

UMA LODHA & CO.

COMPANY SECRETARIES

Suite No. 507, 5th Floor, Highway Commercial Centre,
I.B Patel Road, Goregaon East, Mumbai - 400063
Tel: 91-22-40131001/02 Mob: +91-9821247172
Email: uma@umalodha.com | info@umalodha.com
Website: www.umalodha.com

To,

The Board of Directors,
ESSAR SECURITIES LIMITED
New No. 77/56, C. P. Ramaswamy Road,
Abhiramapuram, Chennai, 600018.

Sir/ Madam,

Annual Secretarial Compliance Report for the Financial Year 2021-22

We have been engaged by Essar Securities Limited (hereinafter referred to as 'the Company') bearing CIN: L65990TN2005PLC071791 whose equity shares are listed on BSE Limited (Symbol: ESSARSEC) to conduct an audit in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with SEBI's Circular No. CIR/CFD/CMD1/27/2019 dated 08th February 2019 and to issue the Annual Secretarial Compliance Report thereon.

It is the responsibility of the management of the Company to maintain records, devise proper systems to ensure compliance with provisions of all applicable SEBI Regulations and circulars/ guidelines issued there under from time to time and to ensure that the systems are adequate and are operating effectively.

Our responsibility is to verify compliances by the Company with provisions of all applicable SEBI Regulations and circulars/ guidelines issued there under from time to time and issue a report thereon.

Our audit was conducted in accordance with Guidance Note on Annual Secretarial Compliance Report issued by the Institute of Company Secretaries of India and in a manner which involved such examinations and verifications as considered necessary and adequate for the said purpose.

Due to restricted movement amid COVID-19 pandemic, my basis of examination for issuing Secretarial Compliance Report for the financial year 2021-22 was only restricted to the information/documents/Confirmations/Records provided by the Company in the electronic mode and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.

Annual Secretarial Compliance Report is enclosed.

Place: Mumbai
Date: 17/05/2022

For UMA LODHA & CO.
(Practising Company Secretaries)
FCS No. 5363
C.P. No. 2593

UMA LODHA
PROPRIETOR
UDIN: F005363D000335759

**ANNUAL SECRETARIAL COMPLIANCE REPORT OF M/S ESSAR SECURITIES LIMITED
FOR THE YEAR ENDED MARCH 31,2022**

**To,
Board of Directors,
Essar Securities Limited**

I, Mrs. Uma Lodha, Company Secretary in Practice, proprietor of M/s Uma Lodha & Co. have examined:

(a) all the documents and records made available to us and explanation provided by **M/s Essar Securities Limited** ("the Company"),

(b) the filings/ submissions made by the Company to the stock exchanges,

(c) website of the Company,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March 2022 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018.

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- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the Review Period**
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable during the Review Period.**
- Securities and Exchange Board of India (Share Based Employee Benefits and sweat Equity) Regulations, 2021; *(Not Applicable during the Review Period).*
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021; - **Not Applicable during the Review Period.**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - **Not Applicable during the Review Period.**
- Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable during the Review Period)**
- Clause 6(A) and 6 (B) of SEBI circular CIR/ CFD/ CMD1/ 114/ 2019 dated 18th October 2019 on Resignation of statutory auditors from listed entities and their material subsidiaries; - **Not Applicable during the Review Period.**

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 17(1)(a) of SEBI LODR, 2015- Board of Directors shall have an optimum combination of executive and Non-Executive Director (NED) with at least one woman Director and not	There was No Executive Director on the Board during the year under review.	The Listed entity is yet to appoint any Executive Director on the Board.

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	less than 50% of the BOD shall comprise of NED's.		
2.	Regulation 18(1)(d) and 20 of SEBI LODR,2015 The chairperson of the Audit committee and Stakeholder Relationship Committee shall be present at Annual general meeting to answer shareholder queries.	Mr. Somashekhar B. Malagi, Director and Chairman of Audit Committee and Stakeholders Relationship Committee was not present at the Annual general meeting held on 16/08/2021.	As per the representations made by the listed entity, due to emergency health reasons, Mr. Somashekhar B Malagi, Chairman of Audit Committee and Stakeholders Relationship Committee could not attend the Annual general meeting held on 16/08/2021.
3.	Regulation 18(2)(a) of SEBI LODR,2015 The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.	The gap between the Audit Committee meeting dated 12 th February 2021 and 18 th June, 2021 has exceeded 120 days.	Henceforth, the Company is advised to take due care and ensure compliance with regulatory requirement.
4.	Regulation 33 (1)(d) of SEBI LODR, 2015- The listed entity shall ensure that the limited review or audit reports submitted to the stock exchange(s) on a quarterly or annual basis are to be given only by an auditor who has subjected himself to the peer review process of Institute of Chartered Accountants of India and holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.	M/s. D K S K & Company, Statutory Auditors of the Company does not hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.	Henceforth, the Company should ensure compliance with regulatory requirement
5.	Regulation 17(8) and 33 (2)(a) of SEBI (LODR),2015 - The quarterly financial results submitted shall be approved by the board of directors:	No CEO or CFO was appointed during the year. Therefore, the Financial Results were not certified by the chief executive	Henceforth, the Company should ensure compliance with regulatory requirement

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	<p>Provided that while placing the financial results before the board of directors, the chief executive officer and chief financial officer of the listed entity shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.</p> <p>Also, as per Regulation 17(8), No compliance certificate was provided to the board of directors as specified in Part B of Schedule II.</p>	<p>officer and chief financial officer of the Company.</p> <p>Also, as per Regulation 17(8), No compliance certificate was provided to the board of directors as specified in Part B of Schedule II.</p>	
<p>6.</p>	<p>Regulation 36(3) of SEBI (LODR),2015 –</p> <p>In case of the appointment of a new director or re-appointment of a director the shareholders must be provided with the following information:</p> <p>(a) a brief resume of the director.</p> <p>(b) nature of expertise in specific functional areas.</p> <p>(c) disclosure of relationships between directors inter-se.</p> <p>(d) names of listed entities in which the person also holds the directorship and the membership of Committees of the board.</p> <p>(e) shareholding of non-executive directors</p>	<p>For re-appointment of Ms. Priyanka Oka as director retiring by rotation, the necessary details were not mentioned in the Annual Report.</p>	<p>Henceforth, the Company should ensure timely compliance with regulatory requirement.</p>

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<p>7.</p>	<p>Continual Disclosure under regulation 30 (1) and 30 (2) of SEBI TAKEOVER CODE, 2011</p> <p>(i) Every person along with the persons acting in concert holding shares entitling him the voting rights of more than 25% in the target company should have disclosed their aggregate shareholding to the stock exchange and the Target company within 7 working days from the end of Financial year.</p> <p>(ii) The Promoters along with he persons acting in concert should have disclosed their aggregate shareholding to the stock exchange and the Target company within 7 working days from the end of Financial year.</p>	<p>No Disclosure were received during the year 2021-22 from the such persons and promoters in terms of Regulation 30(1) and 30(2) of SEBI Takeover Code, 2011.</p>	<p>The Company should ensure timely compliance with regulatory requirement.</p>
<p>8.</p>	<p>Regulation 5 of Chapter II of SEBI (Prohibition of Insider Trading) Regulation, 2015</p> <p>The board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available</p>	<p>The Company has not maintained the structured digital database</p>	<p>Henceforth, the Company is advised to comply with regulatory requirement.</p>

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Since our responsibility is to verify compliances by the Company with provisions of all applicable SEBI Regulations and circulars/ guidelines issued there under from time to time, we would like to suggest that the listed entity should ensure timely compliance with regulatory requirement which are as follows:

- 1. Would suggest adding details of Stakeholder committee meetings in the Corporate Governance Report which is required to be filed every quarter.*
- 2. Would suggest submitting within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis to the stock exchanges and publish the same on its website even if there are no related Party Transactions as per Guidance Note on disclosure of Related Party Transactions Notice No.20210401-37 dated 01 Apr 2021,*
- 3. It has been noticed that there has been delay in filing few compliances like Regulation 36(1) as prescribed under the LODR regulations. As discussed with management, the delay was due to some unavoidable circumstances which was beyond control. The Company has been advised to be careful regarding the timelines henceforth.*
- 4. It has been noticed that few disclosures under Schedule V of the LODR are not included in the Annual Report. Would suggest the Company to be more diligent in the inclusion of disclosures as per Schedule V of the LODR too.*

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ Directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder: NIL

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations made in the secretarial compliance report for the year ended 2021	Observations made in the secretarial compliance report for the year ended prior to the FY 2020-21	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity

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1	Regulation 7(3) of SEBI LODR, 2015- The listed entity shall submit a compliance certificate to the exchange, within 1 month of end of each half of the financial year	-	Complied for March 2022	-
2.	17(1)(a) of SEBI LODR,2015- There was No Executive Director on the Board during the year.	Same observations were made in the secretarial compliance report for the year ended 2020 and 2021	The company is yet to take any actions on the same.	Would advise to comply with the necessary regulations.
3	17(8) of SEBI (LODR),2015 and Reg.33(2)(a) of SEBI(LODR)2015- No CEO or CFO was appointed during the year. Therefore, the Financial Results were not certified by the chief executive officer and chief financial officer of the Company. Also, as per Regulation 17(8), No compliance certificate was provided to the board of directors as specified in Part B of Schedule II.	Same observations were made in the secretarial compliance report for the year ended 2020 and 2021	The Company had appointed Mr. Girish Sathe as the Chief Executive Officer (CEO) of the Company and Mr. Kapil Purohit as the Chief Financial Officer (CFO) of the Company on 28/05/2019 who subsequently resigned on 13 th August, 2019. After that there is no Chief Executive Officer (CEO) of the Company or Chief Financial Officer (CFO) of the Company was appointed.	Would advise to comply with the necessary regulations.

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4	Regulation 18 of SEBI LODR, 2015- Quorum for an audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors	-	The Company has taken necessary steps to comply with the regulatory requirement.	Would advise to be careful with the necessary regulations.
5	Regulation 18(1)(d) and 20(3) of SEBI LODR, 2015 The chairperson of the audit committee and Stakeholder Relationship Committee shall be present at Annual general meeting to answer shareholder queries.	Same observations were made in the secretarial compliance report for the year ended 2020 and 2021	The Company ensures to take necessary steps to comply with the regulatory requirement	Would advise to comply with the necessary regulations.
6	As required in Regulation 33 of SEBI LODR, 2015- M/s. D K S K & Company Chartered Accountant of the Company does not hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.	Same observations were made in the secretarial compliance report for the year ended 2020 and 2021	The company is yet to take any actions on the same.	Would advise to comply with the necessary regulations.
7	Schedule B of PIT Regulation, 2015 Closure of Trading window - Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.	--	The Company ensures to take necessary steps to comply with the regulatory requirement	Would advise to comply with the necessary regulations.

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8	Regulation 30(5) of SEBI LODR, 2015- The board of directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website	--	The Company has taken necessary steps to comply with the regulatory requirement	Would advise to comply with the necessary regulations.
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Place: Mumbai
Date: 17/05/2022

For UMA LODHA & CO.
(Practising Company Secretaries)

UMA LODHA
(Proprietor)
FCS No. 5363
C.P. No. 2593
UDIN: F005363D000335759