

Board of Directors:

Mr. S. V. Venkatesan
 Mr. N. B. Vyas
 Mr. Sujay Sheth
 Ms. Suparna Singh
 Mr. Neeraj Gupta (upto February 12, 2016)

Chief Financial Officer:

Mr. Girish Vyas

Company Secretary and Compliance Officer:

Mr. Ashish Vyas (upto August 5, 2016)

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:

56, New No. 77,
 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
 Tel. : +91-44-4510 5120,
 +91-44-28213738, +91-44-28214487
 Fax. : +91-44-2821 4636
 Email : essar.securities@dsr-cid.in

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NOTICE

NOTICE is hereby given that the **Eleventh Annual General Meeting (AGM)** of the Members of **Essar Securities Limited** (CIN - L65990TN2005PLC071791) will be held on Friday, September 30, 2016 at 11.00 a.m. at Essar House, 5th Floor, 7, Esplanade, Chennai - 600 108, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2016 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 ratify appointment of M/s. Nisar & Kumar, Chartered Accountants, (Firm Registration No. 127820W), as Statutory Auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration for the financial year ending March 31, 2017 and in this regard to consider and if thought fit, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of Section 139 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) pursuant to recommendations of the Audit Committee and Board of Directors of the Company and pursuant to the resolution passed in the AGM held on September 30, 2015, the Company hereby ratifies the appointment of M/s. Nisar & Kumar, Chartered Accountants, (Firm Registration No.127820W) as Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the AGM to be held in 2017 at such remuneration plus service tax and out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors"

Date: August 12, 2016
Place: Mumbai

**For and on behalf of
Board of Directors**

Registered office:
Essar House,
5th Floor, 7, Esplanade,
Chennai - 600 108

**N B Vyas
Director
DIN:00055499**

Notes:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL 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. 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 23, 2016 to September 30, 2016 (both days inclusive) for the purpose of AGM of the Company.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members 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.

6. 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.
7. 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.
8. 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 claimed within seven years from the date of the transfer to the Company's Unpaid Dividend Account, will as per Section 205A of the Companies Act, 1956 of the (Section 124 of the erstwhile Companies Act, 2013) be transferred to the Investor Education and Protection Fund.
9. Members desiring any information with regards to accounts are requested to write to the Company at least 7 days before the date of the Meeting as to enable the management to keep the information ready.
10. DIN refers to Director Identification Number.
11. Members holding shares in physical form are advised to avail the Nomination facility in respect of their shares by filling the prescribed form. Members holding shares in electronic form may contact their DP for recording their Nomination.
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 27, 2016 (9.00 a.m.) and ends on September 29, 2016 (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 23, 2016, 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 23, 2016.
 - (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, i.e. September 23, 2016 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. Manish Baldeva, (Membership No. FCS 6180), Prop. M/s. M Baldeva Associates, 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 30, 2016.

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.
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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).
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- (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) 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.
- (xviii) 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.
- 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.

Date: August 12, 2016
Place: Mumbai

**For and on behalf of
Board of Directors**

Registered office:
Essar House,
5th Floor, 7, Esplanade,
Chennai - 600 108

**N B Vyas
Director
DIN:00055499**

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 and Variation of remuneration of Directors

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	The MobileStore Services Limited Essar Oilfield Services India Limited Vadinar Oil Terminal Limited Vadinar Ports & Terminals Limited Essar Vizag Terminals Limited Essar Bulk Terminal (Salaya) Limited Essar Investments Limited (upto December 12, 2015)
	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.

Date: August 12, 2016

Place: Mumbai

Registered office:
 Essar House,
 5th Floor, 7, Esplanade,
 Chennai - 600 108

For and on behalf of Board of Directors

N B Vyas
 Director
 DIN:00055499

DIRECTORS' REPORT

To,

The Members of
Essar Securities Limited,

Your Directors have pleasure in presenting the Eleventh Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2016.

FINANCIAL RESULTS:

(₹ In Lakhs)

Particulars	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Income	65.95	49.39
Less: Expenditure	54.92	40.13
Profit Before Tax	11.02	9.26
Less: Provision for taxation	3.41	2.87
Profit After Tax	8.64	6.39
Balance brought forward from previous year	2221.87	2215.47
Balance carried forward to Balance Sheet	2230.51	2221.87

PERFORMANCE:

During the period under review your company has made a profit of ₹ 11.02 Lacs before making provision for Income tax amounting to ₹ 3.41 Lacs for the current year, thus a net credit balance of ₹ 8.64 Lacs has been transferred to Profit & Loss A/c for the current period.

CHANGE IN NATURE OF BUSINESS, IF ANY:

There were no changes in the nature of business of the Company during the year under review.

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.

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

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

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:

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Globalization, with increasing integration of markets, newer and more complex products and transactions and an increasingly stringent regulatory framework has exposed organisations to newer risks. As a result, today's operating environment demands a rigorous and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success. Increased competition and market volatility has enhanced the importance of risk management. The sustainability of the business is derived from the following:

- i) Identification of the diverse risks faced by the Company.
- ii) The evolution of appropriate systems and processes to measure and monitor them.
- iii) Risk management through appropriate mitigation strategies within the policy framework.
- iv) Monitoring the progress of the implementation of such strategies and subjecting them to periodical audit and review.
- v) 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, a company engaged in Steel Business, its operations would also have a bearing on the performance of the Company.

(e) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has an effective system of accounting and administrative controls supported by an internal audit system with proper and adequate system of internal check and controls to ensure safety and proper recording of all assets of the Company and their proper and authorised utilization. As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal audit department reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings. Based on their recommendations, the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

(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 of the efforts of the employees.

(g) CAUTIONARY STATEMENT:

The statement in this report, including the Management's Discussion and Analysis Report, reflects the Company's projections, estimates, expectations and predictions and contains a forward looking statement that involves risk and uncertainty. 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. Actual results, performances of achievements could differ materially from those expressed or implied in such forward-looking statements. 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. Mr. N. B. Vyas, Mr. S. V. Venkatesan and Mr. Sujay Sheth continue to be directors of your Company.

(b) Cessation:

Mr. Neeraj Gupta resigned from the directorship of the Company w.e.f. February 12, 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 February 04, 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. Ashish Vyas Company Secretary & Compliance officer has resigned on August 5, 2016 as the KMP of the Company. Mr. Girish Vyas continue to be a Chief Financial Officer of the Company.

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, 2016, the applicable accounting standards have 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 and of the profit and loss of the Company for that period;

- (iii) 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 annual accounts for the financial year ended March 31, 2016 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 have 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.

CHANGE IN SHARE CAPITAL:

During the year under review there was no change in the share capital of the Company.

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.

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.

Pursuant to Section 203(1) of the Companies Act, 2013, Company had appointed CFO and CS.

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 neither invited nor accepted any deposits from the public during the year. There are no unclaimed deposit(s) lying with the Company as on March 31, 2016.

STATUTORY AUDITORS:

Nisar & Kumar, Chartered Accountants, (Firm Registration No. 127820W), Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and if re-appointed, their re-appointment would be within limits prescribed under Section 139 of the Companies Act, 2013 and they are not disqualified from being appointed as Auditors.

The Board of Directors recommends to re-appoint Nisar & Kumar, Chartered Accountants (Firm Registration No. 127820W) who was appointed as Statutory Auditors of the Company at last Annual General Meeting to hold office from the conclusion of 10th Annual General Meeting till the conclusion of 12th Annual General Meeting, subject to ratification of their appointment at Annual General Meeting to be held in 2016.

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 six 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. N. B. Vyas and Mr. Sujay Sheth. Mr. S. V. Venkatesan is the Chairman of the Committee. Mr. Neeraj Gupta has stepped down as a member of the Audit Committee w.e.f. February 12, 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. We confirm that during the financial year 2015-16, no employee or director was denied access to the Audit Committee.

EXTRACT OF ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 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 Manish Baldeva, (Membership No. FCS 6180), Prop. M/s. M Baldeva 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. The report is self-explanatory and do not call for any further comments.

CORPORATE GOVERNANCE REPORT:

The Company is committed to maintain the highest standards of Corporate Governance and adhering to the disclosure norms as set out by Securities and Exchange Board of India. The Report on Corporate Governance, as stipulated under Regulation 27 of the Listing Regulations, forms part of the Annual Report. Certificate of compliance from Mr. Manish Baldeva, (Membership No. FCS 6180), Prop. M/s. M Baldeva Associates, Practising Company Secretary, confirming compliance with the conditions of Corporate Governance, as stipulated under Regulation 27 of the Listing Regulations, has been annexed as part of 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.

Date: August 12, 2016

Place: Mumbai

**For and on behalf of
Board of Directors****Registered office:**Essar House,
5th Floor, 7, Esplanade,
Chennai - 600 108**Director****Director**

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 2015-16.

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 Enterprises controlled or significantly influenced by individual or relative 5. Essar Investments Limited Holding Company: 6. 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

Director

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 2015-16** 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 2015-16**

Sr. No.	Name of KMP	Designation	% increase in Remuneration in the Financial Year 2014-15
1	Girish Vyas	Chief Financial Officer	10.70
2	Ashish Vyas	Company Secretary	9.72

- (iii) **The percentage increase in the median remuneration of employees in the financial year:** 10.39%.
- (iv) **The number of permanent employees on the rolls of Company:** 2.
- (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** The total remuneration of Key Managerial Personnel increased by 10.39 % from ₹ 20,51,448 in 2014-15 to ₹ 22,64,539 in 2015-16 whereas the Profit before Tax increase by 19.02% to ₹ 11,02,774 in 2015-16 (₹ 9,26,541 in F.Y. 2014-15).
- (vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2016 was ₹ 37.58 crores (₹ 46.08 crores as on March 31, 2015);
 b) Price Earnings ratio of the Company was 434.89 as at March 31, 2016 and was 806.25 as at March 31, 2015;
 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 already 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** Company had 2 employees during the year, so the comparison in increase in salaries percentile are not applicable.
- (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	10.70	19.02
Ashish Vyas	Company Secretary	9.72	

- (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 2015-16.
- (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, 2016)

[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 (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% 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	451394	60624	512018	3.58	427997	60544	488541	3.42	-0.16
(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	1050674	789896	1840570	12.88	1053038	778225	1831263	12.82	-0.07
(ii) Individual Shareholders holding Nominal Share Capital in excess of ₹ 1 lakh	1010698	0	1010698	7.07	1023792	0	1023792	7.17	0.09

(c) Others (specify)										
(i) NRI	60355	154940	215295	1.51	82322	152663	234985	1.64	0.15	
(ii) Non Domestic Companies	0	2060	2060	0.01	0	2060	2060	0.01	0	
Sub-Total (B)(2)	2573121	1007520	3580641	25.06	2587149	993492	3580641	25.06	0	
Total Public Shareholding (B) = (B)(1) + (B)(2)	2573241	1009956	3583197	25.08	2587269	995928	3583197	25.08	0	
C Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	13277798	1009956	14287754	100.00	13291826	995928	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 2015-16.

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 01.04.2015		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015-31.03.2016)	
		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	01.04.2015	0			
		463299	3.24	31.03.2016	0		463299	3.24
2	HARSHA HITESH JAVERI	250485	1.75	01.04.2015	0			
		250485	1.75	31.03.2016	0		250485	1.75
3	JUBILEE SHIPPING & LOGISTIC	236500	1.66	01.04.2015	0			
		236500	1.66	31.03.2016	0		236500	1.66
4	INTELLIVATE CAPITAL VEI	60000	0.42	01.04.2015	0			
		60000	0.42	31.03.2016	0		60000	0.42
5	VIPUL SECURITIES LTD	52560	0.37	01.04.2015	0			
		52560	0.37	31.03.2016	0		52560	0.37
6	RELIGARE FINVEST LTD	43250	0.30	01.04.2015	0			
		43250	0.30	31.03.2016	0		43250	0.30
7	SUBODH MASKARA	37068	0.26	01.04.2015	0			
		37068	0.26	31.03.2016	0		37068	0.26
8	VINAY R SOMANI	31901	0.22	01.04.2015	0			
		31601	0.22	31.03.2016	300	sold	31601	0.22
9	KRUPA SAMEER THACKEI	30852	0.22	01.04.2015	0			
		30852	0.22	31.03.2016	0		30852	0.22
10	KANAK HIMATSINGKA	27520	0.19	01.04.2015	0			
		27520	0.19	31.03.2016	0		27520	0.19

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 2015-16 are NIL.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

(a) Directors of the Company are not drawing any remuneration during the financial year 2015-16.

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

Sr. No	Particulars of Remuneration	Name of the KMP		Total Amount (In ₹)
		Ashish Vyas - CS	Girish Vyas – CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	717,564	15,46,975	22,64,539
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under Section 17(3) IncomeTax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission			
	- As % of Profit			
	- Others, specify	0	0	0
5.	Others, please specify	0	0	0
	Total	717,564	15,46,975	22,64,539

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					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS			Nil		
Penalty					
Punishment					
Compounding					
C. OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

ANNEXURE - E TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Essar Securities Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Essar Securities Limited (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluation of the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 ('Audit Period') 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- | | |
|---|---|
| <ul style="list-style-type: none"> (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 (Not applicable to the Company during the Audit Period); | <ul style="list-style-type: none"> (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): <ul style="list-style-type: none"> (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto May 14, 2015) and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (w.e.f. May 15, 2015); (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period); (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period); (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period); (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period); and |
|---|---|

- (ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. December 1, 2015).
- (vi) 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.

I have also examined compliance with the applicable clause/regulations of the following:

- (i) Secretarial Standards (SS – 1 and SS – 2) issued by The Institute of Company Secretaries of India(w.e.f July 1, 2015); and
- (ii) The Listing Agreement entered into by the Company with BSE Ltd., Mumbai.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except:

- (i) As required under Section 203(1) (i) of the Companies Act, 2013, the Company has not appointed separate Managing Director / CEO / Manager. However the Company has appointed Company Secretary as Manager, who ceased to be Manager on August 23, 2015;
- (ii) Delay in filling E-form DIR-12 for cessation of Manager; and
- (iii) As required under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has not maintained proper updated website.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of 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 are 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I 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.

I further report that during the audit period there was no major corporate event having a major bearing on the company's affairs.

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva
Proprietor

Place : Mumbai
Date : August 12, 2016

M. No.6180, CP No.11062

This report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

Annexure- I

To,
The Members,
Essar Securities Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M Baldeva Associates**
Company Secretaries

CS Manish Baldeva
Proprietor

Place : Mumbai
Date : August 12, 2016

M. No.6180, CP No.11062

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.

The Company has executed fresh Listing Agreement with the Stock Exchange pursuant to Securities and Exchange Board of India Listing Obligations and Disclosure Requirements Regulations, 2015 ("SEBI LODR Regulations").

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, 2016.

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 6(Six) times on April 22, 2015, May 25, 2015, August 13, 2015, September 21, 2015, November 5, 2015 and February 12, 2016. 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
Mr. S. V. Venkatesan	2	Yes
Mr. N. B. Vyas	6	No
Mr. Sujay Sheth	5	No
*Mr. Neeraj Gupta	4	No
Ms. Suparna Singh	4	No

* Mr. Neeraj Gupta ceased to be Director w.e.f. February 12, 2016.

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

As on March 31, 2016 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	2	3
Mr. N. B. Vyas	Independent Non Executive	6	1	6
Mr. Sujay Sheth	Independent Non Executive	4	–	3
Ms. Suparna Singh	Non Independent Non Executive	6	–	1

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.

Separate meeting of the Independent Directors:

During the year under review, the Independent Directors met on February 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:

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, besides other terms as referred by the Board of Directors.

Powers of Audit Committee:

The Audit Committee has the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

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).

It may be clarified that the power, role and review of the Audit Committee includes matters specified under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee comprises of Independent Directors and Non Independent Directors. Each member of the Committee has relevant experience in the field of finance and accounting.

During the financial year under review the Committee

met 4 times on the following dates viz. May 25, 2015, August 13, 2015, October 27, 2015 and February 4, 2016. The below table gives the composition and attendance record of the Audit Committee:

Name of Director	Designation	Audit Committee Meeting attended during the year
Mr. S. V. Venkatesan	Chairman	3
Mr. Sujay Sheth	Member	3
*Mr. Neeraj Gupta	Member	1
Mr. N. B. Vyas	Member	4

* Mr. Neeraj Gupta ceased to be Director w.e.f. February 12, 2016.

Mr. S. V. Venkatesan, Chairman of the Audit Committee has attended the previous Annual General Meeting held on September 30, 2015. The Company Secretary of your Company is the Secretary of the Audit Committee.

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:

1. To inter alia recommend nominations for Board Membership, develop and recommend policies with respect to composition of the Board, commensurate with the size, nature of the business and operations of the Company.
2. To establish criteria for selection to the Board, with respect to the competencies, qualifications, experience, track record, integrity and gender, and to establish Director retirement policies and appropriate succession plans, and determining overall compensation policies of the Company.
3. To review market practices and formulate a remuneration policy, and within the framework of the said policy:
 - a. Recommend to the Board, a remuneration package applicable to the leadership team comprising the working directors and the key managerial personnel.
 - b. Recommend to the Board for its approval, performance parameters for them, review the same from time to time and thereafter, recommend the above to the Board for its approval.
4. Such other matters as may be required under the Act and Listing Regulations

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.

Details of Sitting fees paid to the Non-executive directors for attending board and committee meeting for year ended March 31, 2016:

Name of the Non-executive director	Sitting Fees (₹)
Mr. S. V. Venkatesan	10,000
Mr. N. B. Vyas	21,000
Mr. Sujay Sheth	23,500
*Mr. Neeraj Gupta	17,000
Ms. Suparna Singh	17,000

* Mr. Neeraj Gupta ceased to be Director w.e.f. February 12, 2016.

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

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. N.B. Vyas – Chairman, Mr. Sujay Sheth and Ms. Suparna Singh.

During the year ended March 31, 2016 the Company had received 35 complaints. All the complaints were resolved under the supervision of the Committee and no complaints were outstanding as on March 31, 2016.

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, 2016.

Mr. Ashish Vyas, Company Secretary of the Company acts as the Secretary of the Stakeholders Relationship Committee and is also Compliance Officer of the Company as on March 31, 2016.

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
2014-15	September 30, 2015	Essar House, 5th Floor, 7, Esplanade, Chennai 600 108	11.00 a.m.

Financial year	Date	Location	Time
2013-14	September 26, 2014	Essar House, 5th Floor, 7, Esplanade, Chennai 600 108	11.00 a.m.
2012-13	September 27, 2013	Essar House, 5th Floor, 7, Esplanade, Chennai 600 108	11.00 a.m.

b) Postal Ballot:

During the year ended March 31, 2016, there have been no ordinary or special resolutions passed by the Company's shareholders 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. DISCLOSURES
a) 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. Transactions with related parties are disclosed in note no. 19 of the Balance Sheet of the Company forming part of the Annual Report.

b) Non-compliance/strictures/penalties imposed:

The Company has complied with the requirements of the Stock Exchange, 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.

c) 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.

d) Share Capital Audit:

A Practising Company Secretary has carried out a Reconciliation of Share Capital every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation confirms that the total issued/paid up capital is

in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

e) Disclosure of Accounting Treatment:

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

f) 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.

g) 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.

h) 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 exchange within the prescribed time limit.

i) CEO/CFO Certification:

Chief Financial Officer of the Company has issued a certificate pursuant to the provisions of Regulation 17(8) in terms of Schedule II Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. 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.

7. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	Date: Friday, September 30, 2016 Time: 11.00 A.M. Venue: Essar House, 5th Floor, 7, Esplanade, Chennai - 600 108. Tamil Nadu.
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Financial Calendar 2015-16

Financial year of Company	April 1, 2015 to March 31, 2016
First Quarter Results	On or before August 14, 2015
Second Quarter Results	On or before November 14, 2015
Third Quarter Results	On or before February 14, 2016
Audited Results for the Year	On or before May 30, 2016
Date of Book Closure	Friday, September 23, 2016 to Friday, September 30, 2016 (both days inclusive)
Dividend Payment Date	N.A.
Cut-off date	September 23, 2016
Listing on Stock Exchanges	BSE Limited, PhirozJeejeebhoy 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	Annual Listing Fees for the Financial Year 2015-16 has been paid to BSE.
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@dsrc-cid.in

➤ **Market Price Data For The Last Financial Year:**

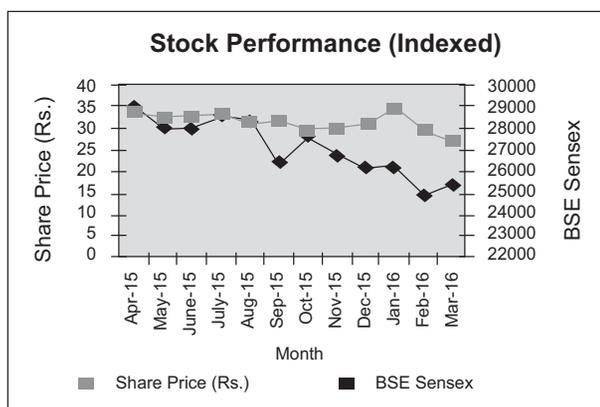
The monthly high and low quotation and the volume of shares traded on BSE as on March 31, 2016 are as under:

Stock Market Price data: High /Low during each month for the financial year ended March 31, 2016

Month	High (₹)	Low (₹)
Apr-15	34.00	28.20
May-15	32.75	26.65
Jun-15	33.10	26.55
Jul-15	33.30	26.80
Aug-15	31.75	22.15
Sep-15	31.90	22.70
Oct-15	29.70	23.85
Nov-15	30.35	26.60
Dec-15	31.40	26.00
Jan-16	34.70	24.60
Feb-16	29.75	22.10
Mar-16	27.50	21.20

➤ **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 Practising Company Secretary.

➤ **Distribution of shareholding as on March 31, 2016**

No of Shares	Total No of Shareholders	% of Shareholders	Total No of Shares	% of Total Shares
1-500	25926	98.51	1569623	10.99
501-1000	217	0.82	159653	1.12
1000-2000	90	0.34	133254	0.93
2001-3000	24	0.09	61205	0.43
3001-4000	12	0.05	42080	0.29
4001-5000	5	0.02	23927	0.17
5001-10000	15	0.06	110379	0.77
10001-20000	13	0.05	172461	1.21
20001-30000	4	0.02	105640	0.74
30001-40000	3	0.01	99521	0.70
40001-50000	1	0.00	43250	0.30
50001-100000	2	0.01	112520	0.79
100001 & Above	5	0.02	11654241	81.57
TOTAL	26317	100.00	14287754	100.00

Distribution of Equity Shareholding according to categories of Shareholders as at March 31, 2016

Category	No. of Shares	Percentage
Promoters	10704557	74.92
Institution / Mutual funds/ Banks	2556	0.02
Other Companies	488541	3.42
Non Domestic Companies	2060	0.01
Foreign Institutional/Investors/Non residential Individuals	234985	1.64
Public	2855055	19.98
Total	14287754	100.00

➤ **Status of Dematerialization of Shares as on March 31, 2016:**

Mode	No. of Shares	%
DEMAT	13277798	92.93
PHYSICAL	1009956	7.07
TOTAL	14287754	100.00

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

As on March 31, 2016 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@dsrc-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

8. NON-MANDATORY REQUIREMENTS

➤ **Remuneration Committee:**

The Company has constituted a Nomination and Remuneration Committee comprising non-executive directors.

➤ **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.

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

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 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, 2016.

For **Essar Securities Limited**

Director

CFO CERTIFICATION

To
The Board of Directors
Essar Securities Limited
Mumbai

I, Girish Vyas, Chief Financial Officer of the Company certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting

and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

- (d) I have indicated to the auditors and the Audit committee that:
 - (i) there has not been any significant changes in internal control over financial reporting during the year;
 - (ii) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) there has not been any instances during the year of significant fraud of which I had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place :Mumbai
Date : August 12, 2016

Girish Vyas
Chief Financial Officer

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, 2016, 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, 2016, and its profit 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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.

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

K. M. Mahadik
Partner

Place : Mumbai
Date : May 27, 2016

(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, 2016

- (i) Since the Company does not have fixed assets Clauses (i) (a), (i) (b) and (i) (c) are not applicable.
- (ii) Since the Company does not have inventory Clause (ii) is not applicable.
- (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.
- (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.
- (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.
- (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.
- (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. There were no arrears of statutory dues as at March 31, 2016 outstanding for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of Income Tax or 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.
- (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.
- (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).
- (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.
- (xi) Since the Company has not paid / provided managerial remuneration Clause (xi) is not applicable.
- (xii) Since the Company is a not Nidhi Company, Clause (xii) is not applicable.
- (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.
- (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.
- (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.
- (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.

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

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

Place : Mumbai
Date : May 27, 2016

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, 2016 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, 2016, 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 27, 2016

BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	As at March 31, 2016 ₹	As at March 31, 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	142,877,540	142,877,540
Reserves and Surplus	3	342,150,882	341,286,832
		<u>485,028,422</u>	<u>484,164,372</u>
Non Current Liabilities			
Long Term Provisions	4	212,507	173,233
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		5,44,859	6,53,221
Other Current Liabilities	6	1,416,161	1,339,820
Short Term Provisions	7	8,696	4,722
		<u>1,969,716</u>	<u>1,997,763</u>
TOTAL		<u><u>487,210,645</u></u>	<u><u>486,335,368</u></u>
ASSETS			
Non Current Assets			
Non Current Investments	8	482,036,288	482,036,288
Long Term Loans and Advances	9	918,330	497,552
		<u>482,954,618</u>	<u>482,533,840</u>
Current Assets			
Trade Receivables	10	1,785,277	2,566,885
Cash and Cash Equivalents	11	2,466,208	1,228,483
Short Term Loans and Advances	12	4,542	6,160
		<u>4,256,027</u>	<u>3,801,528</u>
TOTAL		<u><u>487,210,645</u></u>	<u><u>486,335,368</u></u>

Significant Accounting Policies 1

(Notes forms integral part of Accounts)

For **Nisar & Kumar**
Chartered Accountants

For and behalf of the Board

Director

Director

Chief Financial Officer

K. M. Mahadik
Partner

Company Secretary

Place : Mumbai
Date : May 27, 2016Place : Mumbai
Date : May 27, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Note No.	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹
Income:			
Revenue from Operations	13	6,595,000	4,939,100
Total Income		<u>6,595,000</u>	<u>4,939,100</u>
Expenses:			
Employee Benefits Expense	14	3,481,209	2,509,932
Other Expenses	15	2,011,017	1,502,627
Total Expenses		<u>5,492,226</u>	<u>4,012,559</u>
Profit/(Loss) before tax		<u>1,102,774</u>	<u>926,541</u>
Tax expense:			
Current tax		(341,000)	(287,000)
Tax Adjustments (Earlier years)		102,276	-
Profit/(Loss) after tax		<u>864,050</u>	<u>639,541</u>
Basic & Diluted Earnings per Share of ₹ 10 each	16	<u>0.06</u>	0.04

Significant Accounting Policies 1

(Notes forms integral part of Accounts)

For **Nisar & Kumar**
Chartered Accountants

For and behalf of the Board

K. M. Mahadik
Partner

Place : Mumbai
Date : May 27, 2016

Director

Company Secretary

Place : Mumbai
Date : May 27, 2016

Director

Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
Cash Flow From Operating Activities		
Profit/(Loss) before taxation	1,102,774	926,541
Adjustment for:		
Operating Cash Flow before working capital changes	<u>1,102,774</u>	<u>926,541</u>
Adjustment for:		
(Increase)/Decrease in Receivables	783,226	(123,014)
Increase / (Decrease) in Liabilities & Provisions	<u>12,046</u>	<u>(356,595)</u>
Cash generated from operations	<u>1,898,046</u>	<u>446,932</u>
Less: Taxes on Income Paid	<u>(659,502)</u>	<u>(493,910)</u>
Net Cash generated from / (used in) Operating Activities	<u>1,238,544</u>	<u>(46,978)</u>
Cash Flow From Financing Activities		
Unclaimed Dividend paid	<u>(819)</u>	<u>(2,009)</u>
Net Cash used in Financing Activities	<u>(819)</u>	<u>(2,009)</u>
Net increase / (decrease) in cash and cash equivalents	<u>1,237,725</u>	<u>(48,987)</u>
Cash and cash equivalents at the beginning of the year	<u>1,228,483</u>	<u>1,277,470</u>
Cash and cash equivalents at the end of the year	<u>2,466,208</u>	<u>1,228,483</u>

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.

For **Nisar & Kumar**
Chartered Accountants

K. M. Mahadik
Partner

Place : Mumbai
Date : May 27, 2016

For and behalf of the Board

Director

Company Secretary

Place : Mumbai
Date : May 27, 2016

Director

Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

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.

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, 2016 ₹	As at March 31, 2015 ₹
Authorized Capital		
15,000,000 (P.Y. 15,000,000) Equity Shares of ₹ 10 each	<u>150,000,000</u>	150,000,000
	<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>	142,877,540
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, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
	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, 2016 ₹	As at March 31, 2015 ₹
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	222,186,832	221,547,291
Add: Profit/(Loss) for the year	864,050	639,541
Balance at the end of the year	223,050,882	222,186,832
TOTAL	342,150,882	341,286,832

4. LONG TERM PROVISIONS

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Provision for compensated absences	31,486	51,130
Provision for gratuity	181,021	122,103
	212,507	173,233

5. TRADE PAYABLES

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Trade payables	544,859	653,221
TOTAL	544,859	653,221

6. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Statutory liabilities	397,997	320,837
Unclaimed Dividend	1,018,164	1,018,983
TOTAL	1,416,161	1,339,820

7. SHORT TERM PROVISIONS

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Provision for compensated absences	3,148	2,338
Provision for gratuity	5,548	2,384
TOTAL	8,696	4,722

8. NON CURRENT INVESTMENTS

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
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
TOTAL	482,036,288	482,036,288

9. LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
(Unsecured, Considered Good)		
Advance Tax / Tax Deducted at Source (Net of Provision for taxes)	918,330	497,552
TOTAL	918,330	497,552

10. TRADE RECEIVABLES

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	-	1,333,434
Other debts	1,785,277	1,233,451
TOTAL	1,785,277	2,566,885

11. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Balances with Bank in Current Accounts	1,448,044	209,500
Balances with Bank in Current Accounts (Unclaimed Dividend)	1,018,164	1,018,983
TOTAL	2,466,208	1,228,483

12. SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
(Unsecured, considered good)		
Prepaid expenses	4,542	6,160
TOTAL	4,542	6,160

13. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹
Consultancy / Service Charges income	6,595,000	4,939,100
TOTAL	6,595,000	4,939,100

14. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹
Salaries and Allowances	2,928,556	2,062,730
Contribution to Provident Fund and Other Funds	204,196	158,089
Staff Welfare Expenses	348,457	289,113
TOTAL	3,481,209	2,509,932

15. OTHER EXPENSES

Particulars	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹
Communication Expenses	262,207	247,908
Travelling and Conveyance Expenses	152,644	37,773
AGM expenses	48,399	47,122
Advertisement Expenses	208,278	240,074
Bank Charges	693	168
Directors Sitting Fees [net of Service Tax of ₹ 46,350 of previous year claimed as input credit]	85,073	36,150
Rates and Taxes, filing Fees	9,444	34,300
Interest on delayed payment of taxes	110,116	12,637
Miscellaneous expenses	7,406	4,240
Printing and Stationary	227,925	164,998
Professional Fees	607,232	406,201
Listing and Custodial Fees	200,000	191,056
Audit fee	91,600	80,000
TOTAL	2,011,017	1,502,627

16. 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, 2016	March 31, 2015
Earnings [Net profit / (loss) for the year after tax (₹)]	864,050	639,541
Weighted average number of equity shares for the purpose of calculating earnings per share	14,287,754	14,287,754
Basic & Diluted Earnings per share of face value of ₹ 10 each (₹)	0.06	0.04

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

18. The Company does not have any dues to micro, small and medium enterprises.

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, Girish Vyas - Chief Financial Officer

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

Enterprises controlled or significantly influenced by individual or relatives:

Essar Investments Limited

Upto March 22, 2016 - Essar Properties Pvt Limited, 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, 2016
	₹	₹	₹	₹
Travelling and Conveyance Expenses (Futura Travels Limited)			118,823	118,823
			(21,233)	(21,233)
Salaries and Allowances		2,264,539		2,264,539
		(2,051,448)		(2,051,448)
Mr. Ashish Vyas		717,564		
		(654,024)		
Mr. Girish Vyas		1,546,975		
		(1,397,424)		
Consultancy / Service charges income (excluding service tax)	809,487		4,851,764	5,661,251
	(268,320)		(4,670,780)	(4,939,100)
Imperial Consultants and Securities Pvt Limited			2,231,835	
			(2,537,400)	
Imperial Procurement Services Pvt Limited			515,815	
			(454,160)	
Girishan Investment Pvt Limited			329,812	
			(165,760)	
Essar Investments Limited			1,048,533	
			(765,250)	
Essar Capital Limited	809,487			
	(268,320)			
Essar Teleholdings Limited			725,769	
			(748,210)	
d) Balances outstanding at the end of the year:				
Debit balances	371,065		459,409	830,474
	(-)		(2,566,885)	(2,566,885)
Credit balances			-	-
			(43,460)	(43,460)

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.

20. 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, 2016 ₹
Segment Revenue	6,595,000	-	6,595,000
	(4,939,100)	-	(4,939,100)
Segment Results [Segment Profit / (Loss)]	6,595,000	-	6,595,000
	(4,939,100)	-	(4,939,100)
Unallocable expenses			5,492,226
			(4,012,559)
Provision for taxation (including earlier year adjustments)			238,724
			(287,000)
Net Profit / (Loss)			864,050
			(639,541)
Segment assets	2,703,607	482,036,288	484,739,895
	(3,064,437)	(482,036,288)	(485,100,725)
Unallocable assets			2,470,750
			(1,234,643)
Total Assets			487,210,645
			(486,335,368)
Segment liabilities	-	-	-
	(-)	(-)	(-)
Unallocable liabilities			2,182,223
			(2,170,996)
Total Liabilities			2,182,223
			(2,170,996)

Note: Figures in brackets relates to the previous year.

21. 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	
	March 31, 2016		March 31, 2015	
	₹	₹	₹	₹
Statement of Profit and Loss:				
Current Service Cost	11,124	23,801	19,289	17,511
Interest cost on benefit obligation	4,171	9,710	3,872	6,855
Expected return on plan assets				
Net actuarial (gain)/loss recognised in the year	(34,129)	28,571	(11,783)	25,606
Past service cost				
Net benefit Expense / (Income)	(18,834)	62,082	11,378	49,972
Details of Provision for Employee Benefits:				
Defined benefit Obligation	(34,634)	(186,569)	(53,468)	(124,487)
Less: Fair Value of plan assets	-	-	-	-
Less: Unrecognised past service cost	-	-	-	-
Plan asset / (liability)	(34,634)	(186,569)	(53,468)	(124,487)
Changes in the present value of the defined benefit obligation:				
Opening defined benefit obligation	53,468	124,487	42,090	74,515
Interest Cost	4,171	9,710	3,872	6,855
Current Service cost	11,124	23,801	19,289	17,511
Acquisitions Cost / (Credit)	-	-	-	-
Benefits Payment	-	-	-	-
Actuarial (gains)/losses on obligation	(34,129)	28,571	(11,783)	25,606
Closing defined benefit obligation	34,634	186,569	53,468	124,487
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%	7.80%	7.80%
B. Expected rate of return on assets	N/A	0.00%	N/A	0.00%
C. Salary Escalation Rate	0.00%	6.00%	6.00%	6.00%
D. Employee Turnover	1% to 3 %	1% to 3 %	1% to 3 %	1% to 3 %
E. Mortality	Indian Assured Lives Mortality (2006-08) Ult. Modified		Indian Assured Lives Mortality (2006-08) Ult. Modified	

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

For **Nisar & Kumar**
Chartered Accountants

For and behalf of the Board

K. M. Mahadik
Partner

Place : Mumbai
Date : May 27, 2016

Director

Company Secretary

Place : Mumbai
Date : May 27, 2016

Director

Chief Financial Officer

ESSAR SECURITIES LIMITED

Corporate Identity No. (CIN) - L65990TN2005PLC071791

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

11th Annual General Meeting –Friday, September 30, 2016

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	Signature		
	or failing him / her			
2)	Name			
	Address			
	E-mail ID	Signature		
	or failing him / her			
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 11th Annual General Meeting of the Company to be held on Friday, September 30, 2016 at 11.00 a.m. at Essar 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, 2016, the reports of the Board of Directors and Auditors thereon		
2.	Re-appointment of Ms. Suparna Singh (DIN 07142898), Director retiring by rotation		
3.	Ratification of the appointment of M/s. Nisar & Kumar, Chartered Accountants, (Firm Registration No. 127820W), as Statutory Auditors of the Company		

Signed this day of 2016

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

11th Annual General Meeting –Friday, September 30, 2016

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 11th Annual General Meeting of Essar Securities Limited held on Friday, September 30, 2016 at Essar 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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