shareholders.

ITEM NO. 5 AND 6 OF THE NOTICE

Mr. S. V. Venkatesan and Mr. Sujay Sheth were appointed as Independent Directors on the Board of the Company on September 26, 2014 pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock

exchanges. They hold office as Independent Director of the Company up to September 25, 2017

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the Company and disclosure of such appointment in its Board's report. An Independent Director may hold office for up to two consecutive terms. Mr. S. V. Venkatesan and Mr. Sujay Sheth are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Independent Directors.

The Company has received notices in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. S. V. Venkatesan and Mr. Sujay Sheth for the office of Independent Directors of the Company.

The Company has also received declarations from Mr. S. V. Venkatesan and Mr. Sujay Sheth that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. S. V. Venkatesan and Mr. Sujay Sheth fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. S. V. Venkatesan and Mr. Sujay Sheth are independent of the management. Details of Directors whose

re-appointment as Independent Directors is proposed at Item Nos. 5 and 6, are provided in the "Annexure" to the Notice pursuant to the provisions of the Listing Regulations

Copy of draft letters of appointment of Mr. S. V. Venkatesan and Mr. Sujay Sheth setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Except Mr. S. V. Venkatesan and Mr. Sujay Sheth none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise are interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice.

The Board recommends the Special Resolutions set out at Item no. 5 and 6 of the Notice for approval of the shareholders.

For and on behalf of the Board of Directors

Somashekhar B. Malagi
Director
DIN: 07626139

Date: August 10, 2017
Place: Mumbai

Registered office:

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

ANNEXURE TO THE NOTICE

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by The Institute of Company Secretaries of India, the following information is furnished about the Directors proposed to be re-appointed/appointed.

I.	Name of Director	Ms. Suparna Singh
	Date of Birth	08.04.1968
	Qualification	B.E. and MBA
	Expertise	<p>Ms. Suparna Singh is an Electrical Engineer and an MBA from IIMC. Her work experience encompasses 25 years.</p> <p>She started her career working on the shop floor of Durgapur Steel Plant in Steel Authority of India Ltd.</p> <p>In Tata Steel, as Head of Telecommunications Unit with a unionized workforce, she turned around the ailing unit into a performance driven organization.</p> <p>Ms. Suparna Singh also worked in various capacities in Business Process Excellence and Supply Chain Management division of the Company.</p> <p>As Head of Synergy Division, which is the synergy platform of the many JVs and subsidiaries and includes several prominent listed Companies of Tata Steel, Ms. Singh worked on the Governance framework, the Business Risks, Project evaluation and Strategy inputs for the Companies.</p> <p>Having attended the Boards of these companies as a permanent invitee, Ms. Singh has experienced the entire value chain of the life of an organization from the shop floor to the Board Room.</p> <p>In Essar Group, Ms. Suparna Singh works closely with the senior leadership team and has been key to structuring the Corporate Monitoring and the Risk Management processes of the Group as well as the synergies common across the Businesses and Functions.</p> <p>In her current role as Head of Corporate Planning for Minerals, Ports and Shipping businesses, Ms. Singh drives key issues and implementation of the same in direct association with the Businesses and various arms of the Group.</p> <p>Ms. Singh is a regular in the lecture circuit and plays an active role in mentoring women to become empowered individuals.</p>
	Name(s) of other Companies in which Directorships held	AGC Networks Limited Essar Oil Limited Starbit Oilfields Services India Limited Essar Oil And Gas Exploration And production Limited Vadinar Oil Terminal Limited Essar Bulk Terminal (Salaya) Limited The Mobilestore Services Limited Essar Oilfield Services India Limited
	Name(s) of other Companies in which Committee Membership(s) / Chairmanship(s) held	Nil
	Total shares held by her in the Company	Nil
	Relationship with other directors	Ms. Suparna Singh is not related to any Director of the Company.

II.	Name of Director	Mr. Somashekher B. Malagi
	Date of Birth	19.01.1952
	Qualification	B.Sc, LLB (Special)
	Expertise	Legal
	Name(s) of other Companies in which Directorships held	Tirunelveli Wind Farms Limited Essar Teleholdings Limited Imperial Procurement Services Private Limited Arkay Holdings Limited Imperial Consultants and Securities Private Limited Essar Information Technology Limited Niwas Residential & Commercial Properties Private Limited
	Name(s) of other Companies in which Committee Membership(s) /Chairmanship(s) held	<u>Audit Committee:</u> Member: Essar Teleholdings Limited Arkay Holdings Limited
	Total shares held by him in the Company	Nil
	Relationship with other directors	Mr. Somashekhar B. Malagi is not related to any Director of the Company.
III.	Name of Director	Mr. S. V. Venkatesan
	Date of Birth	01.10.1939
	Qualification	Gold medallist in Commerce from Madras University
	Expertise	Mr. S. V. Venkatesan is a gold medalist in Commerce from Madras University. In his career with State Bank of India, spanned for 24 years, including a wide international exposure for about 7 years, he manned important responsibilities. He was part of the team that set up the Offshore Banking Branch of SBI at Singapore in 1977. He was also associated with the Committee appointed by the Bank of aid in the formulation of corporate credit policies. In 1986, Mr. Venkatesan joined the Essar Group as the Group Financial Controller and spearheaded the financial function for the entire Group and has been largely responsible for the resource mobilization through Capital Markets and Institutions to fund the large capital intensive projects of the Group.
	Name(s) of other Companies in which Directorships held	Best & Crompton Engg. Limited Lancor Holdings Limited Essar Offshore Subsea Limited Essar Power M P Limited Essar Power Gujarat Limited The Mobilestore Services Limited Essar Power Transmission Company Limited Essar Projects (India) Limited

	Name(s) of other Companies in which Committee Membership(s) /Chairmanship(s) held	<u>Audit Committee:</u> Chairman: Essar Projects (India) Limited Essar Offshore Subsea Limited Essar Power M P Limited Essar Power Gujarat Limited Essar Power Transmission Company Limited The Mobilestore Services Limited <u>Nomination & Remuneration Committee:</u> Member: Essar Projects (India) Limited Essar Offshore Subsea Limited Essar Power M P Limited Essar Power Gujarat Limited Essar Power Transmission Company Limited The Mobilestore Services Limited
	Total shares held by him in the Company	Nil
	Relationship with other directors	Mr. S. V. Venkatesan is not related to any Director of the Company.
IV.	Name of Director	Mr. Sujay Sheth
	Date of Birth	28.11.1970
	Qualification	Chartered Accountant
	Expertise	<p>Mr. Sujay R. Sheth holds a Bachelor's degree in Commerce from the Bombay University. He is also a Fellow member of the Institute of Chartered Accountants of India. Currently, Mr. Sheth is the Managing Partner of J. K. Doshi & Co., Chartered Accountants, a reputed firm of Chartered Accountants, established in 1955.</p> <p>Mr. Sheth's areas of experience are Finance and Accounting, with deep knowledge of direct taxes, corporate laws and significant experience in the fields of transaction advisory, pre-acquisition studies, corporate governance, assurance, valuation and direct taxation. He is involved in audit, taxation, attestation and assurance functions of a wide selection of Indian and multi-national clients.</p>
	Name(s) of other Companies in which Directorships held	AGC Networks Limited Black Rose Industries Limited Vadinar Power Company Limited The Mobile wallet Private Limited
	Name(s) of other Companies in which Committee Membership(s) /Chairmanship(s) held	<u>Audit Committee:</u> Chairman: AGC Networks Limited Member: Black Rose Industries Limited <u>Stakeholders Relationship Committee:</u> Chairman: AGC Networks Limited
	Total shares held by him in the Company	Nil
	Relationship with other directors	Mr. Sujay Sheth is not related to any Director of the Company.

DIRECTORS' REPORT

To,
The Members

The directors submit annual report of Essar Securities Limited alongwith the audited financial statements for the financial year ended March 31, 2017

FINANCIAL RESULTS:

(₹ In Lakhs)

Particulars	For the year ended on March 31, 2017	For the year ended on March 31, 2016
Income	53.71	65.95
Less: Expenditure	42.79	54.92
Profit Before Tax	(3804.38)	11.03
Less: Tax expenses	3.60	2.38
Profit After Tax	(3807.97)	8.64
Balance brought forward from previous year	2230.51	2221.87
Balance carried forward to Balance Sheet	(1577.47)	2230.51

PERFORMANCE:

During the year the Company has incurred a loss of ₹ 3807.97 lakhs as against the profit of ₹ 8.64 lakhs during the previous financial year. The Company has incurred a loss on account of diminution of investment in the Equity Shares of Essar Steel India Limited.

CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company.

AMOUNT TRANSFERRED TO RESERVES:

Your Directors do not propose to transfer any amount to the general reserves.

DIVIDEND:

Your Directors do not recommend any dividend for the year.

CHANGE IN SHARE CAPITAL:

There was no change in the capital structure of the Company during the financial year under review. The paid up share capital as on March 31, 2017 was ₹ 14,28,77,540/- comprising of 1,42,87,754 Equity Shares of ₹ 10/- each.

TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND(IEPF):

There was no amount transferrable to the Investor Education and Protection Fund (IEPF) established by the Central Government in compliance with Section 124 of Companies Act,

2013 during the financial year 2016-17. However, there is an unpaid dividend for the financial year 2010-11 which is due to be transferred to IEPF in the year 2018. Hence, the Company urges to all the shareholders to claim their respective dividend. The Company will transfer the amount on the due date.

MANAGEMENT DISCUSSION AND ANALYSIS:

There have been a number of causes behind growth of Indian economy in last couple of years. A number of market reforms have been instituted by Indian government and there has been significant amount of foreign direct investment made in India. Much of this amount has been invested into several businesses including knowledge process outsourcing industries. India's foreign exchange reserves have gone up in last few years. Capital markets of India are doing pretty well too. All these factors have contributed to growth of Indian economy.

(a) Industry Structure and Development:

Your company provides consultancy services. The focus of the management is to increase its clientele and sustain the existing consultancy business.

(b) Opportunities, Threats, Risks and Concerns:

From the financial year 2017-18, India is expected to witness the benefit of two very significant economic policy developments. A constitutional amendment has paved the way for the long awaited and transformational Goods and Services Tax (GST). It will lead to a simplification of taxation, and eliminate the cascading effect of multiplicity of taxation and widen the tax base through improved compliance.

On November 8, 2016 the government "demonetized" the two largest denomination currency notes. This 86% of the currency in circulation ceased to be legal tender. These were to be deposited in banks by December 30, 2016. The aim was to curb corruption, counterfeiting and accumulation of "black money" generated from income that had not been declared to tax authorities. While this led to short term inconvenience and hardship, demonetization has the long term potential of reducing corruption, greater digitization of the economy and greater formalization of the economy. The sustainability of the business is derived from the following:

- Identification of the diverse risks faced by the Company.
- The evolution of appropriate systems and processes to measure and monitor them.
- Risk management through appropriate mitigation strategies within the policy framework.
- Monitoring the progress of the implementation of such strategies and subjecting them to periodical audit and review.
- Reporting these risk mitigation results to the appropriate managerial levels.

(c) Segment:

The primary segment of the Company is 'Consultancy Services'. Hence segment wise performance is not applicable.

(d) Outlook:

As the Company has major equity investment in Essar Steel India Limited (ESIL), a company engaged in Steel Business, its operations would also have a bearing on the performance of the Company. Investments in equity, debt and real estate markets are always subject to market fluctuation risks. Considering the Challenges in the steel sector and performance of ESIL the Company has provided for provision for diminution of investment.

(e) Internal Control Systems and their Adequacy:

The Company has adequate Internal Control Systems commensurate with its size and nature of business. Internal Audits are periodically conducted by a firm of Chartered Accountants who monitor and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, suitable corrective actions are taken and thereby controls are strengthened.

These Internal Audit reports are reviewed by the Audit Committee.

(f) Material Developments in Human Resources / Industrial Relations Front, Including Number of Employees:

During the year the Company maintained cordial relations with the employees of the Company. The Company acknowledges the contributions and services of its employees and wishes to place on record its appreciation.

(g) Cautionary Statement:

Some statements in this discussion pertaining to projections, estimates, expectations or outlook may be forward looking. Actual results may however differ materially from those stated on account of various factors such as changes in government regulations, tax regimes, economic developments and interest rate movements. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only of the expectations as on the date.

DIRECTORS & KMPs:**(a) Retirement by rotation:**

In accordance with the provisions of the Companies Act, 2013, Ms. Suparna Singh, Director retires by rotation and being eligible has offered herself for re-appointment.

(b) Cessation:

Mr. N. B. Vyas resigned from the directorship of the Company w.e.f. November 4, 2016. The board wishes to place on record its sincere appreciation for the valuable services rendered by him during his tenure as a director of the Company.

(c) Declaration from Independent Directors:

The Independent Directors of the Company have submitted the declaration of Independence as required under Section

149 (7) of the Companies Act, confirming that they meet the criteria of independence under Section 149(6) of the Companies Act and Regulation 16(1) (b) and 25 of Securities and Exchange Board of India Listing Obligations and Disclosure Requirements Regulation 2015 (SEBI LODR Regulations).

(d) Annual Performance and Board Evaluation:

Pursuant to the provisions of Section 178 of the Act, read with Regulation 17 of the Listing Regulations, the Board of Directors carried out an annual evaluation of the performance of the Board as a whole, the Directors individually and the Board's Report working of the committees of the Board. In a separate meeting of Independent Directors held on November 4, 2016, the performance of Non-Independent Directors, performance of the Board and the performance of the Chairman were evaluated, taking into account the views of all the directors of the Company. This would be further deliberated by the Board to ensure effective implementation of the findings of the evaluation.

(e) Key Managerial Personnel (KMP):

Mr. Girish Vyas, Chief Financial Officer of the Company has resigned on April 27, 2017. The Company is in process of recruiting KMPs.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board hereby submits its responsibility statement:-

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures, wherever applicable;
- (ii) the directors have 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 March 31, 2017 and of the loss of the Company for that period;
- (iii) the directors have taken proper and sufficient care the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the accounts for the financial year ended March 31, 2017 on a going concern basis;
- (v) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and
- (vi) the directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and on the date of the report.

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

Considering the nature of business of your company, the information required under Section 134 (3)(m) of the Companies Act, 2013 read with Companies (Accounts), Rules 2014 relating to Energy Conservation, Technology Absorption is not applicable. There were no foreign exchange earnings or outgo during the period under review.

RISK MANAGEMENT POLICY:

The Company has framed and adopted a Risk Management Policy. The policy framework enables the Company to identify and evaluate risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the Company at various levels.

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

There are no women employees in the Company hence the said provisions are not applicable.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has not developed and implemented any Corporate Social Responsibility as the said provisions are not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013:

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee. The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained in the erstwhile Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party

Transactions. The policy is available on the Company's website www.essar.com. Detail of material related party transactions are given in the prescribed Form AOC - 2 and is appended to this report as **Annexure A**.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTISING COMPANY SECRETARY IN THEIR REPORTS:

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors.

During the year the Key Managerial Personnel in the Company has resigned, the Company is in the process of recruiting the same.

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Company has adopted a Policy on Remuneration and Criteria for evaluation of performance of Independent Directors. The Policy adopted by the Company covers the terms of appointment such as qualifications, positive attributes and independence of a director, remuneration for the directors, key managerial personnel and other employees as per the applicable provisions of the Companies Act, 2013. The Remuneration Policy is appended to this report as **Annexure B**.

NOMINATION AND REMUNERATION COMMITTEE:

The information pertains to Nomination and Remuneration Committee is furnished in the Corporate Governance Report, which forms part of this report.

DEPOSITS:

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013.

STATUTORY AUDITORS:

M/s. Nisar & Kumar, Chartered Accountants, (Firm Registration No.127820W) were auditors of the Company, they are holding office of the auditors upto the conclusion of the 12th AGM.

As per second proviso to Section 139 (2) of the Companies Act, 2013, (the Act), a transition period of three years from the commencement of the Act is provided to appoint a new auditor if the existing auditors firm has completed two terms of five consecutive years.

Accordingly, as per the said requirements of the Companies Act, 2013 M/s. D K S K & COMPANY, Chartered Accountants (Firm Registration Number 017224S) are proposed to be appointed as auditors for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2022, subject to ratification by members every year, as may be applicable.

M/s. D K S K & COMPANY, Chartered Accountants (Firm Registration Number 017224S) have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3) (g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), 141(2) and 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board of Directors recommend the appointment of M/s. D K S K & COMPANY, Chartered Accountants as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting scheduled to be held in the year 2022.

INTERNAL AUDIT:

The Company's Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliances with operating systems, accounting procedures and policies of the Company and reports the same on quarterly basis to the Audit Committee.

MANAGERIAL REMUNERATION AND OTHER DETAILS:

The information required under section 197(12) of the Companies Act, 2013, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in the **Annexure C** to this report.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its business operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically and used efficiently and adequately protected.

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.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint Venture and Associate Company.

MEETINGS OF THE BOARD:

The Board met four times during the year, the details of board meetings held and attendance of directors are provided in the Report on Corporate Governance forming part of this Report. The maximum time gap between any two meetings was less than 120 days as stipulated under SEBI's Listing Obligations and Disclosure Requirements, 2015.

AUDIT COMMITTEE:

The Audit Committee of the Company comprises Mr. S. V. Venkatesan, Mr. Sujay Sheth and Mr. Somashekhar B. Malagi. Mr. N. B. Vyas has stepped down as a member of the Audit Committee w.e.f. November 4, 2016. The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

VIGIL MECHANISM:

The Company has established a vigil mechanism to deal with instances of fraud and mismanagement, if any. The mechanism also provides adequate safeguards against victimization of employees and Directors who express their concerns and also provides direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees of the Company in the exceptional cases.

EXTRACT OF ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure D** and is attached to this Report.

SECRETARIAL AUDIT REPORT:

In terms of Section 204 of the Companies Act, 2013 and Rule made there under, CS Uma Lodha, (Membership No. FCS 5363), Prop. M/s. Uma Lodha & Co. Associates, Practising Company Secretaries have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is attached as **Annexure E** to this report.

CORPORATE GOVERNANCE REPORT:

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company was in compliance with the provisions relating to corporate governance as provided under the Listing Regulations. The compliance report is provided in the Corporate Governance section of this Annual Report. The auditor's certificate on compliance with the conditions of corporate governance of the Listing Regulations is given in Annexure II to this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There have been no significant and material orders passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations

EMPLOYEES STOCK OPTIONS:

The Company has not provided any Stock Option Scheme to the employees.

ACKNOWLEDGEMENT:

Your directors express their appreciation for the contribution made by the employees in the progress of the Company. The Board also thanks the Company's customers, vendors, investors and bankers for their continued support during the year.

For and on behalf of the Board

Suparna Singh	Somashekhar B. Malagi
Date: August 10, 2017	Director
Place: Mumbai	DIN : 07142898
	DIN : 07626139

ANNEXURE A TO THE DIRECTORS' REPORT

FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2016-17.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Enterprises controlled or significantly influenced by individual or relative (upto March 22, 2016): 1. Imperial Consultants and Securities Private Limited 2. Girishan Investment Private Limited 3. Imperial Procurement Services Private Limited 4. Essar Teleholdings Limited 5. Futura Travels Limited Enterprises controlled or significantly influenced by individual or relative 1. Essar Investments Limited Holding Company: 1. Essar Capital Limited
b)	Nature of contracts/arrangements/ transactions	Providing Consultancy Services
c)	Duration of the contracts / arrangements/ transactions	3 Years
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Providing Consultancy Services: 1. Imperial Consultants and Securities Private Limited – not exceeding ₹ 47 Lacs p.a. 2. Girishan Investment Private Limited – not exceeding ₹8 Lacs p.a. 3. Imperial Procurement Services Private Limited – not exceeding ₹11 Lacs p.a. 4. Essar Teleholdings Limited – not exceeding ₹ 15 Lacs p.a. 5. Essar Investments Limited – not exceeding ₹18 Lacs p.a. 6. Essar Capital Limited – not exceeding ₹ 12 Lacs p.a.
e)	Date(s) of approval by the Board, if any	March 31, 2015
f)	Amount paid as advances, if any	NIL

For Essar Securities Limited

Somashekhar B. Malagi
Director
DIN : 07626139

ANNEXURE - B TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

Essar Securities Limited recognises the need to have a fair, transparent and reasonable process for determining the appropriate remuneration at all levels of the Company. Company also believes that board is responsible to its shareholders to ensure that interests of the directors, key managerial personnel and other employees are aligned with the interests of the shareholders.

1. OBJECTIVE

The Nomination and Remuneration Committee comprises of three Directors and the Key objectives of the Committee would be: -

- 1.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
- 1.2 To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management
- 1.3 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.4 To identify persons to be recruited in the Key Managerial Personnel of the Company
- 1.5 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

2. DEFINITIONS

- 2.1 "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 "Board" means Board of Directors of the Company.
- 2.3 "Key Managerial Personnel" means Managing Director, Whole-time Director, Chief Financial Officer, Company Secretary and such other officer as may be prescribed.
- 2.4 "Senior Management" mean personnel of the Company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. ROLE OF COMMITTEE

- 3.1 Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to

the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees

- 3.2 Formulation of criteria for evaluation of Independent Directors and the Board
- 3.3 Devising a policy on Board diversity
- 3.4 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal
- 3.5 Policy for appointment and removal of Director, KMP and Senior Management
- 3.6 To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- 3.7 To perform such other functions as may be necessary or appropriate for the performance of its duties.

4. APPOINTMENT CRITERIA AND QUALIFICATIONS

- 4.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- 4.2 A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- 4.3 The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- 4.4 A whole-time KMP of the Company shall not hold office in more than one Company except

in its Subsidiary Company at the same time. However they can be appointed as Director in any Company with the permission of the Board of Directors of the Company.

5 TERM / TENURE

5.1 Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

5.2 Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of five years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

6 EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

7 REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

8 RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

9 POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

9.1 The remuneration / compensation / commission etc. to the Managing Director or Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

9.2 The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1,00,000 (Rupees One Lakh Only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

9.3 An Independent Director shall not be entitled to any stock option of the Company.

10 POLICY REVIEW

This policy is framed based on the provisions of the Companies Act, 2013 read with rules made there under and the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. This policy shall be reviewed by Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes in the policy shall be approved by the Board of Directors.

ANNEXURE - C TO THE DIRECTORS' REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17** Directors of the Company are not drawing any remuneration and hence the aforesaid ratio is not applicable
- (ii) **The percentage increase in remuneration of each of Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any during the financial year 2016-17**

Sr. No.	Name of KMP	Designation	% increase in Remuneration in the Financial Year 2016-17
1	Girish Vyas	Chief Financial Officer	N. A*
2	Ashish Vyas	Company Secretary	N. A*

*Note: Mr. Ashish Vyas has resigned from the Company on August 5, 2016 and Mr. Girish Vyas has resigned from the Company on April 27, 2017.

- (iii) **The percentage increase in the median remuneration of employees in the financial year:** N.A.
- (iv) **The number of permanent employees on the rolls of Company:** 1.
- (v) **The Explanation on relationship between average increase in remuneration and company performance**
Increments are based on the individual employee performance, market benchmarking of salary and net profit of the Company. There is no direct relationship between average increase in remuneration year to year with financial performance of the Company.
- (vi) **Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company** N.A.
- (vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2017 was ₹ 36.36 crores (₹ 37.58 crores as on March 31, 2016);
b) Price Earnings ratio before extraordinary items of the Company was 496.88 as at 31st March, 2017 and was 434.89 as at 31st March, 2016;
c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer - The Company did not come out with any public offers in the last financial year.
- (viii) **Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration** N.A.
- (ix) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company**

Name of the KMP	Designation	% increase in CTC	% increase in PBT
Girish Vyas	Chief Financial Officer	N. A*	N.A.
Ashish Vyas	Company Secretary	N. A*	

*Note: Mr. Ashish Vyas has resigned from the Company on August 5, 2016 and Mr. Girish Vyas has resigned from the Company on April 27, 2017.

- (x) **The key parameters for any variable component of remuneration availed by the directors** There were no variable component of remuneration availed by the Directors during the financial year 2016-17.
- (xi) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**
Directors of the Company are not drawing any remuneration except by way of sitting fees and hence the aforesaid ratio is not comparable.
- (xii) **Affirmation that the remuneration is as per the remuneration policy of the Company**
It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

(B) Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

None of directors or employees were in receipt of remuneration exceeding the limits as prescribed in the said rule, hence no such information is furnished.

ANNEXURE - D TO THE DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return

(As on the financial year ended on March 31, 2017)

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L65990TN2005PLC071791
2.	Registration Date	16/12/2005
3.	Name of the Company	Essar Securities Limited
4.	Category/Sub-Category of the Company	Company limited by shares
5.	Address of the Registered office and contact details	New No. 77/56, C. P. Ramaswamy Road, Abhiramapuram, Chennai - 600018 Tamil Nadu. Phone : 044 2499 1992
6.	Whether listed Company (Yes/No):-	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Data Software Research Company Pvt. Ltd. Unit : Essar Securities Limited 19 Pycrofts Garden Road Off : Haddows Road Nungambakkam Chennai 600006, India Phone : +91 44 4510 5120, +91-44-2821 3738, Fax : +91 44 2821 4636 Email : essar.securities@dsr-cid.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of Main Product / Services	NIC Code of the Product	% to total turnover of the Company
1.	Consultancy Services	99715990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: The Company does not have any subsidiary or associate company.

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Essar Capital Limited Chennai House, 5th Floor, 7, Esplanade, Chennai – 600108, Tamil Nadu	U65923TN2007PLC085016	Holding	74.92	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
I. Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individual / HUF	0	0	0	0	0	0	0	0	0
(b)	Central Govt. / State Govt(s).	0	0	0	0	0	0	0	0	0
(c)	State Govt(s).	0	0	0	0	0	0	0	0	0
(d)	Bodies Corporate	10704557	0	10704557	74.92	10704557	0	10704557	74.92	0
(e)	Banks / FI	0	0	0	0	0	0	0	0	0
(f)	Any other	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)	10704557	0	10704557	74.92	10704557	0	10704557	74.92	0
(2)	Foreign									
(a)	NRIs – Individuals	0	0	0	0	0	0	0	0	0
(b)	Other – Individuals	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Banks / FI	0	0	0	0	0	0	0	0	0
(e)	Any other	0	0	0	0	0	0	0	0	0
	Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	10704557	0	10704557	74.92	10704557	0	10704557	74.92	0
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds/UTI	0	200	200	0.00	0	200	200	0.00	0
(b)	Banks / FI	120	2236	2356	0.02	120	2236	2356	0.02	0
(c)	Central Govt.	0	0	0	0	0	0	0	0	0
(d)	State Govt(s).	0	0	0	0	0	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f)	Insurance Companies	0	0	0	0	0	0	0	0	0
(g)	FIs	0	0	0	0	0	0	0	0	0
(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i)	Others (specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	120	2436	2556	0.02	120	2436	2556	0.02	0
(2)	Non-Institutions									
(a)	Bodies Corporate	427997	60544	488541	3.42	427240	60902	488142	3.42	0
(i)	Indian	0	0	0	0	0	0	0	0	0
(ii)	Overseas	0	0	0	0	0	0	0	0	0
(b)	Individuals									
(i)	Individual Shareholders holding Nominal Share Capital upto ₹ 1 lakh	1053038	778225	1831263	12.82	1350189	772720	2122909	14.86	2.04
(ii)	Individual Shareholders holding Nominal Share Capital in excess of ₹ 1 lakh	1023792		1023792	7.17	713784	0	713784	5.00	-2.17

(c)	Others (specify)									
(i)	NRI	82322	152663	234985	1.64	102770	150976	253746	1.78	0.13
(ii)	Non Domestic Companies	0	2060	2060	0.01	0	2060	2060	0.01	0
	Sub-Total (B)(2)	2587149	993492	3580641	25.06	2593983	986658	3580641	25.06	0
	Total Public Shareholding (B) = (B)(1) + (B)(2)	2587269	995928	3583197	25.08	2594103	989094	3583197	25.08	0
C	Shares held by Custodian for GDRs & ADRs									
	Grand Total (A+B+C)	13291826	995928	14287754	100.00	13298660	989094	14287754	100.00	0

(ii) Shareholding of Promoter

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	
1	Essar Capital Limited	10704557	74.92	30.00	10704557	74.92	30.00	Nil
	Total	10704557	74.92	30.00	10704557	74.92	30.00	Nil

iii) Change in Promoters' Shareholding (please specify, if there is no change):

There are no changes in the promoters' shareholding during the financial year 2016-17.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2016		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016-31.03.2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	HITESH RAMJI JAVERI	463299	3.24	01.04.2016				
		463299	3.24	31.03.2017			463299	3.24
2	HARSHA HITESH JAVERI	250485	1.75	01.04.2016				
		250485	1.75	31.03.2017			250485	1.75
3	JUBILEE SHIPPING & LOGISTIC HOLDINGS LIMITED	236500	1.66	01.04.2016				
		236500	1.66	31.03.2016	0		236500	1.66
4	INTELLIVATE CAPITAL VENTURES LIMITED	60000	0.42	01.04.2016				
		60000	0.42	31.03.2017			60000	0.42
5	VIPUL SECURITIES LTD	52560	0.37	01.04.2016				
		52560	0.37	31.03.2017			52560	0.37
6	RELIGARE FINVEST LTD	43250	0.30	01.04.2016				
		43250	0.30	31.03.2017			43250	0.30
7	SUBODH MASKARA	37068	0.26	01.04.2016				
		nil		31.03.2017	37068	sold	nil	
8	VINAY R SOMANI	31601	0.22	01.04.2016				
		25735	0.18	31.03.2017			25735	0.18
9	KRUPA SAMEER THACKER	30852	0.22	01.04.2016				
		nil		31.03.2017	30852	sold	nil	
10	KRISHNAKUMAR DHARAMSHI SOMAIYA	29440	0.21	01.04.2016				
		53231	0.37	31.03.2017			53231	0.37

V. Shareholding of Directors and Key Managerial Personnel: Nil**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment for the financial year 2016-17 are NIL.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

(a) Directors of the Company are not drawing any remuneration during the financial year 2016-17.

(b) Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

Sr. No	Particulars of Remuneration	Name of the KMP	Total Amount (In ₹)	Total Amount (In ₹)
		Girish Vyas CFO	Ashish Vyas CS	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	14,96,384	2,74,211	17,70,595
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0	0	
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	
2.	Stock Option	0	0	
3.	Sweat Equity	0	0	
4.	Commission			
	- As % of Profit			
	- Others, specify	0	0	
5.	Others, please specify	0	0	
	Total	14,96,384	2,74,211	17,70,595

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:-

Type	Section of the Companies Act	Brief description	Details of penalty / punishment / Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY	Nil				
Penalty					
Punishment					
Compounding					
B. DIRECTORS	Nil				
Penalty					
Punishment					
Compounding					
C. OFFICERS IN DEFAULT	Nil				
Penalty					
Punishment					
Compounding					

ANNEXURE E TO THE DIRECTORS' REPORT

Form MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

To,
The Members,

ESSAR SECURITIES LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provision and the adherence to good corporate practices by M/s. ESSAR SECURITIES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by M/s. ESSAR SECURITIES LIMITED for the financial year ended 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (now known as SEBI (prohibition of Insider Trading) Regulation 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As informed and certified by the management, there are no laws that are specifically applicable to the business activities carried on by the Company based on its section / industry.

As per the representation given by the Company, all the existing related party transactions of the Company with its related parties are in the ordinary course of business and on arm's length basis or as per the contracts existing on the commencement of the Act, 2013 and have been approved by the Audit Committee.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *As on the date of signing this report, there is no Key Managerial Personnel in the Company as required under Section 203(1) (i) of the Companies Act, 2013, consequently resulting in noncompliance of Section 134 of the Companies Act, 2013 also. The Chief Financial Officer of the Company Mr. Girish Vyas resigned on 27th April 2017 and the Company Secretary of the Company, Mr. Ashish Vyas resigned on 5th August 2016. The Company is yet to comply with the provisions of Section 203(1) (i) of the Companies Act, 2013.*
2. *The Company has failed to comply with Regulation 47(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The advertisement pertaining to notice of meeting of the Board of Directors where financial results are to be discussed and financial results, as specified in Regulation 33 are published in English language in Chennai*

newspaper, whereas as per Regulation 47 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the same is required to be published in the language of the region, where the registered office of the listed entity is situated.

I further report that there were no events/actions in pursuance of:

- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999;

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, Regulations, and guidelines.

We further report that during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Uma Lodha & Company

Uma Lodha
Proprietor

FCS No. : 5363
C.P. No.2593

Place : Mumbai
Date : August 7, 2017

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE B(i)' and forms an integral part of this report.

ANNEXURE B (i)

To,

The Members,
ESSAR SECURITIES LIMITED

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Uma Lodha & Company

Uma Lodha
Proprietor

FCS No. : 5363
C.P. No.2593

Place : Mumbai
Date : August 7, 2017

REPORT ON CORPORATE GOVERNANCE

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company believes that adhering to global standards of Corporate Governance is essential to enhance shareholders value and achieve long term corporate goals. The Company's philosophy on Corporate Governance stresses the importance of transparency, accountability and protection of shareholders' interests. The Board monitors performance and ensures compliance of regulatory requirements including SEBI Regulations and Listing requirements.

2. BOARD OF DIRECTORS

Composition of Board:

The Board of Directors of the Company consisted of 4 (Four) Directors. All Directors are individuals of integrity and courage, with relevant skills and are experienced professionals in their respective fields. Since the Chairman of the Board is a Non-executive director, one-third of the board of directors comprises of independent directors in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2017.

Board meeting:

The Board meets at least once in every quarter. The maximum time gap between any two meetings of the Board is not more than 120 days. The agenda of Board meetings is circulated to all the Directors well in advance and contains all the relevant information. During the year under review, the Board met 4(Four) times on May 27, 2016, August 12, 2016, November 4, 2016 and February 14, 2017. The maximum time gap between 2 meetings was not more than 120 days.

The minimum information as specified in Part A of Schedule II of Regulation 17 (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is regularly made available to the Board, whenever applicable, for discussion and consideration.

Attendance of Directors at the Board Meeting and at the last Annual General Meeting:

Director	No. of Board Meeting attended		Attendance at last AGM
	Held	Attended	
Mr. S. V. Venkatesan	4	1	No
*Mr. N. B. Vyas	2	2	No
Mr. Sujay Sheth	4	4	No
Ms. Suparna Singh	4	4	No
**Mr. Somashekhar B. Malagi	1	1	No

* Mr. N. B. Vyas ceased to be Director w.e.f. November 4, 2016.

** Mr. Somashekhar B. Malagi has appointed as Director w.e.f. November 4, 2016

Composition, Category and Number of other Directorships of the Directors are furnished below:

As on March 31, 2017 the Board consisted of four directors. The compositions, category of directors and directorships held in other companies are as under:

Name	Category	No. of other Director-ship#	Other Committee Position@	
			Chairman	Member
Mr. S. V. Venkatesan	Independent Non Executive	9	7	7
*Mr. N. B. Vyas	Independent Non Executive	6	1	6
Mr. Sujay Sheth	Independent Non Executive	4	2	3
Ms. Suparna Singh	Non Independent Non Executive	8	–	2
Mr. Somashekhar B. Malagi	Independent Non Executive	6	2	3

Excluding Section 8 Companies and Foreign Bodies Corporate.

@ Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committees of Public Limited Companies have been considered.

Disclosure of relationships between directors inter-se:

None of the Directors are related to any other Director.

Separate meeting of the Independent Directors:

During the year under review, the Independent Directors met on November 04, 2016 inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present in the Meeting.

Familiarization Programme for Independent Directors:

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The familiarization programme for Independent Directors is disclosed on the Company's website.

3. COMMITTEES OF THE BOARD

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for its approval.

The Company has three Board-level Committees, namely:

- a) Audit Committee

- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee

a) AUDIT COMMITTEE:

Brief description of terms of reference

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, as applicable.

Role of Audit Committee:

The role of Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To recommend to the Board, the appointment, remuneration and terms of appointment of auditors of the Company.
3. To approve payment to statutory auditors for any other services rendered by the statutory auditors.
4. To review with the management, the annual financial statements auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified Opinion(s) in the draft audit report.
5. To review with the management, the quarterly financial statements before submission to the board for approval.
6. To review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. To review and monitor the auditor's independence and performance, and effectiveness of audit process.

8. To approve or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. To discuss with internal auditors of any significant findings and follow up there on.
15. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower Mechanism.
19. To approve the appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Review of information by Audit Committee:

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. Statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

- b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Composition, name of members and chairperson

The Audit Committee comprises of three Directors, majority of them are Independent Directors. The committee headed by Mr. Sujay Sheth, an Independent Director. Each member of the Committee has relevant experience in the field of finance and accounting.

Meetings and attendance during the year

During the financial year under review the Committee met 4 times on the following dates viz. May 17, 2016, August 12, 2016, November 4, 2016 and February 14, 2017

The below table gives the composition and attendance record of the Audit Committee:

Name of Director	Designation	Meeting attended during the year
Mr. Sujay Sheth	Chairman	4
Mr. S. V. Venkatesan	Member	2
*Mr. N. B. Vyas	Member	1
**Mr. Somashekhar B. Malagi	Member	1

* Mr. N. B. Vyas ceased to be Director w.e.f. November 4, 2016.

** Mr. Somashekhar B. Malagi appointed as Director w.e.f. November 4, 2016

B) NOMINATION AND REMUNERATION COMMITTEE:

The Company has constituted a Nomination and Remuneration Committee comprising of three non-executive directors out of which two are Independent Directors viz. Mr. Sujay Sheth, Mr. N. B. Vyas and Ms. Suparna Singh. The terms of reference of the Committee include inter-alia the following:

Brief description of terms of reference

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Composition, name of members and chairperson

The Nomination and Remuneration Committee

comprising of three non-executive directors out of which two are Independent Directors viz. Mr. Sujay Sheth, Mr. Somashekhar B. Malagi and Ms. Suparna Singh. The committee headed by Mr. Sujay Sheth, an Independent Director.

Meeting and attendance during the year

During the year under review the committee met on November 4, 2016. Mr. Sujay Sheth and Ms. Suparna Singh had attended the meeting.

Details of remuneration paid to all the Directors:

Non-Executive Directors are paid sitting fees of ₹ 2,000/- for attending each Board Meeting and Audit Committee Meeting respectively. The sitting fees for attending the each meeting of Stakeholders Relationship Committee is ₹ 500/- and ₹ 1,000/- for each meeting of Nomination and Remuneration Committee attended by them. Except for sitting fees for the meetings, non-executive directors are not paid any salary, bonus, stock options, pension, etc. None of the directors hold any shares in the capital of the Company.

None of the directors is related to any other director on the Board.

Details of sitting fees paid to the Non-Executive Directors for attending Board and Committee meeting for the year ended March 31, 2017:

Name of the Non-executive director	Sitting Fees (₹)
Mr. S. V. Venkatesan	6,000
*Mr. N. B. Vyas	9,000
Mr. Sujay Sheth	18,500
*Mr. Somashekhar B. Malagi	4,500
Ms. Suparna Singh	18,000

* Mr. N. B. Vyas ceased to be Director w.e.f. November 4, 2016.

** Mr. Somashekhar B. Malagi was appointed as Director w.e.f November 4, 2016.

C) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee looks into various issues relating to the grievances of shareholders of the Company with respect to transfer/ transmission of shares, issue of duplicate certificates, non-receipt of annual report, non-receipt of declared dividend, etc;

The Committee comprises of three non-executive directors viz., Mr. Somashekhar B. Malagi – Chairman, Mr. Sujay Sheth and Ms. Suparna Singh.

During the year ended March 31, 2017 the Company had received 38 complaints. All the complaints were resolved under the supervision of the Committee and no complaints were outstanding as on March 31, 2017.

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, 2017.

4. 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
2015-16	September 30, 2016	Essar House, 5 th Floor, 7, Esplanade, Chennai 600 108	11.00 a.m.
2014-15	September 30, 2015	Essar House, 5 th Floor, 7, Esplanade, Chennai 600 108	11.00 a.m.
2013-14	September 26, 2014	Essar House, 5 th Floor, 7, Esplanade, Chennai 600 108	11.00 a.m.

b) Whether any special resolution passed last year through postal ballot-details of voting pattern:

There were no resolutions required to be passed through postal ballot.

c) Person who conducted the postal ballot:

Not Applicable

d) whether any special resolution is proposed to be conducted through Postal Ballot:

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

5. MEANS OF COMMUNICATIONS

The quarterly, half yearly and annual results are communicated to the Stock Exchange with whom the Company is listed i.e. Bombay Stock Exchange, as soon as they are approved and taken on record by the Board of Directors/Committee of the Company. Further, the results of the Company are published in widely circulated newspapers namely Free Press Journal and Makkal Kural in Chennai. Results are also made available under 'Investor Section' on the Group's website www.essar.com.

6. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	Date: Friday, September 29, 2017 Time: 11.00 A.M. Venue: Chennai House, 5th Floor, 7, Esplanade, Chennai - 600 108. Tamil Nadu.
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Financial Calendar 2016-17

Financial year of Company	April 1, 2015 to March 31, 2016
First Quarter Results	On or before August 14, 2016
Second Quarter Results	On or before November 14, 2016
Third Quarter Results	On or before February 14, 2017

Audited Results for the Year	On or before May 30, 2017
Date of Book Closure	Friday, September 22, 2017 to Friday, September 29, 2017 (both days inclusive)
Dividend Payment Date	N.A.
Cut-off date	September 22, 2017
Listing on Stock Exchanges	BSE 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
ISIN	INE143K01019
Payment of Listing Fees	The Company has made payment of Annual Listing Fees to the Stock Exchange for the year 2017-18.
Payment of Depository Fees	Annual Custodial/ Issue fee for the year 2017-18 is paid by the Company to NSDL/CDSL.
Registrar & Transfer Agents	Data Software Research Company Pvt. Ltd. Unit : Essar Securities Limited 19 Pycrofts Garden Road Off : Haddows Road Nungambakkam Chennai 600006, India Phone : +91 44 4510 5120, +91-44-28213738, +91-44-28214487 Fax : +91 44 2821 4636 Email. : essar.securities@dsr-cid.in

➤ Market Price Data For The Last Financial Year:

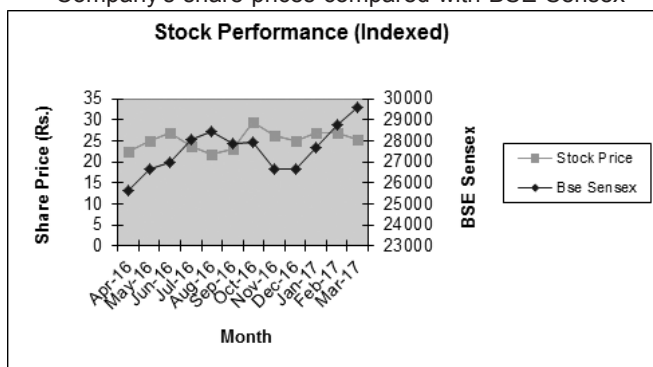
The monthly high and low quotation and the volume of shares traded on BSE as on March 31, 2017 are as under:

Stock Market Price data: High /Low during each month for the financial year ended March 31, 2017

Month	High (₹)	Low (₹)
Apr-16	27.10	22.55
May-16	25.00	21.15
Jun-16	27.40	21.85
Jul-16	26.70	21.95
Aug-16	25.35	21.20
Sep-16	24.35	20.10
Oct-16	31.80	21.40
Nov-16	32.95	22.15
Dec-16	31.90	21.25
Jan-17	29.85	23.90
Feb-17	31.25	25.75
Mar-17	29.50	23.65

➤ **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 in terms of the Listing Agreement and Quarterly Reconciliation of Share Capital Audit in accordance with Circular No. DD&CC/FITTC/CIR-16/2002 dated December 31, 2002, issued by the Securities and Exchange Board of India are regularly carried out by an Independent Practicing Company Secretary.

➤ **Distribution of shareholding as on March 31, 2017**

No of Shares	Total No of Shareholders	% of Shareholders	Total No of Shares	% of Total Shares
1-500	25583	98.44	1539774	10.78
501-1000	213	0.82	154395	1.08
1001-2000	101	0.39	149370	1.05
2001-3000	25	0.10	64346	0.45
3001-4000	15	0.06	52581	0.37
4001-5000	8	0.03	37826	0.26
5001-10000	16	0.06	120844	0.85
10001-20000	13	0.05	172589	1.21
20001-30000	4	0.02	102055	0.71
30001-40000	1	0.00	30852	0.22
40001-50000	1	0.00	43250	0.30
50001-100000	3	0.01	165631	1.16
100001 & above	5	0.02	11654241	81.57
TOTAL	25988	100.00	14287754	100.00

Distribution of Equity Shareholding according to categories of Shareholders as at March 31, 2017

Category	No. of Shares	Percentage
Promoters	10704557	74.92
Institution / Mutual funds/ Banks	2556	0.02
Other Companies	488142	3.42
Non Domestic Companies	2060	0.01
Foreign Institutional/Investors/Non residential Individuals	253746	1.78
Public	2836693	19.85
Total	14287754	100.00

➤ **Status of Dematerialization of Shares as on March 31, 2017:**

Mode	No. of Shares	%
DEMAT	13298660	93.08
PHYSICAL	989094	6.92
TOTAL	14287754	100.00

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

As on March 31, 2017 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 72 of the Companies Act, 2013 are requested to submit Form SH-13 to the Registrar and Transfer agent of the Company. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.

Corporate Office Essar House, 11, K.K. Marg, Mahalaxmi, Mumbai – 400 034

Address for Registrar and Transfer Agents

Correspondence Data Software Research Company Pvt. Ltd.

Unit : Essar Securities Limited
 19 Pycrofts Garden Road Off : Haddows Road, Nungambakkam
 Chennai 600 006, Tamil Nadu
 Phone : +91 44 4510 5120
 Fax : +91 44 2821 4636
 Email : essar.securities@dsr-cid.in

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

7. DISCLOSURES

➤ **Related Party Transaction**

The Company does not have any material related party transactions which may have potential conflict with the interest of the Company at large. The Transactions with related parties are disclosed in the notes on accounts in the financial statements as at March 31, 2017.

➤ **Non- compliance/strictures/penalties imposed**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities and 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.

➤ **Whistle Blower**

The Company has adopted a vigil mechanism which enables Directors and employees to report their genuine concerns. The mechanism provides for adequate safeguards against the victimization of persons who use this mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. No Director or employee who wanted to report a concern was denied access to the Chairman of the Audit Committee.

➤ **Disclosure of Accounting Treatment**

The Company has followed all relevant Accounting Standards while preparing the Financial Statements.

➤ **Risk management**

The Company has a well defined risk management framework in place. The Company periodically places before the Audit Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.

➤ **Code of Conduct:**

The Company has adopted a code of conduct for all Board Members and Designated Senior Management of the Company. The duties of Independent Directors as laid down in the Companies Act, 2013 are incorporated in the code of conduct. The code of conduct is available on the website of the Company www.essar.com. All Board members and senior management personnel have affirmed compliance with the code of conduct.

➤ **Report on Corporate Governance:**

The Corporate Governance Report forms part of the Annual Report. The Company is fully compliant with the provisions of Corporate Governance as required under Listing Regulations. The Company has submitted the quarterly compliance status

report to the stock exchanges within the prescribed time limit.

8. Discretionary requirements-Part E of Schedule II

➤ **Shareholders' right:**

The Company published quarterly results and performance in newspapers. The same results are made available to the shareholders on 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 addressed to the shareholders of the Company.

➤ **Separate posts of Chairman and CEO:**

The Company has no separate post of Chairman and CEO.

➤ **Reporting of Internal Auditor:**

The Internal Auditor directly reports to the Audit Committee.

➤ **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 experience professionals.

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

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

➤ **Report on Corporate Governance:**

The Corporate Governance Report forms part of the Annual Report. The Company is fully compliant with the provisions of Corporate Governance as required under Listing Regulations. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit.

➤ **DECLARATION ON ADHERENCE TO THE CODE OF CONDUCT**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and senior management personnel of the Company have confirmed adherence with the Code of Conduct for the financial year ended March 31, 2017.

For **Essar Securities Limited**

Somashekhar B. Malagi
Director
DIN : 07626139

INDEPENDENT AUDITORS' REPORT

To
The Members of
Essar Securities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **ESSAR SECURITIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company - Refer Note 23 to the financial Statements.

For **Nisar & Kumar**
Chartered Accountants
(Firm Registration No. 127820 W)

Place : Mumbai
Date : May 29, 2017

K. M. Mahadik
Partner
(Membership No.48453)

ANNEXURE REFERRED TO IN PARAGRAPH 1 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT TO THE MEMBERS OF ESSAR SECURITIES LIMITED OF EVEN DATE FOR THE YEAR ENDED MARCH 31, 2017

- | | |
|--|---|
| <p>(i) Since the Company does not have fixed assets, Clauses (i) (a), (i) (b) and (i) (c) are not applicable.</p> <p>(ii) Since the Company does not have inventory, Clause (ii) is not applicable.</p> <p>(iii) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.</p> <p>(iv) In our opinion and according to the information and explanations given to us, since during the year there are no transactions of loans, investments, guarantees, and security, compliance of the provisions of section 185 and 186 of the Companies Act, 2013 do not arise.</p> <p>(v) In our opinion and according to the information and explanations given to us, during the year the Company has not accepted any deposits from the public within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.</p> <p>(vi) As informed to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.</p> <p>(vii) (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues of provident fund, however, there were delays in deposit of income-tax and service tax with the appropriate authorities. According to the records of the company, the company does not have undisputed statutory dues of employees' state insurance, sales-tax, duty of customs, duty of excise, value added tax and cess. The arrears of statutory dues of service tax of ₹ 3,300 and profession tax of ₹ 200 as at March 31, 2017 were outstanding for a period of more than six months from the date they became payable.</p> <p>(b) According to the records of the company, there are no dues of income tax, sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.</p> <p>(viii) As the company has not borrowed any amount from Bank or Financial Institution or debenture holders, the reporting under this clause do not arise.</p> <p>(ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).</p> | <p>(x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.</p> <p>(xi) Since the Company has not paid / provided managerial remuneration Clause (xi) is not applicable.</p> <p>(xii) Since the Company is a not Nidhi Company, Clause (xii) is not applicable.</p> <p>(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.</p> <p>(xiv) According to the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.</p> <p>(xv) According to the records of the Company and in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, compliance with the provisions of Section 192 of Companies Act, 2013 does not arise.</p> <p>(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.</p> |
|--|---|

For **Nisar & Kumar**
Chartered Accountants
 (Firm Registration No. 127820 W)

K. M. Mahadik
Partner
 (Membership No.48453)

Place : Mumbai
 Date : May 29, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ESSAR SECURITIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Essar Securities Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Nisar & Kumar**
 Chartered Accountants
 (Firm Registration No. 127820 W)

K. M. Mahadik
 Partner
 (Membership No.48453)

Place : Mumbai
 Date : May 29, 2017

BALANCE SHEET AS AT MARCH 31, 2017

	Note No.	As at March 31, 2017 ₹	As at March 31, 2016 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	142,877,540	142,877,540
Reserves and Surplus	3	(38,646,526)	342,150,882
		104,231,014	485,028,422
Non Current Liabilities			
Long Term Provisions	4	—	212,507
Current Liabilities			
Trade Payables	5		
Total outstanding dues of micro enterprises and small enterprises		—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises		445,016	544,859
Other Current Liabilities	6	1,308,234	1,416,161
Short Term Provisions	7	135,821	8,696
		1,889,071	1,969,716
TOTAL		106,120,085	487,210,645
ASSETS			
Non Current Assets			
Non Current Investments	8	100,507,060	482,036,288
Long Term Loans and Advances	9	1,091,456	918,330
		101,598,516	482,954,618
Current Assets			
Trade Receivables	10	3,211,233	1,785,277
Cash and Cash Equivalents	11	1,309,097	2,466,208
Short Term Loans and Advances	12	1,239	4,542
		4,521,569	4,256,027
TOTAL		106,120,085	487,210,645

Significant Accounting Policies

1

(Notes forms integral part of Accounts)

As per our report of even date

For **Nisar & Kumar**
Chartered Accountants

For and behalf of the Board

Suparna Singh
Director
DIN : 07142898

Somashekhar B. Malagi
Director
DIN : 07626139

K. M. Mahadik
Partner

Place : Mumbai
Date : May 29, 2017

Place : Mumbai
Date : May 29, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Note No.	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Income:			
Revenue from Operations	13	5,328,000	6,595,000
Other Income	14	42,764	—
Total Income		5,370,764	6,595,000
Expenses:			
Employee Benefits Expense	15	2,513,368	3,481,209
Other Expenses	16	1,765,902	2,011,017
Total Expenses		4,279,270	5,492,226
Profit/(Loss) from ordinary activities before tax		1,091,494	1,102,774
Extra ordinary Items	17	381,529,228	—
Profit/(Loss) before tax		(380,437,734)	1,102,774
Tax expense:			
Current tax		(318,000)	(341,000)
Tax Adjustments (Earlier years)		(41,674)	102,276
Profit/(Loss) after tax		(380,797,408)	864,050
Earning Per Share:			
Basic & Diluted Earnings per Share of ₹ 10 each before extraordinary items	18	0.05	0.06
Basic & Diluted Earnings per Share of ₹ 10 each after extraordinary items		(26.65)	0.06

Significant Accounting Policies

1

(Notes forms integral part of Accounts)

As per our report of even date

For **Nisar & Kumar**
Chartered Accountants

For and behalf of the Board

Suparna Singh
Director
DIN : 07142898

Somashekhkar B. Malagi
Director
DIN : 07626139

K. M. Mahadik
Partner

Place : Mumbai
Date : May 29, 2017

Place : Mumbai
Date : May 29, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Cash Flow From Operating Activities		
Profit before taxation	(380,437,734)	1,102,774
Adjustment for:		
Balances written back	(42,764)	-
Diminution in value of investments	381,529,228	-
Operating Cash Flow before working capital changes	1,048,730	1,102,774
Adjustment for:		
(Increase)/Decrease in Receivables	(1,422,653)	783,226
Increase / (Decrease) in Liabilities & Provisions	(249,247)	12,046
Cash generated from operations	(623,170)	1,898,046
Less: Taxes on Income Paid	(532,800)	(659,502)
Net Cash generated from / (used in) Operating Activities	1,155,970	(1,238,544)
Cash Flow From Financing Activities		
Unclaimed Dividend paid	(1,141)	(819)
Net Cash used in Financing Activities	(1,141)	(819)
Net increase / (decrease) in cash and cash equivalents	(1,157,111)	(1,237,725)
Cash and cash equivalents at the beginning of the year	2,466,208	1,228,483
Cash and cash equivalents at the end of the year	1,309,097	2,466,208

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 report of even date

For **Nisar & Kumar**
Chartered Accountants

For and behalf of the Board

Suparna Singh
Director
DIN : 07142898

Somashekhar B. Malagi
Director
DIN : 07626139

K. M. Mahadik
Partner

Place : Mumbai
Date : May 29, 2017

Place : Mumbai
Date : May 29, 2017

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting :

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

b) 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 .

c) Revenue Recognition :

Consultancy / Service charges income is recognised on accrual basis as per the terms of agreements.

d) Retirement Benefits:

Long term / short term compensated absences and Gratuity liability are recognized on actuarial valuation basis read with Note 22.

e) 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.

f) 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

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Authorized Capital		
15,000,000 (P.Y. 15,000,000) Equity Shares of ₹ 10 each	<u>150,000,000</u>	<u>150,000,000</u>
	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed & Fully Paid up Capital		
14,287,754 (P.Y. 14,287,754) Equity Shares of ₹ 10 each	<u>142,877,540</u>	<u>142,877,540</u>
TOTAL	<u>142,877,540</u>	<u>142,877,540</u>

Notes:

- a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	March 31, 2017		March 31, 2016	
	Number	Amount (₹)	Number	Amount (₹)
Equity Shares				
Balance at the beginning of the Year	14,287,754	142,877,540	14,287,754	142,877,540
Issued during the year	—	—	—	—
Balance at the end of the year	14,287,754	142,877,540	14,287,754	142,877,540

- b. Shares held by holding / ultimate holding company and/ or their subsidiaries/ associates :

Particulars	March 31, 2017		March 31, 2016	
	Number	Amount (₹)	Number	Amount (₹)
Essar Capital Limited (Holding Company)	10,704,557	107,045,570	10,704,557	107,045,570

- c. Details of shareholders holding more than 5% shares in the Company :

Particulars	March 31, 2017		March 31, 2016	
	Number	%	Number	%
Essar Capital Limited (Holding Company)	10,704,557	74.92%	10,704,557	74.92%

- d. Rights, preferences and restrictions attached to shares: The Company has one class of equity shares of face vale of ₹ 10 each. Every shareholder is entitled to one vote for every shares held. In the event of liquidation the equity shareholders shall be entitled to receive remaining assets of the Company after distribution of all dues in proportion of their holdings.
- e. In preceding five years the Company has not allotted any shares without payment being received in cash and it has not issued bonus shares or bought back any shares.

3. RESERVES AND SURPLUS

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Securities Premium		
Balance as per last balance sheet	96,000,000	96,000,000
General Reserve		
Balance as per last balance sheet	13,100,000	13,100,000
Statutory Reserve		
Balance as per last balance sheet	10,000,000	10,000,000
Surplus in the statement of Profit and Loss		
Balance at the beginning of the year	223,050,882	222,186,832
Add: Profit/(Loss) for the year	(380,797,408)	864,050
Balance at the end of the year	(157,746,526)	223,050,882
TOTAL	(38,646,526)	342,150,882

4. LONG TERM PROVISIONS

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Provision for compensated absences	—	31,486
Provision for gratuity	—	181,021
	—	212,507

5. TRADE PAYABLES

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises	445,016	544,859
TOTAL	445,016	544,859

6. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Statutory liabilities	291,211	397,997
Unclaimed Dividend	1,017,023	1,018,164
TOTAL	1,308,234	1,416,161

7. SHORT TERM PROVISIONS

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Provision for compensated absences	22,821	3,148
Provision for gratuity	113,000	5,548
TOTAL	135,821	8,696

8. NON CURRENT INVESTMENTS

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Non Trade, Long Term (fully paid up, at cost)		
Investments in Equity Shares (Unquoted)		
10,050,706 (P.Y. 10,050,706) Equity Shares of ₹ 10 each of Essar Steel India Limited	482,036,288	482,036,288
Less: Provision for diminution in value of long term investments	(381,529,228)	-
TOTAL	100,507,060	482,036,288

9. LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
(Unsecured, Considered Good)		
Advance Tax / Tax Deducted at Source (Net of Provision for taxes)	1,091,456	918,330
TOTAL	1,091,456	918,330

10. TRADE RECEIVABLES

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	2,093,153	-
Other debts	1,118,080	1,785,277
TOTAL	3,211,233	1,785,277

11. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Balances with Bank in Current Accounts	292,074	1,448,044
Balances with Bank in Current Accounts (Unclaimed Dividend)	1,017,023	1,018,164
TOTAL	1,309,097	2,466,208

12. SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
(Unsecured, considered good)		
Prepaid expenses	1,239	4,542
TOTAL	1,239	4,542

13. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Consultancy / Service Charges income	5,328,000	6,595,000
TOTAL	5,328,000	6,595,000

14. OTHER INCOME

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Balances no longer payable written back	42,764	—
TOTAL	42,764	—

15. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Salaries and Allowances	2,002,591	2,928,556
Contribution to Provident Fund and Other Funds	159,637	204,196
Staff Welfare Expenses	351,140	348,457
TOTAL	2,513,368	3,481,209

16. OTHER EXPENSES

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Advertisement Expenses	105,737	208,278
AGM expenses	69,485	48,399
Bank Charges	141	693
Communication Expenses	325,296	262,207
Directors Sitting Fees	47,739	85,073
Listing and Custodial Fees	308,369	200,000
Miscellaneous expenses	1,620	7,406

<u>Payment to Auditors</u>		
Audit fees	92,000	91,600
Certification fees	17,250	-
Penalty, fines, Interest on delayed payment of taxes	27,865	110,116
Printing and Stationary	238,135	227,925
Professional Fees	441,323	607,232
Rates and Taxes, filing Fees	30,075	9,444
Travelling and Conveyance Expenses	60,867	152,644
TOTAL	1,765,902	2,011,017

17. EXTRAORDINARY ITEMS

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Extraordinary Incomes	—	—
<u>Less: Extraordinary expenses</u>		
Diminution in value of Investments	381,529,228	—
TOTAL	381,529,228	—

18. EARNING PER SHARE

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

Particulars	March 31, 2017	March 31, 2016
Earnings [Net profit for the year after tax (₹) before extraordinary items]	731,820	864,050
Earnings [Profit/(Loss) after tax]	(380,797,408)	864,050
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 (₹) {before extraordinary items}	0.05	0.06
Basic & Diluted Earnings per share of face value of ₹ 10 each (₹) {after extraordinary items}	(26.65)	0.06

19. The Company does not have any commitment and contingent liabilities.

20. Related Party Disclosures :

a) Related parties where control exists:

i. Holding Companies:

Essar Capital Limited

Essar Satvision Limited (Holding company of Essar Capital Limited)

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

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

Smt. Manju S Ruia

iii. Key Management Personnel:

Mr. Ashish Vyas - Manager & Company Secretary (upto 05/08/2016), Girish Vyas - Chief Financial Officer (upto 27/04/2017)

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

Enterprises controlled or significantly influenced by individual or relatives:

Essar Investments Limited

Upto 22/03/2016 - Imperial Consultants & Securities Pvt Limited, Futura Travels Limited, Imperial Procurement Services Pvt Limited, Girishan Investment Pvt Limited, Essar Teleholdings Limited.

c) Transactions with related parties are summarised as under:

Particulars	Holding Company	Key Management Personnel	Enterprises controlled or significantly influenced by individual or relatives	Total March 31, 2017
	₹	₹	₹	₹
Travelling and Conveyance Expenses (Futura Travels Limited)			— (118,823)	— (118,823)
Salaries and Allowances		1,770,595		1,770,595
		(2,264,539)		(2,264,539)
Mr. Ashish Vyas		274,211 (717,564)		
Mr. Girish Vyas		1,496,384 (1,546,975)		
Consultancy / Service charges income (excluding service tax)	738,000		—	738,000
	(809,487)		(4,851,764)	(5,661,251)
Imperial Consultants and Securities Pvt Limited			— (2,231,835)	
Imperial Procurement Services Pvt Limited			— (515,815)	
Girishan Investment Pvt Limited			— (329,812)	
Essar Investments Limited			— (1,048,533)	
Essar Capital Limited	738,000 (809,487)			
Essar Teleholdings Limited			— (725,769)	
d) Balances outstanding at the end of the year:				
Debit balances	1,132,297		459,409	1,591,706
	(371,065)		(459,409)	(830,474)

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.

21. 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 / Service Activities ₹	Investment Activities ₹	Total March 31, 2017 ₹
Segment Revenue	5,328,000	-	5,328,000
	(6,595,000)	(-)	(6,595,000)
Segment Results [Segment Profit / (Loss)]	5,328,000	-	5,328,000
	(6,595,000)	(-)	(6,595,000)
Unallocable Income			42,764
			(-)
Unallocable expenses			4,279,270
			(5,492,226)
Net Profit / (Loss) before extraordinary items			1,091,494
			(1,102,774)
Extraordinary items (Expense)		381,529,228	381,529,228
		(-)	(-)
Net Profit / (Loss) after extraordinary items			(380,437,734)
			(1,102,774)
Provision for taxation (including earlier year adjustments)			359,674
			(238,724)
Net Profit / (Loss) after tax			(380,797,408)
			(864,050)
Segment assets	4,302,689	100,507,060	104,809,749
	(2,703,607)	(482,036,288)	(484,739,895)
Unallocable assets			1,310,336
			(2,470,750)
Total Assets			106,120,085
			(487,210,645)
Segment liabilities	-	-	-
	(-)	(-)	(-)
Unallocable liabilities			1,889,071
			(2,182,223)
Total Liabilities			1,889,071
			(2,182,223)

Note: Figures in brackets relates to the previous year.

22. EMPLOYEE BENEFITS

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement in terms of provision of the Payment of Gratuity Act or as per the Company's scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last salary drawn base salary.

The Company has also agreed to provide certain Compensated Absences.

Gratuity benefits are funded and Compensated Absences are non-funded.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and amounts recognized in the balance sheet for respective plans.

Particulars	Compensated Absences*	Gratuity*	Compensated Absences*	Gratuity*
	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Statement of Profit and Loss:				
Current Service Cost	73,192	76,431	11,124	23,801
Interest cost on benefit obligation	-	-	4,171	9,710
Expected return on plan assets	-	-		
Net actuarial (gain)/loss recognised in the year	-	-	(34,129)	28,571
Past service cost				
Net benefit Expense / (Income)	73,192	76,431	(18,834)	62,082
Details of Provision for Employee Benefits:				

Particulars	Compensated Absences*		Gratuity*	
	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Defined benefit Obligation	(22,821)	(113,000)	(34,634)	(186,569)
Less: Fair Value of plan assets	—	—	—	—
Less: Unrecognised past service cost	—	—	—	—
Plan asset / (liability)	(22,821)	(113,000)	(34,634)	(186,569)
Changes in the present value of the defined benefit obligation:				
Opening defined benefit obligation	34,634	186,569	53,468	124,487
Interest Cost	—	—	4,171	9,710
Current Service cost	73,192	76,431	11,124	23,801
Acquisitions Cost / (Credit)	—	—	—	—
Benefits Payment	(85,005)	(150,000)	—	—
Actuarial (gains)/losses on obligation	—	—	(34,129)	28,571
Closing defined benefit obligation	22,821	113,000	34,634	186,569
Changes in the fair value of the plan assets:				
Fair value of the plan assets at the beginning of the year	—	—	—	—
Expected return on plan assets	—	—	—	—
Contributions	—	—	—	—
Benefits paid / Transfer	—	—	—	—
Actuarial (gains)/losses on plan assets	—	—	—	—
Fair value of the plan assets at the end of the year	—	—	—	—
The principal assumptions used in determining Compensated Absences & Gratuity benefit obligations for the Companies plans:				
A. Discount rate	*	*	8.00%	7.80%
B. Expected rate of return on assets	*	*	N/A	0.00%
C. Salary Escalation Rate	*	*	0.00%	6.00%
D. Employee Turnover	*	*	1% to 3 %	1% to 3 %
E. Mortality	*	*	Indian Assured Lives Mortality (2006-08) Ult. Modified	

* the relevant data is based on the actual payment thereof pertaining to employees who had left from the employment during the year or subsequent to the balance sheet date.

23. The details of Specified Bank Notes* (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the table below:

Particulars	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11. 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12. 2016	-	-	-

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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

For **Nisar & Kumar**
Chartered Accountants

For and behalf of the Board

Suparna Singh
Director
DIN : 07142898

Somashekhar B. Malagi
Director
DIN : 07626139

K. M. Mahadik
Partner

Place : Mumbai
Date : May 29, 2017

Place : Mumbai
Date : May 29, 2017

ESSAR SECURITIES LIMITED

Corporate Identity No. (CIN) - L65990TN2005PLC071791

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

12th Annual General Meeting –Friday, September 29, 2017

FORM OF PROXY

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered Address:	
Mail ID:	
Folio No./ Client ID	DP ID:

I/We being the member(s) held _____ Shares of Essar Securities Limited, hereby appoint:

1)	Name		
	Address		
	E-mail ID		
or failing him / her		Signature	
2)	Name		
	Address		
	E-mail ID		
or failing him / her		Signature	
3)	Name		
	Address		
	E-mail ID		
		Signature	

as my/our Proxy to attend and vote (on poll) for me/us on my/our behalf at the 12th Annual General Meeting of the Company to be held on Friday, September 29, 2017 at 11.00 a.m. at Chennai House, 5th Floor, 7, Esplanade, Chennai - 600 108 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	For	Against
Ordinary Business			
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon		
2.	Re-appointment of Ms. Suparna Singh (DIN 07142898), Director retiring by rotation		
3.	To appoint M/s. D K S K & COMPANY (Firm Registration Number 017224S) Chartered Accountant as Statutory auditors and fix their remuneration		
Special Business			
4.	To appoint Mr. Somashekhar B. Malagi as Independent Director		
5.	To re-appoint Mr. S. V. Venkatesan as an Independent Director		
6.	To re-appoint Mr. Sujay Sheth as an Independent Director		

Signed this day of 2017

Signature of Shareholder

AFFIX 1 RUPEE REVENUE STAMP

Note: This form in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 Hours before the commencement of the Meeting.

ESSAR SECURITIES LIMITED

Corporate Identity No. (CIN) - L65990TN2005PLC071791

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

12th Annual General Meeting –Friday, September 29, 2017

ATTENDANCE SLIP

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

DP ID	
Client ID	

Folio Number	
No. of shares	

Name and address of the shareholder:

.....
.....
.....

I hereby record my presence at the 12th Annual General Meeting of Essar Securities Limited held on Friday, September 29, 2017 at Chennai House, 5th Floor, 7, Esplanade, Chennai – 600 108.

Signature of shareholder/ Proxy

ESSAR SECURITIES LIMITED

Corporate Identity No. (CIN) - L65990TN2005PLC071791

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

E - MAIL REGISTRATION

To

M/s Data Software Research Co. Pvt. Ltd

#19 Pycroft Garden Road,
Off Haddows Road, Nungambakkam,
Chennai 600 006, Tamil Nadu.

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 Holders* :

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. Any change in email ID, from time to time, may please be registered in the records of the Company.

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Route map to AGM Venue

REGISTERED POST/COURIER

If undelivered, please return to:

Data Software Research Company Private Limited
(Unit: Essar Securities Limited)
19, Pycrofts Garden Road, Off Haddows Road
Nungambakkam, Chennai - 600 006
Tel: (044) 2821 3738, 2821 4487, Fax: (044) 2821 4636